

SIR RICHARD. They shaped themselves very much as Sir John Macdonald had expected. We had to impose heavier taxes and also to curtail our expenditures in several directions. By a fine irony of fate, we found ourselves held responsible for the vast increase in our annual outlay which was the direct result of measures which we had vehemently opposed, but which had been carried in spite of us. The burden he left was heavy enough. We cut down his estimates for 1874 as much as possible, but whereas in his last completed year, 1872-3, he had expended \$19,174,000, he left us estimates for 1873-4 of over \$24,000,000, which would probably have exceeded \$25,000,000 if the usual supplementary estimates had been added, and we found ourselves compelled to expend \$23,316,000. You will understand this better and what it implies when I tell you that our total expenditure in 1867-8 was \$13,486,000 and that this had increased in 1872 to \$17,589,000, being an increase in five years of a little over \$4,000,000. The increase in *one* year, from 1873 to 1874, was also over \$4,000,000, being as much in one year as in five preceding years. In other words, Sir John in about two months had added 25 per cent. to our annual expenditure without making any provision therefor and with full knowledge that we would speedily have to face a huge annual charge for the most costly public work that Canada had ever undertaken.

REPORTER. Looking back, what do you think of it?

SIR RICHARD. It was the last desperate resource of a desperate man, but it was in a great measure successful, though chiefly from causes over which Sir John had no control and which he could not foresee.

REPORTER. To what causes do you refer?

SIR RICHARD. To the extraordinarily severe depression which set in all over the United States very shortly before Sir John Macdonald's downfall, and which lasted with no intermission from 1873 to 1878. This affected Canada heavily. In those days we depended very much on our trade with the United States in a great many ways, far more than at present, and any depression in that