

perity, but the opposition were not inclined to give them credit for anything at all; on the contrary, they seemed to think that if it were not that this government was in power the prosperity might be greater. It seems to be a cardinal doctrine of the opposition that governments have much to do with the development or retardation of the country. These hon. gentlemen admit that the country has been progressing, and that the trade of the country has been greatly developed; but, they say: It has been due to Providence and the Canadian people. They seem to think that when the Conservatives are in power Providence and the people can take a rest, because the Conservatives will attend to all things terrestrial.

The opposition say that the present administration have increased the taxation and expenditure of the country, and have increased the public debt. In regard to the increase of taxation, the Finance Minister clearly showed in his budget speech that the reduction of taxation on importations of last year alone was upwards of \$3,000,000. The hon. member for Bothwell (Mr. Clancy), I think it was said that that amount was too high, and he went into a long and somewhat elaborate calculation, comparing the tariff of the present administration for a series of years with the tariff of the late administration for another series of years. He made, I think, a somewhat unfair comparison in that way; but at all events he was compelled to admit that the reduction in the taxation was about \$2,000,000. The hon. member for South Wentworth (Mr. Smith), also speaking from the side of the opposition, figured out that in the Post Office Department the reduction in taxation last year was \$1,000,000; so that, according to two hon. gentlemen opposite, the reduction in taxation last year was at least \$3,000,000. That was a reduction which perhaps was not quite as large as we would wish to see on this side of the House, but at all events it was a pretty good reduction in the taxation of this country.

Now, in regard to the public debt, hon. gentlemen have figured it out that the increase during the present administration has been \$7,000,000. But if you compare that increase in four years with the increase in the public debt of \$6,500,000 a year during the time the Conservative party were in power, the increase of \$7,000,000 in four years would only be half a million dollars more than for each year of the previous administration. The Minister of Trade and Commerce speaking the other evening upon this question, showed that for this increase in the debt Canada had received valuable consideration. For the \$3,500,000 that was given in the subsidy to the Crow's Nest Pass Railway, Canada had received ample returns in the coal lands, which alone more than equalled the whole amount of the subsidy, while the trade that the building of that road has developed had already yielded

in customs and excise duties an amount nearly or quite sufficient to recoup the treasury for that sum, not to speak at all of the advantage secured to the people of the North-west by a reduction in the freight rates, which is said to be worth \$700,000 or \$800,000 a year. In addition Canada has secured running rights over that road for any railways it may build. Now, there was another \$1,500,000 well expended in sending troops from this country to South Africa, another \$1,000,000 was the discount on the $2\frac{1}{2}$ per cent loan which the Finance Minister floated in London, and which was purely money well expended, because it established for ever the $2\frac{1}{2}$ per cent rate. The hon. Minister could easily have floated a 3 per cent loan at a premium, and thus have added nothing to the public debt, but the transaction would not have been nearly so good a one for Canada, so that altogether we have \$6,000,000 of expenditure for which Canada has received ample return. Now with regard to the public expenditure, the hon. member for West Toronto (Mr. Osler), replying to the Finance Minister on the budget speech, complained that this government had enormously increased the rate of expenditure. In order that there may be no doubt about what he said, I will read his words:

It is, of course, only natural that our expenditure should increase as our trade increases, but this increase in expenditure is far out-running any increase in revenue, and there is not the slightest attempt on the part of the government or any member of it to keep our expenditure within our means.

Now, I take exception to that statement, although I do so with some degree of hesitation, in view of the great reputation of that hon. gentleman as a financier, but I think that statement is entirely contrary to facts. The increase in the rate of expenditure under the present administration is practically the same as it was under the previous administration, and under any government that is in power in this country, no matter whether Liberals or Conservatives, the expenditure is bound to increase as the country develops. I think it was the hon. senior member for Pictou (Sir Charles Hibbert Tupper), who, speaking some years ago, stated that the expenditure of this country must necessarily increase. I say that while the trade of the country is developing, the rate of increase in expenditure under the present administration is practically what it was under the previous administration, while the net revenue under the present administration increased about three and a half times faster than under the previous administration. I understand that the hon. gentleman from Toronto is director in a large railway corporation. Suppose that he could go before his shareholders at an annual meeting and show that while the business of the company had largely increased, while the net revenue of the company had