

population of Canada has been increasing in a ratio infinitely greater than before, and I have not the slightest doubt that if the suggestion I had the honour to make at the time had been carried out, and a census had been called for in 1896 as I would have liked to have had, that this result would have been brought out that in eighteen years in all probability, the population of Canada had not increased by more than 500,000 or 600,000 if the truth had been known; whereas in the years that have elapsed since we came into power there is every reason to believe not merely that the relative ratio has been vastly larger, but that the absolute increase in those years has been double, if not treble, all that took place during the eighteen years during which our predecessors held power. The hon. gentleman wants to know—and it is a perfectly fair point and perfectly fair question—why the government of the day have preferred to take taxes from the people in place of borrowing money to carry on great public works. That hon. gentleman asks why we did not, I presume he means, reduce taxation and borrow money to carry on public works. If the taxation is oppressive on the country, if the taxation is retarding the progress of the country, there is not the slightest doubt that it would be a wiser thing to reduce the taxation and borrow money. If, on the other hand, the taxation is comparatively easily borne, then if there be a surplus it becomes a matter of fair question whether it is or is not better to reduce the taxation and borrow money, or to maintain the taxation and keep the public debt down for the benefit of our immediate successors, and perhaps for the benefit of ourselves. I am not in the slightest degree disposed to find fault with the hon. gentleman for calling the attention of the House to this matter. I think probably it would be wiser for us to pay a considerable portion of the expenditure we are incurring for these public works, and to borrow for what remained. I have not the slightest doubt myself that the colossal works to which my hon. friend has alluded will require that the government of Canada should at a convenient season go into the market, but I may point out to the hon. gentleman that it would be extremely inexpedient and unfortunate if during the present year or the past year

or perhaps the year previous to that, the government of Canada had been obliged to borrow many millions in the English market. As matters stand, by using the surplus which we secured, we have been able up to the present time to avoid borrowing in a disadvantageous market, and I think the fiscal authorities my hon. friend alluded to would agree with me in saying that at any rate at present, and under existing conditions, it is better that we should, if we can, or as far as we can conveniently, pay our way without attempting to obtain money in the English market.

Hon Sir MACKENZIE BOWELL—I was going to ask the hon. gentleman if there is any of what is termed a floating debt at the present moment to the extent of about nine million dollars.

Hon. Sir RICHARD CARTWRIGHT—Very possibly. Our credit is fairly good, and we can pay our treasury bills, but it is not a question of nine million, but twenty-nine millions or fifty millions my hon. friend is alluding to. It is a fair debatable question. I do not object in the slightest degree to my hon. friend bringing it forward, but you must remember that from various causes, the Boer war for example, since the enormous destruction of capital that took place in the recent Russo-Japanese war, and since these panics that have taken place in more quarters than the United States, the hon. gentleman must remember that the English market, to which we must chiefly look for borrowing, has been in a very unsettled state, that English consols have touched a low point such as they have not touched for some thirty or forty years, and in making that statement I make full allowance for the fact that consols have been reduced from three to two and one-half per cent. It is not a favourable or desirable time for us to borrow money in England. Were circumstances more favourable, were things in a normal condition I could understand my hon. friend's criticism, and I would say it was a matter to be seriously considered whether it was or was not better for us to borrow the money rather than apply the surplus taxation to the construction of those public works. But in connection with that, I should like to ask my hon. friend a question. He has friends in another place. He seems to