

would, from the Speech, regard the situation as one of the most satisfactory and prosperous that the human mind could conceive. It seems to me that this Government is entirely under a misapprehension as to the real condition of the country generally. That may be attributable to two causes: one is that it is unaware of the public sentiment prevailing in the country, particularly among business men and farmers, on the two very important questions of expenditure and taxation; or it is just possible that, since honourable gentlemen have taken office and occupied the seats of the mighty, they have been so removed from public sentiment as to be entirely out of touch with the necessities of the present moment, so far as the administration of public affairs is concerned.

I am not going to charge the present Government with the entire responsibility for the situation as we find it to-day. My desire rather is to direct attention to the condition of affairs which we have found developing in Canada for a great number of years, and which should occupy our attention for their improvement. Since the cessation of the war, we have heard a great deal on the question of reconstruction. The late Government may be said to have been a war Government. There was scarcely time, after the cessation of the war, seriously to take up a comprehensive policy of reconstruction and to deal with the many institutions growing out of the war which badly required the strictest investigation. Before that Government went out of office, as an earnest of its sincerity and of its intention not only to improve the public service but to reduce the public debt and the burden of taxation, it entered upon a comprehensive programme looking toward that end. The question of the reorganisation of the Public Service was seriously entered upon, and the two or three Departments that were overhauled and reorganised demonstrated beyond any question that a substantial amount of money could be saved through the reorganisation of the Service. There was considerable criticism as to the particular individuals or corporations placed in charge of the work; but, notwithstanding the adverse criticisms which were advanced from time to time, both in the press and by the public, no others were mentioned as capable of assuming the work, and I think I can say with a degree of confidence that it was impossible for the Government to secure anyone else who had special qualifications to enter upon that very important undertaking.

Hon. Mr. BELCOURT: Would my honourable friend allow me to ask him what was

accomplished in the way of reducing the public expenditure on the occasion he speaks of?

Hon. Sir JAMES LOUGHEED: There was, for one thing, a reorganization in the Printing Bureau that saved this country nearly \$1,000,000 a year; there was a reorganisation of the Customs Department, I think; and when my honourable friends came into office, they proceeded to undo the work which we had accomplished, and that added to the burden on the country. A reorganisation of the Post Office Department was entered upon, and had the Government been permitted to proceed with that work, or had my honourable friends, when they acceded to office, taken up that very important responsibility, there would have been saved to this country, I venture to say, another \$1,000,000 annually. Speaking of the reorganisation of that particular Department, I understand that it was said that 50 per cent of the employees of that Department might be dispensed with and the public service not suffer therefrom. So I might say that there was evidently a desire on the part of the late Government, a desire which was demonstrated by some practical work, to enter upon the reformation and reorganisation of the Public Service.

As I have said, since the cessation of the war reconstruction has been in the air. The late Government was fully aware of the fact that this responsibility devolved upon it if continued in office, or would devolve upon its successors. This is the Third Session of Parliament under the administration of the present Government; and yet until Parliament was actually summoned we heard nothing about a reduction of expenditure or of taxation. The present Government sailed along with its head in the air apparently entirely unaware that there had been a great war, that there had been an inflation of the public services, that expenditure had been pyramided upon expenditure, and taxation pyramided on taxation, and it was not until the great commercial bodies of Canada, made up of Chambers of Commerce and Boards of Trade and Bankers' Associations and Manufacturers' Associations, and municipal and other representative bodies, rose and protested against the onerous taxation which was being imposed upon the people from month to month, that anything was done. I am unaware of any sincere step taken by the present government until two months ago with the object of reducing expenditure and thus reducing taxation.

I need hardly point out to my honourable friends what our Allies in the late war have