

lation of the country, because I recall, and will refer to the rivalry which took place in 1893 between the various leaders of the Liberal party as to the amount of money required for running the Dominion upon the accession of the Liberal party to office. Who will forget the rivalry between my right hon. friend, the right hon. the Prime Minister and two or three other leaders of the Liberal party at that time as to the reduction which could be made in the expenditure on consolidated and other funds of the Dominion. We cannot forget the expression of the Liberal party in 1893 when they viewed with alarm the expenditure at that time of thirty-seven million dollars. We cannot forget even the Ottawa platform in 1893 when the hon. gentlemen said:—

We cannot but view with alarm the large increase of the public debt and of the controllable annual expenditure of the Dominion, and the consequent undue taxation of the people under the governments that have been continuously in power since 1878, and we demand the strictest economy in the administration of the government of the country.

And then by a process of auction my hon. friends began to indulge in bidding against each other, so to speak, as to how much could be cut off that enormous expenditure of 1893. The right hon. the Prime Minister speaking upon this subject in 1896 in Brampton said:—

The expenditure of this country has grown until the people are unable to bear it. I promise you that if you put our party into power we will reduce that annual expenditure by two or three million dollars per annum.

And then again the right hon. the Prime Minister, thinking he could pare it down more, said:—

If we get into power we will follow the example of Mr. Mackenzie, and I say that although we may not be able to bring the expenditures to what they were under him, we can reduce the amount three million dollars per year.

Then my right hon. friend, the Minister of Trade and Commerce, appeared on the scene and was not to be outdone by the Prime Minister. He said:—

For my part I do not hesitate to tell you that I consider a yearly expenditure of 40,000,000—or \$38,300,000—altogether too large for the present resources of Canada. I say that it is a disgrace and a shame to the government that have been entrusted with our affairs that they come down to us to ask for the expenditure of \$38,300,000 a year for federal purposes. Sir, the thing is wholly unjustifiable.

Hon. Mr. LOUGHEED.

Hon. Mr. FERGUSON—Who said that?

Hon. Mr. LOUGHEED—The right hon. Minister of Trade and Commerce, and he emphasized that by adding:—

I repeat it now that \$38,000,000, let alone \$40,000,000, is, in my judgment, a monstrous sum for the people to be called on to provide. When the United States mustered 20,000,000 strong its total expenditure for federal purposes was barely \$22,000,000.

And then some of the minor leaders came and underbid my hon. friends who were then leading the Liberal party. We find Sir William Mulock willing to give a guarantee almost that our taxation could be reduced by three or four million dollars, and then Mr. Charlton was prepared to reduce that by five millions, until finally hon. gentlemen on the opposite side, by the time they reached office, had the expenditure of this country whittled down to thirty millions. But what do we find to-day? We find an expenditure exceeding one hundred million. Hon. gentlemen were then in opposition, but they then expected to come into power. They had the prescience to look sufficiently ahead, to finding themselves in power, and could give pledges as of those who were on the threshold of power, but what have they done to reduce that expenditure? Instead of reducing it, they have practically trebled it. Another thing I would desire to point out in connection with this expenditure lies in this fact: that if hon. gentlemen intend to pursue the policy of carrying on public works out of revenue, it means the displacement of the specie currency which should go into circulation, and which I say now should be superseded by the importation of foreign money as has always been the policy of this country. It is quite manifest that if this government will put fifty millions of revenue into capital expenditure upon public works on which foreign loans could be negotiated, it prevents the circulation of that much money in our money market, and to that extent adds to the stringency. I might also point out that the administration of the post office savings is not calculated to help the present monetary difficulties from which Canada is suffering. I find that the government is practically maintaining a reserve of about twenty-five per cent upon note circulation and post office savings, or, in other words, we have