

The Address—Mr. Mackenzie King

friend says, that important concern has been getting a little better off, until at last, it has actually been enabled to pay a profit instead of suffering further loss.

Mr. MEIGHEN: He might follow up with the steel and fertilizer industries.

Mr. MACKENZIE KING: I have already spoken of the steel industry. I will leave my right hon. friend to talk about fertilizer.

Let me correct another erroneous impression fostered by the remarks of my right hon. friend this afternoon. Last year he and his followers of the opposition sought to create an impression throughout the country that the reason the government's budget, as respects the surplus shown, was so satisfactory was because of an alteration in the book-keeping methods of the Department of Finance, namely—the elimination entirely by the administration of items which the government of my right hon. friend had charged up against the public debt of this country. Now, I have in my hand the public accounts for the fiscal year ending March 31, 1924, and I should like my right hon. friend and his followers to look carefully at page 3, where there appears a statement signed by the auditors appointed to audit the accounts. It reads as follows:

We have examined the balance sheet of the Dominion of Canada as at March 31, 1924, and we certify that the balance sheet conforms to the balance sheets of previous years in not including in the net debt of the Dominion issues of the Canadian National Railway Company and companies included in its system which carry the guarantee of the Dominion of Canada. Such guaranteed issues are shown year by year as indirect liabilities.

George Edwards,

of the firm of Edwards, Morgan & Co.

W. Garth Thomson,

of the firm of Peat, Marwick, Mitchell & Co.

Dated, Ottawa, Canada, January 27, 1925.

The auditors, I need scarcely say, are chartered accountants having no connection whatever with departmental work, but brought in from the outside as independent auditors to go through the books of the government with a view of making an accurate statement of the situation.

Now, Mr. Speaker, I should like to have said a word or two more on evidences of prosperity, as I think after the dismal picture which my right hon. friend has been endeavouring to paint in this House and throughout the country during the past year, it is due to the people that the other and the truer side should be brought to their attention, but I will content myself by quoting from the annual statements made by one or two of the presidents of our great chartered banks. Possibly no more conservative men are to be found in the country than the heads

[Mr. Mackenzie King.]

of these banking corporations, and in making their annual statements these gentlemen are, I think, inclined to be very guarded in the language they use. Sir Herbert Holt, President of the Royal Bank, said on January 8, 1925:

I have never been more optimistic in regard to the possibilities of this country than I am to-day. We have been held back by agricultural depression since 1920, but this should disappear as normal conditions are returned throughout the world. . . . I feel sure that great prosperity is ahead of the United States in the next ten years, and that we shall find in that country a market not only for larger amounts of lumber and paper, but for increasing quantities of foodstuffs as well.

Sir John Aird, President of the Canadian Bank of Commerce, said on January 12, 1925:

Commercial failures have decreased, there is a slight reawakening of immigration, and the outlook for the lumber business seems to have distinctly improved. A good crop has been harvested for which high prices prevail, and the maladjustment of the farmers' position has thus been largely corrected.

Sir Vincent Meredith, President of the Bank of Montreal, on December 1, 1924, said:

I am satisfied that a gradual improvement in the trade situation is occurring. Statistical returns support this view, and while there is a regularity in the movement in the main the trend is upward. There has been a better demand for steel in various forms, especially from railroads; textiles trades are gradually recovering from the slump, and dealings in hides and leather have broadened.

Mr. R. S. White, Editor-in-Chief of the Montreal Gazette,—I do not know whether my right hon. friend regards this paper as his organ or not, but its financial review of the year he will accept, at any rate, as accurate I suppose—in the issue of January 9, 1925, has the following:

Canadian bond sales amounted to \$562,000,000 in 1924, \$42,500,000 more than in the previous year, and of this amount the Canadian people took no less than \$346,000,000, the remainder having been placed in the United States. It is true that some of these sales were for purpose of conversion and did not involve new money, but a country cannot be called poor whose people increase savings deposits in banks by nearly \$50,000,000, and purchase three and a half hundred millions of new bonds in a single year.

Mr. Speaker, may I say in conclusion that I think this House and the country had a right to expect from the right hon. leader of the opposition something more than mere criticism and denunciation of the administration. I think I have shown pretty conclusively that when the statistics on which his criticism was founded are examined carefully and the truth made known the situation is not at all that which he had depicted it to be. However, apart from that, I think we were entitled to have something of a constructive character from my right hon. friend. I think he owes