

the main—we shall find that in the course of seven years, we shall have increased the public debt by \$7,681,657, being an average of a little over \$1,000,000 per annum, or to be exact, \$1,097,379 under the present administration. And against this, we have the fact that our predecessors increased our public debt during the eighteen years of their administration from 1878 to 1896 by \$6,563,075 per year.

That, Sir, is a statement made to the close of the current year, when we shall have had seven years of financial administration by this government, showing that the average increase of the public debt during these seven years was but \$1,097,379 per year. But making a statement for four years only, I find this result. That in the course of the last four years, including the present, we shall have increased our public debt \$6,335,282.73 in the years 1900-01 and 1902 and shall have increased it by the amount of \$6,429,639.71 in 1900 and 1903. The figures are as follows:

| NET DEBT—STATEMENT FOR FOUR YEARS. | | | |
|------------------------------------|----------------------|----------------------|--|
| | Increase. | Decrease. | |
| 1900..... | | \$ 779,639 71 | |
| 1901..... | ..\$2,986,196 80 | | |
| 1902..... | ..3,349,085 92 | | |
| 1903..... | | 5,650,000 00 | |
| | <hr/> \$6,335,282 73 | <hr/> \$6,429,639 71 | |

So that taking these four years, during which we have certainly made liberal appropriations for the public service, during which great public works have been carried on, and during which our hon. friends opposite have even charged us occasionally with extravagance, we shall have paid our expenditure on consolidated account, on capital account, on special account, and every other account, and will not have added one cent to the public debt of Canada.

Mr. BORDEN (Halifax). I did not catch the hon. gentleman's figures for the estimated reduction of the public debt.

The MINISTER OF FINANCE. \$5,650,000. Now with regard to reduction of public debt, it may be well to notice that it is very seldom the lot of a Finance Minister of Canada to be able to speak of a reduction of the public debt. Some hon. gentlemen, who may not have followed this matter closely, may be surprised to learn that prior

to the advent of this government, only twice in the history of the Dominion of Canada was there a reduction of the public debt. Once in our time, prior to the present, have we had a reduction of the public debt, amounting to upwards of \$700,000, and now, in the present year, we have this large reduction to which I have referred. While presenting these figures, let me frankly say that I do not think any Minister of Finance of this country should be expected to show often a reduction of the public debt. In a new country like Canada with a great many public works requiring to be assisted, with many demands on the treasury, it would not be surprising that each year we would not only be obliged to spend our ordinary revenue but to incur some debt in order to carry on our great public works.

That, Sir, has been the experience of Canada during the greater part of its history. Where we have had surpluses—and we have had many of them—almost invariably they have been absorbed by the expenditures on capital account. Only four times in the history of Canada have there been reductions in the public debt. That is to say, there have been only four years in which the Dominion was able to provide for all its expenditures and have a balance wherewith to reduce the debt. Twice in the time of our predecessors these reductions were made, and twice in our time. And, if there is anything in making the calculation, I may say that the reductions in the seven years of our administration, were nearly twice as great as the reductions made by our predecessors during the whole of their time. However, while I call attention to these reductions and regard them as a very gratifying feature of the financial statement, I do not hesitate to say that, as a rule, a Minister of Finance will not be able to show reductions of the public debt, and it will be no discredit to him if he is not able to do so.

I have prepared a statement of the public debt per capita, this, of course being the fairest way to make the comparison. It is not to be supposed that the public debt will remain at a standstill; but, as the country grows in population it is able to bear an increased amount of debt without increasing the weight of the burden upon the people. Beginning with the year 1891, we find that the debt per capita has been as follows:—