

about past when the Treasury will be called upon to continue the payment of that sum, but down to the present time that sum has had to be provided for, and in 1878-79 an additional sum of \$200,000, although I have only taken the average into consideration. Then there was an increase in the Post Office expenditure, over and above receipts, of \$500,000. The expenditure has increased by \$1,100,000 and the receipts by \$600,000. It may be a question whether it was desirable on the part of either or both Governments to give the extended facilities which have been given to that service, but still the money has been expended, and we have the advantages of that expenditure throughout the length and breadth of Canada. Then there is the interest and sinking fund of expenditure on the Pacific Railway and the Canals, amounting to \$1,250,000. The whole of this makes a total of \$4,265,000, or more than \$1 per head of the additional necessary taxation imposed in 1878-79. I think it is important to bring this out, because we must take into account, in regarding the increase of the Public Debt, that we have added three or four new Provinces to the Dominion; that we have purchased a vast territory, and are opening it up; that we have constructed and are working a railway in accordance with the terms of Confederation, and that the increase of \$1 per head has been caused by expenditures which, in the main, could not be avoided, but were absolutely necessary. I now come, Sir, to another statement. It is a statement of the increased expenditure, and is something of the same character as the one I have just submitted. We have heard, more than once from the other side of the House this Session, that the expenditure of the Dominion of Canada has increased with rapid strides; that when we came into Confederation we had an expenditure of but \$13,486,000, while last year it amounted to \$24,455,000. It is important, in this connection, to show how this expenditure has been increased, for what purposes it has been made, and the objects which rendered it necessary. The increase in the payments for interest on debt and sinking fund for subsidies, the readjustment of the debts of the Provinces, and the increase on the debt incurred for the Canals and Pacific

Railway alone, amounted to \$3,982,651. The expenditure under the head of Intercolonial Railway, that is, the increased working expenses (because, as the receipts form an item in our revenue, so the expenditure forms an item in our general expenditure), over and above what was expended in 1867, on the section of Intercolonial Railway then open from St. John to Shediac, and from Halifax to Truro, amounted to \$1,873,535. Then we come to the item of Public Works. During the first two years of Confederation, we expended very little on Public Works, Sir John Rose, then Finance Minister, having laid down the principle that the expenditure should not exceed the income. In the first year of Confederation, the amount expended on Public Works was only \$269,000. Last year, the expenditure reached \$1,130,000, being an increase of \$740,000. On Lighthouse and Coast Service, the expenditure has increased \$270,000. The policy of both Governments, and I think it was a wise policy, has been to expend liberally on the construction and maintenance of lights, which are for the benefit of our commerce, and especially our importers and exporters. On Fisheries, the expenditure in the first year of Confederation was \$30,572; last year it amounted to \$82,319, and the average expenditure for Fisheries, since 1871, has been \$90,000 a year; the propriety of encouraging this industry will always be recognized by the people. Then we come to a large expenditure, last year, in connection with the Indians in the North-West, and the Dominion Lands. The expenditure under that item has become very large and serious. It is a question whether any other policy could have been adopted, but I think it will be admitted that the money which has been expended under Treaty arrangements with the Indians, to secure peace with them, or to relieve them in the hours of their distress, is far better expended than in an increased armed force. The expenditure under this head reached \$680,000 last year. Then there is an increased expenditure in British Columbia, Prince Edward Island, Manitoba and the North-West, not included in the items referred to above, of \$700,000. On Ocean and River Service, we expended last year \$130,000 in excess of what was expended in 1867; and the increased ex-