

civil servants are entitled to \$50 a year increase, we see that that would consume half the amount; and as we are increasing so rapidly in population, and in the development of the resources of the North-West, the enlargement of our staff is necessary, particularly in connection with post offices and post office savings banks, so this increase of expenditure cannot be looked upon as unreasonable. On the Census there was an expenditure of \$125,637. That is a service the Government had to perform; and I do not hesitate to say that the hon. Minister who has it in charge has performed it, during the last year, upon terms much more economical than in 1871. Then for the Militia there was an increase of \$105,811. There may be some questions among hon. members of this House as to the expediency of increasing that expenditure; but for several years previous to 1879 it was reduced, and it was decided, last year, to increase it, and Parliament will probably be asked for a still further increase for this service. Though questions may be raised as to the expediency of this step, yet I believe that, considering the magnitude of our country and the position we occupy as a Dominion, and considering the diminution of this expenditure during four or five years previous to 1879, Parliament and the country will justify the expenditure. Then Public Works shows an increase of \$284,674. For two or three years past we have not expended so much on this branch as in 1874, 1875, and 1876. The expenditure for public buildings, post offices, custom houses, &c., in various parts of the Dominion has been considered by both parties the duty of the Government, when the state of the public funds would permit it. With reference to Indians, on which service there has been an increase of \$378,317, I admit that the expenditure has been large. But I would ask whether any hon. member of this House would prefer the state of affairs we now see in the neighboring Republic, or have the Government deal honestly and liberally with the Indians, in order that we may avoid these difficulties. Therefore, Sir, though it may be regretted by every hon. member of this House on both sides, that it becomes necessary that increased expenditure should take place, I am satisfied not one will object as it is necessary to the development of the North-West. In the Post Office Department there has been an increase of \$103,909, to which is to be added \$30,000 or \$40,000 for expenditure properly belonging to last year. This would increase it to \$150,000, against which we have an increase of revenue of \$200,000;—the difference between the receipts and the expenditures for the last year in the Post Office Department. Notwithstanding our expenditure in the North-West, which I will not call extravagant, but expensive, it was less last year than it has been in any year since 1874-75. Then, with reference to Public Works and Canals, the increased expenditure was \$189,847; but I have the satisfaction of being able to state that there was also increased business on the road, and that that increased business gave us increased revenue, from which came that \$189,000. It, therefore, involves no taxation upon the people, and it shows that our railways are doing more work, giving us greater returns, and costing us nothing more than before. Out of \$1,500,000 of increased expenditure, I have named articles covering \$1,484,000; and I am sure the House will say, under these circumstances, that there is a very small portion of that \$1,500,000 of additional expenditure to be added as taxation upon the people, and that the circumstances connected with it are of the most satisfactory character. Now, Sir, I pass to another consideration in connection with this expenditure. It is a common thing for our friends of the Opposition to point to this increased expenditure without giving the explanation regarding it. But I want to emphasize my explanation by this declaration: though the expenditure was \$1,500,000 more last year than it was the year previous, if we had simply

Sir LEONARD TILLEY.

collected what was necessary for the expenditure, and nothing more, the sum that the people would have been taxed, would have been 13 cts. a head less than would have been taxed for the expenditure between 1874 and 1878 had the late Government collected sufficient to pay the expenditure. I want that to be distinctly understood, because it is the measure of the taxation upon the people. As we find our receipts from our railways and post offices and other sources increase, so, of course, the expenditure must increase in the same proportion; but, unless that increase causes an increase in taxation, the people will not object, but will rather be satisfied to know that our country is prospering, and that the public works are in such a satisfactory condition. Now, Sir, I come to the receipts and the expenditure of the current year as under the amended estimate. The amended estimate, based upon the data we have at present, that is after eight months of the year have expired, is that we will receive from Customs, \$22,750,000; from Excise, \$5,900,000; from the Post Office, \$1,600,000; from Public Works, including Railways, \$3,000,000; from Interest on investments, \$800,000; from other sources, \$800,000—making a total receipt for Consolidated Revenue for the present year, of \$34,850,000. The expenditure on Consolidated Revenue will be \$28,850,000, leaving a surplus for the current year of \$6,000,000. Now, Sir, we also estimate that we will receive from our lands in the North-West as large a sum during the fiscal year as during last year, \$1,750,000, making, altogether, a surplus during the current year of \$7,750,000. We will probably receive from savings bank deposits during the year, \$5,250,000. Now, what have we to meet? We have a probable expenditure on the Pacific Railway, on the Intercolonial Railway, on our Canals, and on the Surveys in the North-West, of \$12,500,000 this year. We have to redeem maturing liabilities—and at this moment they are nearly all redeemed—to the extent of \$7,000,000. With the surplus that is estimated, with the proceeds of the lands, with the money that we receive as deposits of the people in the savings banks, and the balance in our hands, deposited in the banks on the 1st of July last, added to these sums, we will have ample to pay all. If, under any circumstances, anything should occur to diminish the deposits in the savings bank, which is very doubtful, judging from the amount we have received, a loan of two or three million of dollars in Canada would be taken up readily—because there are enquiries in every direction for our securities. So that, under existing circumstances, we will not require to go abroad for one dollar, but will be able to meet everything in the way we propose. Sir, there is a very considerable increase for the current year. The increase was \$1,500,000 last year, and I doubt not that by the time the Supplementary Estimates are brought down, and some important undertakings provided for, that the expenditure this year will be \$1,800,000 more than last year. Now, let us see Sir, what the items are that compose that \$1,800,000. I will state the most of them to the House. There is an increase of \$500,000 to the expenses of the railway during the current year—\$500,000 the hon. Minister asks over and above the sum voted the last Session of Parliament. That would be a very important item if we had nothing on the other side; but it is quite clear that the revenue will increase over and above the estimated increased expenditure of \$500,000 during the present year—that is, the expense of working it will increase, owing to the increased business, but the increased revenue will be ample to meet it. This is what we are able to state from the results of the eight months that have already expired. Under these circumstances, it will be readily seen that the \$500,000, though it adds to the gross expenditure, adds not \$1 to the taxation of the people. Then with reference to the Indians, \$200,000 is asked for in order to meet the expenses I have referred to. We hope by-and-by, with