

facts before hon. gentlemen. At page 53 of the same report he says:

I lay down the proposition, and I challenge any hon. or right hon. gentleman to controvert it—that the present government have paid more and have reduced the indebtedness of this country by a larger sum of money than any government that ever existed in this country. I will quote figures. I have done so more than once. I have done so so often that I have been taunted with repeating them, but I am going to repeat them until I see them take root in the minds of those who criticise our policy. What was the largest reduction of debt prior to the advent of this government? Mr. Goschen reduced the indebtedness of the country—I am talking about net indebtedness—by £38,683,000 in the six years 1837-1893—an average of £6,447,000 a year. Sir Stafford Northcote only reduced it by £15,298,000 in six years—an average of two and a-half millions sterling. Mr. Gladstone, from 1860 to 1867, reduced it by £22,479,000, an average of just over three millions, and Sir William Harcourt, in three years, reduced it by £18,834,000, or an average of £6,278,000 a year. Sir Michael Hicks Beach, from 1896 to 1899, reduced it by £16,893,000, an average of £5,631,000. Then came the borrowing for the war. What was the reduction of the debt by the present government up to the end of last year? It amounted to £63,000,000. I am not taking into account the provisions for this year. I am simply taking the reduction up to the end of last year—£63,000,000. Again, I ask, whether any criticism of the present government, any criticism directed against its finances, has ever acknowledged that, either inside or outside the city? In addition to that we have provided for an increase during the last three years of £13,500,000 on the Navy estimates. We have borne on the estimates the cost of dock construction and ship building, items which, abroad, are financed out of loans. So we have paid £63,000,000 in addition to the £13,500,000 added to the Navy Estimates, without negotiating any loan for that purpose.

Mr. AUSTEN CHAMBERLAIN—Of course, I am unable to check the figures which the right hon. gentleman is giving, but I want to understand is he dealing with the net reduction?

Mr. LLOYD GEORGE—Yes, with the net reduction.

Mr. AUSTEN CHAMBERLAIN—After accounting for the money borrowed?

Mr. LLOYD GEORGE—Yes; this is a purely net reduction of the amount of indebtedness of this country. If you pay off the debt with one hand and borrow with the other hand that is not a reduction. I am dealing with the net reduction of the indebtedness of this country, and I say that no government that has ever existed in this country has come near to this government in the reduction of debt. And yet it has never had the slightest recognition of the fact from our financial critics, and not very much from the city itself.

Those figures show that the largest reduction that ever took place prior to 1905 was 6,447,000 pounds. While during the

last seven years the average reduction has been at the rate of £11,160,000. This shows that Great Britain has not been in very great distress, financially, these latter years. Far from borrowing, it has met all its capital as well as ordinary expenditure, and it has been able to put aside £11,000,000 to reduce its debt, besides making immense grants for naval defence. During that same period was Canada reducing its debt? It needed all its money. It had surpluses but it needed them for the development of the country and for the building of the Transcontinental railway. Those surpluses were not enough. We had to go to London to borrow large sums. What do we see besides? That the British exchequer can lend money, out of that surplus of £6,500,000, for the development of East Africa and Uganda to the colonial office. I suppose I need not emphasize the fact that we are not yet in that class. Instead of lending money we have to go on borrowing. This was the situation of Great Britain's finances in June last. We will have to be shown that that situation has changed since, through some extraordinary upheaval, if we are asked for a money grant. My hon. friend opposite is right in saying that this is an important question—perhaps the most important this parliament will have to solve. It should be approached with calmness and with an unbiased mind, and not with the hysterical cries that we have heard in certain newspapers throughout the land. I draw the attention of the House to the strictures passed on that kind of journalism by the Montreal 'Gazette' of the 26th of November instant. That paper said:

A Mr. T. J. Baker, after spending three months in Canada, has gone back to England and has there told the people that the men in Canada, for selfish purposes and the befoolment of the community, exploit the British flag and preach jingoism and cheap patriotism. Mr. Baker must have bought a copy of one of our cheap newspapers and taken its printed screams as the voice of public opinion.

I join with my hon. leader to my left in declaring that if a case be made showing that the situation described by the Chancellor of the Exchequer in June last is radically changed and Great Britain is in that dire distress that it needs an emergent money grant there will be no dis-