

people in the way of yearly contribution? Sir, I think that to-day Canada, standing on the vantage ground of twenty-one years of progress, is in a better position to look out upon the future, with a greater probability of accurately forecasting what will be the result, than she has been at any preceding year of her history. The debts of the Provinces had to be assumed as the old Provinces were brought in. These have now been brought in. In the great territory which lies to the west of us, there are materials for other Provinces which, by-and-by, will have to be formed and furnished. The great St. Lawrence channel has been deepened; our canals have been largely built, and when the expenditures which are at present contracted for shall have been made in the course of about three years, we shall have a line of communication from the extreme end of the Great Lakes down to Montreal; we shall find a depth of water on the Sault Ste. Marie Canal of 18 feet, on the Welland Canal of 14 feet, and on the St. Lawrence canals and river a depth sufficient to carry the vessels which go through the Welland Canal down to Montreal, and so to the seaboard. We have built the Intercolonial Railway, the great line of communication between the Maritime Provinces and central part of this country; we have built the Canadian Pacific Railway, giving our large contribution to it, which connects that line of railway with the Pacific; we have given our contribution to the Short Line Railway, which within a few months will be open to the Maritime Province ports; and we have given other contributions to other lines of railway, more local, but not less useful in their nature. All the vast initial expenses incident to this opening up of our territory, and this completing of the channels of communication between our different Provinces, have been incurred; and it does seem as if to-day we are in a position to take stock of the future, and fairly to answer the question as to whether or not we shall go on rolling up the debt, as some of my friends would say—whether or not we shall go on taking larger amounts of taxation from the people. The engagements for the next three years for capital expenditure are, on a fair estimate, something like this:

	1889-90.	1890-91.	1891-92.
Canals.....	\$2,636,521	\$3,111,576	\$3,310,103
Railways.....	1,200,000
Public Works.....	407,000	Est. 250,000	Est. 250,000
Railway Subsidies.....	1,095,204	229,387
Redemption of Debt.....	2,417,267	5,000,000	1,800,000
Dominion Lands.....	100,000	100,000	100,000
	\$7,855,990	\$8,690,963	\$5,460,103
Less—Redemption of Debt.....	2,417,267	5,000,000	1,800,000
	\$5,438,723	\$3,690,963	\$3,660,103

Making a total for the three years of \$12,789,789. Now, Sir, what have we to meet this with? We have an estimated three years surplus of \$6,000,000; a balance from the loan still on hand on the 1st of July, 1889, of \$2,500,000; and a sinking fund, which is to be offset against the public debt,
Mr. FOSTER.

of say \$2,000,000 per year, making \$6,000,000; a total of \$14,500,000, to meet the capital expenditure of \$12,789,789, leaving \$2,000,000 for other capital expenditures than those I have mentioned. So that, putting these two facts and these two sets of items together, my own opinion as a member of the Government, and it is an opinion in which I know I shall have all reasonable support from my colleagues in the Government in retaining and maintaining, is that, taking for granted that the condition of the country during the three years to come shall be equally prosperous with its condition to-day, should no extraordinary events arise to cause extraordinary expenses, for the three years ending on the 30th of June, 1892, we ought to meet our capital engagements, pay what we have to pay in the running expenses of the country, and add not one dollar to the net debt of the country. What I mean is this, if I have not made myself clear, that counting in the sinking fund investment, which is laid up as against gross debt, we ought in the next three years to meet all our capital engagements to the amount I have mentioned, and at the end of that time have no greater net debt than we shall have on the 1st of July, 1889; and this is estimated on the basis of the tariff which we have to-day, without contemplating any increase in the tax rate. After 1892, with equal prosperity, with an increased population, and with consequently increased consumption and increased contributions to the revenue, on the same rate of tariff, I believe that, unless extraordinary events occur which call for extraordinary expenditure, this country ought to go on for a series of years without any increase of debt at all, providing for necessary capital expenditure and the services of the country out of the revenues which come in to make up the consolidated revenue of the country. That is my forecast, and one which I believe, if nothing intervenes of an unexpected character, will be fully carried out by the march of events. Now, I come to the question of the loan which has been put upon the London market, through the instrumentality of the High Commissioner, in June, 1888. It was placed on the market on the 15th June, 1888, the conditions being that the interest should be payable one-half yearly, 1st of January and 1st of July, at 3 per cent. per annum. The lowest rate at which a Canadian loan had been floated heretofore was 3½ per cent. This loan had been floated a few years ago, and it was believed, in looking over the field and seeing the state of our own securities and our 3½ per cents. and the state of the money market, that there was a favorable opportunity for placing upon the English market a Canadian loan at 3 per cent.—or at a less rate of interest than that at which any colony ever floated a loan in the London market. The minimum price fixed for this 3 per cent. loan was 92½, which rate was fixed, calculating upon the value of our 3½ per cents., which at that time, were bringing 104 or 105 in the market. The amount placed upon the market was £4,000,000, and the time fixed for the loan to run was 50 years. The reception of that loan upon the London market was gratifying, I am sure, to all Canadians. Not only was the amount asked for taken up, but £12,000,000 were subscribed, being three times the amount asked for. There is no doubt circumstances were somewhat favorable to the placing of the loan upon the market at that time, and I think great credit is due to the High Commissioner (Sir Charles Tupper) for selecting the precise time at which he should call for tenders. Being in London, his advices were acted upon by the Government, and having full knowledge of the state of the money market, he chose the time which, as circumstances afterwards proved, was the most opportune that could have been chosen in the year 1888, for the floating of the loan. I hold in my hand a statement of the different loans which have been placed on the London market since 1867. It is as follows:—