

ties were very largely increased, entirely apart from those liabilities chargeable to capital account. The hon. gentleman will see that we were obliged to go on and finish the Intercolonial Railway which had been left unfinished at the time of the change of government. We had to go further into debt; we had to borrow money to meet the obligations of this country. But there were other obligations incurred by that Government in 1873 which have been discussed over and over again, inside of Parliament and outside of Parliament, and I only refer to them now in order that the hon. gentleman's memory may be refreshed, and he will see how unfair his remark is that Mr. Mackenzie's Government was responsible for those charges. The expenses of Civil Government were increased nearly a million dollars. There was not a single branch of the service that year that did not get an increase. The salary of every Government official was increased from ten to twenty per cent.: members of Parliament received an increased allowance at that time, when everything looked so golden and bright. Could Mr. Mackenzie's Government change all that? It was crystallized into an Act of Parliament. If the hon. gentleman will look at the public accounts, he will see that the increase was in what is known as the controllable expenditure. During the five years that Mr. Mackenzie's Government held power the reduction was in that very class of expenditures. Instead of an increase there was a diminution. It only occurs once in the history of the Dominion. It is rather strange that before that time there was a gradual growth of the controllable expenditure, that between 1874 and 1878 there was a reduction, and that since 1878 things have gone back to their normal state, and the controllable expenditure has increased year by year, until it is now far in excess of what it was in 1878. The hon. gentleman indulged in a fling at a gentleman who is not now in Parliament. I am not going to defend him now: he has defended himself, and I think proved to the satisfaction of all unprejudiced minds, that he, in negotiating the various loans in the London money market, did just as well as the time and circumstances warranted. The hon. gentleman seems to imagine that a minister, going from this

country, is, by his presence, in some way to get larger and better terms for his loan than another individual would. Such an idea is utterly fallacious. The hon. gentleman ignores the circumstances of that time, the intervening time, and the present time. My best answer to him is in the statement he himself has made to the House. He tells us that Sir Leonard Tilley went to England in 1879 and got a loan at, I think he said, 96, and that it was in consequence of the policy of the Administration. Now the hon. gentleman knows very well that the N. P., as it is called for shortness, was not introduced for months after that—not until the session of 1879—at all events, it was not in existence at the time Sir Leonard Tilley was in London, that is clear, because he went soon after the election was over; so it was quite in advance of the fiscal change in the policy of this country. Sir Leonard Tilley fell on better times. The loan which the hon. gentleman supposes was floated at 96 that year is now quoted at 104. I might with just as much propriety reflect on Sir Leonard Tilley, and say that he ought to have got 104, as my hon. friend does on Sir Richard Cartwright, when he says he ought to have got more in 1874-5 than he did, because the loan was worth more some years afterwards. In 1874 the United States had a large number of sixes out and on the larger portion of their debt they were paying five per cent; they thought about 1877 and 1878 that they had scored an immense point when the Secretary of State of the United States announced to Congress that he proposed to call in fives and sixes and replace them with four per cents. The world stood aghast; they said it could not be accomplished, but he did accomplish it, and he succeeded in reducing the interest to an enormous extent, and was enabled to devote a large sum which had previously been paid in interest to the reduction of the debt. But what do we find? That has been eclipsed in four years. In 1876 no statesman believed that it was possible in so short a time as seven years to put American securities on the market at three per cent. They are at three per cent now, and cannot be bought in the open market at par. Is not that a simple answer to the hon. gentleman's statement? Sir Leonard Tilley made the best bargain he could