

Mr. KING (Kootenay): I will deal with that a little later when I come to the railway situation.

Mr. MEIGHEN: Now is a good time to do so.

Mr. KING (Kootenay): No, I will do so when I come to the railway situation. Now, Mr. Speaker, these are facts that cannot be controverted by hon. gentlemen opposite; indeed, they are proven by results. In 1921 we all know that the Canadian dollar was at a discount of from 15 to 20 per cent. Since 1924 it has been at par, and at times* at a premium. Surely there is no better evidence of the soundness of our financial condition than the value of our dollar in the markets of the world. To-day the ordinary expenditures for government—I am not referring to the uncontrollable expenditures—are comparable with similar expenditures for 1913 and 1914. That is, the business of this country is being conducted at an expense comparable with that before the war. That being so, I submit that the record of this government has not been surpassed, if indeed equalled, by any government that I know of.

Now, Mr. Speaker, we have not only balanced the budget and shown the surpluses that I have referred to, but we have made very marked reductions in taxation. In 1924-25 we reduced taxation to the extent of \$25,000,000, by lowering the customs duties and the sales tax. We are told that there has been no reduction in the income tax. This is not correct. There has been a marked reduction, starting at the bottom; that is, through increasing the exemption for each child from \$200 to \$500, a man with a salary of \$3,500 to \$4,000 a year and with four or five children who in 1921 and 1922 would be paying \$40 in income tax, to-day is not paying a dollar. There are many such men throughout Canada.

Mr. SUTHERLAND (South Oxford): They have not any income.

Mr. KING (Kootenay): I said the man enjoying an income of \$3,500 to \$4,000; if he has a family of four or five children, by reason of the increased exemption for each child, he does not pay any income tax to-day.

Mr. McGIBBON: Would the Minister be good enough to tell the House how much less this government has taken out of the pockets of the people in the last four years than its predecessor?

Mr. KING (Kootenay): I could do that if I wished to take the time, but there has been so

much repetition and prolonged speaking in this debate that it is my desire to be brief. I have the information my hon. friend wants, and I will send this document over to him for his information.

Mr. McGIBBON: I have the information. You have taken as much out of the pockets of the people as your predecessors.

Mr. KING (Kootenay): I have dealt briefly with the financial situation, and now let us look for a moment at the railway situation. The railways are of great importance, and the obligation that is on the Canadian people to-day in that regard was placed there by the party sitting to your left, Mr. Speaker. It was they who brought about the amalgamation of these railways.

I will now give the operating ratio. In 1921 it took 112.70 to earn \$1 on the Canadian National railways; in 1924, it took 92.68; on November 30, 1925, the operating ratio was 87.83. Again, in 1919 we found that these roads had an operating deficit of \$14,223,000; in 1920, a deficit of \$34,532,000; in 1921, a deficit of \$11,543,000; in 1922, we find, not a deficit, but a surplus of \$2,886,000; in 1923, a surplus of \$20,430,000; in 1924, a surplus of \$17,244,000; in 1925, a surplus of \$30,000,000—in fact we are told now by Sir Henry Thornton that for 1925 there will be a surplus of over \$32,000,000.

My hon. friend from Ottawa (Mr. Chabot) asked about guarantees. I will give him the history of guarantees. There has been no change made by this government in the method of book-keeping as regards advances and where those charges are made. The following statement covers the years 1919 to 1925:

Canadian National Railways	
1919-20—	
Cash..	\$ 55,264,144
Guarantee..	17,109,027
Unguaranteed issues..	25,000,000
1920-21—	
Cash..	109,662,656
Guarantee..	50,000,000
Unguaranteed issues..	27,000,000
1921-22—	
Cash..	95,533,726
Guarantee..	61,000,000
Unguaranteed issues..
1922-23—	
Cash..	80,213,023
Guarantee..
Unguaranteed issues..
1923-24—	
Cash..	24,550,000
Guarantee..	72,500,000
Unguaranteed issues..
1924-25—	
Cash..	18,027,000
Guarantee..	81,000,000
Unguaranteed issues..	9,375,000