

April 1, 1873

Administration of Justice; \$895,920 for penitentiaries; \$235,000 for legislation; \$9,533 for militia; \$53,331 for fisheries; \$14,189 for lighthouse and coast service and \$654,852 for public works. I have referred to those charges which are carried over to the current year, and which make the expenditure for the current year heavier than it otherwise would be. There is a reduction, also, of \$167,354 for miscellaneous; \$13,666 for customs; \$57,369 for excise; and for public works, railroads and canals, the expenses of running and working, \$33,703.

On the other side there was an increased expenditure last year caused by the increased subsidies for the new Provinces. For instance, there was for British Columbia a sum of \$377,983. Those hon. members who were in the House during the last Parliament will recollect perfectly well that a sum of \$150,000 was voted in addition to the revenues which might be collected in British Columbia to pay the charges and expenses therefore. The subsidies for British Columbia and the Northwest, and the increased subsidies for the other Provinces under the new census taken about that time were not contained in the statement of my predecessor, and had to be added to the estimate which was then submitted.

Then there is an increase of \$199,704 in charges for the management of the public debt. I may say to my hon. friends opposite that this arose from the fact that the Bank of Montreal had two years or nearly two years, payment under the old arrangement made in that year for the engraving and publishing of Dominion notes under the Act of my predecessor. Then there is an amount of \$38,842 for the Sinking Fund, but the result of the last year, notwithstanding the refund of \$200,000, duty on tea and coffee, was a revenue of \$20,714,813, against an expenditure of \$17,589,468, leaving a surplus of \$3,125,345, and adding Sinking Fund, amounting to \$470,606, it makes in all \$3,595,957. (*Cheers.*)

Now, Sir, I come to a more interesting point, perhaps, and that is to the appropriations for the present year. It will be remembered that when my predecessor made his statement last year, he estimated the income at \$20,600,000, and the expenditure at \$19,600,000, leaving a balance of \$1,000,000; but he remarked, and very properly so, that on that occasion and upon every other, and as there will be for all time to come, a supplementary estimate would be brought down, and when that estimate was brought down it was found that the sum voted by Parliament at the close of the session against income was \$400,000 more than was estimated in the first statement, making the total estimates expenditure \$20,000,000, as against estimated income \$20,600,000.

I recollect that my predecessor subsequently asked that a resolution should pass, and that Parliament would assent to the reduction of the duty on tea and coffee, because Congress had decided on that course.

Hon. Mr. HOLTON: Hear, hear.

Hon. Mr. TILLEY: It was considered wiser and expedient, not because Congress had done so, as had been remarked by hon. gentlemen opposite, but because we must necessarily, in looking at

the mode for raising a revenue and the imposition of duties, look also at the laws and legislation of the neighbouring Republic, as also for the purpose of preventing illicit trade. (*Hear, hear.*) I recollect that he stated that if the House adopted the resolution there might be a reduction of \$600,000, because the revenue of 1870-71 from that source was nearly \$1,300,000. He stated that the expenditure might not reach the estimate, but still, for various reasons, he felt himself justified in asking for the imposition of additional duties until they had the experience of nine months, when Parliament would meet again.

What is the position in which we find matters today? After nine months' experience, we find it is probable that notwithstanding the reduction or removal of the duty on tea and coffee, which amounted in 1870-71 to nearly \$1,200,000, there is every prospect that the revenue from customs will reach at the close of this year the sum estimated by my predecessor before that duty was removed. (*Hear, hear.*) In the estimate that is made of the amount that will be derived from customs this year, about \$200,000 on goods taken out of bond in anticipation of an increase of duty went to the credit of the previous year, but the reduced amount of the current year up to the present time, has reached \$3,353,000. Add one-third for the last and best three months of the year and we have a probable income of \$4,470,000.

We come then to the post office and we find that our estimate was \$700,000. The revenue received to date is \$546,000; add one-third for the last three months of the year and you have \$728,000. Then we have railways, canals and other public works. The estimate for this service was \$1,610,000 and the probable receipts \$1,400,000 or \$200,000 less than the estimate.

Hon. Mr. MACKENZIE: Are these gross receipts?

Hon. Mr. TILLEY: They are. The difference arose from the fact that a sum was asked for in connection with these works supposing that the Intercolonial would be open earlier, and, of course, the income was calculated on the same basis that while the receipts were less the expenditure would be less. But, Sir, the result is that, notwithstanding my hon. predecessor's statement that there might be a deficiency supposing that the whole expenditure took place for Public Works of \$1,600,000, it is found that, notwithstanding the supplementary estimate of last year, notwithstanding the supplementary estimate now before the House, covering an expenditure against income of \$200,000, the expenditure for all purposes during the year will not exceed \$19,600,000; and instead of leaving a deficiency as was possible after the reduced expenditure of \$16,000,000 for current year, it is estimated that there will be a surplus of \$765,000 during the present year.

In the reduction of the expenditure there are two or three items which I should mention.

For Public Works there has been \$4,000 carried over to the next year; then Militia expenditure was \$19,000 short of the votes. In the Census Department the expenditure would be \$130,000 less than