

the sum voted. That brought the expenditure down to \$19,600,000. Customs, I place at \$12,500,000, which is the same as that estimated before the duty was removed from tea and coffee. Let us see whether we are warranted in doing so. The revenue to date is \$9,400,000. Add to that one-third for the last and best three months of the year, and we have \$12,500,000. As to excise, the amount estimated is \$4,625,000. We now suppose that we will receive \$4,550,000, the reduction arising from a cause to which I have already referred.

I now come to estimates for the year 1873-1874. It will be seen by the estimates before you that the total expenditure is placed at \$30,894,089.

Hon. Mr. HOLTON: Is that exclusive of the amount authorized by the statute?

Hon. Mr. TILLEY: No, it includes the expenditure authorized by the statute for the construction of public works and all other authorized expenses.

I have not in the remarks I have made referred to the expenditure for the Intercolonial Railway, which is charged against capital, as it is known that a return will be made at the end of the year, and that the amount will be a little under \$10,000,000. Of the estimate for 1873-1874, \$9,974,240 will be charged against capital, viz.:—Railways (Intercolonial), \$4,335,000; canals, \$5,277,000; public buildings, including library and grounds, \$362,000, making a total of \$9,974,240. Deduct from this expenditure \$93,000 in favour of debts falling due during the present year, which will leave to be provided for during the present year out of income \$20,826,849. There is an increase of \$404,398 interest on debt, which we have added to the expenditure. There is for the purpose of providing for the interest on the Intercolonial loan, which will have to be put in the market.

Then we have added to the expenditure under the head of Geological Survey, Meteorological Observations, Weather Signals, \$26,792. This latter is for the purpose of providing that most important information for all parties concerned in the navigation of waters of the Dominion. (*Hear, hear.*) Last year a sum of \$10,000 was appropriated to the purpose. It is felt that the great importance of the work demands that a large sum of money should be placed at the disposal of the Minister of Marine and Fisheries, as the \$10,000 was found quite inadequate. The Government has, during the last few years spent large sums in the erection of lighthouses and improving navigation, thus reducing the rates of insurance and increasing the safety of lives and vessels. We have, therefore, estimated for this service with the intention of continuing the same policy.

Coming to Penitentiaries we find an increase of \$91,000, which is principally connected with the penitentiary to be established at Montreal in the Province of Quebec, erecting buildings, maintenance and salaries of officers.

Then we come to the item for Miscellaneous, showing an increase of \$111,736. Now, Sir, in Miscellaneous will be found this year an item of \$144,000, which has been added in payment of the third instalment to the Imperial Government for arms and ammunition transferred to Canada when the troops were removed. This item appeared under the head of Militia formerly. There is an increase of \$50,000 in the estimate for the boundary survey. From the reports of the officers in charge, and from all the information we can obtain, we think it right to ask for an increase vote for this service.

We next come to the expenses of managing the railways and canals and the salaries of officers and servants in connection therewith; but the greater part of it is to be applied to the increased mileage of lines of railway in connection with the Intercolonial, and the payment of running expenses and of the salaries of officers.

We next come to the Post Office service, and I desire to make a few observations in reference to this item. A system has prevailed up to the present time in reference to the mode of dealing with the Post Office Department, varying from that of every other Department in the Dominion. In every other Department, money received by the officers of the Government had to be deposited to the credit of the Receiver General, but not so with the post offices at Toronto, London, Montreal, Quebec, and until during the last year, at Halifax and St. John. The postmasters paid the salaries and expenses of their respective offices from the revenue, and remitted the balance which appeared in the accounts, but was desirable to change the system as the postmasters now have large sums of money passing through their hands in connection with the Post Office Savings' banks, and it is advisable that they should make returns every day and hand over any monies received to the credit of the Receiver General. It is desirable in the interests of the Department, that it should be placed on precisely the same footing as all the other Departments, and this increase of \$200,000 arises from provision having been made for the salaries of the postmaster and clerks at Toronto, London, Montreal, Quebec and other places. Increased compensation will also have to be given to contractors for carrying the mails, and they cannot and will not perform the work as cheaply as formerly.

Still if there is an increase in the expenditure, there will also be a large increase in the receipts; and the progress that has been made, the manner in which the work has been performed, and the facilities given to the public in connection with this Department are something wonderful. I hold in my hand a statement which shows the increases which have taken place during the last five years. The number of Post Offices in 1868 was 3,638; in 1872, 4,135. The miles annually travelled by the mails in 1868 were 10,662,000; in 1872, 12,548,000. The number of letters sent through the Post Office in 1868 was 18,860,000 and in 1872, 24,250. The registered letters in 1868 were 704,000, and in 1872, 1,277,000. The amount received for postage in 1868 was \$1,024,710 and in 1872, \$1,193,062. The expenditure was \$1,369,570. The money orders issued in 1868 amounted to \$3,342,574, and in 1872 to \$5,123,551. The deposits in the Post Office Savings Banks in the first year of