

an adverse change of over \$1,000,000. But, leaving out of account all the charges on Revenue, how does the remaining expenditure compare? In 1871, it was \$13,250,000; in 1879, \$18,890,000; an increase of \$5,640,000, or over 42 per cent. Look at some of the items which produce this appalling result. The capital of our net debt stood in 1871, at \$77,700,000; in 1879, it had risen to \$147,480,000. It had almost doubled. It has since increased, so that it is now more than doubled; and still it goes rolling on. Our net annual charge for interest was in 1871, \$4,300,000; in 1879, \$6,660,000; an increase of \$2,360,000, or nearly 55 per cent.; and it still goes rolling on. The increase in the charge for interest has not indeed kept pace with that of capital, for several reasons. We have raised a large sum from our people without interest, in the shape of legal tenders in circulation, and compulsorily held as bank reserves. We have issued several guaranteed loans at very low rates of interest. We have reborrowed to pay off old loans at a much lower rate of interest than the rate they bore; we have borrowed fresh money at better rates; and we have been borrowing at a discount, which, of course, means that we have been capitalising a material part of our charge for interest. But with all those advantages, real and apparent, I believe, our nett annual charge for interest will, by 30th June next, be increased by \$2,700,000, a year or nearly 63 per cent. The truth is, Sir, that our annual foreign loans are now not much more than enough to pay our interest. Some part of them, indeed, have been of late years devoted in terms to that purpose; we have had yearly deficits, and have been obliged to borrow to pay our interest. But apart from this, the average annual loans to be raised for the next few years for Public Works will be not much greater in amount than our yearly interest payments. Can we go on so borrowing for ever? No, Sir, and the Minister who tells us he can, has yet prudently arranged to avoid an application to the London money market this year; and is about to try his hand at a cheap domestic loan. He is to ask us at home, out of our abundance, to supply him free of interest with the sum

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he wants. Passing from the charge for debt, some of the items which comprise the ordinary annual expenditure show startling increases. The Provincial Subsidies have increased 31 per cent.; Civil Government, 34 per cent., with an enormous further increase in the present Estimates; Administration of Justice, 83 per cent.; Penitentiaries, 46 per cent.; Indian grants, by \$480,000; North-West Police, by \$290,000; in Legislation there has been an enormous increase; with a general result that the ordinary expenditure has increased between 1871 and 1879, by \$2,380,000, or over 50 per cent. In the face of this startling and wholly disproportionate increase of our expenditures over our tax-paying power, is it not plain that we have been going too fast? We have been running ahead of our resources. We have increasing our expenses more than three times as fast as our tax-paying power. Our situation is truly critical. We have been imitating, and even surpassing, the extravagance and recklessness of the nations composing the European system. The European nations in the fourteen years from 1864 to 1879, increased their National Debts 65 per cent. in the aggregate; but we have doubled ours in nine years. The budgets of those nations were increased in the last fourteen years 40 per cent.; but we have increased ours 56 per cent. in nine years. It is quite true that our expenditure has been more productive than theirs. We have not been engaged in numerous or frightfully expensive wars. We have expended large sums in improvements more or less productive. But for all that, we have been immoderate in our expenditure, we have acted extravagantly, we have gone beyond our tax-paying power, and we have surpassed the European system in the increase of our annual charge. I say we should not present to intending immigrants such a similarity in financial management to the countries which they are leaving, mainly because of their heavy burdens. We should rather endeavour to present to them a cheering contrast to the European system; and this the more because there is one country, our rival and competitor in the immigration market, which does present a marked contrast to the European system. While Canada is so lavishly in-