

is something like \$38,000,000 to be accounted for, or a little more. My hon. friend is perfectly justified in saying that it lies on the government to give to the people of Canada and to the parliament of Canada, a reasonably satisfactory explanation for the addition that they have made of \$38,000,000 to the annual expenditure of Canada. I admit that frankly. I shall proceed to do it to the best of my ability. In the first place, I call the attention of my hon. friend and the House to the fact that of this increase of \$38,000,000, a very large amount which I would be disposed to put as high as fourteen or fifteen million, probably fifteen million, is to all intents and purposes a mere nominal addition to our expenditure. It is composed of sums which go out of one pocket and come into the other. For example, we have, in the first place, very largely added to our expenditure and largely added to our receipts on account of the Intercolonial Railway, as to which I shall have something to say a little later on. We have in the second place—and I think on the whole to the very great advantage and convenience of the people of Canada—added very largely to our expenditure for postal purposes; we have reduced the rates to the people of Canada and we have added to the revenue. We had a handsome surplus in 1908, but, as a matter of course, the difference between the sum expended in 1896 and the sum expended in 1908 goes to swell the apparent expenditure. Those two items alone would go very far to account for the sum that I have named, but when you add to those the fact that, be the policy good or be it bad, the country unanimously agreed to add some four or five million a year to the sums paid to the several provinces, you will see that there is a very good justification for my statement that of the \$38,000,000 in question, about \$15,000,000 went practically out of one pocket into the other. As to this addition to the subsidies to the provinces, I have merely to say for my own part that if it had been possible I would have greatly preferred to sever the provincial payments from the Dominion expenditure altogether, as is done in the United States. But everybody who is acquainted with the circumstances attending the formation and existence of our con-

Hon. Sir RICHARD CARTWRIGHT.

federation knows that however desirable a thing that might have been, it is found practicably impossible, and that all we can hope for now is—perhaps it is hoping against hope—that the last addition shall be the finally, finally, final, and that we shall not have any more applications during the life time of this parliament, and I hope of several parliaments to come for any further modifications of the terms between the Dominion and the provinces. But it would hardly be fair, looking at the facts, that all the provinces with, I think, the solitary exception of British Columbia, which did not get quite enough, that all the provinces concurred in this demand, and all the local legislatures concurred in it, and the parliament of Canada, the opposition as well as the ministers included, made no objection to it, it would be hardly fair to say the government were very much to blame for having consented to that demand. I may also point out in that connection that when you collect a revenue of some \$60,000,000 in place of a revenue of \$20,000,000 it is not an unreasonable thing that the expenditure for customs should be double in 1908 what it was in 1896. If you bear that in mind, and bear in mind, as I have said, that of this \$38,000,000 that \$15,000,000 was in effect transferred from one side of the account to the other; that we have received in the case of the Post Office and in the case of the Customs, and in the case of the Intercolonial Railway, as much money as we have paid out, I think that as far as that particular portion of the account is concerned we stand pretty fairly and squarely before the public.

Then we come to a point on which there may be a great deal more dispute. My hon. friend was disposed, I think, to underestimate the increase of population which has taken place under our regime. That is a subject to which, in other places and on former occasions, I have paid a good deal of attention, and I say here, after having very carefully considered the evidence which was laid before the census authorities when they took the census in 1901, that there is the strongest reason to believe, absolute proof in many cases, that the population in 1891 was very considerably exaggerated, whether by accident or design I am not prepared to say. I con-