

the satisfaction of knowing that the hon. gentlemen opposite—gentlemen who are thoroughly posted in every weak point in the armour of the Government, who are ready to insert a lance if the opportunity occurs—are present to hear our statements, and that we can each present our claims in the presence of the other. It will be for the public to decide, after these discussions are over, who are most worthy of their confidence. I know, Sir, that it has been said, and said truly, so far as the figures are concerned, that the expenditure of 1878 was something like \$23,500,000, while the expenditure of 1881 was \$25,500,000—public attention has been called to this fact—and therefore it is that I now point to statements taken from the Public Accounts, of the receipts from Customs and Excise during the periods I have named, to the facts as they appear upon record, to show that not only have the present Administration taxed the people for the necessary expenses of the country less than our predecessors did, but that we have absolutely spent, for the services performed by them, more than a million dollars per annum less than they did. It may be of some importance, as I have already referred to the expenditures for postal service, to call the attention of the House to the details. From 1875 to 1879, the expenditure for this service averaged \$1,709,375, and the receipts for the same period averaged \$1,149,423, leaving an annual deficit of \$559,952. From 1879 to 1881 the expenditure averaged \$1,847,505, and the receipts \$1,302,303, leaving an annual deficit of \$545,202. That shows an average increased expenditure of \$138,130 a year, with increased accommodation to the North-West, British Columbia, and various parts of the outlying portions of the Dominion, as well as increased postal facilities to the central and more populous portions, and an average increased revenue of \$152,880, or a reduction of the deficit to the extent of \$14,750 a year. Now, Sir, it may be well to call the attention of the House to one or two other facts, to show why it is that we have been able to keep the taxation of the people lower than it was during the time our friends opposite were in power. In connection with this, I desire to call the attention of the House to returns with reference to the working of the railways. From July, 1874, to July, 1879, the working expenses per mile of the Intercolonial Railway—and I have this return from Mr. Tims, the accountant—were, on the average, \$2,659, and from July, 1879, to July, 1881, \$1,987, or a difference of \$671 per mile. The average receipts per mile for the five years, from the 1st July, 1874, to the 1st July, 1879, were \$1,760, and for the two years, from the 1st July, 1879, to the 1st July, 1881, \$1,930, or an increase in the income of \$170 per mile, and a reduction in the expenditure of \$671 per mile. The average mileage expenditure of the Prince Edward Island Railway, from July, 1875, to July, 1879, was \$1,129, and from July, 1879, to July, 1881, \$926, being a decrease in the working expenses of \$203 per mile. The average receipts per mile for the four years, from July, 1875, to July, 1879, were \$649, and for the two years, from July, 1879, to July 1881, \$617, being a decrease in the mileage receipts of \$32, against a decrease in the expenditure of \$203 per mile. That I give, Sir, as one of the items of reduction in our expenditure which left us such a margin that it enabled us to incur increased expenditure, and at the same time to diminish the taxation. There has been another statement put forward calculated very much to discourage and dishearten the people of Canada, and at the same time to injure the Government; that is, that the debt of the Dominion of Canada is increasing in a greater ratio than its wealth and its population, and that, looking to the future, there is not a bright outlook for us financially when the Pacific Railway is completed, and all existing engagements fully carried out. Now, Sir, I think it is important, in the interests of the country, that the people should quite understand there is no foundation

Sir LEONARD TILLEY.

for the alarm thus attempted to be created. I say, Mr. Speaker, that looking at the debt as it is to-day, looking at the position of the debt three years ago, looking at the liabilities of Canada when this Union was formed, and looking at the liabilities that are ahead of us in connection with the completion of the Pacific Railway, I have risen from the investigation of this matter with the conviction strongly fixed in my mind that there is no reason whatever for alarm. But that there is the greatest ground for hope and encouragement. It is a fact known to many members of this House that when the four Provinces which originally composed this Union came together in Confederation, the then existing debt of Canada averaged \$29 per head, based upon the Census returns of 1861. \$25 a head was at that time assumed by the Dominion of Canada, with the exception of New Brunswick, which, under special circumstances, received consideration to the extent of \$2.50 more. We know perfectly well that that did not pay all the debt of Ontario and Quebec. It left a debt equal to \$4 a head, which was subsequently, in 1873, assumed by the Dominion. Therefore, there existed at that time a debt, taking the population of 1861, of \$29 a head for every man, woman and child in the Provinces which in 1867 constituted Canada. Then there was the obligation, which became part and parcel of the Constitution—an obligation which has since been fulfilled—to construct the Intercolonial Railway; and the construction of that railway added \$6 a head to the debt, over and above the \$29 that existed at the time of the Union, making the debt practically \$35 a head. In 1878–79 the net debt of the Dominion of Canada was but \$31 per head of the population. At the present moment it is something like \$35 per head of the population. Let us see what it will be in 1879, the net debt, as shown by the Accounts, was \$147,481,070; in 1881 it was \$155,395,680. Then our engagements from the 1st July last, for the completion of the Pacific Railway, including the \$25,000,000 to be paid to the Syndicate, the \$13,500,000 to be expended by the Government in the completion of the sections now under contract, canal expenditure; say \$6,000,000, and other expenditure chargeable to capital, say \$3,500,000, will make the total \$203,397,680. But between this and 1890 the amount that is to be paid into the sinking fund, and which forms part of our annual charges upon the consolidated revenue, will average \$1,500,000 a year for the next nine years. That will give, for the reduction of the debt, \$13,500,000. Then the surplus for the nine years—

An hon. MEMBER. Oh!

Sir LEONARD TILLEY. An hon. member says Oh! but when we have \$4,500,000 assured for this year, when there is no doubt, after the reduction that we propose to make, that there will be a surplus of \$3,000,000 for the next year, it is not, I think, asking too much for the hon. gentleman to accept as reasonable a surplus of \$1,000,000 a year, for the remaining seven years of the nine, commencing on the 1st July last, that would make \$14,500,000 and would, with the sinking fund, reduce the net debt to \$175,897,680. But if we estimate the increase of population at but 18 per cent. only during the ten years the increase of the last decade, the result will be that, taking the population at that period and the debt as stated, the net debt then will be \$34.27 per head. If we have any extraordinary increase of our population (which I think it is but right to expect we will, but which I have not estimated for here) it will be ample to meet, at any rate, any extraordinary expenditure that may be made chargeable to the debt which we are not anticipating at the present moment. But, more than that, if the 150,000,000 acres of arable land that will be the property of the Government after handing over to the Syndicate 25,000,000 of acres, and which is now established as fit for settlement, yields