

the expenditure." In the next four years they collected \$1,628,000,000, an average of \$407,000,000 a year, or \$118,000,000 more per year than was collected by those whom they condemned. I will call attention to this fact, which should not be lost sight of: that the Conservative government in the period from 1917 to 1920 made these expenditures: \$164,000,000 for soldiers' gratuities; \$102,000,000 in connection with the Department of Soldiers' Civil Re-establishment; \$80,000,000 in connection with soldier settlement on the land; \$10,000,000 on technical education, \$7,000,000 on soldiers' insurance; a total of \$363,000,000. Most of that expenditure was needed and was incurred before the Liberal party came into power.

Mr. McLEAN (Melfort): Did that money come out of revenue, or was it borrowed money?

Mr. EDWARDS (Frontenac-Addington): It does not make any difference whether it came out of revenue or was borrowed money.

Mr. McLEAN (Melfort): Did it come out of taxation, or was it borrowed money?

Mr. EDWARDS (Frontenac-Addington): It came out of the treasury of this country. If you borrow money I suppose you intend to pay it back some time; or do hon. gentlemen opposite not consider that a debt or obligation? What difference does it make? The facts are there for everybody to draw their own conclusion. The net debt in 1921 was \$2,350,000,000. In 1925 it had grown to \$2,417,000,000. If you add to that the guaranteed railway bonds in 1924 and 1925, amounting to \$118,000,000, it made the debt on March 31, 1925, no less a sum than \$2,535,000,000. This is the record of the government which tries to speak of the creditable manner in which it has conducted the finances of this country.

The hon. member also said, if I understood him correctly, that the Conservative party was responsible for our railway problem, in that it was under the Conservatives that the railways were amalgamated. My recollection of it is that the amalgamation of these roads, forced upon the country, was acceded to by members on both sides of the House. There was nothing else to do. The Conservative party is in no way responsible for Canada's railway problem. The railway problem of Canada was brought upon this country by the wild spree of railway building conducted by the Liberals when they were in power between 1896 and 1911. It was the Liberal party which built the National Transcontinental and guaranteed the bonds of the Grand Trunk

Pacific. It was the Liberal party which also brought into existence the Canadian Northern and guaranteed its bonds, with the exception of the bonds in British Columbia.

The hon. member also referred to Canada's favourable balance of trade. He thought that that was a good point. In some cases it might be. I take this view in regard to the favourable balance of trade: If Canada could show it had a favourable balance of trade produced by the sale of goods made in Canada and finished in Canada, I would say that that would be a good argument; but what do we find? Canada exports 73 per cent of its wood and wood products in the raw state and imports 64 per cent of those wood products in the finished state. We export 87 per cent of our metals in the raw state and import about the same percentage of those metals when they have been finished by work on the other side of the line or in other countries. A favourable balance of trade obtained by the export of our raw materials, and especially by the export of those raw materials which can never be replaced, is not a favourable balance of trade of which we should have any right to boast.

Another matter which was referred to by the Minister of Public Works and referred to by several other hon. gentlemen is the reciprocity pact of 1911. "Oh," they say, "if you had allowed us to put that pact on the statute book it would have been a fine thing for the farmers of Canada." That is the ground they take. I take absolute issue with them in that respect. What did that pact propose to do for the farmers of this country? The reciprocity pact did not propose to reduce the duties on the implements of production used by the farmers. It left the duties on, and as a matter of fact the duties on some sixteen agricultural implements, a list of which I have in my hand, were lower in every case in 1921, when the Conservatives went out of power, than under the proposed reciprocity agreement of 1911. In this connection I call attention to this further fact—and I do so because of the reference made to it by the hon. member for Rosetown (Mr. Evans)—that while the members from the west supporting the United Grain Growers Grain Company, which was engaged in the handling of machinery, fence wire, fence posts, flour and various other articles, found fault with the duty in 1911 on binders, mowers and so on of 12½ per cent, which duty they say obliged the buyer of a binder to pay \$22.80 more for that machine, they did not want to say one word against that company which was selling binders and mowers and