

which he has calculated is likely to be realised. Independently of that, I have another thing to say to the hon. gentleman. I had hoped that when the hon. gentleman assumed the office he now holds he would have had the manliness and sound sense to depart from the evil ways into which the department had fallen, and he would have returned to the honest mode of stating public accounts practiced under Mr. McLelan and under Sir Leonard Tilley. I have to say now, that I regard the statement of the Public Accounts for the years 1887 and 1888 as open to very grave exception indeed. In my opinion those accounts have been cooked; I will not say those accounts are fraudulent because things are done under political exigency and the necessities of state which are supposed to be spoken of in a different fashion from the way in which we would treat such transactions if they occurred in ordinary bookkeeping. But when you take the Public Accounts you will see that prior to 1887 the capital received for lands was not credited as revenue—and you will find that this rule had been formally agreed to in this House—so long as any portion of the charges for surveying the lands were put to capital account. We find this in 1887 reversed. We find that the whole revenue from lands is taken and credited as ordinary income, amounting to \$191,000; but we find \$162,391 for expenses of these Dominion lands charged to capital contrary to the practice of Mr. McLelan and Sir Leonard Tilley with respect to this account. Then as to money spent for expenses of the rebellion we have \$293,917 charged to capital account, although nothing of that kind had been done with the very large sum expended in 1885 or 1886, the result being, without taking into account for the moment the vexed question of improper charges in regard to the Intercolonial Railway, that contrary to the deliberately settled policy agreed upon by this House and carried out for several years by two successive Finance Ministers, a surplus of \$96,832 was forced for 1887, whereas there was a real deficit of at least \$363,000. We find, I am sorry to say, that the present Finance Minister has gone on in the same evil way. He has admitted a deficit of \$810,031. By some hocus pocus with respect to the Post Office, although those accounts in my hands show there is an actual deficit for 1888 in the Post Office service of \$729,978, that is reduced in the hon. gentleman's statement to \$567,000 by some mode of reckoning five quarters' revenue within the one year. It may be that the department has collected from the postmasters money held back by them, although until an explanation of a fuller character be given by the hon. gentleman—and he did not allude to this matter at all—all I can do is to point out that according to the mode of computation which prevailed in 1887, the deficit would have been, \$972,978 instead of \$810,000. But as to the charge of \$135,047 on account of Dominion lands charged against capital account, while the hon. gentleman took credit for every penny of \$217,000 received from these lands as ordinary revenue, I say that is simply fraudulent book-keeping, and the same remark applies to the charge of \$539,929 for North-West rebellion losses. I cannot for one moment admit that there is any ground whatever for treating that as an asset or as a thing for which we have received any return or which ought to appear in any way in the capital account of this country. I may say that this practice of keeping two accounts, one an ordinary account and one a capital account, is being grossly abused and is likely to be grossly abused in order to blind the eyes of the people of this country to the real actual extravagance of these hon. gentlemen. Looking over the Intercolonial Railway accounts, in my judgment, although that I admit it to be a question in dispute, I believe that \$408,385 ought to be added to our ordinary expenditure, and I further state that even on the hon. gentleman's own showing, even only taking the lines laid down by his predecessors, Mr. McLelan and Sir Leonard Tilley, our true deficit for 1888 is not \$810,000, but the true deficit is as nearly as possible \$1,500,000,

and if you add the sums improperly charged to the Intercolonial account, and the item of the Post Office, the genuine deficit would be over \$2,000,000, or as nearly as might be \$2,056,000. With respect to two of these items every man can see for himself if he turns to the Public Accounts that what I have stated is absolutely and exactly correct. He will see (at page 50, table 7) that for a period of four years and more, not one penny of these Dominion land receipts was credited to income, by Mr. McLelan or Sir Leonard Tilley. During the time that they made charges on that score to capital account, they carefully abstained, to their credit be it said, from violating the agreement come to between this House and the Premier, that no charges should be made on the one side without giving credit at the same time on the other. As regards the rebellion losses I commend the hon. gentleman again to the example of Mr. McLelan, who had the courage and the manliness to charge six million dollars to ordinary expenditure in the two years of 1885 and 1886, while for the purpose of making a false balance we find in 1887 and 1888 these comparatively trifling sums of \$293,000 and \$547,000 charged to capital account. Of course the reason for this is obvious. Hon. gentlemen do not like to have four successive deficits staring them in the face, and so they deliberately turn round on their own predecessors, and alter their whole method of book-keeping to suit this present exigency. I am glad to hear that we are not likely to have any more of these rebellion losses to pay, but I enter my protest once for all against this most vicious practice of crediting the whole receipts received from our Dominion lands and charging part of the expenses to the ordinary income and part to capital account. I ask what confidence the Minister expects us to place in his statement, what confidence can he expect us to place in all those calculations which he is good enough to submit, when we find in matters absolutely under his own control that he cannot resist the temptation of making things appear a few hundred thousand dollars better than they really are, although by so doing he flies directly in the face of his own predecessors in office? Now, Sir, I come to a matter which bears a good deal on much of what the hon. gentleman has said, a matter which bears very largely on the extent to which we have succeeded in creating a genuine self-sustaining traffic between the various Provinces of this Dominion, and also on the extent to which his statement can be relied upon that we have spent no portion of our taxation except on "productive public works." I have here the statement of the revenue we received from the Intercolonial Railway in the year 1888. It amounted to, all told, \$2,912,783. Our expenditure for working the Intercolonial Railway during that year amounted to \$3,276,441. To that I add \$408,485 for items of rolling stock and for matters of that kind which, in my judgment, are improperly charged to capital account and which ought to have gone to the ordinary expenses of the Intercolonial Railway for that year, I add also interest on the cost which I find recorded in our Public Accounts, interest on \$47,178,000 at  $4\frac{1}{2}$  per cent., which is the rate the hon. gentleman will find that sum stands us in. That amount to \$2,110,000, so that we are to-day working the Intercolonial Railway at an expense to the people of Canada of \$5,744,836 for expenses, for interest and for items improperly charged to capital account. We get back from it \$2,912,783, so that for every dollar of revenue we receive from the Intercolonial Railway \$2 are to-day paid out of the Treasury of Canada, as a proof of the value of that road in producing a genuine self-sustaining commerce and in uniting our scattered Provinces together, and of conveying coal from the Springhill mines to the consumers in Montreal and elsewhere at rates far below actual cost of carriage. Now this is an illustration which this House will do well to ponder on. There you have the result of having a road built for political purposes and the result of having a road run for political