ment to the Canadian National Railways, which makes it appear that the debt of the country has been reduced when it has actually been increased by over twenty million dollars. He further said that all finance ministers prior to the present minister had added these guaranteed amounts to the national debt, instead of charging them to the particular railway company. But the Ontario government, he said, had five or six years ago evolved a plan to pay off the provincial debt in about thirty years, and so far had found no inconvenience in carrying it out.

Now, Mr. Speaker, I may say that none of these statements is in accordance with the facts. What are the facts? First, I need only say that this house as well as the country knows that the Minister of Finance not only has courage, but he also possesses honesty and modesty in a marked degree, characteristics possessed by few so-called politicians. His financial statement disproves the second accusation as to the increase of the national debt. If the hon. member for South Wellington will look up the records he will find that the $124,000,000 guaranteed by the Laurier government from 1896 to 1911 was not charged to the national debt; he will also find that the $170,000,000 guaranteed by the governments between 1911 and 1921 similarly was not added to the public debt. As to the Ontario government's scheme for retiring the provincial debt, the hon. member is wrong in saying that it was evolved five or six years ago. The Ferguson government was not then in power. He is also in error in stating that the scheme is to extend over thirty years; forty years is the term. As to his statement that the Ferguson government have found no difficulty in putting the scheme into practice, I may tell him and this house that the provincial treasurer has had to acknowledge a deficit every year since Premier Ferguson assumed office. The first year it was fifteen million dollars, the second year eight million dollars, and the third year five million dollars. This year for the first time the provincial treasurer finds himself able to balance his budget and announce a surplus, due principally to the profits from the government liquor stores. Presumably from now on the debt retirement scheme will be put in operation.

Turning to the budget, Mr. Speaker, this presents reductions and increases—reductions in taxation and the national debt; increase in trade and revenue, with a substantial surplus. The Minister of Finance is able to announce reductions in direct taxation as well as in indirect taxation, the sales tax, income tax and corporation tax being reduced. The reductions in indirect taxation, that is the customs tariff, are largely in the duties on textiles—cottons, woollens and linens. As these belong to the necessaries of life, the reduced tariff will lower the cost of living, and thus lessen the burdens of the working classes. The national debt has been reduced by $41,896,729, leaving it at the net figure of $2,306,000,000. During the five years the Liberal party has been in power the national debt has been reduced to the extent of $144,700,000.

The trade of Canada has been increasing by leaps and bounds. Canada ranks second among the exporting countries of the world, and fourth among the world traders. Our total trade, both exports and imports, for the nine months ending December 31 last, amounted to $1,793,209,092, leaving a favourable balance of trade of $147,100,904, as compared with an unfavourable balance of trade of $29,000,000 during the last year of the Meighen administration. But the most unfavourable balance of trade in the history of Canada was $222,000,000, or $29.61 per capita, in 1913 under Tory rule and a protective tariff which did not protect; while in 1926 Canada had a favourable balance of trade of $29.34 per capita under Liberal rule with a tariff for revenue only. During the year there has been a large increase in the revenue and a corresponding increase in the surplus. The revenue exceeded the expenditure by $54,815,000. After deducting the non-active assets, there is still left a net surplus of $41,896,729 which was applied to reduce the national debt.

According to the press of both political parties, Mr. Speaker, the fifth Robb budget is being well received by the major portion of the people. But it must be confessed that this budget, in relation to the customs tariff, is not comprehensive and far-reaching enough to satisfy a minority of the agricultural class of this country. They must remember, however, that this is the beginning of reductions, not the end; among the first, not the last. Reductions shall continue until the primary or basic manufacturing industries are free to compete with the world, having no tax, no tariff, or no protection. In bygone days agriculturists were looked upon as inferior to other classes. They were dominated by other interests because they knew not their needs, they knew not their strength, and they were not organized. To-day all that is changed. Agriculture is conceded by almost everyone to be the basis of Canadian prosperity. The agriculturists have organized. They have expressed their needs in clear-cut terms. They have made their demands with no uncertain sound. They are cooperating in buying as well as in selling, thinking that cooperation