

in his boast of this magnificent achievement. It is only insulting the intelligence of parliament to say that the achievement was brought about by the endorment of \$72,500,000, worth of bonds for the Canadian National Railways instead of by borrowing the money, thus adding it to the debt, and lending it to the railways. Of the plan adopted I have never made criticism, but of the concealment of the result I have made criticism, and make it now. That endorsement, in the present condition of the national railways, not resulting—as had been the case in previous years—in a corresponding, or any, reduction of its funded debt, was the same to the taxpayers of Canada, in so far as liability goes, as a direct borrowing of the money. An indirect liability in relation to a company that cannot pay its way is of equal seriousness, indeed, it is the same thing as direct liability. The Prime Minister says: You endorsed before and did not add that to the debt. I think I showed, and I believe to-day I can show again that this was not added because there was an offset of equal amount in reduction of the railways, funded debt. But, suppose in this I am wrong, how does that affect the case? If the Prime Minister is right, this means merely that our debt at that time was so much greater than represented. Therefore, our debt now is \$72,500,000 greater than this government represents, and to make the matter perhaps clearer, if anything could, that very indirect obligation of \$72,500,000 gives rise and will give rise this session to a portion of the estimates which this government is bound to present, because this parliament has to vote the interest on the very money represented by the guarantees. Thus was another promise fulfilled. But I pause only to comment that there is a significant absence of both sentences from the Speech from the Throne this year. Evidently the government despair of presenting, even by the device of endorsing the bonds of the Canadian National Railways, a balanced budget in 1925. Evidently, they despair of being able to convince even this parliament that they had the faintest justification for reducing taxation in Canada in the face of her increasing liabilities.

I read the next paragraph of the Speech from the Throne of last session:

In the opinion of the government, such reduction of taxation as it may be possible to effect should aim primarily at reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion, thereby aiding materially in the development of our natural resources, and, through cheapened production, effecting a diminution also in the cost of living.

Whatever else may have been the consequence, there has been no diminution in the cost of living. I hold in my possession the chart of the Department of Labour, from which chart it appears that at the time the policies boasted of in this speech went into effect, the cost of living was 149 in the scale of the chart, and that at present the cost of living stands at 154. This is not reducing very fast. The cost of living stands to-day exactly where it stood at the beginning of 1924; it stands to-day three points higher than it was when the first budget of hon. gentlemen opposite went into effect. I am entirely aware that the chief reason for the cost of living figures is the increased price of breadstuffs. For that increased price it is quite true that the government has no responsibility; but what I am arguing is that no difference whatever in the cost of living figures has been effected by anything the government has done. But there have been a whole lot of other things that I can trace to the government's own action. The cost of living is higher than it was, but the industries of Canada are in a condition in which, as the Acting Minister of Finance (Mr. Robb) knows, they cannot compare with the condition they were in a year ago. It was not the farm implement industry that was chiefly affected, if indeed it was affected at all. I never stated to this House that the action of the government would make worse the position of the farm implement industry last year. Indeed I predicted, as hon. gentlemen to my left will recall, that all the actual protection that would be removed from farm implements would be molecular. I was somewhat bandied on account of that prediction, but it was absolutely correct. The industries that produced the goods that went into the manufacture of farm implements were seriously affected, and the production of those goods in steel and in various other articles has fallen off by huge percentages, resulting in the throwing on the street of thousands, yes, tens of thousands of the workmen of this country. To this I will return later, because for each statement I have the proof out of the government's own departments and out of the figures presented to the administration by their own supporters. I find, as well, in a pamphlet issued by the Minister of Trade and Commerce that the index figure for wholesale prices registers to-day the highest level since August 1921. It registers to-day 165.2; at that time it registered 165.5. Thus has another prediction been verified.