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Provincial Elections of 1904

1897-1904

Seven Years of Financial Restoration

and of

Fruitful Liberal Administration



Surpluses Replace Deficits



The Debt Decreases



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THE REIGN OF PROSPERITY

In Quebec as in other places where the administration is in the hands of the Liberals, everything is going on marvelously, progress and prosperity are manifest everywhere. Surpluses have succeeded the accustomed deficits of the Conservative régime ; the Government has money wherewith to pay all its expenses and to accumulate ever increasing surpluses ; the public debt increases instead of increasing as it did under the Conservatives and the augmentation in the regular revenue enables the Government to increase the appropriations for Public Instruction, Agriculture, Colonization, in a word, all the items of expenditure whereby the people benefit more directly.

To appreciate, as it fully deserves, the work of reformation and financial restoration accomplished since 1897 by the Liberal Administrations of the lamented Mr. Marchand and of Hon. Mr. Parent, let us first see the depths of the abyss into which the Conservatives had plunged us in less than six years.

I

CONSERVATIVE PROMISES

The DeBoucherville Government was formed on the 21st December 1891 and four days later it held a great meeting in Montreal to lay its programme before the public. At that meeting Hon. T. C. Casgrain, one of the Ministers, made the following promise on behalf of the Government :

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“ We shall succeed in restoring the equilibrium in the finances and to do so WE SHALL IMPOSE NO FRESH BURDENS ON THE PEOPLE.” (*Courrier du Canada*, 28th December, 1891.)

At another meeting held in Montreal Hon. Mr. Taillon, another Minister in the DeBoucherville Cabinet, made the following declaration on behalf of the Government :

“ We are advised to accustom the people to direct taxation, but we reply that WE DO NOT WISH TO IMPOSE FRESH BURDENS ON THE TAXPAYERS OF THIS PROVINCE.” (*Courrier du Canada*, March, 1892.)

In his Budget Speech of 1892, Hon. Mr. Hall, the Treasurer of the DeBoucherville Cabinet, said to the Legislative Assembly :

“ There is no doubt our promises are those of honest, patriotic and economic administration, a restoration of our credit, and an absolute and unqualified condemnation of corruption and extravagance.”

In the same speech Mr. Hall also said :

“ I do not admit his classification of expenditure into that of ordinary and special. This latter is absurd and dangerous, and whatever classification there may be, the public must understand we have to provide means for what we pay or undertake to pay. If our ordinary revenue is insufficient and we borrow money, we must not only repay it, but also the interest, and ALL THIS HAS TO COME OUT OF EARNING POWER AND OUR REVENUE.”

As Hon. Mr. Duffy stated in his Budget Speech of the 21st February, 1900, the Conservative Ministers promised especially :

1. To not increase the debt ;
2. To put an end to the era of deficits ;
3. To proportion expenditure to receipts.

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It was in consequence of such declarations that the people pronounced themselves in favor of the Government that made such fine promises.

VIOLETION OF THESE PROMISES

All these fine promises were broken, shamefully broken, by the Conservatives who did absolutely the contrary of what they had promised to do.

INCREASE OF THE DEBT

Referring to page 20 of the Public Accounts, it will be seen that on the 30th June 1891 the Public Debt was made up as follows :

Funded Debt

Amount to be redeemed.....	\$ 21,383,453.33	
Less sinking fund invested.	9,994,000.00	
	<hr/>	
Net debt.....		\$ 11,389,453.33

Floating Debt

Temporary loans.....	\$ 2,223,333.83	
Trust funds.	262,252 47	
Railway guarantee deposits to be refunded.....	1,973,108.57	
	<hr/>	
Total debt.....		\$ 15,848,147.70

After five years of Conservative administration, on the 30th June 1897, the debt stood as follows :

Funded debt

Amount to be redeemed....	\$ 34,196,654.08	
Less sinking fund invested.	9,994,000.00	
	<hr/>	
Net debt		24,202,654.08

Floating debt

Temporary loans.....	700,000.00	
Trust funds.....	312,039.47	
Railway guarantee deposits to be refunded.....	370,174.35	1,357,213.82
		<hr/>
Total debt.....		\$25,559,867.90

By the above figures everybody can see in the Public Accounts an increase of \$9,711,720.20.

And the Conservatives had promised to not increase the debt !

DEFICITS

On page 58, Table A, of the Budget Speech of Hon. Mr. Atwater, Treasurer of the Flynn Cabinet, pronounced on the 9th December, 1896, it is shown that the deficit in the ordinary operations were \$24,828.00 in 1893, \$230,202.28 in 1894, \$162,661.66 in 1895, \$55,673.91 in 1896. For 1892, Hon. Mr. Hall, Treasurer of the DeBoucherville Cabinet, showed a deficit of \$1,511,580.88, and Hon. Mr. Marchand clearly established that for the year 1897, the last of the Conservative régime when Mr. Flynn was Prime Minister, the deficit was \$984,043.01. With these data we get the following table of ordinary operations under the Conservative régime.

	<i>Receipts</i>	<i>Payments</i>	<i>Deficits</i>
1891-92	\$3,494,117 60	\$5,005,698 48	\$1,511,580 86
1892-93	4,467,278 21	4,492,106 21	24,828 00
1893-94	4,320,427 22	4,550,629 50	230,202 28
1894-95	4,343,871 65	4,506,633 31	162,661 66
1895-96	4,359,594 91	4,415,208 52	55,673 61
1896-97	3,923,238 70	4,907,281 71	984,043 01
			<hr/>
Total deficits			\$2,068,989 44

Thus did the Conservatives who governed us from the 22nd December 1891 to the 26th May, 1897 keep their promise to put an end to deficits.

EXTRAVAGANCE IN EXPENDITURE

The promise to proportion expenditure to revenue has also been shamefully broken. In this respect, Mr. Flynn holds the record, inasmuch as for the year 1897, during which he was Prime Minister, the expenditure exceeded the receipts by more than 25 per cent.

TAXES

It is by the imposition of fresh taxes that these governments of taxers and borrowers most cynically broke the promises above set forth. Hardly had these sorry jokers come into power that they imposed the following taxes :

1. On transfers of property ;
2. On professional men and public employees ;
3. On manufacturing and trading licenses;
4. On successions.

By means of these four taxes the Conservatives snatched from the tax-payers in hard cash \$2,088,661.00 in five years or an average of \$417,732.33 per annum. In this total are the sums of \$985,844.34 for the tax on transfers of property ; \$685,969.73 for the tax on successions; \$397,437.71 for the tax on manufacturing and trading licenses and \$69,409.98 for the tax on professional men. Thus did these worthy Conservatives keep their promise to not impose fresh burdens on the people.

LOANS

With the increased revenue derived from these fresh taxes, one would naturally think that the Governments

born of Mr. Angers' *coup d'état* would not have borrowed a cent. Now the contrary is the case. The Public Accounts show that the ever baleful era of the *taxers* was but one continual orgy of loans. After swallowing up \$3,707,530.00 derived from the Paris loan of the 15th July, 1891, they contracted five other permanent loans or loans on account of the funded debt, the issues whereof form a total of \$16,823,960.74. Here are the dates of the loans, the amounts and proceeds of each issue :

<i>Date</i>	<i>Amount of issue</i>	<i>Proceeds</i>
15th July 1893, 4070	\$3,860,000 00	\$3,707,530 00
1st March 1894, 4070	2,920,000 00	2,744,800 00
30th December 1894, 3070	5,332,976 00	4,106,391 52
14th April 1897, 3070	1,360,000 00	1,224,000 00
17th April 1897, 3060	3,350,984 74	3,015,853 86
	\$16,823,960 74	\$14,798,515 88

Loss on these five loans.....\$ 2,025,385 86

There is almost precisely the amount produced by the famous taxes and one might say that these parties taxed for the sole purpose of making up the difference between the amounts and the proceeds of their loans.

In any case the ruinous process of permanent loans continued at the rapid rate of \$3,364,792.15 per annum on an average.

There were besides the temporary loans from banks which increased at a still more rapid rate. It is hardly credible—and yet the Public Accounts are there to prove it—that during those same five years the Conservatives effected seventeen of such temporary loans, amounting to \$5,000,000.00. Here is an enumeration by years :

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Year 1891-92

Bank of Montreal 4½ p. c.....	¢	950,000 00
Caisse d'Economie, Quebec 4½ p. c.....		150,000 00
Montreal City and District Savings Bank 4½ p. c.....		300,000 00
Montreal City and District Savings Bank 5 p. c.		100,000 00
		<hr/>
4 loans	¢	\$1,500,000 00

Year 1892-93

Bank of Montreal 5 p. c.....	¢	400,000 00
Merchants Bank 5 p. c.....		250,000 00
Quebec Bank 5 p. c.....		100,000 00
Molson's Bank 5 p. c.....		100,000 00
British North America Bank 5 p. c.....		100,000 00
Caisse d'Economie, Quebec 5 p. c.....		300,000 00
Montreal City and District Savings Bank 50 p. c.....		400,000 00
		<hr/>
7 loans.....	¢	\$1,650,000 00

Year 1893-94

Caisse d'Economie, Quebec, 5½ p. c.	¢	100,000 00
Montreal City and District Savings Bank, 5½ p. c.....		250,000 00
Credit Foncier, Montreal 5½ p. c.....		150,000 00
		<hr/>
3 loans.....	¢	500,000 00

Year 1894-95

Liverpool, London and Globe Insurance Company, London, 3¾ p. c.....	¢	182,500 00
British Linen Company's Bank. London, 3¾ p. c.....		365,000 00
Coates, Son and Co., London 3¾ p. c.....		912,500 00
		<hr/>
new roads and loans on new roads	¢	1,460,000 00

The total of these seventeen loans amounts to \$5,110,000.00.

Were we not right in saying that it was a veritable orgy of loans? The Ministers spent one half their time in borrowing and the other half in taxing.

OTHER OBLIGATIONS CONTRACTED

Probably to have the pleasure of borrowing more and not to discontinue the custom, the Conservatives, towards the end of their reign, contracted other obligations towards the railway companies which added over three millions to the liabilities of the Province.

We refer to the redemption in money of subsidies in land.

The railway companies that had obtained land subsidies had the option of converting such subsidies into money at the rate of 70 cents per acre, 35 cents whereof were payable at the time of the conversion and the other 35 cents out of the proceeds of the sale of the lands given as a subsidy, as the lands would be sold and paid for. Mr. Flynn, by the Act 49-50 Victoria, chap. 76, had his Government authorized to pay in money at once, at the rate of 17½ cents an acre, the balance or last half of all those land grants, and had an order-in-council passed giving the companies the right to claim the payment of such balance at once.

What did that new obligation represent?

In his Budget Speech, pronounced on the 9th December, 1896, Hon. Mr. Atwater, Treasurer of the Flynn Cabinet, (see p. 27) estimated the number of acres of land in regard to which the companies had declared their option for conversion into money at 9,251,468 and the number of acres in regard to which there was no option, but which were

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susceptible of being converted into money, at 165,000. That therefore made a total of 9,416,468 acres. At 17½ cents an acre the conversion represented the payment in money of a sum of \$1,647,881.90 exigible at once.

Thus it was necessary to borrow again since the Government had not a cent wherewith to meet its numerous engagements and only lived from hand to mouth.

INCREASE IN THE SERVICE OF THE PUBLIC DEBT

It appears by the Public Accounts that for the year ending 30th June, 1891, the last year of the Mercier Administration, the service of the public debt: interest, sinking fund, etc., cost \$1,271,506.33. For the year ending 30th June, 1897, the last year of the Conservative regime, there was paid for the same service the sum of \$1,550,874.16 being an increase of \$279,367.83.

ABOLITION OF THE TAXES DECREASES THE REVENUE

The direct tax on professions, the direct tax on transfers of property, the direct tax on manufacturing and trading licenses brought in, under the Conservative regime which had imposed these taxes, a total of \$1,343,182.16 or an average of \$268,636.43 per annum. To appease the cries of reprobation arising against these taxes from all sides and to prepare for a better appearance at the elections of 1897, Mr. Flynn had an act passed during the session of 1896 abolishing these taxes and diminishing the revenue by so much, at the very moment when the revenue was nearly a million below the amount of the expenditure.

REDUCTION IN THE REVENUE FROM INVESTMENTS

On the price of sale of the Quebec, Montreal, Ottawa and Occidental Railway there remains a balance due of \$7,000,000.00, payable by the Canadian Pacific Railway Company which bought the road. That balance forms

part of the sinking fund of the public debt and the interest on it was five per cent. At that rate the interest paid by the company yielded a revenue of \$350,000.00 per annum. On the 7th February, 1895, the Taillon Government lowered the rate of interest to $4\frac{1}{2}$ per cent., thereby reducing the revenue from that source by \$35,000.00 per annum.

SUMMING UP OF THIS ADMINISTRATIVE BUNGLE

In a speech delivered before the Legislative Assembly on the 2nd February, 1900, Hon. Mr. Duffy summed up this administrative bungle as follows :

“ Instead, therefore, of keeping their fine promises, the Conservatives, during the five years they were in power, obtained the following results :

1. Increase of the net debt.....	\$3,869,081 10
2. Increase of the consolidated debt.....	9,021,334 07
3. Average annual deficit	291,481 71
4. Deficit for five years.....	1,457,408 56
5. Average of new taxes per annum.....	452,290 51
6. Total of new taxes for the 5 years 1892-1897.....	2,262,452 56
7. Total of deficits and new taxes for the five years.....	3,710,861 11
8. Increase in yearly service of interest..	122,082 55

“ I mention these facts solely for the purpose of showing the true position of the affairs of the Province at the fall of the Government that has preceded us. I do not say that the honorable gentlemen of the Opposition did not do all they could, but I assert that, if they sincerely devoted themselves to the public weal, success has not crowned their efforts.”

POSITION OF THE PROVINCE WHEN THE LIBERALS CAME
INTO POWER

From the above it may be seen that when the Marchand Government assumed the management of affairs, the Province was on the verge of bankruptcy. The revenue, although increased by the imposition of exorbitant taxes, no longer sufficed to meet the expenses; deficits were increasing from year to year, and as recourse had to be had to loans to cover the difference between revenue and expenditure, the public debt grew in the same proportion. The penury of the treasury would not allow of increasing the grants for Public Instruction, Agriculture and Colonization, the three great factors in the progress and development of our Province.

II

THE LIBERAL PROGRAMME

In the electoral campaign of 1897, the Liberals promised the people:

1. To restore the finances of the Province;
2. To put an end to deficits;
3. To not increase the public debt without having a revenue sufficient to meet new obligations;
4. To increase the grants for Public Instruction, Agriculture and Colonization, especially for Public Instruction.

1.—RESTORATION OF THE FINANCES

This is established beyond a doubt by the fact that since the 30th June 1897, from which date the Liberals are responsible for the administration of affairs, not a cent of loan, either permanent or temporary, has been contracted. Every year the receipts have sufficed to meet the expenses and even to set aside respectable surpluses. Instead of

being obliged like their predecessors to run right and left in Canada and in Europe, and to monetary institutions and savings banks to borrow the money required for the payment of current expenses, the Marchand and Parent Governments have found in the ordinary and regular revenue of the Province means to meet everything at our own expense and without imposing any taxes. Thanks to the efforts as well as to the wise administration of the Liberals our financial position is restored, and established on solid bases and the Province of Quebec figures amongst the progressive countries whose yearly balance sheet shows an excess of receipts over expenditure.

2.—NO MORE DEFICITS—SURPLUSES

The statement marked A in the Budget Speeches of Hon. Mr. Marchand of 6th February 1899 and of Hon. Mr. McCorkill of the 19th April 1904, gives the receipts and expenditure for the six years of Liberal administration as follows :

YEARS.	EXPENDITURE.	RECEIPTS.	DIFFERENCE.
1897-98...	\$4,236,015.44	\$4,449,045.48	\$213,030.34
1898-99...	4,249,589.99	4,234,410.81	15,179.18
1899-00...	4,502,554.83	4,465,833.24	36,612.59
1900-01...	4,745,190.47	4,561,656.73	183,533.74
1901-02...	4,601,029.81	4,573,770.66	27,259.15
1902-03...	4,746,357.98	4,702,629.88	43,728.10
	<hr/>	<hr/>	
	\$27,080,629.22	\$26,987,346.80	
	26,987,546.80		
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Surplus...	\$ 93,282.45		

INTERESTING COMPARISON.

The balance sheet of the six years of Conservative administration is as follows :

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Payments	\$27,048,653.10
Revenue.....	24,831,509.51
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Deficit.....	\$ 2,217,149.59

As may be seen, it is not as satisfactory as the result of six years of Liberal administration.

NO INCREASE IN THE DEBT.

The Liberals pledged themselves to not increase the debt and they have kept their promise in this as in other respects. There is still more: not only have they not increased the debt, but they have decreased it.

NOT A SINGLE LOAN.

The Liberals are responsible for the administration of affairs, since the 30th June, 1897. Now, since that date, *not a single loan, either permanent or even temporary, has been contracted.*

What a contrast with the Conservatives who contracted loans almost by the half dozen every year, and, like bankrupt traders, went to all the banks to get money, even to the public and private banks in England when those in Canada would not lend them any.

THE DEBT IN 1897

On the 30th June, 1897, the debt of the Province, as established by the Public Accounts, was \$25,559,867.90, whereof \$24,202,654.08 for the funded debt and \$1,357,213.82 for the floating debt. (See p. 16 of the Public Accounts, 1897.)

On the 30th June, 1903, the debt of the Province was \$25,800,094.34, whereof \$24,731,109.39 for the funded debt and \$1,068,984.95 for the floating debt. (See p. 16 of the Public Accounts, 1903.)

These figures show a DECREASE of \$288,228.87 in the FLOATING DEBT and an increase of \$528,355.81 in the funded debt.

This *apparent* increase arises from the conversion of the debt effected under the act 60 Vict., chap. 2, passed under the Conservative Government and an agreement with the Bank of Montreal, approved by an order-in-council of the 19th April, 1897, also passed by Mr. Flynn's Conservative Government.

THE CONVERSION OF THE DEBT

The Conservatives, or rather Mr. Flynn, undertook that conversion under the pretext of lowering the rate of interest on the funded debt. The operation consisted in redeeming the bonds bearing interest at 4 or 5 per cent to replace them by others at 3 per cent. All this would be very well if the old bonds could be redeemed at par and if the new ones could also be issued at par. But as the old bonds are at a premium, the holders will sell them only at a premium or at four or five dollars more than their nominal value. On the other hand, the new 3 per cent bonds are taken only at a discount of 5 per cent., in consequence of which the Province gets only \$95.00 for every \$100.00 of these new bonds. Moreover, the broker's charges and stamp duties have to be paid, which adds still further to the loss.

RESULTS OF THE CONVERSION

Down to the 30th June, 1903, bonds of the old debt amounting to \$7,492,534.65 were converted and were replaced by 3 per cent bonds to the amount of \$9,236,061.48. The conversion therefore has increased the principal of the debt by \$1,743,526.83. The other results of the conversion are set forth as follows at page 83 of the Budget Speech delivered by Hon. Mr. McCorkill on the 19th April, 1904 :

The annual interest on the \$7,- 492,534.65 of converted bonds was.....	\$335,728 85
The annual interest on the \$9,- 236,061.48 of inscribed stock is.....	\$277,081 80
The annual sinking fund re- quired to redeem \$1,743,526.- 83, increase of principal of debt, by the 1st April, 1937, is	23 192 23
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Annual saving by conversion
until the date when the ori-
ginal bonds will have com-
menced to mature.....

35,454 82

Against these annual savings is the commutation of
stamp duties on the \$9,236,061.48, amounting to \$57,881.21.

For practical result this conversion effected under an
act passed and a contract made by Mr. Flynn's Govern-
ment has added \$1,743,526.83 to the principal of the
funded debt and \$22,426.36 to the cost of the service of
that debt.

AMOUNT OF THE DEBT WITHOUT THE CONVERSION

Without the conversion the capital of the funded debt
would not have been increased by the \$1,743,526.63 men-
tioned above, and that capital would have been only
\$23,097,583.56, as follows :

Capital as increased by the conversion.....	\$24,731,109 39
Less amount added by the conversion.....	1,743,026 64
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Capital of debt, deducting conversion.....	\$23,097,583 56
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>

On the 30th June, 1897, when the Liberals came to power, the capital of the net debt was..... \$25,202,654 08

On the 30th June, 1903, after six years of Liberal administration, and deducting the addition due to the conversion effected under the statute and contract of the Flynn Government, the capital of the net debt was..... 23,097,583 56

Making a decrease of..... \$ 1,105,070 52

Anybody can verify the accuracy of this result based upon figures taken from the official documents.

Finally, neither the Administration of Hon. Mr. Parent nor that of Hon. Mr. Marchand can have increased the funded debt since neither the one nor the other contracted a single loan.

REDEMPTION OF THE OLD DEBT

There is still better ; not only have those two Administrations not borrowed anything, nor added a cent to the consolidated debt, but they have further paid \$589,419.50 to redeem so much of the old debts contracted by the Conservatives. Those administrations have redeemed \$456,784.73 of the loan contracted in Paris by Mr. Chapleau in 1880, and have paid \$132,634.77 into the sinking fund for the redemption of other debts contracted by the Conservatives. Here are the details year by year :

	<i>Debt of 1880 redeemed</i>	<i>Paid into sinking fund</i>
1898.....	\$ 87,307 99	\$ 10,677 78
1899.....	70,274 07	21,070 17
1900.....	67,549 33	23,898 43
1901.....	74,946 67	24,807 49
1902.....	74,849 34	25,689 08
1903.....	81,857 33	26,491 81
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	\$456,784 73	\$132,634 77

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Contrary to what was done under the Conservatives who borrowed to make both ends meet and contracted one debt to pay another, all the above have been paid out of ordinary revenue without borrowing or taxing.

DECREASE OF THE FLOATING DEBT

On the 30th June 1897 (see p. 16 of the Public Accounts) the floating debt amounted to \$1,357,213.82; on the 30th June, 1903, it amounted to \$1,068,984.95, being a decrease of \$288,228.87.

TOTAL DECREASE OF THE DEBT

The diminutions of the debt as established by official documents are summed up as follows :

Decrease of funded debt.....	\$1,105,070 52
“ floating “	288,228 87
Total decrease.....	<u>\$1,393,299 39</u>

As may be seen, not content with keeping to the letter of their promise made to the people to not increase the debt, the Liberals have even decreased it by nearly a million and a half.

DECREASE OF LIABILITIES

On the 30th June 1897 (see pp. 16 and 41 of the Public Accounts) the sum of \$370,174.35 was due on railway guarantee deposits and another sum of \$652,472.29 on subsidies to the same companies, By consulting the Accounts for 1903 (pages 16 and 45) it will be seen that the guarantee deposits have been paid to the last cent and the balance due on the subsidies has been reduced to \$458,483.58 or by \$193,988.71. Those two items combined form an amount of \$564,163.06 of liabilities of which Hon. Mr. Marchand and Hon. Mr. Parent have relieved the Province.

And all this has been paid without borrowing a cent, exclusively out of the resources in hand.

DECREASE OF TAXES

During the last five years of their administration the Conservatives had the benefit of the taxes on professional men, on manufacturing and trading licenses and on transfers of property. The abolition of these taxes enacted by an act passed in the session of 1896, deprived the Liberal Government of that revenue which had given its predecessors \$453,278.16 in 1893, \$368,582.65 in 1894, \$324,862.95 in 1895, \$281,490.69 in 1896 and \$88,758.50 in 1897, say, \$1,516,972.95 for the five years or an average of \$303,657.63 per annum. Neither Mr. Marchand nor Mr. Parent wished to revive these taxes whereof they merely collected the arrears, \$44,020.79 in six years or an average of \$7,338.79 per annum.

Under this head Mr. Marchand and above all Mr. Parent have therefore REDUCED THE TAXES BY \$296,320.54 PER ANNUM.

INCREASE OF REVENUE

After deducting the taxes mentioned above the ordinary revenue yielded \$23,390,919.24 for the last six years of Conservative administration and \$27,036,608.33 for the six years of Liberal administration, being an increase of \$3,645,689.09 or an average of \$607,614.80 per annum.

With such an increase of revenue the Liberals have succeeded in restoring the equilibrium in the finances and in providing for all the needs of the country without having recourse to loans or to taxes and even while renouncing the benefits of those three kinds of taxes which they would not re-establish.

Always deducting these taxes, the ordinary revenue of the Province has been as follows for the six months of

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Conservative administration and for the six years of Liberal administration :

<i>Conservatives</i>		<i>Liberals</i>	
1892	\$ 3,494,117 60	1898	\$ 4,202,032 41
1893	4,014,000 05	1899	4,241,270 82
1894	3,951,044 57	1900	4,500,906 94
1895	4,019,108 70	1901	4,744,671 87
1896	4,077,368 12	1902	4,600,813 51
1897	3,834,480 20	1903	4,746,204 78
	<hr/>		<hr/>
	\$23,390,910 24		\$27,036,706 33
Annual average under Conservatives.....		\$3,898,486 55	
“	“	“	Liberals.....
			4,506,101 89
			<hr/>
	Increase by Liberals.....	\$	607,614 84

CHIEF SOURCES OF INCREASE

The increase in the revenue has occurred in the receipts derived from the administration of justice and from stamps, from taxes on commercial corporations and on successions, from hotel and shop licenses and above all from the receipts of the Crown Lands Department. The following figures show the proceeds from these various sources of revenue during the six years of Conservative administration and the six years of Liberal administration respectively :

Administration of Justice.

1892	\$ 246,555 09	1898	\$ 308,971 97
1893	239,761 18	1899	331,268 10
1894	264,414 47	1900	332,357 93
1895	319,941 87	1901	310,668 32
1896	318,066 26	1902	319,914 82
1897	300,073 33	1903	393,399 49
	<hr/>		<hr/>
	\$1,683,812 20		\$1,996,580 63

Annual average under Liberals.....	\$ 332,763 44
Annual average under Conservatives.....	281,468 70
	<hr/>
Increase under Liberals.....	\$ 51,294 74

Taxes on Commercial Corporations and Successions.

1892	\$ 137,937 88	1898	\$ 357,767 66
1893	179,239 30	1899	460,621 67
1894	292,677 96	1900	457,463 97
1895	323,341 66	1901	377,669 01
1896	312,009 19	1902	454,458 86
1897	363,845 75	1903	380,158 78
	<hr/>		<hr/>
	\$1,609,051 70		\$2,488,139 91

Annual average under Liberals	\$ 414,689 98
Annual average under Conservatives.....	268,175 29
	<hr/>
Increase under Liberals.....	\$ 146,514 69

Hotel and Shop Licenses

1892	\$ 607,989 33	1898	\$ 615,043 83
1893	672,757 90	1899	613,747 66
1894	636,052 34	1900	593,440 45
1865	605,918 78	1891	661,968 23
1896	663,087 46	1902	681,229 18
1897	586,176 42	1903	692,602 07
	<hr/>		<hr/>
	\$3,771,982 23		\$3,858,031 42

Annual average under Liberals.....	\$ 643,005 70
Annual average under Conservatives.....	628,673 70
	<hr/>
Increase under Liberals.....	\$ 14,331 53

Crown Lands

1892	\$ 684,006 98	1898	\$1,087,042 52
1893	990,937 67	1899	1,043,245 67
1894	905,163 96	1900	1,299,371 73
1895	866,032 10	1901	1,465,003 07
1896	1,045,310 19	1902	1,291,111 75
1897	879,893 26	1903	1,455,486 46
	<hr/>		<hr/>
	\$5,371,314 16		\$7,641,161 20

Annual average under Liberals..... \$1,273,526 86

Annual average under Conservatives..... 895,219 02

Increase under Liberals..... \$ 378,307 84

The increase in the revenue of the Crown Lands Department has been 42.25 per cent.

It is almost exclusively to this increase that the marvellous success of the Liberals in restoring the finances of the Province must be attributed. In his Budget Speech of last session, Hon. Mr. McCorkill said :

“ Sir, it must be self-evident that a Department, whose revenue exceeds 39 per cent of the total revenue of our Province from all sources, must be an important one, and I assure you no one realizes this more than the Treasurer. It is certainly the Department which is the most laborious and most troublesome, and which demands, for its successful and profitable administration, business ability and forethought of the very highest order.”

THE WORK AND THE GLORY OF THE HON. MR. PARENT

Hon. Mr. Parent has always had the direction of the Crown Lands Department since the coming of the Liberals to power in 1897, and to him are due the merit and honor of having accomplished the great task of restoring the finances of the Province.

The following details will give an idea of the importance of an energetic and skillful management of the Department of Crown Lands :

For the year ending 30th June, 1903, the revenue of the Province amounted to \$4,746,357.98. That amount is made up as follows :

Federal subsidy	\$ 1,281,603 17
Lands, Mines and Fisheries	1,455,386 46
Other revenues	2,009,368 35
	<hr/>
	\$4,746,357 98

Deducting the Federal subsidy which is a fixed revenue over which the Provincial Government can have no control, there remains \$3,464,754.81 of revenue over which administrative action can make itself felt. Of this amount of \$3,464,754.81 of revenue subject to control, the Crown Lands Department has supplied \$1,455,386.46 or over 42 per cent.

Making the same calculation for the year 1897, the last of the Conservative regime.

Federal subsidy	\$ 1,257,188 70
Land, Mines and Fisheries	879,893 26
Other revenues	1,786,161 74
	<hr/>
	\$3,923,238 70

Deducting the Federal subsidy there remains for revenue subject to control an amount of \$2,666,055.00 in which the revenue from the Department of Lands, Mines and Fisheries figures only for \$879,893.26 or only 33 per cent.

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We shall see elsewhere what Hon. Mr. Parent has done to secure this fine result; but we may say at once that under his skillful and energetic management, the revenue from the Department of Lands, Mines and Fisheries will, before five years are over, attain the figure of two millions.

III

INCREASE OF PROFITABLE EXPENDITURE

The Liberals have kept to the letter their promise to increase the grants to Agriculture, Colonization and Public Instruction. Such grants are money paid directly to the tax-payers and whereby they benefit directly.

GRANTS TO AGRICULTURE

The sums paid for the encouragement of agriculture under both régimes are shown in the Public Accounts.

1892	\$ 142,764 69	1898	\$ 202,476 97
1893	121,995 57	1899	182,334 72
1894	163,736 36	1900	198,909 60
1895	204,636 62	1901	204,466 72
1896	173,912 98	1902	221,608 69
1897	235,795 75	1903	238,412 04
	<hr/>		<hr/>
	\$1,042,891 97		\$1,248,206 74

For an equal period of six years, the Liberals have given \$205,316.67 more for the encouragement of agriculture than the Conservatives, being an average of \$34,219.13 more per annum or nearly \$1,000 for each of the rural or farming counties.

For whom should the farmers vote: for the Liberals who gave them \$34,218.13 more per annum or for the Conservatives who gave them \$34,218.13 less ?

To find the wherewithal to pay these smaller grants the Conservatives were obliged to tax the Province and run it into debt; to pay the grants increased by \$34,318.13 per annum the Liberal administration of Hon. Mr. Parent has neither taxed nor borrowed, but has taken the money out of the ordinary revenue, chiefly out of the revenue from the public domain which the Prime Minister, with the administrative ability for which he is distinguished, has increased by several hundreds of thousands of dollars per annum.

DETAILS OF THE INCREASES

Nevertheless the result of the comparison of these figures as a whole is far from giving a full idea of the good done by these grants under the Liberal régime. The manner in which the money has been used far more than the increase of the grants has contributed to procuring much greater advantages to the farmers.

Under the Conservative régime there was what was known as the *agricultural machine* which caused all the good grain to go into the pockets of favorites, and the chaff to the poor farmers. One of the chief cog-wheels of that machine was the famous *Haras National* or stud-farm which supplied broken-down stallions to agricultural societies under the pretext of promoting the improvement of breeds of horses. The sum of \$27,000 was paid to that so-called stud-farm whose stallions have done so much harm to the improvement of the breed of horses in the Province of Quebec.

An amount of \$48,814.09 was likewise squandered under the pretext of encouraging the cultivation of sugar-beets, but in reality to favor the proprietors of a bankrupt factory which in the end was converted into a gin distillery.

To those who desire more typical information respecting the working of the *agricultural machine* we would suggest to read the details given under the heading of "Encouragement of Agriculture in General" on pages 164, 165 and 166 of the Public Accounts for 1894. They will see there the scandalous manner in which the \$8,500.00 destined to the farming classes were frittered away mostly amongst the favorites of Minister Beaubien, one of the leaders of the *Castor* faction.

Let us now make a comparison between what was profitably spent under both régimes.

FARMERS' CLUBS

1892	\$	1898	\$	50,000 00
1893		1899		38,544 48
1894		25,000 00	1900		45,000 00
1895		40 000 00	1901		45 000 00
1896		30,000 00	1902		62,900 00
1897		57,348 92	1903		64,000 00
		<hr/>			<hr/>
		\$152,348 92			\$305,444 48

This grant has been doubled by the Liberals who will increase it still more as the resources at the disposal of the Government will allow.

DAIRYMEN'S ASSOCIATION

1892	\$	1,500 00	1898	\$	10,000 00
1793		1,500 00	1899		10,967 00
1894		8,000 00	1900		13,000 00
1895		10,090 00	1901		16,100 00
1896		10,000 00	1902		18,000 00
1897		12,500 00	1903		8,000 00
		<hr/>			<hr/>
		\$ 43,500 00			\$ 76,167 00

Still another grant almost doubled.

ENCOURAGEMENT OF DAIRYING

1892	\$ 9,500 00	1898	\$ 13,800 00
1893	14,500 00	1899	9,970 00
1894	10,000 00	1900	11,000 00
1895	12,600 00	1901	19,800 00
1896	15,000 00	1902	22,000 00
1897	15,000 00	1903	34,000 00
	<hr/>		<hr/>
	\$76,600 00		\$110,570 00

The increase, as may be seen, is \$33,970.00 for the six years, being an average of \$5,653.00, or 50 per cent per annum.

CULTIVATION OF FRUIT-TREES

From 1892 to 1897 the Conservatives paid under this head \$2,800.00 or an average of \$466.00 per annum. From 1897 to 1903 the Liberals paid \$9,500.00, an average of \$1,583 00 per annum. From \$500.00 they have raised this grant to \$3,000.00 per annum and they will increase it as the state of the finances will allow.

IMPROVEMENT OF RURAL ROADS

In six years out of the millions derived from loans and fresh taxes the *Castors* and Conservatives gave only \$4,000.00 for the improvement of country roads. During a like period of six years the Liberals gave the farmers to aid them in improving their roads \$59,109.97 as follows: in 1898, \$7,999.95; in 1899, \$4,000.00; in 1900 \$13,110.02; in 1901, \$12,000; in 1902, \$6,000.00; in 1903, \$16,000.

Instead of borrowing and taxing, Hon. Mr. Parent seeks to derive more revenue from the public domain and makes the farmers benefit by the surplus revenue.

INCREASE OF GRANTS FOR COLONIZATION

Here are the figures of these grants given by the Public Accounts :

1892	€ 155,167 45	1898	€ 106,000 00
1893	81,100 00	1899	136,243 00
1894	79,077 65	1900	184,845 00
1895	86,000 00	1901	139,390 00
1896	116,100 00	1902	112,540 00
1897	169,900 00	1903	110,500 00
	<hr/>		<hr/>
	€ 687,345 10		€ 839,518 00

As may be seen by the above table, during an equal period of six years the Liberals gave €152,172.90 more to colonization than the Conservatives had done.

How could settlers reasonably refuse their concurrence to an Administration that has so materially increased the grants destined to aid them ?

INCREASE OF GRANTS FOR PUBLIC INSTRUCTION

Hon. Mr. Marchand had promised to increase these grants and the Liberals have kept that promise as is proved by the following tables showing the sums paid year by year for Public Instruction :

1892	€ 387,210 00	1898	€ 418,760 00
1893	371,960 00	1899	375,143 28
1894	369,260 00	1900	438,758 37
1895	371,260 00	1901	451,589 63
1896	370,260 00	1902	455,184 79
1897	394,260 00	1903	452,074 00
	<hr/>		<hr/>
	€2,264,210 00		€2,591,510 12

Annual average of grants under Liberals...	\$481,918 34
Annual average of grants under Conservatives.....	377,368 33
	<hr/>
Increase by Liberals.....	\$58,550 01

For the six years the difference in favor of the Liberal administration is \$327,300.12.

We may add that this increase in the grants for education has been pushed on with the greatest vigor chiefly since Hon. Mr. Parent has been Prime Minister. From \$438,758.37 in 1900 these grants have been carried to \$452,074.00 in 1903 and \$463,390.00 in 1904.

By comparing the latter figure with the average under the Conservative régime we find a difference or rather an increase of \$86,021.67.

How could fathers of families, who benefit by such additional aid towards the education of their children, vote with any decency against the Government that procures them this precious advantage ?

In addition to this, the Liberal Government of Mr. Parent has increased in the same proportion the grant for schools of arts and manufactures which are of so useful to artisans. During the six years ending 30th June, 1897 the Conservatives gave those schools only \$61,873.35 or an average of \$10,312.22 per annum.

During the six years ending on the 30th June, 1903, the Liberals have paid for the same schools \$79,871.53, or an average of \$13,311.92 per annum. There is thus an increase of \$17,998.18 in the total and of \$2,999.70 in the annual average, which proves that Hon. Mr. Parent does not neglect the technical education of artisans.

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IV

MR. PARENT FOOTS THE BILLS INCURRED BY
THE CONSERVATIVES

We have seen elsewhere that from 1897 the *Castors* and Conservatives spent a portion of their time in borrowing. The interest on those loans, as everybody may see at pages 71 and 72 of the Public Accounts for 1903, cost us \$589,742.51 per annum.

Here are the details :

London loan of 1894.....	\$101,226 66
Paris loan of 1894.....	159,989 28
Loan of 1896.....	11,680 00
Loan of 1897.....	40,800 00
Loan for conversion.....	276,046 57
	<hr/>
	\$589,742 51

This amount has to be taken every year out of the revenue of the Province to pay interest on the loans and debts contracted in five years by the Conservatives, who promised the people, before the elections of 1892, to not impose fresh burdens on them and who, by the lips of Mr. Treasurer Hall, declared that it was not necessary to borrow, but that all our expenses would be paid out of revenue.

It is Hon. Mr. Parent who is now footing the bills run up by those so called saviors of the people and who, without taxing, even without the three or four hundred thousand dollars of abolished taxes whereof his predecessors had the benefit, finds means to pay all this out of the revenue and to put aside a reasonable surplus every year.

If Hon. Mr. Parent had not been obliged to retrieve the financial disasters due to his predecessors he would have had five or six hundred thousand dollars more to give to the schools, to agriculture and to colonization over and above the present grants which he has materially increased since he has been in power.

This may give an idea of the damage caused the Province by the Conservatives through lack of administrative ability, through their extravagance and their loans.

ANOTHER BLUNDER RETRIEVED

The Act 55-56 Vict., chap. 17 enacting the imposition of taxes on successions, was passed by the Conservatives, as were also all the other acts imposing direct taxes. The courts have decided that the Government had not the right to levy that tax on the moveables of persons residing outside the Province and condemned the Government to repay what was thus collected. To retrieve that blunder and restore matters to a proper footing the Parent Government had the Act 3 Edward VII, chap. 20 passed, but it is none the less necessary to foot the bills run up by the Conservatives, and to refund the taxes thus wrongly levied under an unconstitutional act. Hon. Mr. Parent's Government has already refunded \$56,776.16 on the 30th June, 1904, and \$3,991.87 in the month of August.

This is \$60,788.03 more taken from the revenue to pay bills incurred and to refund money squandered by the Conservatives.

THE REVENUE DIMINISHED BY THE PAYMENT OF INTEREST ON OLD DEBTS

At the date of Confederation in 1867 certain accounts remained to be settled between the Government of Ottawa and those of Quebec and Ontario. The settlement of these matters was left to arbitrators.

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In the month of July, 1894, when the Conservatives were in power at Quebec and at Ottawa, the Governments of Quebec and Ontario agreed to pay the Federal Government interest at 4 per cent per annum on the amounts that might be declared due to the Federal Government by both provinces, according to current accounts kept at Ottawa. From a statement prepared by the Finance Department at Ottawa and the Treasury Department at Quebec and based on the current account of the Province of Quebec from the 1st July 1867 to the 31st December 1902 and in accordance with the various awards of the arbitrators charged with the duty of deciding all the matters at issue, the balance in favor of the Federal Government on the 31st December 1902 amounted to \$1,473,609.63 as admitted by all the parties interested.

The Conservatives, who allowed everything to go adrift, had never paid interest on that debt, leaving the interest every year to be added to the capital. Hon. Mr. Parent, who never leaves anything to lie over and who sees that everything is disposed of day by day, took steps to have this matter settled like all the others and, when the amount of the debt was once established, he regularly paid the interest on that amount.

Here are the payments under that head :

30th June 1903.....	\$29,472 19
“ January 1903.....	29,472 19
“ June 1903	29,472 19
	<hr/>
	\$88,416 58

DIFFERENCE IN THE SURPLUSES

In spite of all this Hon. Mr. Parent has succeeded in having surpluses of receipts over expenditure ; but such surpluses would have been greater had they not been

impaired by the refunding of taxes illegally collected and the payment of interest on old debts left unattended to by the Conservatives.

The following comparison will better show the difference :

The surplus for 1903, as we have already shown, was \$43,728.10.

During that year an amount of \$56,776.16 was refunded for succession duties illegally collected under the statute passed by the Conservatives and another amount of \$29,472.19 was paid to the Federal Government for interest on debts unattended to by the Conservatives, making a total of \$86,248.35. Without such payments the surplus would have been greater by so much and would have been \$129,976.45 instead of \$43,728.10.

SURPLUS FOR 1904

For the year ending 30th June, 1904, leaving aside the subsidies and other payments for railways, the surplus is \$103,864.33, as follows :

Receipts.....	\$4,995,876 07
Payments.....	4,892,012 74
	<hr/>
Surplus.....	\$ 103,664 33

During that year the sum of \$3,991.87 was refunded for taxes illegally collected and another of \$58,944.36 was paid for interest on debts not attended to by the Conservatives, making a total of \$62,936.25. If the Parent Government had only its own expenses to pay, that amount would have been added to the surplus, which would have reached the respectable figure of \$166,800.58.

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THE COMPLEMENT OF THE RESTORATION

The work done since 1897, in less than eight years, is already immense and surpasses the expectations of even the most optimistic. And yet it is only the beginning of the transformation of the Province which Hon. Mr. Parent wishes to accomplish and which he will certainly accomplish during the five years for which he asks the electorate to continue to give to him the confidential mandate he has hitherto so faithfully fulfilled.

NEW QUEBEC

By the legislation of 1898, Hon. Mr. Parent has secured to the Province the ownership of a territory rich in resources of all kinds, especially in minerals, forests, water-powers and arable lands. Having to attend to the most pressing matter, the restoration of our finances, Hon. Mr. Parent has hardly been able to devote himself to the development of that new territory. Moreover it was necessary to build at least one railway to make that territory accessible and the Province had not the means to assume the expense of so costly an undertaking, not even to give the aid in money asked by a company to take charge of the enterprise.

But what the Liberal Government of Quebec cannot do, the Liberal Government of Sir Wilfrid Laurier will do. That portion of the Grand Trunk Pacific Railway to be built by the Federal Government will run through the new territory, will open it to colonization and to industry, and as soon as the territory becomes accessible Hon. Mr. Parent will provide for the development of its forest and mineral resources. While giving a powerful impetus to colonization, the development of these resources will add materially to our provincial revenue.

INCREASE OF THE FEDERAL SUBSIDY

Hon. Mr. Parent has devoted active and energetic attention to that question. He assembled at Quebec a convention of the representatives of all the Provincial Governments of the Dominion to lay the foundation of common action with regard to the Government of Canada. The negotiations are being continued and there is reason to hope that before long the Federal subsidy will be increased by four or five hundred thousand dollars per annum, which would crown the work undertaken by Hon. Mr. Parent. We have all the more reason to count upon such success that so far the leader of the Quebec Government has succeeded in everything he has set his hand to.

THE QUEBEC BRIDGE

This is an undertaking whose success Hon. Mr. Parent assured as soon as he took it in hand, after fifty years of vain efforts made by others.

The good that will be done to the city and district of Quebec is not contested by any one ; but there is another point to which it is advisable to call attention since it is of public interest to the whole Province.

The new transcontinental or Grand Trunk Pacific Railway, which will open up the hitherto inaccessible regions in the north-west and south-east of the Province and the construction of five or six hundred miles of railway through the forest and through arable lands, will give colonization an impetus whose proportions it is difficult to conceive. The Province of Quebec, more than any other province, will derive immense advantages from the construction of that railway. Now without the bridge, it is permissible to believe that the new transcontinental railway would have stopped at North Bay and would not have benefitted the Province of Quebec.

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THE PROVINCE WILL BE REPAID THE AMOUNT GIVEN IN AID

The Legislature of Quebec voted a subsidy of \$250,000.00 for the bridge. In the arrangements made with the Federal Government Hon. Mr. Parent had a clause inserted, stipulating that in the event of that Government acquiring the bridge to make it a part of the Grant Trunk Pacific, it should repay these \$250,000.00 to the Province. As may be seen, the able administrator at the head of our affairs has always an eye to the interests confided to him and never fails to protect them at the opportune moment.

LET US BE MINDFUL OF OUR INTERESTS ABOVE ALL!

The work of financial restoration and of moral rehabilitation accomplished by Hon. Mr. Parent has won him the confidence and the good will of Sir Wilfrid Laurier and his colleagues in the Ottawa Government. If there be a man who can advantageously settle the matters pending between Canada and the Province of Quebec and obtain an increase of the Federal subsidy, it is beyond dispute Hon. Mr. Parent. The chief objection that has always been raised against such increase of subsidy has been that it might make the Local Government extravagant. Now, with Hon. Mr. Parent at the head of our provincial affairs, there is no danger to apprehend on that score and his prudence is a warranty of the good use of what will be granted us in the shape of an increased subsidy.

Judging by what he has already done and by what he is still in a position to do, it is in our interest to maintain as Prime Minister the man who, by his arduous labor, his prudence and his administrative ability, has extricated the Province from the administrative muddle and from the financial quagmire in which it was on the point of perishing.

Let us be mindful of our interests above all and vote for Hon. Mr. Parent and his candidates!

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TABLE OF CONTENTS

	PAGE
THE REIGN OF PROSPERITY.....	3

I

THE PROMISES OF THE CONSERVATIVES.....	4
Violation of those promises.....	5
Increase of the debt.....	5
Deficits.....	6
Extravagance in expenditure.....	7
Taxes.....	7
Loans.....	7
Other obligations contracted.....	10
Increase in the service of the debt.....	11
The abolition of taxes diminishes the revenue.....	11
Reduction in revenue from investments.....	11
Summing up of the administrative bungle.....	12
Position of the Province when the Liberals came into power.....	13

II

PROGRAMME OF THE LIBERALS.....	13
1. Restoration of the finances.....	13
2. No more deficits—surpluses.....	14
Interesting comparison.....	14
No increase of the debt.....	15
Not a cent of loan.....	15
The debt in 1897.....	15
Conversion of the debt.....	16
Result of the conversion.....	16
Amount of the debt without the conversion.....	17
Redemption of the old debt.....	18
Decrease of the floating debt.....	19
Total decrease of the debt.....	19
Decrease of the liabilities.....	19
Decrease of the taxes.....	20
Increase of the revenue.....	20
Chief sources of the increase.....	21
Administration of justice.....	21
Taxes on commercial corporations and successions.....	22
Hotel and shop licenses.....	22
Crown lands.....	23
The work and glory of Hon. Mr. Parent.....	23

III

	PAGE
INCREASE OF PROFITABLE EXPENDITURE.....	25
Grants to agriculture.....	25
Details of increases.....	26
Farmers' Clubs.....	27
Dairymen's Association.....	27
Encouragement of dairying.....	28
Cultivation of fruit trees.....	28
Improvement of rural roads.....	28
Increase of grants for colonization.....	29
Increase of grants for Public Instruction.....	29

IV

HON. MR. PARENT FOOTS THE BILLS INCURRED BY THE CONSERVATIVES....	31
Another bungle retrieved.....	31
The revenue decreased by the payment of interest on old debts.....	31
Differences in the surpluses.....	33
Surplus for 1904.....	34

V

THE COMPLEMENT OF THE RESTORATION.....	35
New Quebec.....	35
Increase of the Federal subsidy.....	36
The Quebec Bridge.....	36
The Province will be repaid the money given in aid.....	37
Let us be mindful of our interests above all.....	37