

ing might be done away with and that the tariff might be brought down to the existing circumstances and changed conditions not only in Canada but in foreign countries at the present time.

There we have two pronouncements made by Sir George Foster when Finance minister of Canada, to the effect that the one idea of the National Policy at its inception in 1878 was that when industries were being established there should be a higher tariff, and as those industries got started and gained strength, the tariff should be lowered, because they would be able to compete with other industries beyond the shores of Canada. In his last pronouncement he makes the statement that from time to time downward revisions of the tariff should take place if the industrial establishments of the country were doing what they should in solidifying their business, making themselves strong, and getting ready for national and international competition.

The next Minister of Finance was the Hon. Mr. Fielding. There is one prominent fact we have to note in connection with his administration, and that is that he introduced the British preference in the year 1897. Conservatives had been mooted that question in the eighties but they did not take any action, but when the Liberals were returned to power in 1896, they immediately took action and introduced the British preference. Today that British preference is still in existence, having been broadened out from year to year to link up the different portions of the empire.

After the Hon. Mr. Fielding, we come to the present Minister of Finance (Mr. Robb), and all we need to do in order to size up his ability as a Finance minister is to look at this year's budget. When we do that, we must come to the conclusion that we have in the Hon. Mr. Robb a man who can honourably and successfully follow the splendid Finance ministers that I have mentioned this afternoon. I am not discussing this question merely from a political standpoint. I am simply relating Mr. Robb to those who have gone before, Conservative Finance ministers and Liberal Finance ministers, because I think by doing that we put the budget discussion on a higher plane, and we give to men who have done nobly by the country in days gone by the honour that is their due.

The present budget has a few outstanding attributes. One of those outstanding attributes is that there is a surplus. This budget is a surplus or plus budget, not a deficit or minus financial statement. That is a very important thing, because if we wind up the

year on the wrong side of the ledger it certainly proves that as a country and as a people we are not prospering. The surplus is \$33,910,000 on government services, and there is a debt reduction of \$22,353,000. Our public debt was \$2,417,437,685.59 in the year 1925. In 1926 we reduced that debt by \$22,000,000, and our national debt now stands at \$2,395,084,685.59. The Canadian National Railways statement of earnings for the year shows \$30,000,000 in excess of all operating and income charges exclusive of interest.

Another outstanding feature is that we have a favourable balance of trade. This is important because, as I showed before only once under the National Policy and Conservative administration from 1878 to 1896 was there a favourable balance of trade for the year. This year we have a favourable balance of trade amounting to \$402,000,000. The total trade of Canada last year was \$2,258,000,000. It is greater than the previous year by approximately \$380,000,000. The total imports are greater by \$130,000,000 than for the year 1924, and the total exports are greater than the preceding year by \$249,000,000. Our empire trade in cattle has increased from approximately \$3,000,000 in 1923 to over \$11,000,000 in 1926. That is, although we have, as we heard in the House the other day some wonderful beef eaters in the city of Hamilton, we have been able to send over 100,000 cattle to the British market in the past year. There has been an increase of over 300 per cent in our empire shipment of cattle during the last four years.

Penny postage will be introduced on July 1st. That date is the sixtieth anniversary of Canadian confederation, and I think it is a favourable time to reduce the postage in this country from three to two cents. Not only did a Liberal government introduce penny postage, but cheap postage is an important factor in linking up one portion of the empire with another.

This budget also wipes out the receipt tax and reduces the sales tax in well defined directions. There have been certain reductions made in other duties, and certain drawbacks.

Perhaps one of the most important features of this budget, relatively speaking, is that since confederation we have had only eleven budgets where the national debt has been reduced. Seven of those budgets were presented by Liberal finance ministers and four by Conservative finance ministers. The debt re-