

much greater degree of prosperity than that which we now enjoy, or the further question: How is it possible for the United States of America to communicate to us a degree of prosperity which they themselves do not possess?

Now, let me refer to the question of revenue. We all know that in the past years we have had deficits. In 1894, the deficit was \$1,200,000; in 1895, it was \$4,100,000; in 1896, it was \$330,000, and in 1897, \$519,000. I am aware that, as regards the deficit for 1897, our Liberal friends disclaim responsibility. They claim the deficit of that year was due to the fact that they were compelled to pay off liabilities left to them as a legacy by their predecessors. But, as regards the year 1898, there can be no question of responsibility, nor any question as to which party is entitled to credit. What do we find? Why, that, for the year 1898, my hon. friend the Minister of Finance comes down to this House and presents us—not with a deficit, such as characterized the preceding years—but with a respectable—perhaps I should rather call it a magnificent—surplus of \$1,722,000. And, it is only fair that we should bear in mind the circumstances under which this surplus was created. It is easy to create a surplus under some circumstances, as easy, to use a common expression—as rolling off a log. It is easy to create a surplus by increasing the customs duties, by increasing the burden of taxation; but it is not at all an easy task to create a surplus and at the same time effect a substantial reduction in the taxation. What does the record show? It shows that the Liberal party have made a reduction in the burden of taxation, first, by placing such goods as corn and binder twine and barbed wire on the free list; then by making substantial reduction in the duties on articles such as edged tools and farm implements and machinery; but mainly by putting into operation a reduction of 12½ per cent of the duties on all goods imported from the old country. What does the sum total of these reductions amount to? My hon. friend the Minister of Customs (Mr. Paterson) has made a calculation, which I have not seen contradicted, and which shows that, had the old tariff remained in force until 1897, it would have resulted in an increase of revenue to the extent of \$1,900,000. I am justified therefore in making the statement that, if my hon. friend the Minister of Finance (Mr. Fielding) had had the old tariff in operation during the past year, if the old condition of things had been allowed to continue, he would have been able to present us with a surplus, not of \$1,722,000, but of at least double that amount. That is not all. The returns indicate that for the last eight months we have a surplus—an assured surplus, a surplus in hand—of two and a half millions of dollars; and if matters go on to the close of the financial year as they have

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begun, that surplus will amount to at least three and a quarter millions. Now, Sir, I think it is but fair while we give credit for the creation of that surplus, to bear in mind the circumstances under which it was created. We find that not only have we continued in effect the reduction of taxes made in 1897, but there have been further reductions in the year 1898. I refer, in the first place, to the other 12½ per cent reduction that went into force on the 1st of July last; I refer to the fact that we have reduced the domestic letter rate from 3c. to 2c.; I refer to the fact that we have reduced the rate of postage on letters going to the mother country from 5c. to 2c.—These considerations establish what I contend for, viz., that whatever credit there may be in the creation of a surplus of two and a half millions of dollars or of a prospective surplus of three and a quarter millions, that credit is enhanced when we come to consider the circumstances under which that result has been accomplished. I might here refer to other matters that are not mentioned in the speech, but which are legitimate subjects for consideration. A short time ago statements used to be made by our hon. friends on the other side with regard to the Liberal party: You are a sort of cannibals; you love to feast and fatten upon and to rejoice over the decay of our national industries; there is nothing that pleases you better than to see a vacant workshop or an idle factory, or one of these “tall chimneys” lying prone and broken upon the earth. Now, in view of the present condition of affairs with respect to our manufactures, in view of the prosperity which obtains among them, I think that the ideas of our Conservative friends must recently have undergone a change tantamount to a revolution. Why what is the story that we hear from all quarters? It is that the mills and factories of this country are all in active operation, some of them running night and day, many of them working overtime. In the effort to fill orders that are coming in fast upon them. I read, only the other day, concerning the Nova Scotia Steel Company, which employs some 700 workmen, that an important order came in from the Intercolonial Railway. They were obliged to say: We cannot fill it. Another order came in and they said: We have more work on hand than we can possibly get through in three months. I have read recently that the Massey Manufacturing Company of Toronto, employing no less than 2,200 workmen, has done such a prosperous business in the last year that they found themselves in a position to give, and did voluntarily of their own motion, give their workmen an increase of 10 per cent in their wages. I may be wrong, Mr. Speaker, but I cannot remember any circumstance of that kind during the eighteen years of