

April 30, 1874

be one, and that it would be directly the result of the policy of the hon. gentleman opposite and of his late colleague, who had pursued a similar course to that of the hon. member for Kingston in the Parliament of Old Canada, for some six years, from 1856 to 1862.

If he (Mr. Young) remembered rightly, the hon. member for Kingston allowed the Province of Canada to run behind with an average deficit of three million dollars per annum, and over \$20,000,000 of our present Dominion debt was not the result of public works being entered upon, but of the deficits which that hon. gentleman allowed to occur during that period.

Since Confederation, however, the commerce of the country had expanded as it had never expanded before. They knew that there had been an increase in our trade from \$130,000,000 in 1868 to \$217,000,000 last year. This vast increase had largely filled the Dominion treasury. In fact, the revenue was never so buoyant as during that period, and the fact that we have been landed in a deficit in the face of this large increase in the revenue was most conclusive evidence of the extravagant manner in which the late Government had conducted the affairs of the country.

The hon. member for Cumberland (Hon. Mr. Tupper) had endeavoured to account for the deficit by saying that the late Government remitted taxation, but he (Mr. Young) held that the real cause of that deficit was not that they remitted the small amount of \$1,200,000 of taxation, but that our expenditure had annually increased under the rule of hon. gentlemen opposite.

He held in his hand a statement of the increase in that expenditure, which showed the revenue for the year 1867-1868 to have been \$13,687,928, and the amount for the current year almost certain to be realized to be clearly \$22,000,000—a very rapid increase. But let them look at the expenditure. In 1867-1868 it was \$13,486,092; in 1868-1869 it increased—not a very great deal, because Sir John Rose was anxious at that time to keep down the expenditure—to \$14,038,084. In 1869-1870 it was \$14,345,509; but about this time we had the advantage of having Hon. Sir Francis Hincks become the Finance Minister of the Dominion, and it would be remarked that from that time the increase of expenditure went on at a very rapid rate. In 1870-1871, the expenditure was \$15,623,081; in 1871-1872, it was \$17,589,468; in 1872-1873, it increased to \$19,174,647, and for this year it was estimated, as already stated, at \$24,100,000. In a short space of six years the late Government had nearly doubled the annual expenditure, adding nearly two million each year, almost enough for carrying on the Government of the Province of Ontario. One of the worst results of this increase was, that having once made it, it was almost impossible to reduce it. Everyone knew this from his own personal experience, but if the difficulty was great in the case of an individual it was worse in that of a country.

Coming to the estimates for the current year, the most striking fact they had before them was that there was a proposed expenditure of no less than \$42,000,000. The Minister of Finance had told them what his feelings were when he first saw those figures. He was surprised at their magnitude, and he (Mr. Young) did not wonder at it. Those figures were enormously large, and he

could easily understand the reason why the Finance Minister made the speech he did on first introducing this matter to the House. The hon. gentleman acted wisely, in his (Mr. Young's) opinion, at that time in stating the whole facts of the case, and possibly he had less hesitation in doing so because these estimates were not his own. Practically, they were those of the late government and for them the country would hold the latter responsible. If they wanted to get at the ordinary expenditure of the country they had to deduct from the total expenditure of \$42,000,000 the item after the redemption of the public debt, \$5,752,601, and the expenditure proposed upon capital account for public works, \$11,606,625, making \$17,359,276. Having deducted this, they reached the estimated expenditure for next year, which was \$24,664,000.

So far as public works are concerned he did not think the late Government were responsible or to be blamed with regard to this capital expenditure. It was for such works as our canals, and the House knew that these were contemplated at the time of Confederation. They were mentioned in the British North America Act, and they were demanded by the people. These works would open up our great highway to the ocean, and either directly or indirectly would well repay the country for the money expended on them. But they could not possibly estimate the financial position of this country if they did not consider the effect the construction of these works would have upon the burdens of the people and upon our public debt. He found by the public accounts sent down this session that, deducting our valuable assets, we had a public debt on the 30th June last of \$100,000,000. We had in the estimates of expenditure on account of canals, \$31,000,000. He had never yet heard any unprejudiced person, who paid any attention to the subject or expressed any opinion on the matter, who said that the Pacific Railway could be constructed for less than \$150,000,000.

If they looked to the expenditure of the American Pacific, which was only some 1,700 miles long—while ours would be 2,700—it was not reasonable to believe that the latter could be constructed for less than \$150,000,000. But he would take a figure which was sure to be below the mark, though in doing this he did not leave out of view the fact that we might yet have to avail ourselves of some of our public lands, and he would put the construction of the road at \$100,000,000.

We had, therefore, \$131,000,000 which must be added in a short time to the debt of the country. Leaving out of view the fact that we might have to construct other public works, still the public debt must, in the course of a few years, run up to \$231,000,000. This, he thought, would be quite a heavy public debt for some four million people to bear. He had no doubt, however, that if sufficient time were given our resources would be found equal to the emergency, and that we would be able to meet all engagements. But he would say that if we undertook to borrow this amount within the next few years, our action would be quite worthy of being denominated, as the Minister of Finance had denominated it, ridiculously absurd.

He did not know, if the late Government had gone on to borrow the money to build canals and the Pacific Railway within the time stipulated, where they would have landed the finances of the country. He knew that some of the most considerable financial men