

\$2,203,428 from \$25,207,203 asked for 1880-81, leaving but \$23,003,775, against an expenditure of \$23,713,071 for 1874-75, or \$710,000 less. Then we come to 1875-76. Again, if we deduct from the estimated expenditure for next year the increase in the interest and sinking fund, and the subsidies, which make up \$1,401,742; the estimated expenditure on the Pacific Railway, \$200,000; the working expenses on the Rivière du Loup section of the Intercolonial, \$200,000, we have an expenditure of \$23,405,461, against an expenditure in that year, 1875-76, by our predecessors, of \$24,488,372, or \$1,000,000 less. If we take 1878-79, and deduct from the estimated expenditure for next year the difference in the interest and sinking fund and subsidies, \$631,235; for the expense of the management of the Pacific Railway, \$200,000; Rivière du Loup Branch—formerly Grand Trunk—\$200,000, we have a total of \$1,081,835, leaving an expenditure of \$24,175,968 to set against the expenditure of \$24,451,481 for 1878. We are looking to an increased expenditure from year to year, as we extend the Pacific Railway. But if, as in the present case, from this increased expenditure, we obtain a revenue equivalent, in return, which we expect, there will be no increase of the burdens of the people. When we make those deductions on account of the sinking fund and other exceptional expenditures, you will find that there has not been a year, from 1873 to the present, that the outlay has not been largely in excess of the estimate for 1880-81. I come to another point of some importance, the increased taxation of the people of Canada since Confederation. Now, in 1867 and 1868 the Customs and Excise, which are the measure of the taxation on the people, yielded \$11,700,681, or, in proportion to the population of that day, there being but the largest four Provinces in the Union, \$3.55 per head. In 1878-79, we received from Customs and Excise \$18,476,613, or, in the estimated population of that year, \$4.55 per head, which was an increase of \$1 per head.

MR. BLAKE: What was the increase of the population?

SIR SAMUEL L. TILLEY: I estimate it now, with the new provinces

SIR SAMUEL L. TILLEY.

added, and the ordinary increase, at 4,000,000.

MR. BLAKE: Is the ordinary increase estimated at the rate that existed between 1860 and 1870?

SIR SAMUEL L. TILLEY: Yes. The number must be about 4,000,000, upon which my calculations are based. It is very important to show what has led to this increased taxation of \$1 a head. The first cause was a measure submitted by the Government of which I was a member in 1873, which was carried by an overwhelming majority, and which has been criticised with great severity by some of the hon. gentlemen opposite—the assumption of the whole debts of Ontario and Quebec when we entered Confederation, and the grant of equivalents to the other Provinces. The late Finance Minister condemned that proposal, declaring it would impose heavy burdens upon the people. But whether it was right or wrong, it was sustained by a large majority, and it did not entail increased taxation on the people as a whole. It involved practically the taking of money out of one pocket and the placing of it in another. It was, it is true, assuming the debts of Ontario and Quebec, and giving the other Provinces an equivalent for it, but, at the same time, it was relieving those Provinces from additional local taxation. It also enabled the Local Governments to develop the railway systems of the country, which was a great assistance to those Provinces, and in the adjustment of these claims we added \$900,000 a year to our expenditure. Then, Sir, there has been added to the annual expenditure of the Dominion, for which provision had to be made, \$1,115,000, the interest and sinking fund for the construction of the Intercolonial Railway. Is there an hon. gentleman on the floor of this House who will say that the construction of that road was not necessary? Did it not form a portion of the Terms of Union upon which we came into this Confederation? Therefore, the construction of that work became necessary, and the amount of \$1,155,000, for interest and sinking fund, had to be provided for. In addition to that we have had to pay an average of \$500,000 a year for the maintenance of that Railway, over and above the receipts. I hope and believe the day is