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THE WAR BUDGET
AND THE
BRITISH PREFERENCE

A SPEECH
DELIVERED BY
THE RIGHT HON.
SIR ROBERT BORDEN

(PRIME MINISTER)

IN

THE HOUSE OF COMMONS
on March 16th, 1915.

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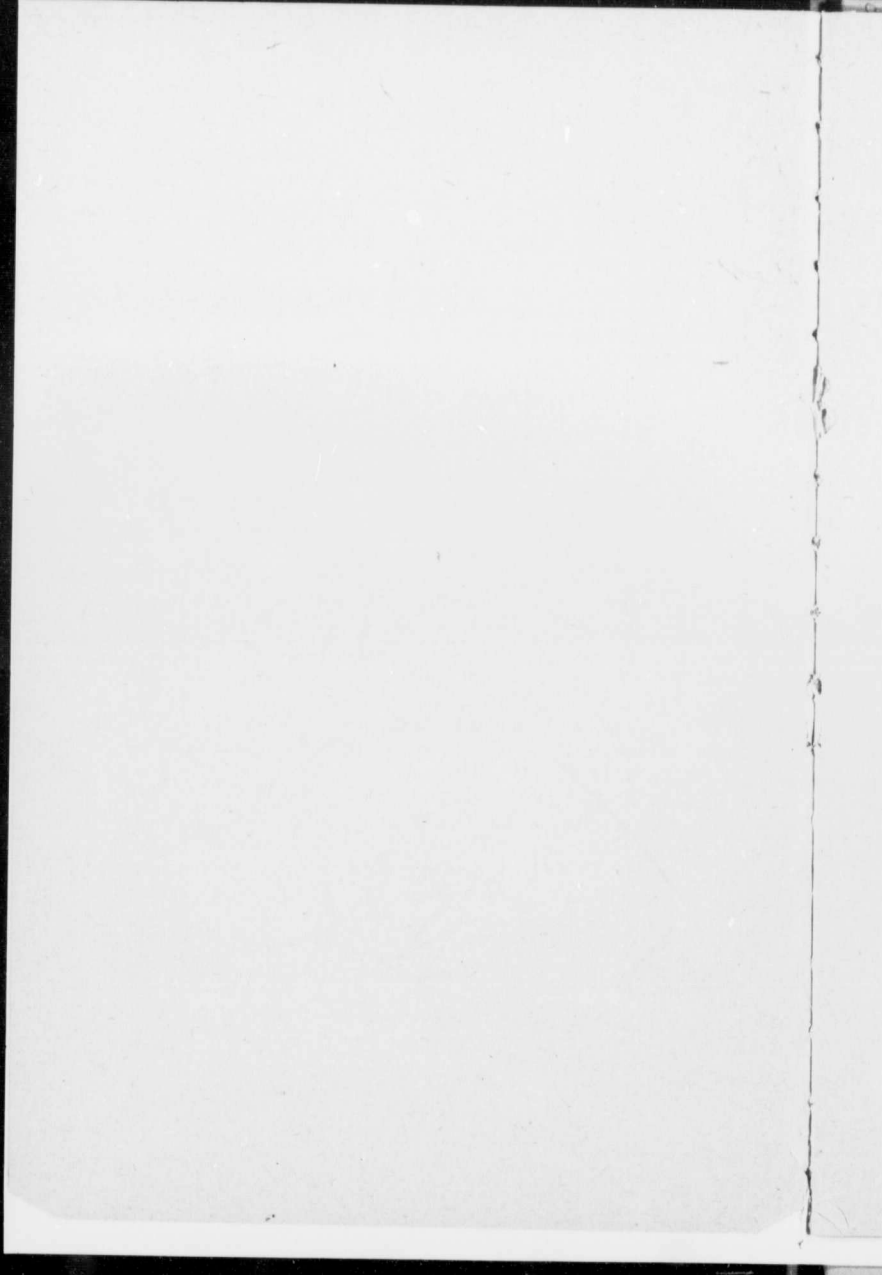
The following speech by Sir Robert Borden is an exceptionally concise and telling reply to the criticisms and objections which Sir Wilfrid Laurier and his followers in Parliament raised against the Government's War Budget brought down last session for the purpose of supplementing the ordinary revenue in order to properly and effectively carry on Canada's part in assisting the Mother Country in the European War. The Chief Liberal argument against the Budget proposals was to the effect that in the tariff changes,—

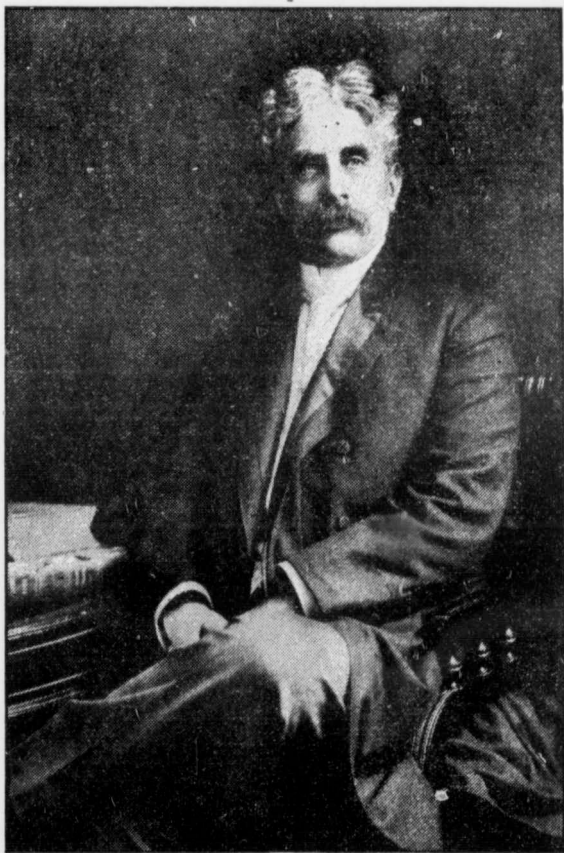
- (1) The poor man was discriminated against;
- (2) Undue protection was given certain classes, and
- (3) That the British preference was decreased.

Sir Robert Borden, in his speech, dealt particularly with these three phases of the Opposition criticism and proved most conclusively that the effect of the tariff changes would be exactly the opposite. He also thoroughly exposed the inconsistency and insincerity of Sir Wilfrid Laurier on the question of the British preference.

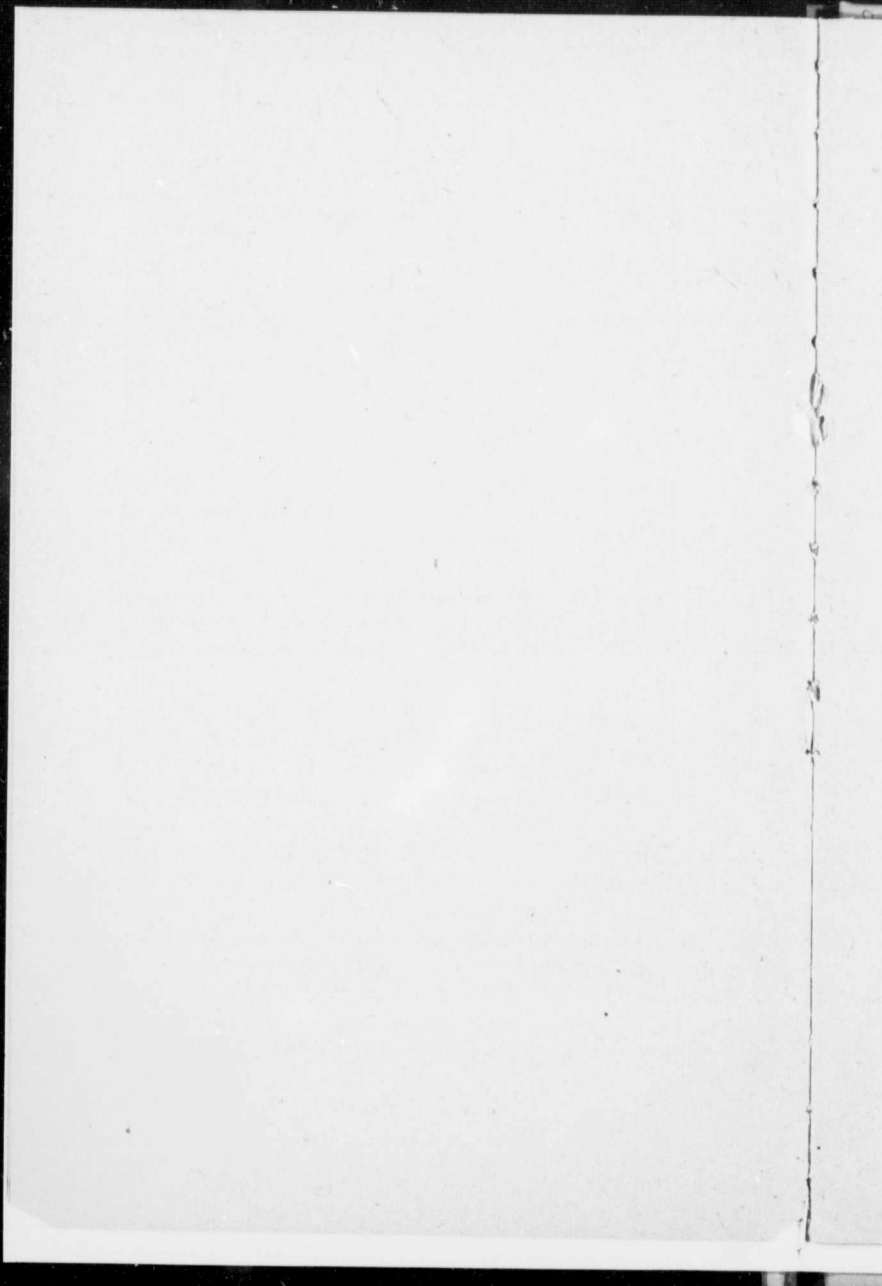
From the beginning of the war until the day he delivered his speech Sir Robert, as he himself declared, had studiously avoided uttering a controversial word, but in view of the fact that the Liberal attitude in Parliament was of such a bitterly partisan character Sir Robert told the leader of the Opposition very plainly that if there was to be a fight "it would not be a one-sided fight," for in so far as Canada's position in and duty towards the Empire was concerned, "we have shown where we were before the war began; we have shown where we are since the war began, and, please God, if need be, we will show it again."

March 26th, 1915





THE RIGHT HON. SIR ROBERT BORDEN
(Prime Minister)



THE WAR BUDGET

AND THE

BRITISH PREFERENCE

The Prime Minister, Sir Robert Borden, speaking in the House of Commons on March 16, said:

Mr. Speaker, it was not my original intention to intervene in this debate, for the grounds upon which the proposals of the Government are put forward were very thoroughly and lucidly explained by the Minister of Finance to the House on the 11th day of February, last. However, after a long debate extending now almost into a month, it transpires that my right hon. friend who leads the Opposition has challenged the proposals of the Government in an amendment which he has moved. I therefore feel it incumbent upon me to say a few words with regard to the issue which he has thus presented.

Let me say in the first place that no Minister of Finance in Canada since Confederation has been confronted with more tremendous responsibilities than those which, since the outbreak of this war, have devolved upon the gentleman who now fills that posi-

tion; and no man filling that position has, in the history of this country, met and discharged those responsibilities with greater courage or more conspicuous ability than that which has been displayed by my hon. friend the Minister of Finance.

My right hon. friend the leader of the Opposition alluded in the opening passages of his speech to the fact that we had not called him into counsel for the purpose of discussing the special taxes and the tariff changes which have been proposed. It is perfectly true that the tariff changes were not submitted to my right hon. friend the leader of the Opposition; and he knows perfectly well, he knows as well as any man in this House, that they could not have been presented to him in advance. He never suggested any such step, and under such a system of raising the revenue as prevails in this country, and has prevailed for many years past, I do not think he would suggest any such thing. I am not aware that tariff proposals are ever presented in caucus or discussed in caucus. My right hon. friend had as much information about those tariff proposals as any hon. gentleman on this side of the House outside of those who sit upon the Cabinet benches. And more than that, so far as our programme with regard to the session is concerned, I should like to remind my right hon. friend of something which he apparently forgot when he was speaking, or he would have mentioned it. At an interview between himself and myself before the opening of the session he suggested to me that I should submit to him our programme for the session. I told him that I would in advance of the session submit our programme to him, and I explained at the same time that

there was a fiscal measure which could not possibly be submitted to him or to any gentleman outside of the Cabinet. On the Monday before this session of Parliament opened, and a week before the debate on the Address commenced, I took to my right hon. friend our programme for the session so far as I could foresee it, and I gave him copies of the measures which we proposed to introduce. Both then and on a previous occasion he told me, as I understood him, that if I gave him that information in advance of the session he would consult with his friends and let me know what his programme was. **But from that time up to the present, I have not heard one single word from him in that regard.**

No Alternative Proposals Offered

My right hon. friend has proposed a motion which, if carried in this House, would defeat the proposals of the Government. He has moved that the Speaker do not leave the chair for the House to consider those proposals, and if that motion was carried the proposals could not be considered this session. It is in effect a vote of want of confidence which my right hon. friend is pressing against the Government at this juncture. As the Minister of Finance pointed out to the House in the course of his reply to the leader of the Opposition, the proposals put forward on the other side of the House are purely negative and destructive in their character. **They condemn our proposals, and they have put forward no proposals on their own behalf.** The net result of that is this: If we are to accept what my hon. friend the Minister of Finance

told us in that regard, and he gives us good reasons why we should accept it, it is imperatively necessary, if we are to take our part in this war, that additional revenue shall be raised in Canada by some method of taxation. When hon. gentlemen on the other side of the House move a vote of want of confidence in the Government, move that the Speaker do not leave the chair for the purpose of considering these proposals, and put forward no proposals of their own, **I say that they in effect declare to this House and the country that we shall not continue to take our fair share in this war as we propose to do and as the people of Canada desire that we shall do.**

My right hon. friend, in the course of his speech, has made three points. First, he has desired to make the point that the special taxes which we propose are discriminative against the poor man. **He has desired and attempted to arouse the feeling of class against class in this country.** He has attempted to make the man of smaller means believe that these taxes are intended to discriminate against him. That was the first point which he made; and the second was this: He denounced the doctrine of protection in so far as protection is afforded by these proposals, and he spoke of the privileged and protected classes and deprecated the fact that they would, according to his conception, derive an undue advantage from the proposed tariff changes. In the third place, he argued that the British preference is decreased, and endeavoured to impress upon the Government and upon public opinion in Great Britain his allegation that our course at this time is unfair to the Mother Country and to the rest of the Empire. We will take up these allegations one

by one and see to what extent my right hon. friend is justified in making the appeal which he has made to the House and the country on these points.

A Question Laurier Declined to Answer

As far as the special taxes are concerned, I need say but little, because my hon. friend the Minister of Finance has given an ample and sufficient answer in that regard. But when my right hon. friend alleges that corporate interests in this country were greatly surprised because they were let off so easily, and when in connection with that he deprecates any advance in the preferential rate upon goods coming in from Great Britain, **I desire to press upon him the question which was put to him by my hon. friend the Minister of Finance, but which he has not yet answered, as to why it was that in 1907, without any such urgency as that which impelled my hon. friend the Minister of Finance, he deliberately increased the preferential rate against British goods.** My right hon. friend either did that because he desired to raise more revenue or because he desired to give greater protection. There is no escape from that, as my hon. friend the Minister of Finance pointed out, and I invite him—and I will yield the floor to him—to state to the House and the country why he did it. My right hon. friend takes refuge in a discreet silence, and I think silence is in this instance the better part of valour. The reason is plain: he knows that if he said it was for greater revenue, he would be open to the retort that he then, in 1907, should have taxed the banks to escape the necessity of making the preferential rate higher against the British exporter to this country; and if, on the

other hand, he had said that he did it for the sake of protection to the industries in Canada, he would have admitted that he had regard for considerations then which he is now denouncing.

Let us see whether or not these taxes are discriminative against the poor man. In the first place, there is a million of dollars, as my hon. friend the Minister of Finance has explained, taken from one corporate interest in Canada, that is, banks; and, in like measure, upon other wealthy corporations in Canada, a somewhat corresponding tax has been imposed.

Then, my right hon. friend takes up the question of railway tickets and says that the poor man is therein discriminated against. In what respect is the poor man discriminated against? The man who travels first-class pays, let us say, \$6 for his ticket; the man who feels himself able only to travel second-class pays \$4 for a ticket. In one case there is a tax upon the wealthier man of ten cents and in the other case a tax upon the poor man of five cents. Let us see how the tax will apply to a ticket for a passage on a steamboat. Up to \$10 no tax whatever is paid. A man buying a berth costing from \$10 up to \$30 pays at the rate of one dollar; from \$30 to \$60 he pays at the rate of \$3 and above \$60 at the rate of \$5. The man pays the higher rate who is able to pay for the better accommodation on the steamer; the wealthier man pays the higher tax just as my hon. friend the Minister of Finance intended that he should. Under these circumstances, the attempt of my right hon. friend to suggest that the poor man is discriminated against

by these tariff proposals is not only unworthy of him and of the position he holds, but is absolutely unsupported by any foundation in fact.

Free Trader or Protectionist at Will

My right hon. friend finds protection in the tariff changes. His attitude in regard to free trade and protection has sometimes inspired the country with astonishment. I remember very well in the session of 1902, that his then Minister of Trade and Commerce, Sir Richard Cartwright, stood up and openly castigated him in the House of Commons because he had fallen away from the doctrine of free trade which he had preached in Opposition; and any one who desires to verify my words need only refer to the speech of Sir Richard Cartwright in the Hansard of that year. My right hon. friend is virtuously indignant about the protected and privileged classes of this country. **Does he deny that he maintained the protective principle from 1896 to 1911? Does he deny that in 1907, he and his ministers deliberately increased protection by the tariff then brought down?** When I sat where my right hon. friend sits to-day, I heard them put forward arguments founded on protection in support of the tariff proposals which they had brought down. **My right hon. friend in opposition seems to be a most excellent free-trader, at least in theory; but when he comes into power, he seems to be a fairly good protectionist, at least in practice.** I remember seeing an anecdote not long ago of an inexperienced drill-sergeant in Great Britain, who was endeavouring to instruct his men in certain physical exercises, and

his intention was to admonish them first to hop on one foot, and then to hop on the other, and to keep that up alternately; but, being somewhat inexperienced and getting a little confused in his language, he said: "When I give the word of command, you must hop first on the right foot and then on the left foot, and keep that up to all eternity." My right hon. friend seems to have a free trade foot and a protectionist foot; in opposition, he hops on the free trade foot, and when he comes into power, he hops on the protectionist foot. I presume that, so long as my right hon. friend continues in public life, that movement which has been kept up so continuously in the past may be expected to continue in the future.

The Theory of Protection

What has been the theory of protection upon which the Liberal-Conservative party has proceeded in this country? **It is that our raw material, plus our labour, is equal to the finished product, and that as we have both we ought to use them.** We saw no reason why those available resources of Canada which, by the labour of our own people, could be converted into finished products suitable for the use of our people, should not be so converted by the labour of our own people in this country. We stand for that. I have stood for it in the West of Canada as well as in the East, and I have stood for it in power as well as in opposition. With that we have coupled the principle and the belief that we are bound to maintain our customs tariff in Canada on such a standard **that labouring men in Canada shall have a fair and reasonable living**

wage, and that the day shall not dawn that will bring down their standard of living to the scale which prevails in certain other countries which I need not mention. We want a strong and virile labouring population in Canada to whom a reasonable living wage shall be paid, and we believe it is a good policy for this country that our raw material in Canada, so kept within our own boundaries, shall be converted by the labour of our own people into those articles which are necessary and convenient for the consumption and use of our own people. We say, further, so far as that is concerned, that there is no conflict of interest, as my right hon. friend would endeavour to make it appear, between the labouring interests in Canada and the agricultural interests in Canada, **because every labouring man, finding employment at a reasonable living wage in industries built up by such a policy as that, establishes the best of all markets, the home market, for the agricultural producer. That is the policy which Canada adopted in 1879, which Canada has kept up ever since and which Canada will keep up in the future, notwithstanding any assault that my right hon. friend may make upon it.**

My right hon. friend, after delivering himself of certain broadsides against that policy of protection, which he maintained for fifteen years, proceeded to declare that we had made an attack upon the British preference. He alleged that British goods, escaping the dangers of the submarines, would find themselves impaled upon our tariff. If I could anticipate an answer, I would ask my right hon. friend again why he increased the British preferential rate in 1907; but my efforts to obtain any answer on that point have been absolutely

in vain, so I will not detain the House further with them. The hon. Minister of Finance, by the proposal which he has brought down, **has given Great Britain a greater preference in our market than she has ever had before. Not only has he done that, but he has established an absolutely new British preference, which in its scope is nearly three times as great as that which my right hon. friend established in 1897.** I will prove that to my right hon. friend in a few moments, so that not even he will gainsay it.

Sir WILFRID LAURIER: Hear, hear.

Sir ROBERT BORDEN: I am glad that my right hon. friend shows a disposition to be converted. I have no doubt that I can convert him for the moment; my only doubt is as to how long he will remain converted.

“ If need be, we will show it again ”

My right hon. friend says that our tariff proposals are of German conception. I will come to that a little later on. He intended by his statement to put, in a somewhat delicate and insidious form, the grosser utterances of some of his followers who had charged the Government and hon. gentlemen on this side of the House with disloyalty by reason of these tariff proposals. So far as all that is concerned, it passes by us like the idle wind which we regard not. **We have shown where we were before this war began; we have shown where we are since this war began, and, please God, if need be, we will show it again.** Let us see whether or not this is a German conception. If Germany were able to compete with

Great Britain in our market to-day, what would she find? She would find, as the Minister of Finance has pointed out, that upon every \$100 worth of goods sold in our markets, Great Britain, upon goods now dutiable, had not only the preference that she has enjoyed in the past, but an added preference of \$2.50 upon every \$100. Does the right hon. gentleman mean to say that Germany would favour a policy by Canada of that kind? For what reason then did he speak of this as a German conception? If I have misunderstood him, I shall be very glad for him to explain. If he meant anything more offensive than that, I would like him to declare it. I understand him to mean that this is a German conception in the way that I have mentioned; and, taking it in that way, I think that no more absurd and unfounded statement ever emanated from the mouth of any public man in Canada.

The British Preference Greatly Enlarged

As to this preference, let us look for one moment at its operation. **We have enlarged the British preference on dutiable goods amounting to \$379,000,000.** That means that if all these goods were supplied to Canada by the British Islands, British manufacturers would pay about nine and a half million dollars less duties upon them under the proposals of the Minister of Finance than would be paid by foreign manufacturers if these goods came from a foreign country. That is, the proposal of the Minister of Finance means that upon an importation of \$379,000,000, the difference between the duties payable

by the British manufacturers and those that would be paid by foreign manufacturers amounts to no less a sum than nine and a half millions. Does not my right hon. friend see, in view of that, that the British manufacturer to-day enjoys a preference in our markets that he did not enjoy before? He need not be alarmed—I will come to the question of the relation between the British manufacturer and the Canadian manufacturer in due time, and will give my answer upon it. Perhaps my right hon. friend contends that our proposals do not give the British manufacturer an increased preference. Does he take that ground?

Sir WILFRID LAURIER: The ground I take is that the British exporter has to pay five per cent more than he had to pay before.

Sir ROBERT BORDEN: I think everybody knew that. But I had understood my right hon. friend to say that the British preference was decreased. Does he say that now?

Sir WILFRID LAURIER: I repeat what I said—that the British goods have to pay now five per cent more than formerly.

Sir ROBERT BORDEN: Then he does not say that the preference has been decreased. **He admits in effect that it has been increased;** and the point he desires to make, as I understand him now, is that the British manufacturer is handicapped as between himself and the Canadian manufacturer. Is that it?

Sir WILFRID LAURIER: I am too old a bird to be caught with this chaff. I repeat—and I am sorry that the right hon. gentleman has not seen it

before—that his policy places a handicap on the British exporter as compared with the former condition of things.

Sir ROBERT BORDEN: And I too am too old a bird to believe that I can get a more direct answer out of my right hon. friend.

Sir WILFRID LAURIER: And the right hon. gentleman is not even able to twist it as he wants to do.

- **Endorsed by Hon. W. S. Fielding**

Sir ROBERT BORDEN: But I will show him how his own Minister of Finance "twisted" it, as he calls it. Here is what the Hon. Mr. Fielding said in the Colonial Conference in 1902:

I would like, Sir, to say, from a Canadian point of view, *we think that an additional preference in the shape of a higher duty may give the British manufacturer a greater advantage than perhaps Mr. Chamberlain is disposed to think possible.* We do not profess that we want to introduce British goods to displace the goods made by the manufacturers of Canada. That is a point upon which we must speak with great frankness. Whether or not it was a wise policy for Canada to foster her manufactures by high duties is a point hardly worth discussing now; we must deal with things as we find them.

And further on:

The statistics show that our tariff is not prohibitive; it is a moderately protective tariff. We say it is incidentally protective. The statistics show we are importing from abroad vast quantities of goods, and the statistics also show that England is not holding her own, or is barely holding her own, of late, and that a large proportion of these are coming from foreign countries. *If these goods are being imported, then, by an increase of the duty, thereby increasing the preference to Great Britain,*

the goods are still going to be imported, but we can turn the trade, as Mr. Seddon has pointed out, from the foreigner to Great Britain. Take the class of goods to-day in which there is 30 per cent duty with one-third off, the British goods come in at 20 per cent. There is thus 10 per cent advantage to the British manufacturer. If you increase to 45 per cent and still keep your proportion of one-third, your preference then becomes 15 per cent, and that is an additional advantage to the British manufacturer as competing with the foreign manufacturer.

That is, in effect, what was stated by my hon. friend the Minister of Finance (Mr. White) in answer to my right hon. friend (Sir Wilfrid Laurier). He pointed out that by increasing the duty under the general tariff by $7\frac{1}{2}$ per cent and under the preferential by only 5 per cent, he was not only continuing for the British manufacturer the advantage he previously had, but was giving him besides an additional preference of \$2.50 on every \$100 worth of goods he sent into Canada. No man can doubt, who considers the subject for a moment, that so far as competition between the British manufacturer and the foreign manufacturer is concerned, the British manufacturer is placed in an immensely stronger and more favourable position by the proposals of the Minister of Finance.

A New British Preference

And not only that, but, as I have said, my hon. friend the Minister of Finance has established a new British preference. I repeat that, and I will give the House the figures to establish it. The total dutiable imports into Canada last year amounted to \$410,258,744. Certain dutiable goods are exempt from the war tax. These amount to \$31,565,942. The amount

therefore, of dutiable goods subject to the $7\frac{1}{2}$ per cent or the 5 per cent additional tax is \$378,692,802. In addition to that, there were last year \$208,198,400 of free imports—imports upon which no duty was imposed. The Minister of Trade and Commerce (Sir George Foster) referred to that yesterday. He did not, however, deduct that portion of the free goods which are still exempt under the war tax. This portion amounts to \$73,425,665. This leaves, as the amount of goods formerly free which are now subject to the war tax, \$134,772,735, or in round numbers \$135,000,000.

In respect of that the Minister of Finance has established an absolutely new and distinct British preference, because he has imposed upon those goods, in so far as they come from foreign countries, an additional tax of $7\frac{1}{2}$ per cent, and in so far as they come from the British Isles and the principal British dominions, an additional tax of only 5 per cent. **There you have a preference extending to \$135,000,000 which is absolutely new and to which the British manufacturer and producer is entitled to-day, although he never was entitled to it before.** In order to give to the House and the country a comprehension of what that amounts to, I would like to compare for a moment, the scope of this preference established by the Minister of Finance to-day with the scope of the preference of 1897. The arrangement of 1897 was not at first called a British preference; it was intended as a reciprocal tariff and was converted into a British preference, so-called, in 1898. The dutiable imports which were subject to that preference in 1897 amounted to \$56,047,420. That represents the whole volume of trade to which the British preference, so-called,

established in 1897, applied. My hon. friend the Minister of Finance has established to-day a new British preference extending to \$135,000,000 or nearly \$100,000,000 of trade more than that which was affected by the arrangement made in 1897. Under these circumstances my hon. friend thought himself justified—for the sake of originating a partisan cry to be made throughout the country, perhaps at a later date—thought himself justified in suggesting that the action of the Government in giving this extended preference was not patriotic, and was not even loyal. We are prepared to leave it to this House, and, if necessary, to this country, to judge as to the merits of the Government's proposals in that respect.

The Canadian Side of the Question

But my hon. friend puts forward another point. I do not know that he puts it forward precisely in these words; but doubtless he will argue that although we have given Great Britain a larger and wider preference, yet we have increased the preferential rate and therefore we have handicapped the British manufacturer in competition with the Canadian manufacturer. Of course there is a higher rate to the extent of five per cent on British goods coming into Canada, but there is also a higher rate to the extent of $7\frac{1}{2}$ per cent upon foreign goods coming into Canada, leaving the matter as I stated it before. **What is the position of the Canadian manufacturer?** Upon any raw materials which he finds it necessary to import—and he imports a great many of these; upon any plant or machinery and upon various other articles which

he finds it necessary to import from abroad for the purpose of carrying on and maintaining his industry, he must pay an additional tax of either $7\frac{1}{2}$ or 5 per cent. **Under these circumstances, unless the Minister of Finance was prepared to see scores of Canadian factories closed and thousands of working-men thrown out of employment, he was bound to give to the Canadian manufacturer that consideration in the tariff which he has given to him under these proposals.** Let us look at this question in the broadest possible aspect. Those who are charged with the duty of administering public affairs in Canada must have regard to conditions in this country; it is their first duty to have regard to the fiscal welfare of Canada within the Empire. And that does not make the Empire any the less strong; a factory established and maintained in Canada is of as much advantage to the Empire as if it were established and maintained in some other British possession.

My right hon. friend says that workmen by the hundreds and thousands are out of employment in the large cities of Canada. Does his proposal mean that while imposing a tax of $7\frac{1}{2}$ per cent and 5 per cent upon everything that the manufacturer has to bring into Canada in order to carry on his industry, we should give him absolutely no consideration in these tariff proposals. **If he means that, then he means to increase by many thousands the number of men out of employment in Canada.** I do not think that is a good proposal for Canada, or a good proposal for the Empire. Within this Dominion every Government entrusted with the administration of provincial affairs has the duty of first conserving the

interests of its province. That does not make this Dominion of ours any the less strong or any the less loyal. It is our duty to see to it that the industrial life of this country is not crushed, is not dislocated, is not destroyed. The Minister of Finance, therefore, took absolutely the only course that he could take in bringing down these proposals; he maintained the equilibrium of the tariff and gave to the manufacturer of Canada the same opportunity to compete with the world as that which he had before. That was a perfectly just and reasonable policy, because there is no good reason why the strength of the Empire, in industrial life and activity or otherwise, should not be made manifest in this Dominion as well as in other portions of the Empire. Our industrial organization is serving the Empire well to-day. At least one hundred factories in Canada are now engaged, I believe, in supplying munitions of war, which the Secretary of State for War, Lord Kitchener, only a day or two ago said were of the most vital necessity at this moment.

They Cannot Alter the Facts

My right hon. friend also says that this is not a war tax; a great many hon. gentlemen on the other side of the House have said the same thing. I do not intend to labour that point; it can be disposed of in a few words. We have a large ordinary expenditure in this country which we are endeavouring to maintain so as to give employment, so far as conditions will permit us to do so. In addition to that, we have a great war expenditure; we must meet in some way this combined expenditure. My hon. friend the

Minister of Finance proposes to meet it in part by borrowing and in part by increased taxation, and I say that every additional dollar that we raise by taxation diminishes pro tanto the amount which we must borrow for war purposes. The additional taxation is imposed for that purpose. My hon. friends on the other side of the House may chop logic about that from now until doomsday, **but they cannot alter the facts I have just presented.**

Another curious feature in the arguments put forward by my hon. friends opposite is this. They say that the increase in the British preferential rate operates in two ways: in the first place, it handicaps the British manufacturer because it is paid by him, and, in the second place, it oppresses the Canadian consumer because it is paid by him. Now, by which one of these oppressed individuals is it really paid, according to my hon. friends? If it handicaps the British manufacturer because it was paid by him, it cannot also oppress the Canadian consumer. Up to the present time I have not heard any reasoned argument on the other side of that question, although many assertions have been made. Perhaps some hon. gentleman who follows me will be good enough to take that question up and make it thoroughly clear to us on this side of the House. Is it really paid by both of them?

Mr. GRAHAM: That is the old question: does the consumer or the producer pay the duty?

Sir ROBERT BORDEN: The difficulty is that my hon. friends do not put it forward as a question. They put it forward as an assertion, and say that it operates in two absolutely inconsistent ways.

Wasting the Time of Parliament

This discussion began on the 11th day of February. It has proceeded continuously from the 23rd of February up to the present time, and I believe it has occupied nearly 1,000 single columns of Hansard. My right hon. friend has appealed to the example of Great Britain. May I be permitted to quote an example of Great Britain to him? The Finances Act of 1914, one of the greatest measures ever put through the British House of Commons, was practically completed in five days, and the report of debate took 268 columns of Hansard, or about one-quarter of what my hon. friends have occupied here. The Defence of Realm Consolidation Act was put through in three days and the debate occupied 29 columns. The Government War Obligations Act was put through in four days, and the debate occupied 94 columns of Hansard. The National Insurance Act occupied three days and filled three columns of Hansard. The Injuries in War Compensation Act occupied four days and the discussion filled four columns of Hansard. The Trading with the Enemy Amendment Act occupied five days and filled 183 columns of Hansard. The Royal Marines Act occupied three days and filled one column of Hansard. The Army Estimates, to provide money to maintain 3,000,000 men of all ranks, were discussed on four different days and the discussion filled 333 columns of Hansard. And all of these measures to which I have alluded, some of the first importance, were put through the British House of Commons between the 17th day of November and the 26th day of November. Yet we have been continuously

engaged since the 23rd of February in discussing the extraordinary proposals put forward by my right hon. friend and his followers. I trust that the example which I have given to the right hon. gentleman may prove of some service to him and his friends, and that we shall have in the future greater expedition in regard to public business than we have been able to enjoy in the past.

Sir WILFRID LAURIER: That is rather hard upon your followers; they have not been silent.

Mr. GRAHAM: They have talked as much as we have.

Sir ROBERT BORDEN: If my hon. friends invite an expression of opinion in that regard, I really think that we have been too complimentary to hon. gentlemen on the other side of the House. I think it would have been far better not to have paid them the compliment of answering some of the extraordinary speeches which they delivered. With the desire to be as courteous as possible which always animates hon. gentlemen on this side of the House, we have felt in duty bound to get up and pretend at least that something approaching an argument had been put forward on the other side of the House and to reply to it.

Mr. GRAHAM: Does my right hon. friend mean, pretend to answer?

Sir ROBERT BORDEN: No, I do not mean that at all.

Mr. GRAHAM: I beg your pardon.

Sir ROBERT BORDEN: In one aspect, I suppose it is a pretence, because if we had to pretend that there was something to answer we would also have to pretend that we were answering it.

The Act which Delighted Germany

My right hon. friend has put forward to the House and the country the idea that the proposals of the Minister of Finance were of German conception, and I have endeavoured to show that if Germany were in a position to trade with this country at the present time, German statesmen and German manufacturers would have a very different conception of the position. But, since my right hon. friend has invited comparisons of that kind, I may be permitted to tell him that **the only proposals put forward in this Parliament which ever received the enthusiastic and whole-hearted support of the German Government and the German people were the proposals that he himself put forward two years ago—and I have the evidence under my hand to show it.** Since he has invited consideration of Germany's approbation, I have the evidence under my hand, taken from one of the greatest newspapers of Germany, the *Hamburger Nachrichten*. That great journal on the 5th day of June, 1913, contained the following:

Whatever may be decided upon later, the actual decision of the Canadian Senate means at any rate a heavy moral and material loss for the defence of the Empire, for Mr. Borden's promise has been foolishly enough counted on. His offer made an enormous impression in the whole world. Mr.

Churchill pointed out this fact especially in the well-known memorandum of the Admiralty. This impression will now not only be destroyed, but people will everywhere obtain the conviction that ENGLAND CANNOT DEPEND UPON MUCH HELP FROM HER COLONIES. "By rivals and enemies," says the Morning Post to-day, "the decision will be eagerly welcomed. By friends it will be regarded as ominous. The impression must inevitably be created that the solidarity of the Empire is a myth and that those powers which would like to see the overthrow of British naval supremacy need not be discouraged in their efforts by the thought that their challenge would be met by the united resources of the Mother Country and of everyone of the daughter states."

Sir WILFRID LAURIER: Hear, hear.

Never Swerving from the Path of Duty

SIR ROBERT BORDEN: As my right hon. friend has seen fit to pass a challenge as to whether our proposals or his own are most according to German conception, it is my duty to let him see that his own proposals have elicited a favour and an approbation from German public opinion which these tariff proposals could not possibly secure.

Since the war began I have not up to this time uttered one controversial word except to say that if there was to be a fight it would not be a one-sided fight. My right hon. friend has chosen this moment to open fire upon us with a vote of want of confidence, and to raise issues of a purely partisan and controversial character. I desire to inform him that we do not shirk from his criticism or from the issues which he

raises, conscious as we are that, confronted by the most tremendous responsibilities ever imposed upon the shoulders of Canadian public men, we have striven in the past and will strive in the future to do our duty to this Dominion and to the British Empire.

