

the trade between Montreal and the lower ports, and deserved the censure of the House.

Hon. D. A. MACDONALD had no recollection of ever having been spoken to by the hon. member for Northumberland on this subject, and had no idea that the hon. gentleman was interested in the trade with the lower ports. How he could have been engaged in it while a Minister of the Crown he (Mr. MACDONALD) did not understand. When the subsidy was reduced to \$16,000 the Gulf Ports Company regretted exceedingly that the old Government was not in power, and said if they had, the company would not be screwed down in this manner. The subsidy was given to the Gulf Ports Company because they had the largest number of boats. The Government consented to continue the subsidy for two years when it would cease, as the Intercolonial Railroad would then be completed. The contract would terminate at the end of the coming season and would not be renewed.

Hon. Mr. MITCHELL reminded the Postmaster General that the conversation to which he had alluded took place opposite the club at the corner of Metcalf Street. He was not aware that the company of which he was president had no right to compete for this subsidy because he had been a Minister of the Crown. What he complained of was the principle of entering into this contract without calling for tenders.

Mr. DOMVILLE said he was glad to hear the doctrine advocated that a Minister of the Crown could not be connected with any business respecting which he could use his position in the Government to benefit himself personally.

Hon. Mr. TUPPER said the House would like to receive some fuller information respecting the large increase in this department. Of course the details given by the Postmaster General were very satisfactory as far as they went, but further information was required as the increase was no less than \$302,370.

Hon. Mr. MACKENZIE—The increase is only \$184,000 over last year's estimates.

Hon. Mr. TUPPER said the proper comparison was not with the estimates of last year, but with the expenditure. In 1873-4, the year in which the largest expenditure took place, the outlay was

\$1,387,270, whereas the amount now asked for was \$1,689,500. The increase in salaries alone amounted to \$93,000, and he thought that some explanation should be given.

Hon. Mr. CARTWRIGHT pointed to the fact that both the receipts and the expenditures of the Post Office Department had increased year after year. In 1873-4 the expenditure was \$1,387,000, and the present year it was expected it would be \$1,500,000. He ventured to say that the whole amount asked for this year would be required.

Hon. Mr. TUPPER said the hon. gentleman did not take into consideration the fact that the large increase made last year was no reason why no increase should be made this year, but rather a reason for a decrease.

Hon. Mr. CARTWRIGHT said the expenditure in the Post Office Department last year was \$815,000; in 1871-2 \$929,000; 1872-3, \$1,067,000; in 1873-4 \$1,387,000; showing a steady increase each year.

Hon. Mr. TUPPER said if that argument were carried out to its logical conclusion, it would would soon land us in a very large expenditure in this Department.

Hon. Mr. CARTWRIGHT observed that while the temporary result of the changes proposed by the Postmaster General in the postal service would be a decrease in the revenue, the ultimate result would be a very large increase. The revenue of the Post Office Department during the four years before referred to were, in 1870-1, \$600,000; in 1871-2, \$929,000; in 1871-3, \$883,000, and in 1873-4, \$1,139,000, so that if the expenditure was increasing year by year the income of the Department was likewise increasing.

Hon. Mr. MACKENZIE read a statement showing the expenditure in the Post Office Department for the last year as follows:—In Ontario and Quebec, salaries \$145,748; city post offices, \$151,707; country post offices, \$239,037; ocean mail clerks, \$4,621; other expenses, \$91,600; total, \$1,249,182. In Nova Scotia, total expenditure, \$202,848; New Brunswick, \$130,658; Manitoba, \$16,107; British Columbia, \$72,529; Prince Edward Island, \$25,057—total, \$1,689,383.

*Hon. Mr. Mitchell.*