

compelled the Government to forego a large portion of the tolls, but the prospects for the future in this respect were better. They were, therefore, brought to the necessity of considering the means of raising revenue by duties imposed upon the imports of the country. It was plain that the first question to suggest itself would be whether the expenditure of Canada had been judicious—whether, in fact, a large expenditure for public works and other objects should have been undertaken. The public debt in Canada was about twelve millions sterling. Of that, four millions had been expended in canals for the purpose of rendering the navigation of the St. Lawrence complete, about four millions had been advanced in aid of the railway system, and the remaining four millions had been expended partly in the construction of lighthouses, in the formation of provincial roads, and in a variety of minor charges. The two great items were those of canals and railways, making together two-thirds of the public debt of Canada. The position in which Canada stood originally was that of a country possessing no roads whatever, having her principal water communications interrupted by rapids which completely barred the navigation, having no lighthouses in the lower part of the gulf, and their trade consequently being subjected to very heavy insurances. When the goods formerly arrived in Montreal they were handed over to the forwarder, who had to pass them through a variety of communication, from carts to boats, and from boats to carts again, so that the rate of charges to the consumer was very great indeed, he necessarily paying the whole cost up to the time the goods reached him. In Canada, then, whilst the cost of the goods was largely augmented by the insufficient means of communication, the produce which was sent to this country for the purpose of paying for these goods was, from the same cause, greatly diminished in value. The effect of the improvements had been that all the charges upon those goods and upon that produce had been largely decreased. Instead of being, as in many cases, augmented 100 per cent., they were now taken to the most distant part of Canada at a minimum cost. The navigation of the St. Lawrence was the finest in the world; and the railway system, especially the Grand Trunk and the Great Western lines, had greatly facilitated communication. The policy of Canada in undertaking those public works had therefore not only been beneficial to the country itself, but it had placed it in a better position to carry on business with England (hear, hear). A very important question might arise as to whether the policy which had been adopted with regard to the imposition of the customs' duties had been governed by