

Hon. Mr. BOULTON—As clear as anything can be, although it may be still muddy in my hon. friend's mind. Of the exports from Canada, the result of the labour of our people, 23 millions of dollars is absorbed in order to meet the interest that we have to send abroad. I should like to ask hon. gentlemen from what other source that 23 millions of dollars is to be paid to meet the annual liability, if it does not come out of our exports? Our power to import is reduced exactly by the amount we have to remit in the shape of that indebtedness. When we borrow we hope to make a profit upon that borrowing. We have built the Canadian Pacific Railway. It extends for six thousand miles through the various parts of Canada and where are the evidences in our exporting and importing power that the people of Canada are reaping that profit out of the liabilities they have incurred? That is what I want to ask and the only evidence of that, that can be shown to us, is by an increase in population and an increase of the exporting power of Canada. Now, I want the hon. gentlemen who do not agree with me in my facts and figures to show me in what way this is to be brought about, if the present attitude of affairs has not produced it? If our present protective policy has failed to realize that result for us, what policy should we pursue in order to rectify that unfortunate state of affairs, because I say it is an unfortunate state of affairs. If a man borrows on his farm, we will say \$2,000 to increase the productive power of that farm unless he can increase the productive power of that farm and make it pay the interest and capital, he will find that his farm will at some future time go to the mortgagee and he is going to be left without his home. He has got to see for himself how he is going to pay off that mortgage and save his home for his family, and it is that problem that we have to sit down and solve for the people of Canada, or I believe they will lose their heritage and birthright if we do not pursue a more intelligent policy than the practical evidence that has been brought to our minds by the statistical returns furnished to us.

Hon. Mr. KAULBACH—My hon. friend explains that that can be done by purchasing more and selling less.

Hon. Mr. BOULTON—You do not buy more. You get for your \$100,000,000 of

export \$150,000,000 of imports. You are getting a higher price, that is all. It is a mistake to think you are buying more—you are getting a higher price for the articles you have to sell, whether it is cattle, wheat or anything else.

Hon. Mr. COCHRANE—According to the hon. gentleman's argument, if a farm produces two or three thousand dollars a year, and the farmer only wants to buy a thousand dollars, he is getting poorer instead of richer. In other words, if his farm produces three thousand dollars he has got to buy to that value or more to make money—that is the hon. gentleman's argument.

Hon. Mr. BOULTON—No. What I say is this, if a farmer's output every year from his farm is \$2,000, and he borrows \$2,000 on that farm, his purchasing power is reduced to the extent of the interest he has to pay for that. We will assume that it is eight per cent interest. His purchasing power is reduced by the \$160 interest he has to remit. Now, he wants to show that that \$2,000 is going to produce enough for him after he has expended it on his farm in order to reduce the cost of labour or to drain it, or something of that sort—he wants to be able to show that the farm is going to produce as much as the \$2,000 a year before, plus the interest and plus a profit upon the borrowing. That is the way I put it. It is not that he is going to buy less, but that farmer wants to realize that that \$2,000 which was the productive power of his farm before he borrowed is still the same, plus the interest he has to pay. If he has to reduce the comforts of his family by the \$160 a year interest—if he has to take it out of the \$2,000 income, then he is impoverishing his family by borrowing that money, but if he is still able to maintain the comfort of his family by the \$2,000, plus the interest he has to remit, and possibly some advantages through borrowing that money—that is the position I would present to my hon. friend. I think if you will apply that simple argument to the whole of the Dominion and consider that we are one family and that our Canadian home is a large family, you will have some light thrown on the great question I am bringing before this honourable House—the question of the alteration of our commercial policy for the benefit of the people of Canada. Our hon. leader is half way to that very free trade policy that