

Just consider that in 1880, the first year in which the Railways were managed under the policy of the present Government, that the receipts from the Intercolonial and Prince Edward Island Railways exceeded those of the year before by the sum of \$200,193.99, and that, notwithstanding the increased traffic, the operating expenses were reduced \$465,426.08, making, altogether, a difference to the Canadian tax payer of \$665,620.07. Although Mr. Mackenzie retired from office in October, 1878, his mode of Railway management could not be suddenly changed. It took a year, or longer, of unremitting and anxious labor to introduce and perfect the new arrangements for operating the lines. In 1879 the Railways were mainly worked under Mr. Mackenzie's system, while in 1880 that of Sir Charles Tupper was in full operation.

I shall not dilate upon the contrast that is presented in the results, but it may account for the fiendish malignity with which traducers in the Opposition ranks pursue Sir Charles Tupper, even to his sick bed-side.

The interest and other charges for the Public Debt are a heavy and increasing burden.

Between 1873-74 and 1878-79 these items were increased by the sum of \$2,006,837. It is thus made manifest that for Public Debt items alone, Mr. Mackenzie's Administration *permanently increased* the annual public expenditure by the sum of not less than \$2,000,000.

The increase of the Public Debt during the same period, according to the Public Accounts, was \$42,811,202.32,—the increase between 1872-73, and 1877-78, was \$45,213,836.77. The loan of 1878 was actually negotiated by Sir Leonard Tilley, but it was required to meet the obligations incurred by his predecessor, Sir Richard Cartwright, who should have provided for them before the general election. He, however, decided to wait until after that event, doubtless expecting that he would be enabled to present himself in the money market with a renewed mandate from the people. To meet the requirements of the Government for the time being, he had recourse to borrowing for short periods from London Bankers and Financial Agents. It was to pay off these liabilities, to prepare for meeting the other maturing obligations of the Government, and generally to place the public finances on a satisfactory footing, that Sir Leonard had to hasten to England immediately after his election, on his appointment as Minister of Finance; and although Sir Richard's neglect to negotiate a loan, when he should have done so, was not unattended with peril to the public credit, yet it was fortunate for the Dominion that the negotiation devolved upon Sir Leonard Tilley, for he disposed of the loan by public competition or tender as he did in 1873.

In the increase of the debt, stated above, (\$42,811,202.32) of course is included the sum of \$1,520,833, that being substantially the portion of the loan of 1876, (\$12,166,666) which Sir Richard Cartwright allowed as discount to the lenders and paid for Brokerage, &c.

While the Dominion did not receive this sum of \$1,520,833, or any