

insists on making comparisons, so let me call attention to a loan issued by the present government in 1897 for £2,000,000 at the extraordinarily low rate of $2\frac{1}{2}$ per cent, sold at a discount, of course, but at a price which made the net interest 2.86 per cent., a little less than 2 7-8. So he will see that, in his management of the finances, he never obtained loans on as favourable terms as he says he did, and the present Finance Minister never paid the rate of interest which was charged by my hon. friend.

Taxation.

Now, on the question of taxation, the hon. gentleman has revamped the old story of the amount of taxes the people pay. It is a curious fact that there are times when the more taxes the people pay the better off they are. That may seem an extraordinary statement, but it is an absolute fact in the sense in which I give it; it is a fact when the people pay an increased tax, not by virtue of increase of tariff, but by virtue of their own increased ability to buy, due to the greater prosperity of the country. I have been called upon to discuss that before with my hon. friend. Let us bring it down to the individual. Here, for instance, is a labouring man; in 1896, he only paid a tax of \$5, but in 1906 or 1907, he pays a tax of \$8 or \$9. Why did he pay only \$5 in 1896? Because the times were hard and wages were low, and his purchasing power was not great. He could only afford to wear one suit of clothes, and so he paid only a small tax. But in 1906, times were good, wages were high, and employment was steady; the man was earning more money, and he could afford to buy two suits of clothes that year. The increased taxation that he paid is evidence that the man was better off. Which of these two years would be the better one to that man? Would he prefer to go back to 1896, when he could only afford to buy one suit of clothes and pay but a small tax? Or would he prefer the better days of 1906, when, through the better times, regular employment and higher wages, he was able to afford two suits, and was well able and willing to pay the tax?

Grand Trunk Pacific.

My hon. friend entered into a discussion of Grand Trunk Pacific affairs. I shall not follow him in that; I gave my views on that to the House the other day, and covered most of the points which the hon. gentleman has referred to to-night. If I can see any special purpose in his address, some special point that can be stated as the summing up of it, I think it is this: that we should not have commenced the Transcontinental at the time we did. I take issue with my hon. friend, and I believe the country is with me and against him. I believe that in view of the tremendous development in the west which is now in progress, the results of which we are seeing year after year, we did not begin the Grand Trunk Pacific one year too soon. I believe there is not a man who voted for the Grand Trunk Pacific scheme in 1904 who would not as freely have voted for it if he had thought that the cost was going to be more than was then supposed. The hon. gentleman is virtuously indignant about the cost of the road. What could any public man do in such a matter but go to some experienced engineer and take his advice? That is what we did. The estimates we presented were the estimates of the eminent engineer, Mr. Schreiber, the long-experienced and well-trusted chief engineer of railways and canals. And when my hon. friend speaks of it as a 'silly' thing to present these estimates to the House, I humbly submit that the opinion of Collingwood Schreiber on a matter of that character is almost as good as that of my hon. friend from North Toronto (Mr. Foster). The road is costing more, to some extent, as the Minister