

showing just where every dollar was invested and why this money had to be borrowed. Here is the table:—

Recapitulation—

(a.) Loans to Pacific Great Eastern Railway Company for construction-work	\$5,450,000
(b.) Loans to farmers through the Land Settlement Board	1,800,000
(c.) Loan to the District Municipality of South Vancouver	790,000
(d.) Loans to municipalities for better housing of soldiers	774,000
(e.) Loans made under "Department of Industries Act"... ..	110,000
(f.) Expenditures in carrying out of the "Soldiers' Land Act"	170,000
(g.) Expenditures for the conservation of Irrigation-works	200,000
(h.) Expenditures by Department of Public Works on permanent works	500,000
Total	\$9,770,000
(i.) To meet deficits and liabilities left by previous Administration	4,000,000

(NOTE.—No amounts were borrowed by the present Administration to cover current expenditures incurred since it took office. All of these will be repaid to the Government excepting (h) and (i).)

You will note two items in this table which explain the financial problems left over for this Government to solve and the obligations we inherited. I refer to the \$5,450,000 expenditure on the Pacific Great Eastern Railway and \$4,000,000 of deficits and liabilities of the previous Administration. We did not undertake the building of the Pacific Great Eastern Railway. That was handed over to us—a priceless heirloom. We had to meet the debts of the former Government or be accounted bankrupt. These two items alone—items for which we in no way were responsible—absorbed \$9,450,000 of our borrowings.

While I much should prefer to let the dead past bury its dead, I am bound to point out to you that when we took the reins of office we did not find the finances of the Province in a creditable condition. Much of our own trouble and worry has been caused by the necessity of rehabilitating the Province in the confidence of the world abroad. We have been hampered in carrying out our own well-matured plans by the limitations of our credit and the necessity for economical administration. We have had to work under the handicap of a load of debt, and it is only within the last year or two that the Government has been able to undertake any substantial progress along our own lines.

I may recall to your recollection something about Mr. Bowser's attitude you may have forgotten. When the present Government took office it had to apply the pruning-knife to public expenditure. We were compelled, by the state of the Treasury, the condition of the money market, and, above all, by war conditions, to economize in every manner possible. We cut down on public works, reorganizing the entire system of administration. And in every department we limited our expenditure to the lowest scale possible to carry on. During these two or three years Mr. Bowser went about the country decrying this policy. He told the people that the right thing to do was to borrow money and carry on every sort of public enterprise, "thus tiding over the hard times." He sowed seeds of discontent with our economical policy wherever he could.