fixed charges, were purposely reduced. In short, the accounts were temporarily cooked. No provision was made for the expense of the annual drill of the militia, and as a result of the lack of drill for a year, the militia was badly demoralized. Another way in which the Conservatives temporarily reduced expenditure was by neglecting to make the necessary repairs to public works. Moreover, in many of the Departments, the accounts for 1896 exceeded the Parliamentary appropriation, and the Liberals had to make good the deficits when they came into power. For these reasons we contend it is not only fair, but absolutely necessary for a proper consideration of the subject, to compare 1895 expenditure, instead of 1896, with that of 1903.

Under the head of *CAPITAL* the Liberals spent in the last seven years $64,885,608, as compared with $37 082,642 expended during the last seven-year term of office of the Conservatives.

Now, if it could be shown that this increased expenditure had been met by imposing additional burdens in the shape of taxation on the people, or by unduly increasing the public debt, the Government might be fairly criticised, *but the fact is, and it is worthy of very special consideration, that the increased expenditure, necessitated by the great development and progress of the country, has been met without increasing the rate of taxation, without imposing additional burdens on the people, and without unduly increasing the public debt. On the contrary, the rate of customs taxation, which is the greatest source of revenue, has been, and is, considerably lower, postage rates are much smaller, and the public debt has been increased at a very much smaller ratio than previously under Conservative administrations, and it is to-day $3 per head less than it was in 1896.* It should be mentioned here that the excise duties were slightly increased, but as they apply only to luxuries, which are recognized by all classes of thinkers to be legitimate sources of revenue, they cannot be said to be a burden.

The lower customs tariff (reduced as it was purposely in the interests of the people) produced large revenues, and enabled the Government to make liberal expenditures to keep pace with the advancement of the country, and to develop transportation and other facilities in the interests of our trade and commerce, without placing additional burdens on the population of to-day, and without laying up a store of obligations for future generations to meet. When the Conservatives were in office, their customs tariff bore heavily upon