

other country could be bled to any extent by a revenue tariff, and if the government of Canada will raise one hundred million dollars by a revenue tariff as against thirty seven million dollars raised by a protectionist government, what difference does it make so long as the people have to put their hands in their pockets and pay the taxation imposed upon them? Therefore, from the standpoint which I have attempted to discuss this question, the increased expansion of trade and of revenue which has been referred to in such glowing terms—is not a matter for which the government should claim credit. My hon. friend who seconded this address went back to 1896, and dated the prosperity of the country from the time when my hon. friend the Secretary of State and my right hon. friend the Minister of Trade and Commerce took office. From that time on, he says, prosperity has been beaming upon us. It makes one feel that anterior to that date, though the Conservative party was practically the party of construction in Canada, the country was governed by Lilliputians in comparison with these hon. gentlemen who acceded to office in 1896. If the country owes its prosperity, as my hon. friend claims, to the genius for statesmanship exhibited by the government of to-day, it seems to me that at this time of stringency an opportunity has arisen for these gentlemen, for the sorcerers, the magicians and conjurers of the Liberal party to raise their wand and disperse the clouds which hang over the business world of to-day. If they will succeed in dispersing those clouds and changing the hard times of which we are the victims, particularly in western Canada, then we will freely ascribe to them the ability to create prosperity which they have claimed for so many years; but until they do so and relieve us of the financial stringency and depression, I must certainly remain an unbeliever.

Another matter that is worthy of consideration in connection with the first clause of the address is what might be termed the financial policy of the government in contradistinction to its fiscal policy. I will undertake to say that there is no gentleman who will be regarded as a financial authority and an authority upon sound banking who will approve of the course pursued by the government in ex-

pending its revenue. In the address the government boast of raising a revenue so large that it has been able not only to meet the expenses of consolidated fund but of the National Transcontinental Railway capital, and to apply a balance of three million dollars to the reduction of the public debt. Who will forget the time when my right hon. friend the Minister of Trade and Commerce used to denounce the government that had a surplus?

Hon. Sir RICHARD CARTWRIGHT—I did not do that. It was Sir Charles Tupper did that.

Hon. Mr. LOUGHEED—I think the right hon. gentleman agreed with him that the government had no right to a surplus. Will the people of Canada approve of carrying out the colossal capital expenditure which this country has entered upon from revenue? Will it agree to the diversion of our revenue from channels of circulation in which it should be, to being locked up in capital expenditure, thus creating a stringency in the money market and largely contributing to the depression from which we are now suffering? As I said before, Canada must necessarily be a borrowing country. Until our great undertakings are carried out, Canada must go into the money markets of the world and negotiate her loans and expend the proceeds of those loans on internal improvements. But we find the government of to-day imposing on the people of this country taxation for what? To meet the governmental expenses of this country? No, but actually to carry out the enormous capital expenditures upon which we have lately entered. Will the people of this country submit to the increasing taxation which will be imposed on them if this policy is continued? We have to face the building of the Grand Trunk Pacific Railway, an undertaking involving an expenditure of over one hundred million dollars. Is it the intention, as predicted in this address, that the revenue of the country should bear this immense responsibility? I undertake to say that no financial authority in Canada will approve of any such doctrine. What does it mean? Assuming that we were justified in raising a revenue of one hundred million dollars, it means that we have diverted at least fifty million dollars from the circu-