

sult of piling up capital obligations. Right up to the war the Government acted as if it counted on the continuance of this deceptive method of keeping up appearances, for a deficit of many millions BEYOND THE EXPENDITURE OF FIFTY MILLIONS, WHICH THE PREMIER UNDER-ESTIMATED BY TWENTY MILLIONS, was certain.

The Government knew that the economic crisis had arrived, which loaded our cities with unemployed before the war was thought of. The Minister of Finance told the country in May, 1913, that there was not a sign of a setback in Canada. A month before that he had been warned that there were fewer producers in the Province of Saskatchewan than there were in 1912. The relief of the Canadian Northern Railway by a gift of fifteen million dollars was known by the Government to be only an instalment of what that railway declared to be necessary to complete the construction programme for which the credit of the Dominion and most of the provinces had been pledged. In face of that, Parliament was assured, a year ago, that in a few months financial conditions would be back to where they had been.

Notice here that the borrowings represent very largely public expenditures which could only be met through the increasing production of territory contributory to the cities and towns in which they were incurred. The unoccupied buildings and portions of buildings in many cities are mute, almost tragic, testimonies to the excessive construction which therefore represents excessive borrowings, and which had already caused certain cities to dip into their sinking funds—before the war.

BORROWING, BORROWING.

The war at once cut off this stream of borrowed money, and only recently have there been evidences of its resumption upon a greatly reduced scale. Until the war is over, and for a considerable period afterwards, it is not probable that monetary conditions will permit of the issue of securities even of the

highest character other than for war purposes in any such volume as that to which we have been accustomed in the past. This interruption of the influx of capital has necessarily meant marked curtailment of expenditure upon undertakings, works and buildings in all parts of Canada, with consequent reaction upon the industries, trades and businesses furnishing material and supplies therefor. The result has been a material slackening of general constructional activity, considerable unemployment and attendant diminished buying power on the part of the community.

The obvious teaching of these facts is that Governments when they borrow money to carry on public works which are ahead of the producing speed of the country only pile the load higher for the near future to carry. Everywhere you turn the fact arises to hit you in the face that it was borrowing and not production that made the "prosperity" that has disappeared.

SAME OLD DODGE.

Our estimates contain no new items, and as to items which they include we shall proceed with works not already under contract only as we feel justified, having regard to the financial situation.

The inference from this, coupled with the fact that there is no effective curtailment in the estimated expenditures, is that works that were put into the estimates while the glorious era of vast borrowings was expected to continue, and to keep the revenues up to the high "prosperity" mark, is that constituencies are still to be told that they may expect this and that and the other Government work to be taken up very soon—the old, old electioneering dodge—which both parties have practised alike, and of which they will not be cured till the average man gets up on his hind legs and shows that he at last understands that you can no more feed a Government dog indefinitely on his tail than you can feed any other kind of dog in that way. In face of the warning, repeated above, about the certainty of a non-resumption of lending by the British investor, why cannot the Minister of Finance, who talks about resolutely facing the situation, strike out of the estimates the public works which he knows perfectly