

done so. We know that a large portion of the debt of the United States was created by the civil war, we know that the debt of Canada has been created—and I have the declaration of the hon. member for West Huron in support of my statement—that in the expenditure for public works we have indirect value, if not direct value, for the expenditure. We have subsidized railways, and constructed railways; we have the best canal system in the world, which has cost millions; we have indeed a great deal to show that the net debt of Canada has been in a large degree created by the construction of these valuable public works. The hon. gentleman should have called attention to that fact, and he might have taken the prospectus issued by the late Finance Minister in London, and shown that although our debt is large, and has been increasing for a number of years, yet we have good value to show for it. That would have been a better line to have taken, and one more in the interests of the country, and it would have shown the condition of the Dominion more fairly than it has been represented by the hon. gentleman. Now, Sir, it has been a common thing for the last six or seven years or more—aye, for ten years—to speak of the debt of the Dominion of Canada in 1867, and compare it with 1873-74. Why, Sir, do we not know that a large portion of the increase of that debt was not oppressive to the people of the Dominion of Canada—was not in fact a tax on the people of Canada; it was simply assuming on the part of the Dominion of Canada the debt which had rested on the Local Legislatures, they having the general power of taxation, which the Local Legislatures had not; so that it was simply taking the money out of one pocket and putting it in the other, and was not increasing the burdens of the people. Still we are told that this increase of debt, which was perhaps \$14,000,000 or \$15,000,000, assumed by the Government of Canada in 1873, was an increased burden on the people, when as a matter of fact, it was no such thing. Then, Sir, the hon. gentleman prides himself on the fact that there was no great increase of expenditure from 1873 to 1878. Why, Sir, we had no new Provinces coming in during that period. But what had we done from 1867 in 1873? We had brought in Prince Edward Island, and with her we had necessarily to have an increase of debt, because we gave to that Province what we had ourselves, and a little more, as the debt which her people were permitted to come in under, owing to the peculiar circumstances of the case. We brought in an increased population, and with them we brought in an increase of the debt. We brought in British Columbia, and with her came an increased population, increased territory, and an increased debt. With Manitoba and the North-West we brought in an increased population, a largely increased territory, and an increased debt—all these Provinces adding to the debt and adding to the expenditure. And yet the hon. gentleman affirms that the increased expenditure from 1867 to 1873, was a proof of the extravagance of the Government of that day. In 1867, when this Union was formed, we did not know what our revenues would be, what our circumstances financially were to be; and the greatest economy had to be used for the first two or three years. Scarcely any money was spent on public buildings and public works, and the Finance Minister of the day gave as a justification for his asking for only a few hundreds of thousands of dollars for public works throughout the Dominion, that he wished to see what our position was to be, what revenue would be at our disposal; and as the revenues came in under the Tariff of 1867-68, and as they increased, the Government and Parliament felt that they might increase the expenditure, and they went on to establish lighthouses, to increase the facilities for the commerce and trade of the country, erecting public buildings, finishing the Parliamentary and public buildings in Ottawa, and other public buildings throughout the Dominion. They did this because they had the means,

because it was in the interest of the country that the expenditure should be made, it was in fact demanded by the people. And now we are to be told that at that day we were extravagant, because we used the means at our disposal—not incurring any debt, but had surpluses every year, in order to give the facilities and advantages which the country felt they ought to have, and which as a matter of fact they did receive. It was natural that we should do so—we could not have done otherwise. If the hon. gentleman extended his own business operations, so as to double them within two or three years, would any person say he was extravagant if he showed, at the end of the period, double his former expenditure, providing his profits had equally increased—providing they were sufficient not only to cover that double expenditure, but to give him a double profit at the end of the year? Who would say that under these circumstances he was reckless or extravagant in the administration of his affairs. That was exactly our position. We had enlarged our territory; we had added to our Dominion Provinces and Territories extensive and valuable. We had developed the resources of the country, and were then having surpluses, notwithstanding this increased expenditure, notwithstanding that we had not increased the taxation of the people so far as increased duties were concerned. But if we were extravagant, why did not hon. gentlemen in 1873-74 lay their hands upon the expenditure; why did they not reduce it? But we know that they did not do it. And what was the fact? The fact was simply this, that in addition to the other expenditure I have referred to, one of the conditions of Union was that the Intercolonial Railway was to be constructed, and that as rapidly as the means of the country would warrant, we were to enlarge and extend our canal system. In compliance with these terms of Union we commenced the construction of the Intercolonial Railway and our successors did what was right and proper, did what they were bound to do, they went on to complete it, adding to our expenditure and adding to our debt, during the time they were in power. But hon. gentlemen did not diminish the expenditure chargeable to consolidated revenue. It is true they did not increase it very largely, though they did to some extent increase the expenditure from 1873 to 1878; but, Sir, to say that the two Administrations were to be judged by the increased expenditure as between the one period and the other is a fallacy. Sir, it is not logical, because we had increased our population, we had brought in new Provinces bringing in with them new debts and new expenditures, and we had not at the same time increased the taxation. The hon. gentleman refers to the large sum of money they were compelled to expend. He says they spent \$19,000,000 on canals, and he has asserted that the only increase of debt during the period from 1873 to 1878 for which they were responsible was \$200,000. Why, Sir, where are the deficits to begin with? Was the debt of the Dominion not increased by the deficits, and were not they responsible for those deficits? Were they not responsible for the construction of the canals. I do not complain, I do not say that they should not have constructed them, but still they were not bound to carry out all those works, or to expend much of the \$19,000,000 which the hon. gentleman claims we had thrown upon them; because it is well-known that while tenders were in the hands of the Minister of Public Works when they came into power in 1873, we know that they did not accept those tenders. We know that they advertised anew. They were not bound to do so; they were not under contract for a great deal of the work entered into. If the Government considered it wise and judicious that the expenditure on canals should be suspended they might have done so. I do not say they ought to have done it; I do not take that view, because they were in a position of carrying out in good faith the en-