

class service. This could not be given, the Canadian National Railways could not be placed upon a fair competitive basis with its great privately owned rival, without heavy expenditure, and this being so, little sense or fairness exists in any present cry that there should have been more of economy.

All of us demanded a Canadian National system with a first-class road-bed, and first-class rolling stock and equipment, and fine hotels and stations, and a lot of branch lines; and it was absurd and is absurd to suppose that all of these things could be provided without heavy capital expenditures. In the circumstances, therefore, no good will come from getting into a panic, and nothing but harm will come from any attempt that may be made by enemies of public ownership to use the abnormal conditions of the existing depression to try to damn the administration of the road or the principle under which it is being operated.

It is not that public ownership should be given a blank cheque, or that the public should be careless of its property; it is simply that the situation should be dealt with and regarded with fairness, and must not be permitted as the basis of a new attack by those who are too anxious to see the public ownership idea discredited.

An hon. MEMBER: Where is that from?

Mr. RALSTON: From the Ottawa Journal of June 3.

Mr. CASGRAIN: Friendly to this government.

Mr. RALSTON: Now I come to matters to which my right hon. friend more particularly referred in what is known as his budget. He was most particular to inform the house and the country that for the first time in a good many years we were getting a budget. The information which he gave, as I said before, was most thorough, but there were some things that I found missing even in that budget which was supposed to contain everything that a budget should. There were some things missing which most of us were accustomed to see and hear in the budgets that have been delivered in this house in the last three or four years. I did not hear, and am unable to read in that budget which my right hon. friend delivered on Monday, anything which would indicate that there was a surplus during the time that my right hon. friend was in office. I have here a few figures extracted from the previous budgets which have been delivered. In 1926-27 there was a surplus of \$44,817,000; in 1927-28, a surplus of \$67,000,000; in 1928-29, a surplus of \$81,000,000; in 1929-1930 an estimated surplus of \$44,000,000, which actually, if the accounts are made up correctly, amounted to \$55,000,000. By the way, in that respect I do not think that my right hon. friend followed the usual custom. He did not give what was

the actual surplus of the year previous to the year for which he was reporting. That has always been done in the past. The finance minister of the day when delivering his budget can only make an estimate because the budget is delivered so soon after the close of the financial year, and the practice has been for the finance minister the following year to inform the house what was the actual surplus for the year before. But I did not hear my right hon. friend make any mention of the surplus for 1929-1930. I contrast those figures with what I find in my right hon. friend's budget, and I find this, that the gross deficit, not the surplus, for the year for which he was reporting, amounted to \$82,844,358. Making a deduction for writing down of soldiers' loans, the net deficit, instead of the surplus the year before, is \$75,244,973.

There is something else which was missing from the great wealth of information and statistics contained in my right hon. friend's budget speech; I heard nothing whatever of debt reduction. Let me give the house in round figures the debt reductions for the period between 1925-26 and 1929-30:

Annual Debt Reductions	
1925-26..	\$22,000,000
1926-27..	26,000,000
1927-28..	65,000,000
1928-29..	55,000,000
1929-30..	78,000,000

A total during the five years of \$257,000,000 odd. Of course, my right hon. friend is not responsible for the printing, but tucked away in one corner of the page,—I had quite a time to find it—it will be found that instead of a reduction of the debt there is an increase in public debt of \$92,000,000, less \$25,000,000 which has to be deducted because of the refunding loan, leaving the net increase at \$67,000,000. My right hon. friend made no extended reference to that.

There is still another omission. I do not find either in the budget or in the information he gave anything about reduction in taxation. There are some 27 pages of statistics spread on the record, but there is nothing about any reduction in taxation. I only refer hon. gentleman to this fact, that since 1924 the sales tax has been steadily reduced until we got it down to 1 per cent last year; that the tariff has been lowered, that the nuisance taxes have been taken off, that the income tax has been lowered, until we got to the point where we were saving the people \$118,000,000 every year over and above the amounts which they would have had to pay in taxation had the old rates prevailed. I find in this budget, in