

which they have lived for the last few years, and could never have succeeded in a very short time in depositing, together with the farmers, an amount of \$13,000,000 in the post office savings bank. Without protection we could never have put an end to the deficits, which amounted to over \$7,000,000 under the Mackenzie Administration, and which have been converted into a surplus of over \$18,000,000 since the adoption of the protective tariff. Well, Sir Richard Cartwright, himself, admitted, when he was Minister of Finance, that deficits, especially if they became chronic—and unfortunately they were chronic under his administration—might become a source of very grave difficulties, and that it was necessary to adopt energetic means to put an end to them. The Conservative Government have adopted those means and our hon. friends opposite, instead of blaming them for having taken these energetic means of putting an end to deficits and of protecting the credit of the country, should, on the contrary, congratulate them on the important and patriotic work which they have accomplished. I know, without protection, the immense sacrifices which we have incurred to construct the Pacific Railway would, to a great extent, be useless. Instead of finding an outlet for our industrial produce in the immense agricultural region of the North-West, the people of these Territories would continue, as in the past, to import their goods from the neighboring States. Now I come to another point. The hon. member for Lotbinière has spoken to us about the debt of Canada. Indeed every member of the Opposition has lamented on the extent of our debt. But, Mr. Speaker, none of them have told this House that every cent of that debt is represented by a productive capital. None of them have said that every cent of the public debt of Canada is represented by improvements and works, without which Canada would not be to-day the rich and prosperous country which it has become. None of them have said that that debt is not the price of blood, as are the debts of England, France, Germany and the United States. I do not hesitate to say that the debt of Canada would find favor in the eyes of the most rigid of economists. And while I see the public debt of our country represented under such false colors by those who style themselves as the free trade party of Canada, I am glad to be enabled to give them the opinion of one of the chiefs of that school, Mr. de Molinari, one of the chief editors of the *Journal des Débats*, a man whose opinion has been quoted very recently by the great newspapers of Europe on the importance of maintaining free trade in the old world. Mr. de Molinari visited Canada some years ago, and especially the Province of Quebec, where he carefully studied our economical situation. On his return to France, here is what he said about the debt of Canada:

"The Dominion and provincial debt has been contracted wholly for the construction of an improved system of communication, canals and railways, which might, with due regard to proportion, bear comparison with that of the United States. Nevertheless, for a few years back, the finances of the Dominion had felt the influence of the crisis. There had been a decrease of the receipts, arising most exclusively from Customs, from licenses for the sale of liquors and the sale of public lands; fortunately the crisis is over and the deficits have already been superseded by surpluses in the receipts. Bear in mind that Canada is one of the countries in the world where there is the least taxation, and that the contributive faculties of the people have hardly been grazed."

There is the opinion of Mr. de Molinari, and yet the hon. late Minister of Finance, and those who hold his views, are constantly proclaiming in this House that Canada is one of the most overtaxed countries in the world. Mr. de Molinari, who has not the same reasons for representing, under false colors, the financial position of the country, does not hesitate to state that Canada is one of the countries in the world where there is the least taxation, and that the contributive faculties of the people have hardly been grazed. He goes on to say:

"It would be a blessed laud for speculators conversant in the art of picking the hen without causing her to cackle; but where there are no armies to be paid, no war loans to redeem, there is no need of a heavy
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budget, and there are many reasons for abstaining from picking the hen at all. The Canadian federation occupies a position similar to that of the United States before the Secession war; and, thanks to God, none of the questions which are agitated between the parties are of such a character as to provoke other contests than those of the press and the hustings."

I have said that every cent of our debt was represented by public improvements. Since 1867 it has been increased by \$100,000,000. Well, what is this increase composed of? In the first place, we have a sum of \$27,624,638 for provincial debts. So that this is not at all an increase of taxation. It is simply debts from the old Provinces which have been assumed by the Dominion Parliament. Thus we have public improvements: Pacific Railway, \$47,291,564; Intercolonial Railway, \$29,486,027; canals, \$31,404,938; making a total of \$135,807,209. To these five items I may add \$29,374,000, which have been expended, irrespective of the debt, out of the ordinary receipts of Canada. And the Liberal party has its good share of responsibility for that increase of the public debt. From 1874 to 1878 the interest on the debt has increased by \$980,882, while from 1878 to 1884 it has been increased only by \$851,672. And let us bear in mind that the rate of interest is now lower than it was then. In 1867 the average of the rate of interest on our loans was 5.21 per 100; in 1873, 4.38; in 1878, 4.05, and in 1885, 3.98. This is a proof that our credit, instead of declining, is now gaining in the London market. But our hon. friends say: Why, public expenditure is increasing in alarming proportions? Certainly it is. It is impossible that it should be otherwise. But if it does increase we must not forget that our receipts are also increasing. This is just the reverse of what happened under the Liberal Administration. We must not forget that within a few years the public revenue has been increased by several millions, and it would be absurd to pretend that an additional revenue of nine millions could be levied with the same amount of expenditure. Within a few years we have created a whole Department—the Department of Interior—which, alone, during the last four years, has brought to the Treasury not less than \$4,000,000, arising from the sale of lands in the North-West. It is also known that we have had to establish new post offices and Custom houses in a great part of the North-West, and in new places in other parts of the country. We have made a great many other expenses which represent, in a legitimate measure, the increase of the debt, as compared to what it was formerly. The other day, the hon. member for Cardwell (Mr. White), who is an authority on such matters, compared the expenditure of 1875 and 1876 to that of 1883 and 1884, and showed that we had spent during those last years \$6,619,334 more than in 1875 and 1876. But, as he rightly remarked, this increase is easily explained. Out of that sum, \$2,079,488 were expended for the collection of revenue more than in 1875; the revenue itself has increased during that period by a sum of \$9,250,000. Out of that sum, \$1,901,045 was devoted to the sinking fund and to the cost of management of the public debt, and the balance, \$2,264,540, represents the increase of the ordinary expenditure. That balance itself contains: For public works, \$959,910; mail subsidies and grants to lines of steamers, \$204,090; grants to Indians, \$839,831; mounted police, \$116,465. Now, all these amounts show an increase, and it was the Mackenzie Government themselves who started that expenditure, particularly the extra expenses for surveys in the North-West, and to maintain a strong supervision there. After all, they are not a heavy burden on the people, for they only represent an extra tax of 12 cents per head. Now, we come to another point. The hon. member for Lotbinière has lastly spoken to us about the Pacific Railway. He has told us that the construction of that railway was pushed too rapidly. I am not of that opinion. I think that the more railways we have in the country the better it will be for us. I believe that the locomotive is the best factor, the mightiest