

I wish also to compliment the Liberal party in having remained true to their principle of legislating for the majority of the people of Canada. The Liberal party has always recognized that farming is the one basic industry of this country, and from time to time it has passed legislation favouring that industry, believing always that when the farming industry prospers the whole country prospers. That is the reason, Mr. Speaker, why the country at the present time is prospering, and always has prospered under Liberal administration. It has been the good fortune of the Liberal party to present many satisfactory budgets to this parliament but I think I am safe in saying that this budget outstrips them all. It is, I believe, the best budget we have ever had before parliament in the last twenty-five years, and it is so considered by the ordinary man on the street. I believe the Liberal party should be congratulated because of the stand it has taken with regard to legislation at the present time. Conditions are better in this country, and the improvement is continuing; there is no doubt about that. For proof, all we need to do is to look at the press of the country, and read the editorials and the financial reports, which are all loud in their praise of the better conditions prevailing throughout Canada. In confirmation of that let me read a short extract from the annual report of the Canadian National Railway system for this year, where on page 8 I find this:

The work of the industrial department has been carried on to the greatest extent possible, with the result that on the Central, Atlantic and Grand Trunk Western regions there were located on or near our lines over 250 plants representing investments to the extent of many millions of dollars, in addition to which very substantial extensions were made to plants already located on our lines.

The industrial development taking place in the Chicoutimi and lake St. John district is remarkable. An enormous amount of electrical power is being developed for use by existing and new manufacturing concerns. The Duke-Price Company is expected to develop at Isle Maligne and Chute à Caron over 1,250,000 h.p. The works in contemplation by the Aluminum Company involve the building of a new town—Arvida—which it is expected will have a population of 25,000 people within a comparatively short time. The very large expenditures involved in this development and the expected permanent employment of a large body of workers should have a present and far-reaching future effect in the province of Quebec in regard to general business and more particularly the pulp and paper and mining industries.

Let me read another extract from the *Monetary Times* of April 23, 1926. This issue was sent to me that I might read an article condemning the income tax, but on looking it over, on page 5, I find this:

The budget as a whole has, however, been favourably received and has been regarded as a bet on the part of the government that the present improvement [Mr. Donnelly.]

of business is likely to continue or grow better. Business indications generally, it has been pretty widely conceded, suggest that the government has a good chance of winning its bet. Of course, the Conservatives give the credit for the improvement to Providence, and not to the cabinet; but they appear to have given up their thesis, heard too frequently in recent sessions, that hard times were knocking at the door, and that the country was in danger of business collapse. At all events, the change in the Conservative line of criticism is welcome, and is not likely to do that great party any harm. Preaching "blue ruin" has never been good politics in Canada, whether it was done by Conservatives or by Liberals.

These extracts, Mr. Speaker, show that times in this country are getting better, and the government, realizing that times are getting better, have been able to reduce taxation. Many speakers on the other side of the House have said that this is a good thing, that we are doing the right thing now, but that we should have reduced taxation a long time ago. Let me try and answer the man who says that by saying this: A man is not the ruler of his own destiny; he is influenced a great deal by his surroundings by heredity, by the influence of his predecessors. There is an old saw which says that if you want to train a boy right you must begin by training his grandmother. That is just the thing this government has had to contend with, and the grandmother it has had to contend with is the old women who controlled the finances of this country before 1921. The difficulties from which this country has been suffering for some time past have not been due to anything that has been done by the Liberal government; they are due to what was done by the people who ruled this country before 1921, and the conditions from which we have been suffering have been due not only to the things our predecessors did, but to the things they should have done but did not do, and which have left us in the condition we are in at the present time. It was they who made it impossible for us to reduce taxation previously.

It has been argued that the taxes should be still further reduced; I say yes. It has been said that the taxation should have been reduced sooner; I say yes to that also, but the failure to bring these good things to pass cannot be laid at the door of this government; it must be laid at the door of our predecessors who governed this country before 1921. In order to prove this, let me refer to our taxation before 1921.

Now, I want to compare our revenue from taxation with that of the United States for the period from 1914 to 1924 inclusive. Hon. gentlemen opposite are fond of comparing the conditions in Canada with the conditions in the United States, and I want to make a