

somewhat reduced. In lighthouse and coast service there is a reduction of \$59,500. That, however, does not mean that there will be less efficiency in that service, but it is owing to the fact that for a number of years past, a larger vote has been taken for this service than has ever been expended, and the experience of a number of years has shown that it is possible, with due regard for events that may occur, though at present unforeseen, to make the vote that much smaller without impairing the efficiency of the service. In subsidies to Province, there is a decrease of \$8,454, based upon changes which have taken place in the arrangement, which, I may say, is now practically concluded, between the Dominion and the old Provinces of Canada, with reference to the settlement of their accounts. There is a decrease in the Mounted Police vote of \$26,783, and in miscellaneous of \$162,621. In all, the decrease from the estimate of last year amounts to \$1,328,977, which will, no doubt, be somewhat pulled down, as I have stated, by the supplementary estimates which have yet to appear. Now, after having given as best I could, without occupying too much of the time of the House, an explanation of the expenditure of the three years of which I have treated, I wish to say a word or two with reference to the condition of the debt of Canada as it stands at present. In 1867, the net debt of Canada was \$75,728,641; in 1874, when we had completed the Union of the Provinces, which now form Confederation, it was \$108,324,964. At present, it is \$234,531,353. The burden of carrying a debt is measured by the amount required to pay the interest. Measured in that way, we find that in 1868, it required a *per capita* payment of \$1.29 to meet the interest; in 1874, it required a *per capita* payment of \$1.34; and in 1888, a *per capita* payment of \$1.79. The increase in 1888, over 1868, was, therefore, 50 cents per head, and over 1874, 45 cents per head. It is also important to note the decrease in the rate of interest. In 1868, the rate of net interest averaged \$4.51; in 1874, it averaged \$3.62; and in 1888, the average net rate of interest has fallen to \$3.12. It must also be remembered, in making a fair estimate of this debt, that there was assumed, as debts of the Provinces, not created for federal purposes, a sum of \$109,430,148.69 which, although it added that much to the indebtedness of the Federal power, relieved the different Provinces by exactly the same amount, and placed the management of that large indebtedness in the hands of the Federal Government, where it is managed at a smaller rate of interest and with less burden to the country in general than if it had been left in the hands of the Provinces. Deducing this debt assumed for the Provinces of \$109,430,148.69 from the net debt, in 1888, of \$234,531,353, we have a federal net debt of \$125,101,209.51 in excess of the assumed debts, and which is offset by this consideration, that during that period named there has been a total capital expenditure of \$179,709,974. Thus, our capital expenditure, which has been almost entirely for public works necessary for this country, has exceeded the increase of the debt for strictly federal purposes by \$54,608,764.69. I may say that the excess in the net debt per head necessary to bear the burden of this debt, in 1888, over 1868, is 50 cents *per capita*; over 1874, 45 cents *per capita*; over 1879, 20 cents *per capita*; and over 1880, only 15 cents *per capita*. In 1880, my hon. friend who preceded me (Sir Charles Tupper), and who to-day I am glad to see on the floor of this House, was struggling with the problem of railway connection between the Atlantic and Pacific seaboard of this country—a problem which had engaged the best attention of the best minds of this country since Confederation, and which bore so intimately on the future prosperity and progress of Canada, that it assumed the status of the foremost question in our politics, the solving of which would reflect credit on the minds engaged in it and would cause them to be held in grateful remembrance by this country. In 1880,

we had not made the contract with the Canadian Pacific Railway, and we had not commenced to incur that vast expenditure which we afterwards incurred in the subsidy we gave for finishing the remaining part of the Pacific trans-continental railway, which had not been undertaken as a Government construction. Taking the net interest per head in 1880 and comparing it with that of 1868, when the Pacific Railway had been finished and the large expenditure we had incurred to complete it was added to our public debt, as it is, we find that the additional interest burden which the country was made to feel to carry that indebtedness was but 14 cents per head of its population. It is a common error to take the debt of Canada and compare it with the federal debt of the United States, in order to make a point as against Canada and in favor of the United States, or, to speak more truly, to make a point against the Government which is now in power on account of its alleged extravagance in increasing the public debt. I do not know that a more unfair comparison could be instituted than a comparison between the Federal debt of the United States and the federal debt of the Dominion of Canada. Broadly stated, the comparer says: Look at the United States; to-day it has a debt of \$20.42 per head of its population. Look at the Dominion of Canada; to-day it has a debt of \$17.16 per head of its population; and the comparison always tends, as these financial comparisons must, to prejudice the minds of those who do not see through it, in favor of the country which, seemingly, has a lighter debt and against the country which, seemingly, has a heavier debt. Now, if by a simple statement to-day I can set, to a certain extent, at rest and dispose of this comparison of two things so dissimilar, I shall feel that I have performed a duty, not only to the party in power, but to this House and to the country as well. Things which are dissimilar cannot be fairly compared. The constitution of the United States and the constitution of Canada are very different, so far as financial matters are concerned which lead to public debts and to public expenditures. The United States, in the first place, assumes no debts of its different States. The Dominion of Canada has assumed the debts of its Provinces to the amount of \$109,430,148.69. The United States pays no subsidies to its different States. The Dominion of Canada has paid in subsidies to its different Provinces, since Confederation, \$72,316,029.95. The United States, assuming no debts of its States, pays no interest upon the debt which it does not assume. The Dominion of Canada has paid in interest on the debts assumed for the different Provinces, \$98,344,248.20 from Confederation up to the present time. Then, as regards the Administration of Justice, I think I am right in saying that, in the United States of America, they pay the nine Judges of the United States Supreme Court, they pay Circuit Judges, nine in number, and they pay District Judges thirty in number. Outside of that, they incur no expenditure for the Administration of Justice. In the Dominion of Canada, we all know the state of things in relation to the payment for the Administration of Justice, and from Confederation up to the present time there has been paid for the Administration of Justice, \$10,821,542.90. If Canada had based her system on the same foundation as that of the United States in reference to the Administration of Justice, we would certainly not have had to pay more than one-half of that amount. Then, in regard to Immigration and Quarantine, we find that we have paid \$5,571,631.81 since Confederation. The United States Government pays little or nothing for Immigration and Quarantine. For Militia and Defence, this Government has paid \$21,851,635.50 since Confederation. In the United States, they keep up West Point Academy, and a small standing army, but the Militia throughout that vast country is kept up at the expense of the different States, so that, if Canada had been in the same position as to these matters as the United States, it would