

ment of the Minister of Finance that neither the burden nor the rate of taxation relatively has been raised in this country. The burden of taxation has been raised relatively, and the incidence of taxation, that is, the real rate that the people pay on the goods that come into this country, is higher to-day than it was in 1896, as I will endeavour to prove before I get through with my remarks. The Minister of Finance was wonderfully prolix in showing how small a thing the debt of the country was, distributed amongst the 7,500,000 people of Canada—that it amounted to only about \$44 per head, and that the interest necessary to carry that amount of debt was for each one a bagatelle. I noticed, however, that he did not dwell so much on the figures of population relative to expenditure and taxation. Mr. Speaker, if hon. gentlemen opposite, in the taxes they took from the country, the amount of which has enabled them to keep the debt from increasing as much as it otherwise would, had maintained them during the term of their administration at the point at which they stood in 1896, as they promised to do—in fact, they promised that they would lower them—they could not have told the story which they told to-day of the comparatively small increase of the national debt, although it is \$100,000,000 greater; they could not have told the story they have told to-day as to the expenditures and the improvements they have made. It will strike the people of this country a little forcibly when I tell you that these hon. gentlemen, since they came into the administration of affairs, have taken in taxes from the pockets of the people \$280,000,000 more than they would have taken in the same time if they had raised each year only the amount that we raised in 1896, and which they condemned. It will also strike the people of the country, and may be some members of this House, that if hon. gentlemen opposite had expended simply \$41,702,000 per year, which we expended in 1896, and which they declared was too large, they would not have been able to tell the story that they have told to-day. In the time that they have been in office they have spent over and above what they would have spent, at the rate of \$41,700,000 a year, the immense sum of \$472,000,000. That is another aspect of the matter. They have increased the expenditures, over and above what they would have been on the normal rate of 1896, by \$427,000,000, and they have increased the taxation, over and above the normal rate of that year, by \$280,000,000. That is the reason why our debt is not \$100,000,000 larger than it is. My hon. friend the Minister of Finance is coming back to saner methods. After a long while of obstinate persistency, he has consented to put the bounties into

Mr. FOSTER.

the consolidated fund expenditure, where we always kept them, and out of which he never should have taken them. At long last, he proposes now to do the right thing, though he has not indicated any repentance for his sins of all these years in the past. He is going to put some other expenditures into the consolidated revenue fund.

Why is he enabled to do it? Because he is taking more out of the pockets of the people; that is what makes it easy for him to do it. He talks about capital expenditure, but much of that is a matter of principle, and some of it a matter of practice. When Canada had a population of 3,000,000 with a country just as large as to-day, and with no facilities for transport and development, it would have been arrant madness to have asked these people, in any single year or series of years, to put their hands down into their pockets and equip this country out of their yearly taxes. That would have been neither reasonable nor just. That deep laid widely extended mechanism of development, then started, was not merely for the men of that generation, but was intended to develop Canada for all generations to come and it was only reasonable that the generations to come should bear a portion of the burden. But when we have a large surplus and determine not to return any of it to the people in the way of lessened taxation, it is comparatively easy not to borrow but to pay for things which, in former stages of our development, could only have been met out of borrowings on capital but which now can be met out of ordinary revenue. That the debt of Canada should be \$336,000,000 is something which bears heavily on the country. But our present taxation taking from \$70,000,000 to \$90,000,000 each year from the people, is a far heavier burden for which there ought to be good reasons or else a portion of it ought to be remitted.

I want to take up for a moment just one or two points regarding the surplus. The Finance Minister says that from this time on he is going to pay for Dominion land expenses out of revenue. In looking over his accounts I find that he gets a portion of that surplus of \$22,000,000 by charging bounties of \$2,414,000 to capital or special account as he calls it. But he did something else last year. In 1908 my hon. friend the Minister of the Interior (Mr. Oliver) told the country he was going to provide for the building of the Hudson Bay railway by the sale of Dominion lands and brought down a measure to that effect—not by leasing these lands, not by renting them, by which he might get a revenue, but by selling them and thereby raising a capital fund for the building of this railway. But what do I find? From 1908 up to the present, whilst millions of acres of land have