

still feel it, and I claim it will be most extraordinary if any kind of a case is made out to show that the present situation can be met by an emergency grant of a few millions. We may not all be agreed on the development of the policy embodied in the resolution of the 29th of March. We know what the Admiralty desired of Canada in 1910 and what it desires to-day. It wanted a fleet unit on the Pacific coast. That is what the Admiralty asked of Canada. I had occasion to establish that fact in some remarks I made in this Chamber before. Canada did not feel that it was in a position to give a complete fleet unit on the Pacific, but decided to start building a fleet unit minus a Dreadnought and to divide it between the Atlantic and the Pacific. We were told that this was a tin-pot navy policy. I wonder if there is any other way of beginning a navy than by laying a keel. In 1910 the parliament of Canada decided to build eleven ships. How did other nations commence their navy unless they began by laying a keel? We determined upon laying eleven keels, all of us from the Atlantic to the Pacific, both parties agreed that it should be speedily done. When the House met last year tenders had been called for the building of these ships. Twelve months have elapsed since then without a beginning being made to carry out that policy which both parties had agreed upon, and which the present Prime Minister himself insisted should be speedily begun. Now my hon. friend has not taken us into his confidence as to the form of the grant to be made. Will it be dollars instead of ships? I cannot conceive that a money grant could be thought of. Great Britain is not in need of money. What was its financial situation in June last? On the 24th of June last it was the good fortune of the Chancellor of the Exchequer to come down to the House to dispose of a surplus of £6,500,000. He had in April declared that he would postpone the disposal of that surplus because of two contingencies which were facing him: One was a strike which might perhaps reduce the income of the treasury; and the other the proposal made by the First Lord of the Admiralty to Germany of curbing her activities in ship-

Hon. Mr. DANDURAND

building. On the 24th of June the Chancellor of the Exchequer said that the strike had terminated, that he could not form an accurate estimate as to the effect it would have on the revenue, but he was very pleased to be able to say that there was such buoyancy of trade that it would not be necessary to draw to the extent of a single penny on the great reserve which he called the exchequer balances, and that he could therefore proceed to apportion the £6,500,000 to other services. At page 56 of the Parliamentary Debates of the Commons of England, I find this statement of Lloyd George :

'I now come to the question of what we propose to do with the £5,000,000.'

He had previous to this announcement declared that inasmuch as Germany had not answered sympathetically to the demand of the First Lord of the Admiralty, the Exchequer had put at the disposal of the Admiralty £1,000,000. And after stating that the colonial office needed for East Africa and Uganda a loan, to develop those two countries, of five hundred thousand pounds, he proceeded as follows:

I now come to the question of what we propose to do with the £5,000,000. I do not say that it is a reason for slackening in our efforts to reduce debt that we have done so much in the past, and done so much without appreciably affecting the price of consols, because there is this advantage—at any rate, in the low price of consols—that you can buy them at a cheaper rate, and that is a good opportunity for reducing debt. We therefore propose to take advantage of that opportunity. In fact, we propose to set aside the whole of the balance for the purpose of reducing debt. I can observe the relief with which that statement is received by the other side, a relief which has nothing to do with the price of consols, but which has far more to do with other reasons which are not strictly relevant to the consideration of a financial statement. I want to say exactly what the government will have done, including the provision made this year, for the reduction of the debt. The total reduction of debt effected by the present government, inclusive of the £5,000,000, will be £78,184,000.

An hon. MEMBER. In how many years?

That is for seven years. That is a net reduction of debt.

Now, the Chancellor of the Exchequer explained in what ratio the debt had been reduced in the preceding fifty years, and I think it is worth while laying those