

As there are several new members in the House, whose presence we all hail with satisfaction, I think it proper to state on the present occasion, that owing to the time at which the fiscal year terminates, it is necessary to take into consideration the revenue and expenditure of three fiscal years, viz., the year which terminated on the 30th June last, the year now coming near to a close, the results of which can be calculated with tolerable accuracy, and the year for the services of which we are able to ask the House for supplies.

I think I may also on this occasion, for the information particularly of new members, make a few remarks with regard to the state of the public debt. An hon. member for this House—indeed, one of the new members—in course of conversation a few days ago, was quite astonished to hear the small amount of the debt, having been under the impression it was much larger. I told him that in round numbers it amounted to about \$80,000,000.

The last statement showed that on the 30th June last, the actual net debt was \$77,706,517, but as there were a number of assets, some of which might not be worth par, I may be safer in speaking of it as \$80,000,000. I may observe, also, with reference to the debt, that there is one feature of it which has caused every year an increase of the grown debt without causing an increase of interest payable on it. That increase arises from the non-settlement of the debt of the old Province of Canada, which has rendered it necessary to keep an open account with the Provinces of Quebec and Ontario, so that an item of about seven and a half millions of dollars appears on both sides—that is, as a debt and as an asset. It, however, involves no charge of interest whatever.

The auditor's report on the transactions of the last fiscal year and the appendices, will, I hope, be found to present the actual position of the debt and of the assets in a clearer manner than in former years. The fact that the interest received on the assets is about 20 per cent on the interest paid, must be considered ample proof of their value.

The statements regarding the capital expenditure since Confederation must be considered most satisfactory. From them it will appear that during the four years since Confederation there was expended on the Intercolonial Railway, on the purchase of the North West Territory and expenditure consequent thereon, for which loans were specially authorized, \$7,268,698; also against Public Works chargeable against capital, by authority of Parliament, \$1,130,885. From this latter sum, however, an amount was transferred to the Consolidated Fund Revenue account by my direction, because exception was taken in the Committee of Public Accounts, to some items as improper charges against capital.

These items amounted to \$317,580.12, reducing the expenditure on Public Works chargeable against capital, to \$813,205, which, added to \$7,268,698 gives \$8,081,903 as the expenditure on capital account, while the total increase of debt since Confederation has been only \$1,977,776, so that \$6,104,027.58 has been expended out of our current revenue on important public works, and in the acquisition of the North West Territory.

I may add, though, that of that large amount, no less than \$3,640,248.19 was expended in the year 1870-71; the net debt has decreased for the first time in the history of the country, by \$503,224. (*Hear, hear.*)

I may take the opportunity of calling attention to one item among the assets which may possibly tend to relieve the mind of my hon. friend from Lennox (Mr. Cartwright), who has on more than one occasion, expressed apprehensions of embarrassment from our large Savings Banks deposits, which I am happy to say now amount in all the Provinces, to about four and a half millions.

There is held in London \$1,362,666 in 5 per cent Canada bonds, especially on Savings Bank account. As these bonds could be turned into money at any moment and drawn against, and as they are above 25 per cent of the aggregate Savings Bank deposits, I should imagine that no alarm need be felt on that account.

I will now refer, and I hope for the last time, to the attacks made on the Government on account of the policy of my predecessor (Sir John Rose) with reference to the investment of the proceeds of the first half of the Intercolonial Railway Loan. On the 1st of July, 1869, we held in Exchequer Bills \$6,575,410.03, or in the other words, the Consolidated Revenue was indebted that amount to the Railway Commissioner. On 1st July, 1870, the Exchequer Bills were reduced to \$2,224,353, and on 1st July, 1871, there were no Exchequer Bills, but on the contrary the Consolidated Fund was largely in advance to the railway account.

Of course this amount is changing day after day, but always in the direction of increased indebtedness to the Consolidated Fund. The last statement I have had was up to the 16th of this month when we had paid \$8,612,492 on that account leaving only \$1,120,841 of the amount raised, being the half of the whole loan.

We have in deposit in the Bank of Montreal on Intercolonial Railway account bearing interest, \$4,500,000, so that the Intercolonial Railway owes the Consolidated Fund \$3,379,159. Again we have in London \$3,000,000, or to speak more correctly, £600,000 sterling in Imperial Guaranteed Bonds and Canada 5 per cents, half of each issued on North West account, which we can place in the market at any moment that we please, and in addition to these amounts we have about one million of dollars in Bank deposit receipts bearing interest. I hold therefore that our financial position is impregnable. (*Hear, hear.*)

I shall now proceed to the consideration of the accounts of the year which terminated on 30th June, 1872. In the Estimates of last year, as submitted by me, I anticipated an aggregate revenue of \$17,360,000. The actual result has been a revenue of \$19,335,560.81 or an excess of revenue of \$1,975,560.81.

On the other hand, the actual expenditure has been only \$15,623,081.72, so that the aggregate surplus on the year is \$3,712,479.09. As I am well aware that I may reasonably expect