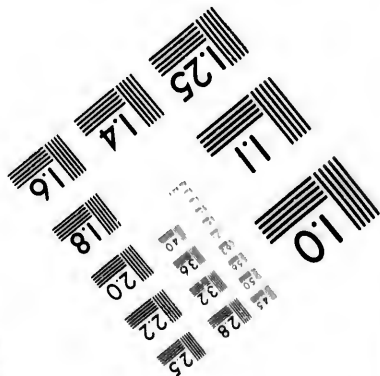
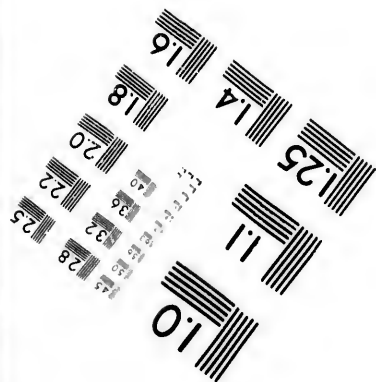
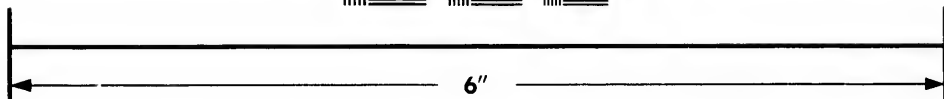
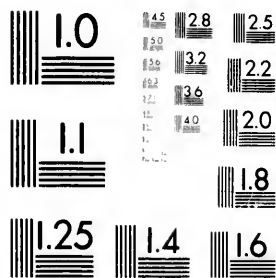


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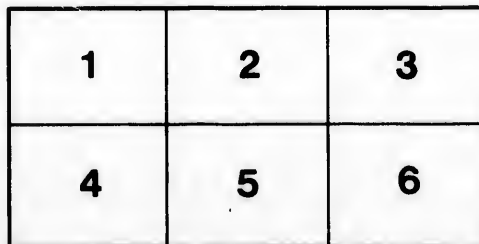
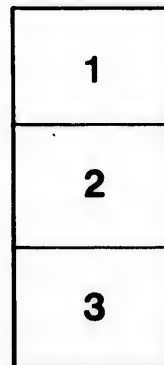
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BUDGET SPEECH

DELIVERED IN THE

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LEGISLATIVE ASSEMBLY OF QUEBEC

ON THE 21st FEBRUARY, 1890

BY

HON. JOSEPH SHEHYN

TREASURER OF THE PROVINCE

AND

SPEECH

DELIVERED IN THE

Legislative Assembly of Quebec, on the 21st February, 1890

BY

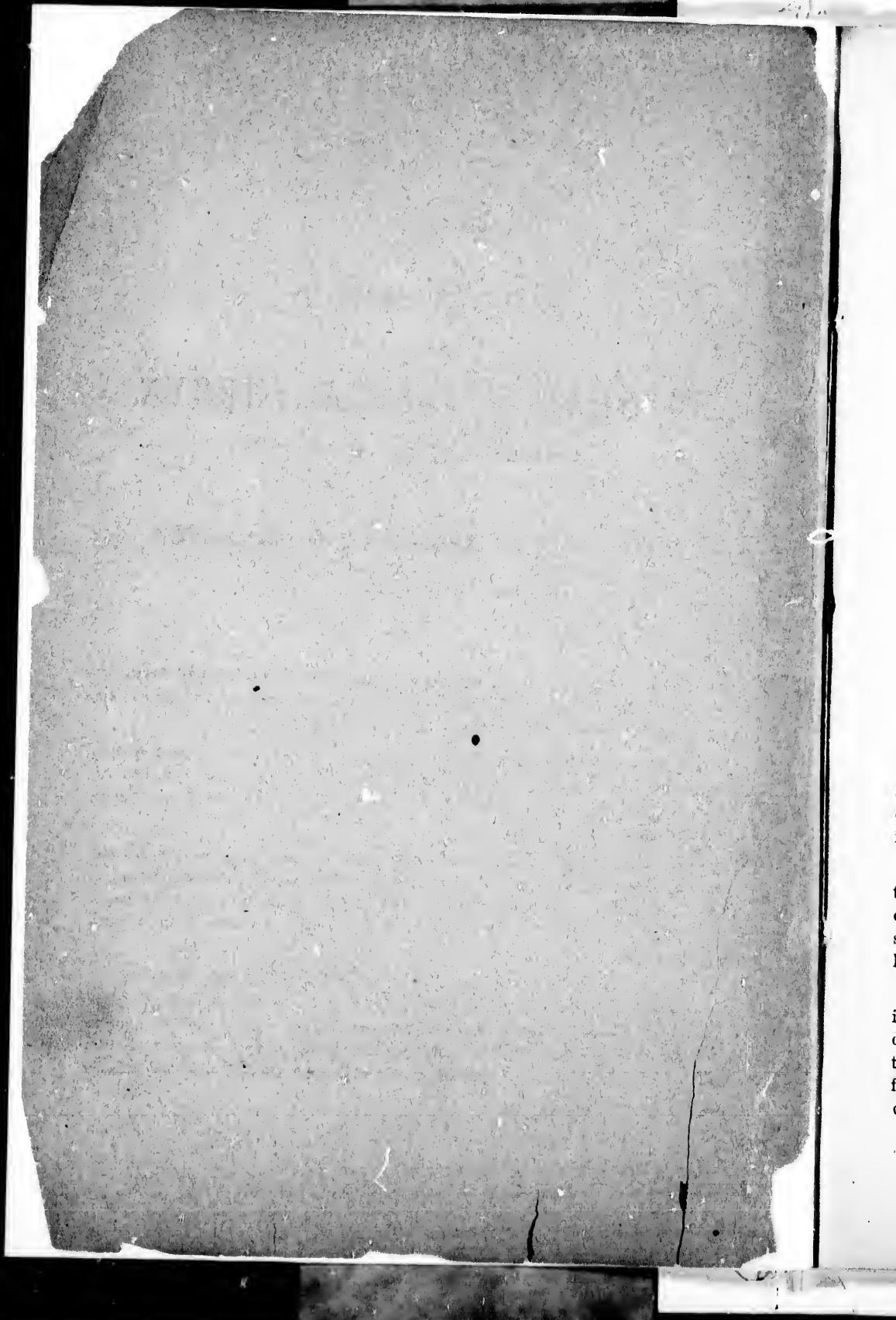
HON. MR. MERCIER

PREMIER

*In reply to a criticism of the budget speech by Mr. Desjardins,
Member for Montmorency.*



QUEBEC



BUDGET SPEECH

DELIVERED BY

HONORABLE JOSEPH SHEHYN,

TREASURER OF THE PROVINCE,

IN THE

LEGISLATIVE ASSEMBLY OF QUEBEC,

ON THE 21st FEBRUARY, 1890.

MR. SPEAKER.—Before proposing the usual motion that the House do resolve itself into Committee of Supply, it is my duty to submit as full and clear a statement as possible on the financial situation of this province.

It is always an arduous and a laborious task to prepare a budget speech, and, unless very familiar with figures, few have anything like an proper conception of the amount of work involved in the making of a careful and precise financial statement.

Although he may be extremely anxious to avoid being unnecessarily tedious, the author of a work of this kind, in order to make himself intelligible to all, is often obliged to enter into a multitude of details which to some may seem superfluous, but which are not the less essential to the clearness of the subject he has in hand.

I quite understand that a speech of this nature presents few attractions to its hearers ; but honorable members will kindly remember that the task, however distasteful it may be both to the speaker and his audience, is a duty imposed on the Treasurer by his position and also that the House and the country require from those entrusted with the administration of public affairs a faithful account of their stewardship.

Having now this duty to perform, I trust that members will extend to me the indulgence which has never been wanting on their part in the past.

To render my statement more intelligible, I shall at once indicate the order I intend to follow :

1. Remarks on the fiscal year 1888-89 ;
2. Assets and liabilities ;
3. Fiscal year 1889-90 ;
4. Comparative statements ;
5. Conversion ;
6. Receipts and appropriations for the fiscal year 1890-91 ;
7. General remarks on the situation.

I shall now endeavor to give the House all the information possible on each of these heads.

The operations, detailed in the public accounts, may be summed up as follows :

Receipts of the Fiscal Year 1888-89.

Dominion of Canada.....	\$1,260,412 80
Crown lands.....	1,075,045 42
Administration of justice.....	214,626 63
Percentage on the fees of public officers.....	7,894 64
Licenses.....	430,410 85
Législation.....	1,472 63
Lunatic asylum—contributions from municipal- ities and patients.....	28,276 27
<i>Official Gazette</i>	17,267 06
Public buildings.....	855 53
Casual revenue.....	1,943 61
Contributions to civil service pension fund.....	7,160 16
Contributions to expenses of inspection of insu- rance companies.....	550 00
Industrial schools.....	45 60
Taxes on commercial corporations.....	144,550 84
Interest on deposits in banks and on loans.....	51,362 15
Premium, discount and exchange.....	371 25
Interest on the price of sale of the Q. M. O. & O. railway.....	369,942 16
Railway inspections.....	253 00
Refunds.....	16,644 60
Total ordinary receipts.....	\$3,628,184 20

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<i>Trust fund</i> —teachers' pension fund.....	\$16,886 08	
Security deposits by public officers.....	2,000 00	
Security deposits for construction of iron bridges..	205 25	
City of Hull sinking fund.....	1,557 09	
Marriage license fund.....	7,164 00	
"La Canadienne" Insurance Co. deposit....	20,000 00	
Temiscouata railway—guarantee deposit.....	644,573 45	
Montreal and Lake Maskinongé railway—guarantee deposit.....	32,703 00	
Quebec and Lake St. John railway—guarantee deposit.....	1,552,394 00	
		2,277,482 87
Municipal loan fund.....	86,538 60	
Quebec fire loan.....	360 00	
Repayments of advances.....	6,000 00	
		\$5,997,565 67

Payments of the Fiscal Year 1887-88.

Public debt.....	\$1,134,789 51
Legislation.....	231,812 90
Civil government.....	236,987 39
Administration of justice, including police.....	467,605 39
Reformatories and industrial schools.....	83,220 39
Inspection of public offices.....	8,294 68
Public instruction.....	366,285 00
Literary and scientific institutions.....	8,550 00
Arts and manufactures.....	15,000 00
Agriculture.....	94,061 93
Immigration.....	5,975 75
Repatriation.....	1,771 25
Colonization roads and societies.....	124,000 00
Public works and buildings.....	116,164 23
Lunatic asylums.....	230,000 00
Charities.....	41,956 00
Miscellaneous.....	19,977 00
Agent in France.....	2,600 00
Crown Lands Department.....	201,200 00
Municipalities' fund.....	2,004 00

<i>Official Gazette</i>	13,623 45
Deductions on revenue, stamps, etc.....	8,569 29
Pensions paid.....	15,589 09
Traffic expenses—Q. M. O. & O. Railway.....	8,500 00
Building and jury fund—amounts paid by sheriffs out of collections.....	10,311 47
Licenses—amounts paid by revenue officers out of collection.....	38,323 64
Criminal Law, by Hon. Judge H. E. Taschereau.....	1,000 00
Indemnity to family of late Mr. St. Hilaire.....	600 00
Copying and repairing of registers and documents, etc.....	10,000 00
Sherbrooke Hospital and Orphan Asylum.....	1,000 00
Railway inspections and contingencies.....	1,500 00
Commission on Lunatic Asylums.....	6,000 00
Agricultural Commission.....	5,000 00
Local municipality of St. Leon, county of Maskinongé.....	800 00
Agrarian Inspectors' Manual.....	1,200 00
Relief to the inhabitants of the counties of Soulanges, Vaudreuil, etc.	6,000 00
Relief to Sherbrooke exhibitors.....	3,000 00
Metapédiac bridge.....	5,600 00
Repairs to the church of Tadousac.....	200 00
Manuel des Inspecteurs Agraires.....	1,200 00
Hospital of St-Jean d'Iberville.....	500 00
Hospital of Fraserville.....	500 00
Indemnity of members of the Legislative Assembly for the codification of the laws.....	3,420 00
Distribution to municipalities of copies of the municipal code.....	1,250 00
Teachers' pension fund, annual grant.....	1,000 00
Speakers' portraits.....	1,250 00
Grant to the deaf and dumb institution, Mile End, Montreal.....	3,000 00
Bridge at Barachois, Gaspé.....	610 00
Relief to the victims of the St. Sauveur fire.....	1,918 17
Total ordinary expenses.....	\$3,543,618 64

<i>Trust funds</i> :—Marriage licenses, distributed by	
Protestant Council of Public Instruction.....	\$ 7,410 00
Security by public officers.....	4,481 17
Iron bridges in municipalities.....	3,856 00
Teachers' pension fund.....	5,629 46
Aylmer court house fund.....	1,619 00
Loan to "Protestant Lunatic Asylum," Montreal.	15,000 00

3,623 45	Loan to Dr Gauvreau.....	2,500 00	
8,569 29	Temisconata Railway Company, guarantee deposit,		
5,589 09	repayment.....	53,587 63	
8,500 00	Montreal and Lake Maskinongé Railway Company,		
	guarantee deposit, repayment.....	4,327 60	
0,311 47			
8,323 64			\$ 98,421 46
1,000 00	New Parliament Buildings, Quebec, construction...	\$125,729 53	
600 00	New court house, Quebec, construction.....	42,733 59	
0,000 00	Arthabaska court house and gaol, new foundations..	1,400 00	
1,000 00	Montreal court house, enlargement.....	50,000 00	
1,500 00	Courts houses and gaols, new districts, heating		
6,000 00	apparatus.....	6,000 00	
5,000 00	Circuit court and registration office, Kamouraska..	4,000 00	
800 00	Protestant Lunatic Asylum, Montreal, to be re-		
1,200 00	imbursed out of proceeds of Leduc farm.....	7,821 29	
6,000 00	Codification of the laws.....	26,324 40	
3,000 00	Explorations in Dorchester and other counties.....	10,000 00	
5,600 00	Compensation and expenses arising from errors in		
200 00	land surveys in the county of Rouville.....	10,500 00	
1,200 00	Spencer Wood, stables, sheds, &c.....	4,000 00	
500 00	Court house and gaol, Bonaventure, wing for the		
500 00	gaoler and guardian.....	4,000 00	
	Iron bridges in municipalities.....	50,000 00	
3,420 00	Committee for the distribution of seed grain.....	50,000 00	
,250 00	Arbitration between Quebec and Ontario.....	1,673 72	
,000 00	Lockwood claim, <i>re</i> gold mines.....	10,000 00	
,250 00	Quebec railway bridge.....	1,277 16	
,000 00			
610 00			405,459 69
,918 17	Subsidies to railway companies.....	1,049,847 00	
	Construction of Q. M. O. & O. R.....	26,800 00	
618 64			1,076,647 00
	Total payments of all kinds.....		\$5,824,136 79

Statement of the Cash.

To cash on hand on 30th June, 1888..... \$1,723,850 07

Add trust funds.....	2,277,482 87	
" warrants outstanding on 30th June, 1889.....	73,259 66	
		<u>\$4,074,592 60</u>
Less excess of payments over receipts for 1889....	\$1,305,243 53	
Less trust funds	98,411 46	
" warrants issued in 1888, but paid in 1889...	460,518 81	
		<u>1,864,572 81</u>
To cash on hand on 30th June, 1889.....	\$2,210,019 79	

I.

Remarks on the Fiscal Year 1888-89.*Total Receipts and Payments.*

As indicated by the public accounts, the total receipts and payments of this fiscal year were :

Total receipts, including trust funds, guarantee deposits and repayments.....	\$5,997,565 67
Total payments.....	5,124,136 79
	<u>\$ 873,428 88</u>
Surplus of receipts over payments.....	\$ 873,428 88
Add to this surplus the cash on hand on 30 June 1888.....	1,722,850 07
	<u>\$2,597,278 95</u>
Deduct the warrants of 1888 paid in 1889.....	\$ 460,518 82
Less warrants of 1889 outstanding on the 30th June last.....	73,259 66
	<u>388,259 16</u>

And there remains a balance of..... \$2,210,019 79 which will be found to correspond with the cash on hand on 30th June, 1889, as shown in the public accounts.

Naturally, this only indicates the total operations, but does not show the situation exactly. To ascertain the difference between the receipts and the total ordinary and extraordinary expenditure, certain sums must be struck out, as I have just shown. The total payments were..... \$5,124,136 79

But from these must be deducted :

Trust funds.....	\$ 98,411 46
Reducing the total payments to.....	\$5,025,725 33
On the other hand, the total receipts were.....	\$5,997,565 67
Less trust funds and guarantee deposit.....	2,277,482 87
	<u>\$3,720,182 80</u>
Giving for special or extraordinary expenses a sum of.....	\$1,305,642 53

Extraordinary Expenditure.

The total amount paid out for extraordinary expenditure, as per public accounts, was divided as follows :

Miscellaneous (page 13—public accounts).....	\$ 405,459 69
Railway subsidies.....	1,076,647 00
	<u>\$1,482,106 69</u>

Deduct the following sums :

Surplus of ordinary receipts over ordinary expenses \$	84,565 56
Special receipts.....	91,898 60
	<u>176,464 16</u>

Real amount of extraordinary expenditure.....	\$1,305,642 53
---	----------------

Ordinary Revenue and Expenditure.

The operations of the year were as follows :

Ordinary receipts proper.....	\$3,628,184 20
Ordinary expenses "	3,543,618 64
	<u>84,565 56</u>
Leaving over ordinary expenses a surplus of.....	\$ 84,565 56

The above figures, I trust, will be found sufficiently clear as regards the amount chargeable to capital and should also, I am satisfied, prevent any confusion on the subject in every impartial mind, even when not familiar with such matters.

These statements, together with the public accounts, are of a nature to supply the fullest information in regard to the operations of this fiscal year and should satisfy all requirements.

The House and the country will therefore be happy to learn that the ordinary operations of the last fiscal year showed a surplus of \$84,565.56 notwithstanding the predictions of our adversaries, who, by means of skilfully manipulated calculations and figures, have sought to make out that the operations of the year have culminated in a large deficit.

By striking off, on some more or less plausible pretext, certain receipts from one side and adding to the other certain special expenses, it is always easy to figure out any result that may be desired. The operation is exceedingly simple, but carries no weight in the eyes of those versed in such matters. Moreover, I shall have occasion, under another head, to show the futility of those who undertake to criticize the financial operations of the present administration.

In my financial statement of 1888, I estimated the probable ordinary receipts at.....	\$3,345,672 80
The amount really collected was.....	3,627,932 20
or.....	\$ 282,259 40

more than my estimates.

I also estimated the receipts from all sources at \$3,403,672.80. They have reached the figure of \$3,720,082.80 or \$316,410.00 in excess of of my estimate.

In 1886, the year so much extolled by our friends of the Opposition, the ordinary receipts only amounted to \$2,949,562.15, while those of the year 1889 have come up to \$3,627,932.20, which shows an increase of \$678,082.05 over the year 1886.

From 1883 to 1887, the most prosperous period of our predecessors, the average of the annual ordinary receipts amounted to \$2,844,109. A comparison of this annual average with the result of the last fiscal year shows an excess of \$743,823.20 in favor of the latter over the former. This result is certainly of a nature to satisfy the House and serves to prove that we have used every diligence in the collection of the revenue from all sources.

Of course, to secure an excess of receipts over my estimates, some items must have produced more than we anticipated. This increase occurred chiefly in the revenue from Crown lands and licenses; but, on the other hand, there are decreases—of slight importance, it is true—under certain heads, which have not come up to my expectations. Thus, for instance, the tax on commercial corporations, which had been counted upon to yield \$175,000, including arrears, only gave \$144,550, and the same may be said of the interest on the collections made by the Ontario Government on account of the common school fund, which returned nothing, though set down at \$30,000.

The annual average of the ordinary expenditure from 1883 to 1887, inclusively, was \$3,095,939. During the last fiscal year, it reached the figure of \$3,543,618.64, which indicates an increase of \$447,679. But from this must be deducted the increase in the interest service consequent on the loan which we had to negotiate to pay off our predecessors' liabilities, that is to say, that the service in question has increased to the extent of an annual sum of \$157,038, over which we can exercise no control whatever.

After deducting this sum of interest, the additional expenditure for which we are responsible, compared with the average of that of our predecessors, amounts to \$290,641. But, against this increase, we have an excess in receipts of \$743,823 over the average of the ordinary receipts of our predecessors.

Moreover, our friends on the other side misrepresent the situation when they take as a basis of comparison the year 1886 which is the most favorable for them and the expenses of which, as I have already repeatedly stated, were cut down for a purely political object, for it must not be forgotten that it was the year which preceded the general elections. To be convinced of this, it is only necessary to glance at the fiscal year 1887 for which they are also responsible. On the 31st January of that year, they had already overrun their appropriations by a sum of \$40,000 in round figures; and, according to the calculations of the department officers, it was absolutely necessary to ask the House for further appropriations to the extent of \$172,000, in round figures, to cover the insufficiency of the amounts required to meet the ordinary expenses from the 31st January to the 30th June, 1887. These two amounts together form a sum of \$212,000 which, added to the expenditure of 1886, brings up the ordinary expenditure to \$3,244,607.25. But this is not all; to this last sum must also be added the increase in the interest service owing to their obligations and amounting, in round figures, to \$150,000 which would swell the expenditure to over \$3,394,000.

Consequently, had they remained in power, there is no probability—I contend—that they would have been able to manage the affairs of the province on a more economical footing than we have done, and the proof of my assertion is found in the fact that in 1887 the figure of the expenditure rose to \$3,236,232.00 or to \$3,416,232, if you include \$130,000 which is the increase in the interest service between 1887 and 1889.

Moreover, it is impossible to increase the figure of the receipts to the extent of over \$700,000 without a proportionate increase of the expenses.

For the last fiscal year, the special expenditure amount to the sum of \$404,459.69 but against this sum must be placed the following amounts:—special receipts, \$91,898.60 and surplus of receipts over ordinary expenses, \$84,565.56.

These two together form a total of \$176,464.16, which have served to cover an equal amount of the special expenditure, and for which the Opposition make no allowance in the erroneous statements they are laying before the House and country in the form of non-confidence motions.

On this amount of \$405,459.69, our friends on the other side admit that the sum of \$168,463.12 rightly belongs to capital account. Deducting these \$168,463.12 from the \$405,459.69 there remains, according to their own calculation, a sum of \$236,996.57, which, they contend, is chargeable to ordinary expenditure and should figure as such. But, in their non-confidence motions, they only speak of the increase of this expenditure without allowing for the special receipts amounting to \$176,464.16 which we have taken in and the deduction of which from the \$236,996.57 would therefore leave uncovered only a balance of \$60,000.

Let us now see whether there is any foundation for their contention with regard to the special expenses which they add to the ordinary expenses.

These special expenses are made up of the following items :

<i>Special expenses</i> :--Exploration: in the counties of Dorchester, &c..	\$ 10,000 00
Compensation and expenses arising from errors in land surveys, county of Rouville.....	10,500 00
New Parliament Buildings, Quebec, construction.....	125,729 53
do Court House, do do	42,733 59
Spencer Wood, stables, sheds &c.....	4,000 00
Circuit court and registration office, Kamouraska.....	4,000 00
Court house and gaols, new districts, heating apparatus.....	6,000 00
Court house and gaol, Bonaventure ; wing for the gaoler and guardian.....	4,000 00
Court house and gaol, Arthabaska ; new foundations.....	1,400 00
“ Montreal, enlargement.....	50,000 00
Iron bridges in municipalities.....	50,000 00
Codification of the laws.....	26,324 40
Protestant Lunatic Asylum, Montreal.....	7,821 29
Committee for the distribution of seed grain.....	50,000 00
Arbitration between Quebec and Ontario.....	1,673 72
Lockwood claim, re gold mines.....	10,000 00
Quebec railway bridge.....	1,277 16
	\$ 405,459 69

Out of this sum, they concede as chargeable to capital account the following expenses :

New Parliament Buildings, construction.....	\$ 125,729 53
New Court House, Quebec.....	42,733 59
	\$ 168,463 12

There remains therefore a sum of \$236,996.57, which they pretend to be ordinary expenses. But, if from this sum you deduct the \$176,464.16 of special receipts, there will only be left uncovered a sum of \$60,521.41, because the two amounts which they admit as chargeable to capital are covered by the loan.

An examination of each item under the head of special expenses will at once convince the House and the country that the pretensions of our adversaries are not warranted by the facts.

The expense of \$10,000 for the exploration in Dorchester and other counties cannot be regarded as a current expense, because it is incurred in the general interest of the country and is moreover only temporary. There is another sum of \$10,500 given as compensation and expenses in connection with an error committed in the land surveys at Rouville and which represents an old claim against our adversaries that we have been obliged to settle. It is therefore an arrear to be paid out of the funds which we collect from this source.

Outlay of \$4,000 at Spencer Wood for the construction of a stable, shed, etc. ;

This is something more than a mere ordinary expense, as it has had the effect of increasing the value of the property.

Outlay at Kamouraska for the construction of a new court house ;

A new building cannot be regarded as an ordinary expenditure, because we have in it a property representing the capital invested.

The \$6,000 incurred for heating apparatus in the new districts should be legitimately admitted as chargeable to capital, because it cannot be classed among the ordinary expenses of maintenance, seeing that it imparts additional value to the Government properties into which these apparatus have been introduced.

\$4,000 for a wing added to the Bonaventure court house and gaol ;

No one can maintain that an addition of this nature should be classified as an expense for ordinary repairs. It is self-evident that the addition of a wing to a building enhances its value ; there can be no doubt on this head, and it is sufficient to simply mention the thing to show the absurdity of those, who, for political ends, resort to such means in order to make out deficits where none really exist.

\$50,000 for the enlargement of the Montreal court house. \$200,000 had been voted for this purpose. It had even been decided to build a new court house, as the present building was no longer adequate to the requirements of the district, in view of the enormous increase of business. But, instead of erecting a new building, which would have entailed a heavy outlay, the Government came to an understanding with the Bar to utilize the present building with the aid of certain changes and improvements, which would serve the same purpose as a new building. It was to this end that this sum of \$50,000 was expended. The Government has therefore, by its policy, realized a considerable saving. Consequently it is absurd to pretend that this expense is only an ordinary expense and should be classified as such. Yet this is exactly what our adversaries do in the statements which they have prepared and laid before the House and the country with their non-confidence motions.

\$50,000 for iron bridges in the municipalities ; here is another item which our adversaries class among the ordinary expenses. It is enough to mention the fact to illustrate the lengths to which they push their exaggerations. It seems supremely ridiculous to look from such a standpoint at a policy so advantageous to the country and which will only have a limited duration. Next to railways, I regard the construction of iron bridges in the municipalities as one of the most really useful works ever undertaken by the province.

The sum of \$26,324.40, appropriated for the codification of the laws, is also set down by them as an ordinary expense. Yet, this is well and truly a special expense, since once the work has been finished, there is an end of it.

\$50,000 for seed grain in order to come to the relief of the farmers whose crops were destroyed by rain and hail storms ;

This expenditure was altogether exceptional and unforeseen. Still, to exaggerate the situation, our adversaries rank it also as an ordinary expense.

This sum had had been unanimously voted by the House as an exceptional and unforeseen expense, and, now that it has been spent, our adversaries turn round and insist that it should be charged to ordinary expenses. They are so anxious to find us in fault that they manufacture deficits by the transfer of sums, simply from one column to the other ; in the same way, the class the sum of \$7,821.29 given to the Protestant Lunatic Asylum of Montreal, and to be reimbursed out of the proceeds of the sale of the Leduc farm. Has anyone ever heard before that a sum repayable is a current expense ?

Such is the system pursued by these gentlemen ; it is by means of such calculations that they manage to swell the amount of the expenditure, and it is by setting aside certain receipts, for which no allowance is made in their statements, that they succeed in making up deficits, where in reality there exist surpluses.

I have deemed it my duty to dwell at some length on these special expenses, because it is by means of these items that our adversaries are seeking to mislead the House and country as to the true situation, and to impose upon those, who, through party-spirit or otherwise, have no fixed ideas on such subjects. The House will please also remember that these special expenses were voted as such and that it is very unfair on the part of those who now criticize us on these items, to blame us for an expenditure to which they consented.

Under another head, I shall show how erroneous are their calculations with regard to these expenses, which they are using to confuse the public mind, and I will further prove that the special receipts which we collected, as well as the surpluses, have been more than sufficient to meet all these special expenses, which they now take advantage of to mystify the House with respect to the true situation.

I cannot close my remarks on the last fiscal year without repeating what I stated on the subject in my last budget speech. It was as follows :—

“ I cannot, however, dismiss the question generally of the expenditure without reminding the House that it is becoming yearly more and more difficult to keep down the current expenses, owing as well to the increase in the service for interest as to the fact many items of the public service have to keep pace from year to year with the increase of the population. New demands are springing up all the time, and it is moreover almost impossible to check the general tendency of the country to call upon the Government of the province for a large measure, of aid to every enterprise, whatever may be its nature or utility.

“ I must candidly admit that my experience, since I have been at the head of the Treasury Department, is that the universal feeling seems to be that the Government is bound to take the initiative in every undertaking, which either nearly or remotely wears the impress of a measure of public necessity, and that it is obligatory on our part to give it not only moral assistance, but in addition the amount of money required to carry it out, forgetting that the means at our disposal are only of a limited kind and out of all proportion to the constant demands made on the guardians of the public chest. Whilst, on the one hand, everyone seems to be anxious for public expenditure, on the other hand, no one seems to be inclined to contribute in any shape or means required to carry out the policy all so eagerly encourage. On the contrary, as a general rule, every possible influence is used, not only to escape doing so, but to avoid paying even the most legitimate claims of the Government. In fact, as already stated, the general tendency is unfortunately to look up to the Government for aid and assistance in every kind of undertaking, but to bitterly oppose any and every attempt that is made to increase the public revenue.”

That was what I said last year and I have seen no reason since to change my opinion. The country is in favor of a policy, the object of which is to promote the

extention of railways and other public enterprises in the province, and we have the proof of this in the numerous and influential deputations which are daily soliciting new grants from the Government.

But it is well to remember that it is impossible, with our ordinary annual revenue, to meet the obligations on capital account, which such a policy entails, and the same may be said with the regard to all the other great undertakings necessitated by the wants of the country.

The country and the House are unanimous in admitting that a vigorous policy is needed as regards everything that may hasten the development of our resources, but, in making this admission, it should not be forgotten that great things cannot be achieved without some sacrifices on the part of those who benefit by that policy of progress and development. We desire, as far as lies in our power, to meet the unanimous wish of the country, but we should not afterwards be blamed for outlays which the House had unanimously encouraged and sanctioned. We have an example of this in the conduct of the Opposition, who have, in the form of a non-confidence motion, attempted to blame a policy which they had themselves inaugurated when in power and which their friends encouraged by their votes.

It is not by exaggeration and erroneous calculations that they will succeed in imposing upon the public ; rather let them come out boldly and squarely, and proclaim to the House that they are opposed to the policy of railways, of iron bridges, of expenditure for agriculture and colonization, and we shall then know what are the views and wishes of the people.

I now think I have given all the explanations that could be desired with regard to the last fiscal year, and I trust that the House will be fully satisfied that I have endeavored to present the situation as clearly as possible.

II.

Assets and Liabilities on 30th June, 1889.

I shall now pass to the statement of the assets and liabilities on the 30th June, 1889.

According to the reports supplied by the different departments, the liabilities and assets of the province stood at the close of the last fiscal year as follows :—

APPROXIMATE STATEMENT of the Assets and Liabilities of the Province of Quebec, on the 30th June, 1889, based on the official reports of the different departments, but not including a large amount of contested claims against the Government or the amount due to the province from the municipal loan fund :—

Liabilities.

Funded debt outstanding.....	\$21,510,960 00
Temporary deposits.....	2,434,702 70
Outstanding warrants.....	73,259 66
Railway money subsidies authorized, but not yet earned.....	1,543,497 33
Railways land subsidies, converted into money subsidies, authorized but not yet earned, balance on the first 35 cts. per acre.....	1,049,888 50
Parliament Building, construction.....	70,000 00
Contract for statues on Parliament Buildings.....	25,000 00
Estimated amount required to complete Quebec Court House.....	155,000 00
Balance of land and other debts, Q. M. O. & O. railway.....	68,500 00
Loss on Exchange Bank deposit.....	27,000 00
Quebec Court House bonds.....	200,000 00
	\$27,157,808 21

Assets.

Part of price of Q. M. O. & O. railway deposited in banks.....	\$ 385,000 00
Part of price of Q. M. O. & O. railway invested in Quebec Court House bonds.....	200,000 00
Part of price, do, invested in city of Quebec debentures.....	15,000 00
Balance of price of Q. M. O. & O. railway unpaid.....	7,000,000 00
	\$ 7,600,000 00
Capitalized railway subsidies under Dominion Act, 47 Vic., chap. 8.....	2,394,000 00
Claim against Hon. Thomas McGreevy.....	100,000 00
Cash in banks.....	2,210,019 79
Cost of Jacques Cartier normal school, Montreal, to be repaid from sale of property.....	138,348 02
Advances to various parties.....	101,592 69
Estimated amount due as interest on Common School fund from Ontario.....	70,000 00

Quebec Court House tax under 45 Vic., chap. 26, and 48 Vic., chap. 15.....	200,000 00
	<hr/>
	\$12,813,960 50
Excess of liabilities over assets on 30th June, 1889.....	14,343,847 71
	<hr/>
	\$27,157,808 21

The total of the liabilities appears higher than it was on the 30th June, 1888, but in reality the change is not very appreciable, if allowance be made for the guarantee deposits which figure on both sides of the above statement.

The funded debt amounts to \$21,510,960, which is slightly lower than the figure at which it stood on the 30th June, 1888, as between that date and the 30th June, 1889, \$54,429.29 were applied to the redemption of a corresponding amount of our bonds.

If, on the one hand, the total of the liabilities is higher on account of the guarantee deposits, on the other, the assets, which on the 30th June amounted to \$12,284,947.10, show a slight increase.

The excess of liabilities over assets is readily accounted for by the fact that the railway subsidies granted since that date figure as liabilities and that in this excess the guarantee deposits are also included.

As regards these deposits, it must be kept in view that they are only repayable gradually, by annuities, within the next ten years.

It is impossible to say, even approximately, when we shall be called upon to make provision for our railway liabilities, as that entirely depends on the progress made with their works by the different companies entitled to the subsidies when earned. Some of these companies are going ahead vigorously, but, in a large number of cases, no progress whatever is being made. Again, some companies have converted their land grants into money, without having yet earned them, and others have not yet even affected the conversion. It is therefore impossible to say when the total amount of these land and money grants will be called on.

I have nevertheless put them down as liabilities, because they are obligations which we shall have to meet some day or other. As regards all such railway subsidies, I know that the practice at Ottawa is to enter among the liabilities only the amount due at the date to which the account is made up.

I hesitated a good deal before entering them as liabilities, for I have often asked myself if, in the interest of the province, it would not be better to enter

them as such when actually due or shortly about to fall due, believing that it is not always good policy to add to the liabilities what will only become due at a more or less remote date.

The sums asked for the completion of the public buildings will, I hope, suffice to meet all the obligations arising from those undertakings.

The sum of \$155,000 includes a balance of \$60,000, in round figures out of the \$100,000, which figured in the statement of 1888. This sum of \$155,000, which appears in the budget for the next fiscal year, is intended to completely and finally cover all claims connected with the construction of the Quebec Court House.

Now, as regards the statement of assets, I do not think it calls for any special explanations, as it does not materially differ from the one presented in the last budget. However, I am of opinion that we should include among our assets the cost of the Parliament Buildings, upon the construction of which, together with the departments, the province has laid out a sum of \$1,500,000, in round figures.

To my mind, this is a real asset, and the same rule should equally apply to all other properties of the Government. It is only right that the moneys expended on objects of this nature should appear and be set off against our consolidated debt. In this way, our financial position would be better appreciated at home and abroad and would give increased confidence to investors in our securities. It would thus be known that, if we have a funded debt, we have also to show against it a large asset in the shape of properties of great value, of which no account has yet been taken.

III.

Fiscal Year 1889-90.

It is unnecessary to discuss at any length the probable results of the operations of this fiscal year, seeing that all our calculations are only based on estimates. For this reason, it is difficult to submit figures, which offer any certain or definite guarantee as to their accuracy.

Nevertheless, on the basis of the estimates, we can anticipate pretty approximately what will be the result of the operations of the year in so far as the ordinary receipts and expenses are concerned.

A glance over the receipts and expenses will show that, for the moment the latter present an excess, which is, however, easily explained.

The ordinary expenses for the six months ended on the 31st

December amounted to the sum of.....	\$ 2,069,415 72
And the receipts for the same period to the sum of.....	1,603,166 81

Leaving an excess of expenses over receipts of.....	\$ 466,248 91
---	---------------

This difference is only temporary and easily accounted for.

The operations of the first six months of the fiscal year should not be taken as a criterion by which to judge the results of the whole year.

It is a well known fact that our receipts only come in periodically—a remark which also applies to our payments, that is to say, that, at certain dates, the disbursements are larger than usual. This is especially the case with our principal receipts, such as those arising from Crown lands, from our Federal subsidy, from the taxes on commercial corporations and from the license dues, all of which constitute the most important part of our revenues. Thus, in December, we had to transmit to England a sum of \$250,000, in round figures, to meet the interest falling due on the 1st January on a portion of our bonds, which, of course, had the effect of doubling the figure of our ordinary monthly expenditure. This at once accounts for a part of the difference between the receipts and expenses. Next, the amounts due to the Crown Lands department did not come in as promptly as during the previous year. On the 31st December of the previous year, we had realized \$635,428.30 from Crown lands while at the same date last year we had only collected a sum of \$392,474.59 from the same source, making a difference of \$242,943.71 in favor of the former. These two sums together give \$492,953.71.

In January, the Federal subsidy was received, and a sum of \$800,000, in round figures, was due to the Crown Lands department. The receipt of this sum, as well as of other sources of revenue upon which we count between this and the 30th June, will at once give us a pretty considerable surplus of receipts over expenses, if our anticipations as regards these different items of revenue are realized, which, there is every reason to hope, will be the case.

These explanations will, I think, suffice to show that this difference between the receipts and expenses is in reality only temporary.

According to my revised estimates, here is what I have reason to count upon : In my budget of last year, I had estimated the amount of the receipts at \$3,405,672.80 ; but, according to present revised estimates, this figure should be \$3,639,672.80, making an increase of \$284,000 over my first estimates. This excess in receipts will come chiefly from Crown lands and the Honorable Commissioner assures me that I can rely with safety on the collection of this amount.

The total ordinary expenditure, supplementary estimates included, will reach the sum of \$3,552,565.00, which, according to my anticipation, will leave us a surplus of \$137,107.80.

The expenditure is correctly enough established, seeing that as regards the controllable services there cannot be a very appreciable discrepancy between the estimates and the disbursements, there being no reason at the moment to suppose that the receipts upon which we count will not be realized.

The hon. member for Montmorency, in his non-confidence motion of the 31st January last, puts down the expenditure at \$3,784,405.78, while, according to my own calculations, it will only amount to \$3,552,565, making \$231,840 less than his estimate.

How can we account for the hon. member's higher figure ?

From the special expenses, which were voted as such by the House, he deducts a sum of \$231,840 on the pretext that it should be counted as ordinary expenditure, thus proportionately swelling the amount of the latter and it is by such manipulations that he manages to exhibit a financial statement which is not only exaggerated, but entirely out of accord with the true situation. His whole case rests on a transposition of figures, upon which on the one hand he bases his erroneous representation of the expenditure, while, on the other, he carefully keeps certain receipts in the dark.

With such a system of calculations, it is easy to make up deficits, but, in this House, we are at liberty to examine under their true aspect the figures which the honorable member uses as a basis for his operations.

When he was a Ministerialist, he regarded as perfectly legitimate and correct the charging as special expenses of the very items which he now wants to be struck off and added to the ordinary expenditure. But to-day this is all wrong in his eyes. And why ? The answer is very simple. Because, as a Ministerialist, he saw everything in the brightest colors while at present he sees everything in the darkest hues.

But let us examine his forecasts for the purpose of finding out whether they are founded or not.

The estimate of special expenses is set at \$443,637.29. On this sum he admits as chargeable to capital account the following :

New Parliament Buildings, construction.....	\$ 162,760 00
New Court House, Quebec, do	49,037 36
	\$ 211,797 36

According to the hon. member's present theory, this is all that should be charged as expenditure on capital account, and as for the balance of \$231,840 he carries it to the ordinary expenditure.

To demolish the hon. gentleman's reasoning and to show the fallacy of his pretension, all I need do is to enumerate the principal items which he ranks among the ordinary expenses :

Spencer Wood—outlay of \$10,231.00 for the construction of a green-house, a root-house, a brick coach-house, and a gate-keeper's lodge. Here is one of the expenses which the honorable member classifies as an ordinary expense. Can it, I ask, be reasonably contended for an instant that an outlay which adds to the value of a property is only an ordinary expense ?

Construction of iron bridges—\$100,000, of which \$75,000 will only be required. He nevertheless assumes that these \$100,000 will be expended.

He classifies as ordinary expenses the \$36,675.00 for the codification of the laws, the \$20,000 set apart for night schools as an experiment and the \$60,000 appropriated for other objects which are in reality exceptional expenses and which, as I have already explained, cannot be considered as chargeable to the ordinary expenditure.

In all his calculations, the honorable member, however, takes good care to omit everything that might damage his theory. Thus, for instance, he takes no account of the probable surplus of the receipts over the expenses and of the special receipts which should be set off against the special expenses.

It is by means of such calculations and such erroneous and misleading statements that the honorable member for Montmorency strives to represent the situation under a false light. It is simply by transposing figures from one column to another that he has managed to make out the existence of deficits where in reality there are surpluses, just as he used, when his friends were in power, to find surpluses where there were deficits, and it is by such means that he succeeds in posing as a great financier in the eyes of his friends.

We have to deal, in fact, with a man who plumes himself on possessing the only absolute rule and measure of precision which should be used under the circumstances and it is with such proceedings that he succeeds in making up at will surpluses or deficits whenever it suits his political purposes—a man, who, notwithstanding his self-contradictions, past and present, publicly boasts of the long and painful study he has given to the subject of our finances, who modestly pays himself the compliment of being the only one conversant with the real financial situation, and who graciously awards to himself a diploma for his infallibility and mathematical precision.

Naturally, his friends and those who do not see clearly in such matters are imposed upon by demonstrations made with a self-sufficiency and coolness worthy of a better cause and take for science an empty parade of erroneous and misleading calculations merely intended for political effect and calculated to throw the public mind into doubt and confusion.

However, the following statements will serve to show how far our adversaries are justified in their outcry against our administration of the finances and at the same time destroy their pretensions in relation to the expenditure, which they have striven to magnify by means of erroneous and misleading figures.

It is an unfortunate thing to deceive the House and the country as regards the real financial situation. But, for the purpose, it is only necessary to follow the method adopted by the hon. member for Montmorency, which is remarkable for its simplicity, as it merely consists in removing certain receipts from the ordinary receipts, keeping others in the dark, and adding to the ordinary expenses items which should rightly figure as extraordinary expenses. In this way, it is perfectly easy to create deficits where surpluses exist.

But, while such stratagems may succeed with the inexperienced, they cannot impose on those who are sufficiently conversant with the subject to appreciate at their proper value the hon. member's manipulations of figures. It was thus that he succeeded in making out surpluses when his friends were in power, and now that he is in Opposition he throws equal zeal into making out deficits which have no existence.

Nevertheless, it is by statements of this character that the Opposition are endeavoring to confuse the public mind and these statements, too, are presented with so much assurance and coolness that it is not surprising that some are deceived by them.

IV.

The True Comparison to be Made.

Since they choose to sacrifice the truth and play a part of this kind, I will submit figures and comparative statements which will serve to demonstrate the fallacy of their calculations and arguments.

In the first place, I will present a statement for the period from 1882 to 1884, showing the receipts and expenses, as well as the deficits of those three years; secondly, I will take another series of three years embracing 1885, 1886 and 1887; and, thirdly, compare these two series with the one for which we are responsible :

STATEMENT of the receipts and expenses, as well as of the deficits, for the series of 1882, 1883, 1884, for which the hon. member for Montmorency's party are responsible, to serve as a first point of comparison with the series of 1888, 1889, 1890, which is ours :

	Receipts.	Expenses.	Deficits.
1882.....	\$ 2,666,051 94	\$2,874,910 16	\$ 208,858 22
1883.....	2,755,707 21	3,096,943 27	341,236 06
1884.....	2,823,565 30	3,124,619 94	301,054 64
Totals.....	\$ 8,245,324 45	\$ 9,096,473 37	\$ 851,148 92

Second point of comparison :

	Receipts.	Expenses.	Deficits.
1885.....	\$ 2,926,147 95	\$2,936,733 86	\$ 10,585 91
1886.....	2,949,562 15	3,032,607 25	83,045 10
1887.....	2,965,566 62	3,288,797 78	323,231 16
Totals.....	\$ 8,841,276 62	\$9,258,138 89	\$ 416,862 17

Statement of ordinary receipts and expenses from 1888 to 1890—series for which we are responsible.

	Receipts.	Expenses.	Surpluses.
1888.....	\$ 3,733,228 39	\$ 3,365,032 36	\$ 373,196 03
1889.....	3,627,932 10	3,543,618 64	84,313 56
1890.....	3,689,627 80	3,552,565 00	137,107 80
Totals.....	\$11,055,888 39	\$10,461,216 00	\$ 594,617 39

Compared with the first series for which our adversaries are responsible, that is to say, from 1882 to 1884, our receipts show an excess of \$2,810,508.94, while, on the series from 1885 to 1887, they show an excess of \$2,214,556.67.

Such is the result of our financial operations from a comparative point of view with the receipts of our adversaries when they were in power.

As regards the expenditure, here is the figure of the excess of ours compared with that of our adversaries for the period from 1882 to 1884..... \$ 1,364,742 63
And for that from 1885 to 1887..... 1,203,077 11

During the three years, covering the period from 1882 to 1884, the deficits amounted to the sum of..... \$ 851,148 92
And during that from 1885 to 1887 they reached the figure of..... 416,862 17

Thus, as can be easily noted, our adversaries expended less, but their receipts were also less, each year ending in a deficit, which they had to cover by means of a loan to the proportionate increase of our debt. That was the result of their financial operations and yet it is these very same men who to-day want the House and the country to believe that our management of the finances has been disastrous.

An examination of the statements I have just submitted will show that, from 1888 to 1890, we have not only succeeded in covering the deficits which were the rule when our adversaries had the control of affairs, but that we have gone further and accumulated surpluses which have attained the goodly figure of \$594,617.39.

Now, let us compare the interest service which our adversaries had to pay with the one which we have had to meet since taking over the administration of affairs :

Interest Service.

In 1882 this service amounted to.....	\$828,426 04
" 1883 " "	889,794 00
" 1884 " "	964,129 46

Total for this period..... \$2,682,412 60

In 1885 this service amounted to.....	980,110 29
" 1886 " "	977,751 32
" 1887 " "	1,016,022 14

Total for this period..... \$2,973,883 75

In 1888 this service was.....	1,163,710 94
" 1889 " "	1,134,789 51
" 1890 it will be.....	1,186,715 00

Total for this period..... \$3,425,215 45

Since coming into office, we have paid, in connection with this service, the sum of..... \$3,425,215 45

And, from 1882 to 1884, a period of our adversaries' administration, this service absorbed a sum of..... 2,682,412 60

We have therefore had to pay a sum of..... \$ 742,802 85 more than our adversaries for this service. If you again compare the interest service from 1888 to 1890, with that of 1885 to 1887 you will find that it amounted to..... \$3,425,215 45

and, from 1885 to 1887, to..... 2,973,883 75

Which gives an increase of..... \$ 451,331 70
for the period from 1888 to 1890 compared with that from 1885
to 1887.

The increase of the expenditure from 1888 to 1890, compared
with that of 1882 to 1884, amounts to..... 1,364,742 65

But from this sum must be deducted the increase in the
interest service for which our predecessors are responsible, seeing
that it was contracted to cover their outstanding obligations, which
we have been compelled to pay, namely..... 742,802 85

Making the real increase as regards the expenditure.....\$ 621,939 70
Excess of our expenditure from 1888 to 1890, compared with that
of the period from 1885 to 1887.....\$ 1,203,077 11
Increase in the interest service from 1888 to 1890 over that of
1885 to 1887..... 451,331 70

This item is not controllable and is due, as I have already stated, to
the policy of our adversaries who left us liabilities which we
have been obliged to settle since coming into power.

Making the real increase.....\$ 751,745 41
in the expenses incurred by us compared with those of the three last years of
our adversaries.

If we apply the same comparison to the expenditure of our adversaries' first
series, that is to say, from 1882 to 1884, we get a real increase, per annum, of
\$207,313.26.

In the second case, that is to say, in applying the same comparison to the
second series embracing the years 1885-1886-1887, the excess of our expenses
annually amounts to \$250,581.80.

Thus, in the first case, the excess of our expenses, for which we are
responsible, amounts to.....\$ 207,313 26
and, in the second, to..... 250,581 80
and not to \$700,000 as our adversaries pretend in one of their non-confidence
motions.

But, to make the true situation still clearer, we must necessarily take into
account the figure of our receipts during the three years of our administration as
compared with that of a corresponding period of our adversaries.

Our receipts from 1888 to 1890, compared with those of our predecessors from 1882 to 1884, show an excess of.....	\$2,810,508 94
Less increase in the expenses.....	\$1,364,742 63
Deduct increase in the interest service, for which we are not responsible.....	742,802 85
	<u>621,939 78</u>
	<u>\$2,188,569 16</u>

If therefore, on the one hand, from 1888 to 1890, we spent \$621,939,78 more than our adversaries during the period of 1882 to 1884, our receipts, on the other, exceeded theirs by \$2,188,569.16.

A comparison of the figures of our receipts from 1888 to 1890 with theirs of 1885 to 1887 shows an excess of.....	\$2,214,556 67
And the figure of our expenses an excess of.....	\$1,203,077 11
Less amount of the increase in the interest service..	451,331 70
	<u>752,745 41</u>
	<u>\$1,462,811 26</u>

On the other hand, if, from 1888 to 1890, we expended, \$752,475 more than they did during the period of 1885 to 1887, our receipts, after deducting this increase of expenditure, show an excess of \$1,462,811.26.

As I have just indicated, therefore, the increase in our receipts from 1888 to 1890 amounted to..... \$2,810,508 94

The following figures show how this surplus was employed :

We covered the deficits of 1882 to 1884.....	\$851,148 92
Increase in our expenses.....	621,939 75
" in the interest service.....	742,802 85
Surplus from 1888 to 1890.....	594,617 39
	<u>\$2,810,508 94</u>

The increase in the receipts from 1888 to 1890, compared with that of 1885 to 1887, was \$2,214,556.67.

Contrasted with this last period, which belongs to our predecessors, here is what was done with this surplus :

Deficits of 1882 to 1884.....	\$416,862 17
Increase in the expenditure from 1888 to 1890....	751,745 41
Increase of interest, 1888 to 1890.....	451,331 70
Surplus of 1888 to 1890, total.....	594,617 39
	<u>\$2,214,556 67</u>

So that, with our receipts, we succeeded not only in wiping out the deficits which had accumulated during the regime of our predecessors, but also in covering the increase in the expenditure as well as in the interest service, besides accumulating a surplus of \$594,617.39.

This is what we have done since we have come to power, and yet our hon. friends opposite would have the House and the country to believe that our financial policy is a failure.

We have put an end to the era of deficits ; we have met the increase in the interest service ; and we have accumulated a surplus. Still, instead of frankly and loyally recognizing what we have done to improve the financial situation, our opponents endeavor, by means of erroneous and misleading calculations, to deceive public opinion and to lead this House and the electorate into error by presenting exaggerated statements of the expenditure.

I repeat that it is only by systematically leaving out certain receipts and by adding special expenses to the ordinary expenses that they have made out deficits where none exist.

Now, Mr. Speaker, a word as to the special expenses which, according to the pretensions of our adversaries, they say should figure as ordinary expenses and which, in fact, they include as such in their statements in order to swell up the amount of the ordinary expenditure. I have already conclusively shown that such expenses should not be treated as ordinary expenditure.

As will be seen from the tables just submitted, it is shown that the receipts, from 1832 to 1887, were insufficient to cover the annual expenditure which was lower—it is true—than that of 1888 to 1890, but, to make up the difference, our adversaries had to fall back on capital by which their deficiencies were paid off, thereby running the province proportionately into debt.

I now propose to show, by irrefutable figures, that not only have we wiped out the deficits, but further that our surpluses and special receipts have amply sufficed to cover the deficits and the special expenses, in regard to which our adversaries are making so much outcry.

In 1888, the honorable member for Montmorency, in order to make out a deficit, transferred from the special expenses, and added to the ordinary expenses, a sum of.....

.....	\$187,762 76
In 1889—see non-confidence motion.....	236,996 57
In 1890 do do	231,840 00

Forming a total of..... \$656,604 33 chargeable to special expenses and which our adversaries wrongly persist in carrying to the ordinary expenses, and which, indeed, they include in their motions of non-confidence submitted to the House on the 31st January and 7th February instant.

My calculations are based on their own figures. These gentlemen take good care not to say a word as to the items which figure in the public accounts and in the budget under the form of surpluses and special receipts. Of course, to do so would not suit their purpose, for, if they took them into account, the House would at once see through their game, which is to create the impression that these special expenses are not covered by receipts and to show consequently that they increase our debt.

Such is the unfair system followed by those honorable gentlemen, and which consists in transferring large sums from the column of extraordinary expenditure to that of ordinary expenses and leaving out certain receipts altogether. With such a system—a false one, to say the least—it is easy to make up deficits, but, for a party, it is not an honest mode of dealing with the finances of the country.

The following is a statement of the amounts which our friends opposite overlook, but which exist all the same. To be convinced of this, it is only necessary to consult the public accounts for 1888 and 1889.

In 1888, over and above the ordinary expenses we had a surplus of	\$ 373,196 03
Settlement of accounts with Montreal and reimbursement, see public accounts, page 11.....	80,926 41
In 1889, surplus.....	84,313 50
Municipal loan fund and repayments.....	92,150 60
In 1890, probable surplus.....	100,000 00
Probable special receipts	50,000 00
Total of special receipts and surpluses.....	\$ 780,586 54

It is well to note, too, that, during the administration of our predecessors, they attributed to ordinary receipts the same items which we now enter under the head of special receipts.

Our surpluses and special receipts therefore amount to the sum of	\$ 780,586 54
While the sum total of the special expenses, which our opponents now refuse to recognize as such attain the figure of.....	656,604 33

We have consequently a surplus of..... \$ 123,982 21

It will be at once seen that, even admitting their theory of transferring the above sums from special expenses to ordinary expenses, we still have enough and to spare of receipts to honor them. Consequently, we have not, under this head, increased the public debt, since our resources have sufficed to cover all these expenses, over which our adversaries are making an outcry and by means of which they attempt to deceive the House and the country.

If they consider that they are justified in adding to the expenses, it seems to me that, in all fairness, they should also add to the receipts the sums collected under the same title.

I must frankly confess my regret at having to refute such misleading and trifling calculations, and at having, in doing so, to fatigue the House with so many details ; but I believe that it is high time to demolish such misleading statements, the figures of which have been put together for no other purpose but to mystify the electors.

Our receipts therefore have sufficed not only to meet our ordinary expenses, but further, as I have just shown, to cover the special expenses which our adversaries want charged to the ordinary expenses.

It is by such petty means as these that they have succeeded in making out deficits ; but the House now knows what faith it should attach to these pretended deficits and what value it should place on their votes of non-confidence in relation to these special expenses.

Before passing to another head, let us examine for a moment the following statement :—

Table showing the excess of the payments compared with the receipts under our predecessors from 1882 to 1887.

I have just given a comparative statement of the receipts and expenses for two series of years whilst our adversaries were in power. I shall now submit another table which, I believe, will completely demolish their pretensions as to the value of their financial administration.

The following figures are official and have been taken from the public accounts prepared by the employees of the Treasury, under the direction of the Conservative Ministers.

STATEMENT OF THE PAYMENTS MADE FROM 1882 TO 1887.

Showing year by year the total of the amounts paid for ordinary services and the amounts on capital account, with the exception of temporary loans and reimbursements of trust funds :

1882	Total payments.....	\$ 4,686,189 79
1883	“ “	3,924,872 51
1884	“ “	3,961,230 97
1885	“ “	3,746,572 33
1886	“ “	3,682,992 30
1887	“ “	4,530,104 48
Aggregate payments during this period.....		\$24,531,962 38

 REVENUE RECEIPTS AND REIMBURSEMENTS ON CAPITAL ACCOUNT.

(Excepting the temporary loans and trust funds, the receipts are those on which we can legitimately count, including revenue so called and reimbursements on account of capital :)

1882	Ordinary and extraordinary receipts.....	\$ 4,028,679	46
1883	“ “ “	2,856,973	51
1884	“ “ “	3,105,967	22
1885	“ “ “	2,973,319	29
1886	“ “ “	3,068,873	82
1887	“ “ “	2,978,571	62
	Total receipts.....	\$19,012,385	42

1882	Quebec Central, guarantee deposit made by this company and whose reimbursement is included in the payments enumerated in the preceding statement.....	\$606,849	20
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 \$19,619,234 62

The total payments from 1882 to 1887, as just shown, amount to the sum of.....	24,531,962	38
The total annual receipts for the same period were.....	19,619,234	62

The difference between the receipts and the payments for the period
extending from 1882 to 1887 therefore was..... \$4,912,727 76

This sum represents the amount which was expended on account of capital
from 1882 to 1887, not counting the amount of the obligations outstanding on the
30th June, 1887, to which I will refer in an instant.

The Government which preceded us therefore indebted the province to the
extent of nearly five millions of dollars in the space of six years, and this
debt was covered by means of loans, some at long term and others temporary.

Besides we must take into account the balance of the floating debt out-
standing on the 30th June, 1887, say \$3,500,000, in round figures. This sum,
added to the \$4,912,727.76 just mentioned, forms a total of \$8,412,727.76, which
represents the obligations contracted from 1882 to 1887 or an increase of
expenditure on account of capital during this period to the extent of \$1,402,121
per annum.

Now, if we further take into account the contested debts, of which we shall have ultimately to pay a large part and which figure for a sum of \$4,500,000, and if we add them to the \$8,412,727.76, we get a total of \$12,912,727.76 outstanding on the 30th June, 1887, which represents an expenditure of \$2,150,121, per annum, on account of capital. This is in round figures the annual average of the expenditure on capital account, in adding the unsettled obligations over and above the receipts, from 1875 to 1887.

In face of such a sum of obligations handed us by our adversaries when they were obliged to resign, how can they dare to-day to criticize our financial administration, especially in view of the successful efforts we have made to improve the situation and to extricate the province from the difficult position in which it was placed ?

The receipts under the reign of our adversaries were therefore insufficient to cover even the ordinary expenses, and even deficits were then an everyday thing in the ordinary budget.

Nevertheless, in spite of this state of affairs, we set courageously to work, and, the very first year for which we are responsible, we managed to bring down a budget, showing a surplus of \$373,000 in round figures, and, in 1889, another of \$84,563.56.

We further succeeded in creating an additional revenue of over \$700,000 and in restoring the equilibrium between the ordinary receipts and expenses. This is what has been accomplished under our administration. Still, with a full knowledge of these facts, our friends opposite now come forward to assert the contrary and to try to make the House and country believe that our administration is dangerous and of a nature to alarm the people. Fortunately these worthless declamations are not listened to seriously, and all this tissue of errors will not have the desired effect upon reasonable people. Yet, for all this, such groundless criticism will produce a bad effect upon capitalists and be very prejudicial to the credit of the province ; for, it must not be forgotten that these erroneous statements of our adversaries have been printed in both languages and scattered broadcast for the sole purpose of misleading the electorate, regardless of the consequences which such utterances may have beyond the province.

V.

Conversion of the Debt.

We have not lost sight of the important project of the conversion of the debt ; on the contrary, we have given special attention to it.

My colleague, Hon. Mr. Garneau, Minister of Public Works, having been obliged to make a trip to Europe last fall for the benefit of his health, requested

me to accompany him. I did so, and the Government availed itself of the circumstance to charge us both with the duty of studying this question, cautiously sounding the European money markets and obtaining all the information possible in order to ascertain if this desirable operation could be advantageously carried out.

The Government took this step for two reasons :

1° Because it believed the circumstances favorable for making a new effort in the matter :

2° Because it desired that I should have the benefit of Hon. Mr. Garneau's knowledge and experience in discussing with some of the European bankers the principle and details of this great project.

An order-in-council, passed on the 20th September, 1889, invested us with the requisite powers to carry through the undertaking the Government binding itself to ratify and ratifying in advance all that my colleague and myself might deem it advisable, in the interest of the province, to do in the connection.

It will be readily understood that it is impossible for me make known the proposals that were made to us and the negotiations that took place ; it is sufficient to state that, during our stay in Europe, very advantageous, but strictly confidential offers were made to us. But, in view of the great importance of the transaction and the grave responsibility involved, we closed with none finally preferring to first submit the whole matter to the Ministers in council.

I am glad to be able to add that, I think, these negotiations can be soon resumed and that my colleague and myself have reason to hope that we shall effect, this conversion of the debt on excellent conditions and on a basis that will secure a considerable annual saving in the present sum of interest which we have to pay on the provincial debt.

VI.

Fiscal Year 1890-91.

I estimate the receipts of this fiscal year at \$3,523,672.80, of which \$68,000 represent the receipts on capital account, and \$3,460,522.80 on ordinary revenue. This estimate is based on the receipts of the last fiscal year, making all due allowance for changes that may take place in certain items which may turn out over or under ordinary estimates.

The following are the receipts on which I count :

Federal Subsidy :

Subsidy payable under the Confederation Act..	\$ 959,252 80	
Interest on trust funds.....	55,459 32	
Special subsidy under 47 Vic., chap. 4.....	127,460 68	
Interest on railway subsidies under 47 Vic., chap. 8.....	119,700 00	
		<u>\$1,261,872 80</u>

Interest :

Interest on price of sale Q. M. O. & O. railway.....	\$ 370,000 00	
Interest on loans and deposits.....	10,000 00	
Interest on collections made by Ontario from common school lands.....	20,000 00	
		<u>\$ 400,000 00</u>

Administration of Justice :

Law stamps.....	\$ 160,000 00	
Fees.....	2,500 00	
Building and jury fund.....	16,500 00	
Contributions for the maintenance of vagrants in prisons.....	10,000 00	
Gaol guard, Quebec and Montreal.....	4,000 00	
Fines	500 00	
Montreal gaol.....	5,000 00	
Montreal Court House.....	500 00	
High Constable's fees, Quebec.....	600 00	
		<u>\$ 200,600 00</u>
Registration stamps.....	17,000 00	
Licenses.....	375,000 00	
Crown lands.....	1,000,000 00	
Taxes on commercial corporations	140,000 00	
Percentage on fees of certain public officers	8,000 00	
Percentage on renewals of hypothecs.....	400 00	
Legislation.....	800 00	
<i>Official Gazette</i>	26,800 00	
Lunatic asylums, contributions from municipalities.....	20,000 00	

Public buildings, rents, &c.....	650 00
Contributions to pension fund.....	7,000 00
Casual revenue.....	2,000 00
Quebec Fire loan.....	400 00
Refunds.....	18,150 00
Municipal Loan Fund.....	50,000 00

\$ 3,528,672 80

61,872 80

This estimate has been prepared with the greatest possible care and I have reason to believe that we shall realize its amount.

The sums to be received from the Dominion Government call for no explanation.

00,000 00

According to agreement, the Ontario Government has paid into the hands of the Federal Government the amount collected from the sales of lands appropriated for the common school fund from the 1st of July, 1867, to the 31st December, 1888. This amounted to the sum of \$383,257.92, which brings up the amount of our share of the fund to \$1,080,129.82, so that we can count on an additional interest of \$20,000, in round figures, representing 5 per cent, interest on the amount added to the fund.

The receipts arising from the administration of justice are set down at a very moderate figure ; my estimates being rather under what they will really produce. I prefer to adopt a low average to running the risk of being mistaken in my calculations.

I estimate the revenue from licenses at \$375,000, although they produced a higher sum last year. Still, I prefer to keep the same amount as last year in order to make up for any losses which I may meet in connection with other items. It happens every year that some sources of revenue produce less, while others exceed the estimates. To secure a good average, it is necessary therefore to put down a figure upon which we can surely depend.

00,600 00

17,000 00

75,000 00

00,000 00

40,000 00

8,000 00

400 00

800 00

26,800 00

20,000 00

I estimate at \$1,000,000 the receipts from Crown lands. My honorable colleague, the Commissioner, is convinced that they will exceed that amount. I prefer, however, to use a lower figure to running the risk of being disappointed.

The revenue from the taxes on commercial corporations is placed at \$140,000. In the opinion of the Comptroller, this is the amount which will be realized this year, and it is certain that it will not produce less next year.

I have put down the receipts from the municipal loan fund at \$50,000 ; but this item is always more or less certain. This figure is sometimes exceeded and, in other cases, the collections do not come up to the estimate.

Let us now come to the item of expenses :

I estimate at \$4,877,828.24 the total payments for next fiscal year, distributed as follows :

Ordinary Expenses :

Interest on the public debt.....	\$ 1,176,055 32	
Administrative service.....	2,249,589 92	
		\$ 3,425,645 24

Capital Expenditure :

Construction of public buildings, &c.....	\$ 912,183 00	
Railway subsidies.....	540,000 00	
		\$ 1,452,183 00
Total.....		\$ 4,877,828 24

As members have had the estimates in their hands for some days past, and as they have had plenty of time to study them, it is needless for me to dilate upon the details.

Moreover, seeing that the estimates contain a comparative statement of the estimated expenditure for the current year as well as that for next fiscal year, the increase or decrease in each particular service can be seen at a glance.

As the discussion has already taken place on a large number of items and will be continued in Committee of Supply, it would be useless on my part to go into details, which would serve no purpose at this moment.

The total of the expenses on capital account is larger than that of last year.

We ask \$912,183.00 for public works, buildings, &c., and \$540,000 for railway subsidies, &c.

For the next fiscal year, the expenditure connected with public works and buildings, including subsidies to railways, will amount to \$1,452,183, which is \$237,545.71 more than what we propose to expend during the current year.

The following statement will show the increases and decreases :

	1890.	1891.
Parliament Buildings.....	\$ 162,760 00	\$ 20,000 00
Quebec Court House.....	49,037 36	158,207 00
Spencer Wood, construction of a green house, root house, etc.....	10,231 00	1,000 00

	Explorations in the counties of Dorchester, Levis, Bellechasse, l'Islet, Montmagny, etc.....	10,000 00	
	Circuit Court, Kamouraska.....	2,512 00	
	Heating apparatus to court houses, in new districts..		8,000 00
	New court house, Quebec, ornaments for roof.....		800 00
	Construction of iron bridges.....	100,000 00	100,000 00
5,645 24	New vaults for court houses and gaols in rural districts.....	5,000 00	7,000 00
	Library of the civil code.....	6,000 00	
	Dictionnaire numérique.....	2,785 00	
	Heirs of the late J. Langelier.....	5,000 00	
	Oil portraits of the Speakers.....	1,800 00	
2,183 00	Brother Arnold, repairs done to his school.....	1,814 53	
	Purchase of the library of the late Judge Polette..	3,000 00	
7,828 24	Heirs of Hon. T. J. J. Loranger.....	2,182 40	
	New map of the province.....	10,200 00	
	Corporation of the town of St. John's.....	3,500 00	
	New furniture for the two Houses.....	4,640 00	
	Night schools.....	20,000 00	40,000 00
	Printing and binding—arrears of 1878.....	6,500 00	
	Construction of a vault for the archives at Quebec..		10,000 00
	Enlargement of the Montreal court house.....		150,000 00
	Montreal gaol.....		300,000 00
	Court house and gaol, Sherbrooke.....		3,000 00
	“ “ “ Gaspé.....		2,286 00
	Quebec gaol.....		3,890 00
	Court house and gaol, Iberville.....		3,000 00
	Stoning roads, as an experiment.....		10,000 00
	Codification of the laws.....	36,675 00	
	Colonization roads.....		50,000 00
	Montreal exhibition association.....		25,000 00
	Court house, Hull.....		10,000 00
	“ Edifice Nationale ” at Montreal.....		10,000 00
		<hr/>	<hr/>
		\$443,637 29	\$912,183 00
891.	For 1890-91.....	\$912,183 00	
,000 00	do 1889-90.....	443,637 29	
,207 00		<hr/>	
,000 00	Increase.....	\$468,545 71	

Railways.

	1890.	1891.
Montreal, Ottawa & Occidental Railway.....	\$16,000 00	\$40,000 00
do revenue.....	5,000 00	
Subsidies to railways.....	750,000 00	500,000 00
	<hr/>	<hr/>
	\$771,000 00	\$540,000 00
Railways for 1890-91.....	771,000 00	
do do 1888-90.....	540,000 00	
	<hr/>	
Decrease.....	\$ 231,000 00	

The expenses which we propose to incur in connection with the construction of public buildings are of absolute necessity.

The sum asked for the Parliament Buildings is \$20,000. It includes an amount of \$10,000 for statues and certain works of minor importance. It is in every point of view desirable that we should come to a settlement with the contractor, in order to have done once for all with the construction of that edifice.

As regards the Court House, that building is completed, with the exception of a few trifling works which still remain to be done. We still have to pay the amount entered in the budget in settlement of all outstanding accounts as well as claims of the contractor, in virtue of the award of the arbitrators given in his favor against the Government.

The appropriation for iron bridges is apparently \$100,000 but in reality it is only \$75,000, as there is included in it \$25,000 voted during the previous year.

The sum of \$10,000, set apart for the construction of a vault for the Quebec archives, will be needed in the very near future, as the building in which these archives are kept is about to become the property of the Christian Brothers.

We have asked a vote \$150,000 for the enlargement of the Montreal Court House. It is impossible to state in advance whether the whole amount will be required during the next fiscal year; that will greatly depend on the nature and progress of the work to be done.

The appropriation asked for the construction of a gaol at Montreal will, perhaps, not be entirely needed during the next fiscal year; that again will depend on the despatch that may be made in connection with the construction of the new building.

With respect to the subsidies to railways, it is always difficult to foresee, even approximately, what will be wanted for this branch of the service, as all depends on the vigor with which the companies will get on with their works. In any case, I have reason to presume that the whole sum entered in the budget will not be used. Last year, we placed in the budget a sum of \$750,000, out of which, on the 31st December, only \$171,144.04 had been paid and it is not likely that the balance of this amount will be called upon between this and the 30th June.

Thus, the credits asked for under the head of special expenses and railway subsidies will, perhaps, not be entirely required during the course of the next fiscal year, but, as it is impossible to say beforehand with what rapidity these works may be prosecuted, we have asked what we believe might, perhaps, be necessary to meet all possible eventualities.

Now, if you bring together the estimate of the ordinary receipts and that of the ordinary expenses for 1890-91, we get the following result :

Ordinary receipts.....	\$ 469,522 80
Ordinary expenses.....	425,645 24
	\$ 34,877 56
Surplus of receipts over expenses.....	\$ 34,877 56

In the estimates which I have just submitted, it has been our endeavor, with all due regard for the requirements of the public service, to keep as far as possible the expenditure within the limits of our resources, and unless we are prepared to adopt a policy, the object of which would be to operate a reduction in controllable services which might impair their effectiveness and to diminish in a general way a host of grants which we consider in the public interest, it would be difficult to put down a lower figure than the one we ask. It must not be forgotten, however, that the interest service, which is not controllable, goes on increasing from year to year and that the amount required for this purpose is to-day \$200,000, in round figures, higher than it was in 1886.

It is also becoming more and more difficult to control the amount of the cost of legislation, and that of the civil service, the administration of justice, public instruction and the department of agriculture and colonization. With the development of our resources and the increase of our population, it is, of course, only natural that the cost for these different services should undergo a progressive influence towards a higher expenditure.

In any case, according to my experience, the additional sums which we are expending on education and for literary objects and agriculture and colonization

are in harmony with the popular wishes, judging from the pressure generally brought to bear on us for those purposes.

It is needless for me to go into details relative to the increased expenditure in connection with the civil service, the administration of justice and the Crown Lands department, as all these services have already been fully discussed on both sides and I could therefore have nothing new to add on the subject.

Moreover, whilst keeping within the possible limits of our resources, we think that, with an increased revenue, it is our duty to devote as far as possible larger sums to the advancement of colonization, education and the general interests of agriculture, as well as of other services in connection with encouragement to our industries.

If, on the one hand, the services just enumerated have cost us more, no one, I am sure, will attempt to blame us for having increased, for objects so useful and so necessary to the province, the expense of those services, and, on the other, we have succeeded, by a wise and firm administration, in finding the means to meet the requirements of our policy.

VII.

Conclusion.

Mr. Speaker, the statement I have just submitted is, I really believe, of a nature to convince the House and the country that we have done our best to faithfully perform the task entrusted to us by the people.

We have succeeded in keeping up the amount of our receipts at a figure which was never reached by our predecessors. But, to obtain such a result, we have necessarily had to exercise very great supervision over the collection of the revenue.

However, having inaugurated a policy of initiative and progress, the Government has found it impossible, notwithstanding all its good will in that direction, to reduce the amount of the expenditure. Moreover, this increase in expenditure has been occasioned by new and pressing wants quite in harmony with the wishes of the province.

The country has strongly manifested a desire for a broad and generous policy in order to hasten the development of its numerous and inexhaustible resources; and, as far as possible, we have endeavored to satisfy its legitimate aspirations. Still, it should not be forgotten that we are necessarily compelled to limit the expenses and to moderate the legitimate zeal of those who,

in good faith, want to draw us into a course which might become dangerous, if not prudently kept in check ; for we must not forget that the policy of giving grants to every kind of enterprise has the effect of adding to the sum of our obligations which will necessarily have to be met some day.

As for the financial situation, I think, I can safely assert, without fear of serious contradictions, that it is infinitely superior to what it was when we came into power. With our present resources, we have succeeded in covering past deficits, meeting the increase in the interest service, providing for unavoidable expenses, and in showing a respectable surplus. This is certainly the best proof that our exertions have not been unsuccessful.

As in the past, we shall continue to follow out the progressive ideas which we have advocated since coming into office. But, to do this successfully, we must rely upon the good will of all who have at heart the intellectual and industrial development of our province. (Prolonged Applause.)



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SPEECH
OF THE
HON. HONORE MERCIER,
PREMIER OF THE PROVINCE,
DELIVERED IN THE LEGISLATIVE ASSEMBLY OF QUEBEC,
ON THE 21ST FEBRUARY, 1896,
IN REPLY TO MR. DESJARDINS' CRITICISM
OF THE BUDGET SPEECH.

MR. SPEAKER.—If I am neither a merchant nor a man who was worked behind a counter, I can at least boast of having a good stock of patience. I have remained here all the time, listening to the remarks of the honorable member for Montmorency and pretending,—if I may use the term—to take as serious his criticism of the financial statement of my honorable friend the Provincial Treasurer. I did not wish to absent myself, so as to show him that I wanted to try to understand him and that, if I could not applaud, I could, at all events, make considerable efforts to admire him,—and I have succeeded. I have not succeeded in understanding him—obviously, because I am not the happy possessor of sufficient intelligence—but I have succeeded in admiring him in his herculean efforts. Rarely, indeed, have I seen a man endowed with greater physical strength; rarely have I seen a politician persevere with so much audacity in errors, which have been over and over again pointed out to him—I don't know how many times.

The hon. member began his speech by what I might term *hors d'œuvre*. He lavished compliments on me such as no man ever accepts from another man. He complained that I had made fun of him, that I had not found him elegant, and he even went so far as to say that I had spoken of his physical defects. I have no recollection of having committed such a crime and I would be very sorry, Mr. Speaker, if in my public career, occupying a position which I consider responsible and striving to be polite, I had spoken of the physical defects of another in whom such defects do not really exist. I may tell my honorable friend that I have never seen a better-built man than he his, better able to speak for a longer time, to make more endless speeches, to handle figures with more extraordinary facility, to more completely muddle the clearest questions and to better succeed in making the most honest budget speech appear the most dishonest. And certainly my honorable friend will do me the credit of admitting that, except on questions of finance, I have always treated him with the utmost possible courtesy. Apart from this, I may tell him that if his object has been to soften me by his compliments, he has failed; that if he wanted to stop me in the reply I propose to make to his criticism of the budget speech, he has singularly deceived himself. I am not usually turned from the accomplishment of my duties by compliments and especially by telling me that I am a handsome fellow.

He attacked the financial statement of my friend the Treasurer—I intend to answer him. He sought to cast doubts on the honesty of that distinguished man whom everyone respects—even his adversaries. It is my duty to vindicate my colleague as an honest man should vindicate an honest man.

The honorable member for Montmorency has pretended that, to lower the prestige he may have among his friends in the House, I ridiculed him by claiming that, to be qualified to speak on finance, it was necessary to be a merchant, banker or manufacturer. I interrupted him—I confess that I had that audacity—I rose to ask him to be good enough to state that I had not been guilty of any such heresy, and the honest financier, who was criticizing the budget of my honorable friend, the Provincial Treasurer, instead of frankly admitting that he had misunderstood me, that he had used an inaccurate expression, answered me with an audacity which I did not admire—which certainly would not win for him the esteem of the House, if he did not have it, and which would have deprived him of it, if he had—that, if it was not what I had said, it was substantially what I had wanted to convey. Now, Mr. Speaker, I have never pretended that to be Treasurer it is necessary to be a merchant or trader, to have been behind a counter or in a bank; but I contended and still contend that it is necessary to be a business man and that, to speak on finance, it is not sufficient to be gifted with effrontery and a flow of verbiage, but that a knowledge, at least elementary, of business is essential.

One may speak ten hours, as the honorable member for Montmorency once spoke, and yet not utter a sensible word on the finances, as he has done this afternoon and evening. It is not enough to speak for a long time to say something; but one must at least say something to be pardoned for long speaking. Now, what has my honorable friend said during all this time? He has piled figures upon figures, I will not say, in an intelligent manner, for I do not want to wound him, but in the least methodical manner possible, mixing up capital with revenue, confounding the ordinary with the extraordinary receipts, the construction with the daily expenses, the charities with the necessary expenditure. He jumbled up everything and laboured during an hour and some minutes to place my friend the Treasurer in contradiction with his past and with his declarations in this House. And he, the member for Montmorency, who could never foretell a deficit when there was a deficit, or a surplus when there was one, amused himself by challenging the honorable Treasurer's figures and by trying to prove that he knows nothing of finance.

Mr. Speaker, as I have already said—it is not necessary to be a merchant or a banker or to deal in groceries or muslin to be treasurer of a province; but I assert that it is essential to understand business and I repeat what I stated the other day, not for the purpose of wounding the member for Montmorency whom I respect personally—I admire his laboriousness, his talent for useless and unprofitable studies: but, frankly, can the country place on the same footing the practical knowledge in financial matters of the member for Montmorency and that of the present Treasurer of the province. I will go further and venture to enquire how can the honorable member for Montmorency be compared with the past Treasurers who distinguished themselves in this House either on the one side or the other?

When the hon. member was a Ministerialist, he pushed his love of criticism so far as to even criticize the budget speeches of the Treasurers of his own party. How many times have I not heard him and, in how many pages of this big book (*Les Débats*) can I not find the boldest and, perhaps, the most deserved condemnations of the correctness and the honesty of the budgetary statements of the very men whom he supported. I have here, before me, his declaration against the honorable member for Sherbrooke, in which he said: "The member for Sherbrooke pretends that we are going to have during the present year a deficit between the ordinary receipts and expenses; but this is a mistake. We will have a surplus of so many thousands of dollars;" and it was useless for the Treasurer, who held the key to all the secrets of the financial situation, to assert that the year would culminate in a deficit, my honorable friend the member for Montmorency, was utterly skeptical and sought to prove by $A + B$ that the Treasurer was mistaken and that instead of a deficit there was going to be a

surplus. When I rose, repeated the Treasurer's declaration which was true and moved a vote of non-confidence because instead of a surplus we were going to have a deficit, my friend, the honorable member for Montmorency, voted against my proposition. He was quite willing to criticize the statements of the Treasurer in order to show that, in the matter of finance, he was an abler man than his chief, but he could not admit that the statements of the Opposition leader were correct. The spirit of contradiction in him was too strong. He had first to contradict his Treasurer and then to contradict the Opposition leader—the result being that after he had contradicted both, he launched out into the broadest self-contradiction and was proud of it.

To-night, Mr. Speaker he has given us an example of this contradiction. I shall not follow him into all the details and I shall not inflict upon the House a speech of several hours. I hope to be brief enough to allow of the debate being closed to-night and of its not being finished too late, because, as there is a non-confidence motion in question, I trust the House will permit me to say, without any desire to use a threat, that it must be settled to-night. I would not like to leave it open to the Lieutenant-Governor to believe that between this and Monday we may be overthrown. I want to-morrow morning to be in a position, to assure the Lieutenant-Governor that we still possess the confidence of the members of this House (Applause).

But I have no desire to follow my honorable friend through all his financial vagaries, through all the more or less audacious speculations to which he has treated us. Above all, I shall not begin by counting up the deficits which alarmed the province and attested the sorry results of the administration of our predecessors. No ; I shall merely take the liberty of calling your attention to a few points, which I shall try to make as brief and clear as possible.

In the first place, allow me to observe, that the honorable member for Montmorency has badly chosen his time to try to frighten the country in regard to the dangers of our administration.

It is at the very moment, Mr. Speaker, that we have settled the question of the Jesuits estates : at the moment that we have put an end to the reign of deficits ; at the moment that we have increased our revenues to the extent of over \$600,000 ; at the moment that we have entered upon an era of the most intelligent and patriotic reforms ; at the moment that we have inaugurated the iron bridge policy which is such a benefit generally to the province ; at the moment that we have opened those colonization roads, which are no longer a source of speculation for dishonest men but a means of favoring the settler by enabling him to transport his produce to the best markets ; at the moment that we are building colleges in all the principal parts of the province ; at the moment that we are making special

grants to favor the establishment of those commercial colleges which everyone is asking for and by which the entire country will benefit; at the moment that we are opening night schools to give to our workmen the benefit of a practical and intelligent education in order to elevate them, and to make of them useful citizens of their country—it is at this very moment that these charges are made. At the very time that we are seeking to lift the province of Quebec out of the slough in which it has been stagnating for a number of years past; at the very time that, like practical, serious men, we are striving to restore public confidence, to reassure honest people and to put an end to the party conflicts which have done us so much harm in the past; at the very time that we are about to reestablish religious peace and to put a stop to the discords which these gentlemen had fomented and which they had succeeded in creating in the country, they wish to check our efforts and to block the wheels of progress in order to prevent us from terminating the great work inspired by our hearts and by patriotism.

We are threatened with the electorate; we are told that at the next elections we will be swept out. Yes, we shall be swept, as we have been swept in Joliette, Laprairie, Ottawa, Rimouski, Quebec West, Three Rivers, Maskinongé, Megantic, Chicoutimi and Saguenay, in all the counties, in fact, in which there have been contests (Applause). We shall be swept—by whom? By those, who have created the actual situation, by those who created the embarrassments of the time, by those who contracted the debt which is crushing us, by those who have aroused the war of races and creeds which is dying out at present, thanks to our policy of conciliation.

We are going to be swept! By those, one of whose leaders wanted to abolish the French language not only in the North West, but as a necessary consequence in all the provinces, in all the places where the French language enjoys the freedom of the city, (Applause). We are going to be crushed by the men who, in the House of Commons, proclaimed that we, the French in America, have no right to speak the beautiful language of our forefathers, and, as a consequence, who would refuse to Catholics separate schools in all parts of the Dominion! We will be swept by these men, when two of our leaders in the Dominion, two of the most distinguished men of the country: Hon. Edward Blake, (Applause), and Hon. Wilfred Laurier, (Applause), delivered speeches which remain graven in letters of gold on the pages of the country's history (Applause)—speeches which bear the impress of the noblest and most generous sentiments. All who know Wilfrid Laurier know his greatness of heart, know that he is a great patriot, who loves his race and his religion, who would die in the breach rather than consent to deny the tongue of his forefathers: but, perhaps, those who do not know Hon. Edward Blake as we do will be surprised at the speech he made the other day, in which he declared that the

English should not do to the French what they would not like to be done to themselves, that the French Canadians were an industrious, sober and honest people, and that it was only by a miracle of devotion and patriotism that they had held their ground and preserved their language throughout all the difficulties through which they had been obliged to pass in America. But we who know him are not astonished. He could not have spoken otherwise. When these two men uttered such words as these, what was the leader of our adversaries doing? He could scarcely do more than stammer out a few words, placed as he was between two fires—the fire of his love of the Orangemen and the fire of his hatred of the French Canadians. It is at such a time as this that we are told that we are going to be swept in this province! If these gentlemen are sincere, why do not they demand the immediate dissolution of the Legislature and they will at once get it. We shall go before the people, armed with these generous sentiments, after doing the most good we could and undoing all the evil possible, and how much harm have not our adversaries done! We shall go before the people, Mr. Speaker, with confidence, satisfied that the people will give us their support and will sustain us with double the majority we have at present (Applause).

But who are our assailants? They are the men who created the debt which is crushing us; the very same men, who, from 1874 to 1886, had nothing to show except deficits. They appeal to the public accounts, but the public accounts condemn them. Those public accounts are before us. They cannot pretend that they are falsified, short of having the courage to accuse the officers who signed them. If the accounts are false, then our officers are forgers. But those officers were not appointed by us, but by those gentlemen. Is it because they accustomed them to a system of falsification that they believe that that system continues? I will not insult my adversaries by any such supposition, which would not be honest on my part, as I do not believe it. But if the men whom they appointed are honest, if they stated the truth when those gentlemen were in power, why should they not say so to-day, when their adversaries are in power. Why accept the figures of these officers named by them, when those gentlemen were there to control them and why refuse them now when we, in our turn, control them? They have not changed; they are no more our friends now than they were at that time and they are as much the friends of our adversaries as they were then.

The honorable member for Montmorency has endeavored to make a point out of what he terms our invention of the system of special expenses. You all heard him well. He cannot understand how an honest man like the present Treasurer who has spent his life in quietly but surely winning the fortune which he possesses and the confidence of honest people, could have invented so dishonest a system. And he exclaims in the accents of seeming conviction: how can you expect us to

understand anything in the public accounts when we see set down, among the special expenses, things which have never been heard of as special expenses. You have turned the public accounts upside down, so that they can no longer be understood. The man who says this is precisely the man who insisted only a few years since that the class of special expenses should be maintained. And when his friend the Treasurer of the time refused to have a budget of special expenses, which he termed extraordinary expenses, he criticized him and told him, "but you understand nothing of finance; you should have a special budget, an extraordinary budget, a budget of special expenses." This will hardly be believed; but here is the speech made by the honorable member on the subject in 1883:

"In laboriously going through the figures just submitted to the serious consideration of my honorable colleagues, I have noted, by no means for the first time, both in the budgets and the public accounts of the province, a want which should be supplied as soon as possible. Since 1874, the province has carried out certain works, which have cost considerable sums. We have erected buildings for the public departments at Quebec and for the Jacques Cartier Normal School at Montreal. Clearly, the expenditure for the construction of these buildings should not be counted among the expenses of the ordinary service of the government of the province. To use the phraseology of public finance, these are extraordinary expenses for extraordinary works. It is well known that the greatest and wealthiest countries in the world, those whose financial resources are the most enormous, have all adopted under titles which may differ in terms, but the idea of which is the same, the system of the division of the annual budget of expenditure into ordinary and extraordinary budgets. And why? Chiefly, in order to avoid confusion and to throw as much light as possible upon the exposure of the financial situation, so that the taxpayers may the more easily understand and pass judgment upon it. Consequently, each time that I have examined the French and English budgets, I have been struck with the perfection with which they are prepared and which enables one, in a few minutes' study, to obtain a correct idea of the whole. And yet the budget of England ranges from £425,000,000 to £450,000,000 and the budget of France, ordinary as well as extraordinary, exceeds three milliards and a-half of francs.

"The Federal budget of Canada is also divided into ordinary budget and extraordinary budget under the head of works imputable to capital (Hansard 83, p. 529.)

"I insist on the importance and even the necessity of this division, because my honorable colleagues must have remarked, as I have myself remarked, that, with the system followed, many persons, in public discussions, knowingly or unknowingly, make altogether incorrect statements of the financial situation of the province. Consequently, in the calculations which I shall submit to this House, I have constantly made this division of the provincial expenditure into ordinary and extraordinary expenses. This is a correct principle of finance, which is accepted everywhere else and which we should introduce and strictly observe in our Provincial accounts." (Hansard pp. 529.530.)

Let us now remark how he applies his principles :

You have heard the honorable member a few moments since tell us that certain items should not be classed as special expenses. He severely criticized the Treasurer because he had entered, as special expenditure, the loan to the Protestant Insane Asylum, Montreal. Hear him :

" The eighth budget, that of 1874-75, shows a deficit of \$67,909.27. But account must be taken of the fact that during this year the province loaned \$50,000 to the proprietors of Beauport Asylum, which sum has been entered among the expenses. An investment is certainly not an expense" (ibid, p. 530).

It should be put in the special expenses. And when the honorable Treasurer places there \$15,000 loaned to the Protestant Asylum, Montreal, he is guilty of heresy according to the great financier of Montmorency.

Further on, he adds : " To obtain an altogether exact statement of this year's operations, the \$16,000 for the public offices, Montreal, must be deducted from the ordinary expenses of the provincial service."

But the honorable member carries his pretensions much further. You will have remarked, Mr. Speaker, that in the public accounts before you for the year 1889, the sinking fund is entered as an ordinary expense. It amounts to \$59,000 and the Treasurer has regarded it as an ordinary expense. He has accordingly placed it among the ordinary expenses—the expenses deducted, with the payment of the debt.

Now, listen well to the application of the honorable member for Montmorency's principles :

" During this same financial year, we have paid \$39,133.83 for the sinking fund of the provincial debt the creation of which was begun for great works of utility. This sum is rightly carried to account of the ordinary expenses because the instalments to the sinking fund are an annual and regular obligation of the provincial treasury. But, although these payments are an ordinary expense of the province, until the loans to which they are applied are wiped out, it is not the less true that they constitute to the same extent a reimbursement of the public debt, which they proportionately reduce." (do p 531.)

Further on : (do p. 531.)

" Jacques Cartier Normal School, Montreal.....\$43,521.90." These are not ordinary expenses." In the following year;—Jacques Cartier Normal School Montreal\$6,605.70 (do p. 533).

These are not ordinary expenses. They are all extraordinary expenses.

"Redemption of the debt.....\$4,1203.34 (do p. 553.)

Same application as for the preceding item. Again further on (do p. 634.)

"The province paid in 1881-82, for the permanent exhibition buildings, Montreal, a sum of \$10,000. Assuredly, this is not an ordinary expense. We will not have to pay \$10,000 every year for these buildings. We have given this sum for the construction of buildings open to the great provincial competitions of agriculture and industry. It is a generous contribution in favor of those great sources of our national wealth. It does not follow that the province is under the obligation of annually paying the same amount for the same purpose.

"On the night of the 8th to the 9th June, 1881, our good city of Quebec was visited by a great calamity. A terrible conflagration destroyed in a few hours one of the finest quarters of the city and left thousands of persons without shelter..... The Government desired—in the name of the province—to set the example. It subscribed the sum of \$10,000 towards the relief of the Quebec sufferers. This was a great act of charity, but it is not an annual expense of the public service." (do p. 534.)

Now, only a moment ago, you heard the same man state that we should not count as special expenses the \$10,000 which we gave towards the relief of the sufferers by the St. Sauveur fire, the \$5,000 to the Hull sufferers and the \$50,000 for seed grain. He is the same financier who now criticizes the statement of my honorable friend the Treasurer, contradicts him and declares that it is evident that this system of special expenses is aimed at deceiving the public and that it violates all the rules of book-keeping by putting down these items as extraordinary expenses. He is the same financier—I say—who stated in eighteen hundred and eighty-three that the ten thousand dollars' grant to the Quebec fire sufferers and the other expenses just mentioned should be counted among the special and not the ordinary expenses. And the same financier, an instant ago, pretended that my friend the Treasurer had contradicted himself and forfeited the reputation which he had earned for himself in this House, this province and this city, by asserting in the most solemn manner possible that you, Mr. Speaker, and the members of this House should withdraw all confidence from such a man, because he had submitted a misleading statement, made erroneous assertions and repudiated the principles which he had formerly maintained in Opposition.

He told you that the \$50,000 for the purchase of seed grain should not be included in the special expenses.

Yet this is the same man who approved the policy of the Conservative Treasurers when they placed among the special expenses the items I am about to read to you :

“ Repayment to the Bank of Montreal of advances for seed grain :

1871-72.....	\$28,050
1881-82.....	7,700
1883-84.....	5,616
1884-85.....	20,039

So that the present Treasurer commits a contradiction, is guilty of a financial heresy in entering among the special expenses the \$50,000 advanced last year for the purchase of seed grain, though that was just what was always done before our time.

You heard him (Mr. Desjardins) state that it was the present Treasurer who invented the special expenses and who, for the first time, entered as special expenses the advances for seed grain and yet this man approved the public accounts of his friends who placed among the special expenses the items I have just mentioned as advances for seed grain. He told you that it was the present Treasurer who invented this term, when these same advances were entered by the previous Treasurer as special expenses and the public accounts in his hands stated the very contrary.

The honorable member has endeavored to make another point against the Government. And he did so almost with tears in his voice—if I was near him I might perhaps, have also found tears in his eyes—to try to show that the increase in the expenditure was leading us headlong to ruin, and that we have increased the expenses by seven hundred and some thousand dollars, refusing to consider and deduct the item of the special expenses explained by the present Treasurer, who told him : the increase of the expenses is two hundred and some thousand dollars. He would not take this into account, but he grew alarmed and sought to alarm the House and the country by pretending that this increase was leading us to ruin, that it was unwarrantable, and that it was necessary to appeal to our patriotism and our intelligence to arrest so disastrous a movement.

When he was going before the people in 1886, this, however, was his language :

“ To refuse, under the futile pretext of a misplaced economy, to overstep the restricted limits of the provincial budget of expenditure as laid down at the start by the authors of Confederation, would be to fail in a sacred duty. The Conservative party, in charge of our destinies, understood its duty. It adopted the railway policy—this is why we have a provincial debt.

“ It would have been a crime to have remained inactive through fear of the responsibilities, when all around as we saw labor and capital working hand in hand to develop the resources of their provinces. It would have been a crime to have done nothing to promote the development of a country in which we enjoy the greatest, the brightest and the dearest liberties.”

Thus, Mr. Speaker, in 1886, when the debt was already over \$20,000,000—a debt created by those gentlemen—when we had constant, permanent deficits, which were like a stain on our budget; when we were imploring our adversaries to put, an end to these deficits, not by stopping indispensable expenditure or checking intelligent and necessary progress, but by arresting the squandering which was going on, it was loudly proclaimed that progress could not be arrested or blocked that we had to keep pace with the other provinces, and that we should not be afraid to take the responsibility of the increase of the expenses which were necessary, but which we contended were not necessary. And to-day, when everyone is calling for the reforms which we are carrying out, when we are doing three times as much as was done at that time and are working to rapidly and economically dispose of all questions; when we are settling all that can be settled, when we have given \$50,000 to purchase seed grain in order to prevent the population from perishing through famine or going into exile, when we are building railways with extraordinary rapidity, paying a hundred and some thousands of dollars more of interest on the debt contracted by our adversaries, opening free night schools for the education of the working classes, and expending \$463,000 to settle one of the most serious and dangerous difficulties, an effort is made to stop us, to criticize us, to condemn us and to refuse us the application of the principles laid down by our adversaries. Yet these principles are not and cannot be forgotten.

But, if these contradictions emanated from a single individual, if they were the work of one man; in his personal name, we might despise such madness and take no notice of it. It is in the name, however, of a great party as a body that they are made and with the encouragement of its applause. You have seen my friend the Opposition leader, enthusiastically, applauding the statements and attacks of the member for Montmorency; you have seen all his friends accepting the responsibility of his contradictions—contradictions which prove one thing: that when those gentlemen were in power, they thought they had a perfect right to incur any expense whatever on the pretence of progress, and to squander as much as they pleased in order to enrich a few favorites or a few contractors who subscribed to their election funds. And when, to-day, we want to push ahead rapidly in the path of progress, when we pay no heed to the unfair criticism of which we are the objects, and when we accept the responsibility of our acts and endeavor as honorable and intelligent men to solve the great problems of the hour, we are attacked by those gentlemen.

They have gone further. The honorable member said—you all heard him—how comes it—you boast of having extraordinary receipts, of having collected \$700,000 more of revenue; but are you not aware that you are making a breach

in your capital ; that you are getting your increase from the proceeds of the sales of timber limits, and that you have no such right. And yet, Mr. Speaker, in going through all the public accounts since Confederation, I find that, every time those gentlemen effected a sale of timber limits, they entered the proceeds among the ordinary receipts. They did more than that. It might be even said that the honorable member had in advance undertaken to reply to himself, for, in 1884, he said : "The pretensions of Mr. Wood, the Treasurer of the province of Ontario are unassailable." He cites him in his speech.

What are those pretensions ?

"We are obliged from time to time to offer for sale certain parts of our forest townships, or, to speak more correctly, to offer for sale the right to cut the timber on the payment of a ground rent and of dues on certain portions of our Crown lands. The result has been that, for some years past, the receipts of the Crown Lands Department have been very large. It has been said that without the Crown Lands Department, without the receipts of that department, we could not continue to administer the ordinary affairs of Ontario. It has been said that we are living on the capital of the province and that we are exhausting it."

My friend, the member for Montmorency, adds :

"This part of Hon. Mr. Wood's argument seems to me evident." *Hansard* 83, pp. 579-580.

In 1883, he approved the policy of charging as an ordinary receipt the proceeds from the sale of timber limits. And to-day, seven years afterwards, he comes forward to accuse the present Treasurer of doing the same thing—he (Desjardins) who supported every successive Government, which made precisely the same entry we have made.

Well, Mr. Speaker, there is no need, I think, of my insisting further on these contradictions or entering into any more details. All the proceeds of the sales of timber limits since Confederation have been carried to the ordinary receipts. I defy contradiction on this point. More than that ; the policy enunciated by the Treasurer of Ontario, Mr. Wood, and based on the same system, was approved by the hon. member in 1883.

The hon. member went still further—and I shall have done with his contradictions with this quotation—he went even so far as to tell us that every expense of a more or less permanent nature should be charged to the ordinary and not to the special expenses.

And yet the member who made this statement was in the House in 1886. I have just read you a part of his speech of 1886, approving the financial statement of the hon. member for Sherbrooke, who was then Treasurer of the province.

Among the declarations of the Treasurer of that day, there was this one : "It will be remarked that the grants of last session to the amount of \$100,000, which were voted for colonization roads, should not be taken out of the ordinary revenue but be charged to capital."

Here, then, we have a gentleman blaming the present Treasurer for charging to special expenses an expenditure which will not recur, like the \$50,000 for the purchase of seed grain and the other outlays I have mentioned, though he approved the Treasurer of 1886 in charging the item of colonization roads to capital and refused to enter it among the ordinary expenses.

Is it possible to more clearly show up his inconsistency ? I think not and I therefore prefer to stop here.

I have proved, I think, that the hon. member changed front on financial questions whenever it suited him and especially according to the side of the House on which he found himself. But whatever may have been his changes on questions of finance, his adhesion to party has always remained the same. He now condemns what he approved in 1886 and previous years, but he does not alter his party. He finds that everything done now is wrong, though it is being done more correctly than in 1886 ; and he is ready to condemn what he approved ; but he will not, for instance, condemn his party to-day any more than he did at that time. As he found that there were always surpluses when his friends were in power, so he finds that there is nothing but deficits now that they are in Opposition, and yet, as I have already stated, the public accounts show that from 1874 to 1886 there was nothing but deficits.

Here is a letter which has been communicated to me this very moment. It bears the date of the 25th of January, 1890, and is from Hon. Mr. Ross, Treasurer of Ontario. It says :

"Treasury Department

"Toronto, 25th June, 1890

"Hon. Joseph Shehyn,
Treasurer,
Quebec.

"My Dear Sir,

In reply to your enquiry of the 23rd inst., the province of Ontario has since Confederation had several sales of timber limits for which large bonuses have been

received. These have always been treated (both under Conservative and Reform management) as ordinary revenue and I cannot see how they could be treated in any other way.

These bonuses have been included in the ordinary Crown Lands revenue from Woods and Forests in Public Accounts.

I am, my Dear Sir,

Yours truly,

(Signed), A. M. ROSS."

The same thing here; the same thing in Ontario, and it was the same thing when those gentlemen were in power. To-day, however, it should not be so, and the honorable member wants to condemn us because we keep the accounts in the same way as they are kept everywhere and as they were kept by our predecessors.

The honorable member spoke of the present floating debt. He placed it at over \$5,000,000 and told us with wondrous audacity that not a minute should be lost, as the Government was about to contract a new loan. If he was to be believed, it would be necessary for us, even as early as Monday next, to propose a new loan to meet what he terms our floating debt.

In the first place, Mr. Speaker, permit me to remind you that the times are greatly changed. In 1887, we found that there was an acknowledged floating debt of \$4,000,000, a debt admitted, incontestable and uncontested. We found that, in addition, there were contested claims to the extent of over \$4,000,000 more. We asked power to borrow \$3,500,000. Even, in the face of these figures, my honorable friend wanted to refuse us this power, and to-day when we contend that we have no longer a floating debt, he wants to force a loan on us whether we like it or not. When we showed as clear as daylight that a loan was indispensable, he would not hear of it; but now that we state that we have no need of a loan at the moment, he insists that we must contract a loan, and he wishes at all costs to force the Government to borrow money which they do not want. This is a little too strong.

You will admit, Mr. Speaker, that this exceeds the legitimate bounds of joking. For the Treasurer must have been right in 1887, since the member for Montmorency proves that, notwithstanding the fact that three millions and a-half were borrowed, there is still a floating debt of five millions. Although we have paid off most of the uncontested claims of that period, there is still, says he, a debt of five millions of dollars. And yet, we refuse to borrow now because the Treasurer

says: "I have enough of money to meet all the obligations of the moment." No, exclaims the honorable member on the other side, you are ignorant of the state of your cash; you must contract a new loan. If, on Monday next, the Treasurer consented to follow the advice of the member for Montmorency, the member for Montmorency would say: you should not borrow; it is unnecessary. Here again is one of our friend's innumerable contradictions.

We are going to follow our own way quietly and to the best of our knowledge. We shall do for the best under the painful circumstances in which we have been placed by the fatal policy of our predecessors and we shall endeavor as best we can to extricate the province from the embarrassments into which those gentlemen have plunged it.

The honorable member concluded by reminding us of our promises of 1886; in the course of a warm appeal, he told us that if we wished to be logical, to honorably keep our promises to the electorate, we should cease to borrow, and that you, the Ministerial supporters, should condemn the Government because they had borrowed \$3,500,000. That loan, said he, is a violation of the promises made in 1886 and a new loan would be a fresh violation. And yet the honorable member, said: you must borrow; you are forced to borrow; you cannot go further without borrowing. Well, Mr. Speaker, my answer will be very brief. We borrowed \$3,500,000 to pay off the floating debt which amounted to \$4,000,000. There were, as I have already stated, \$4,000,000 additional of contested claims, of which we have paid a good part. We have not borrowed a cent apart from the \$3,500,000.

I shall go further. Although we have paid several items which we were forced to admit and although we have been condemned to pay several contested items, we have not even been obliged to effect a single temporary loan. You will not find, in any of the statements laid before the House since 1888, that we have borrowed one cent in the way of temporary loans.

Hon. Mr. FLYNN.—You are paying out of the railway guarantee deposits.

Hon. Mr. MERCIER.—We have money at our disposal and we employ it to pay the debts contracted by you and your friends. Gentlemen opposite term this a loan. Have you ever heard of such a thing, Mr. Speaker? We carry out transactions which place at our disposal \$2,000,000 and some thing to pay the debts contracted by them and they say:—You are making loans.

You heard the honorable member for Montmorency assert a few moments ago that these \$2,000,000 of railway guarantee deposits constituted a loan and that a

permanent loan would have to be immediately contracted to reimburse them, because, said he, you have taken \$2,000,000 of money belonging to the railways which you must refund. You must refund! Is not the honorable member aware that we have ten years to reimburse them? The law is there; the contracts are there. The law states that the Lieutenant-Governor-in-council may guarantee the interest on the debentures of the railway companies during the term of years which he may deem proper, provided a deposit be made with the treasury to the amount which the Treasurer shall deem sufficient to guarantee the interest for which he becomes surety; and in each of the cases, that of the Temiscouata railway and that of the Lake St. John railway, we have ten years to reimburse and yet those gentlemen want us to borrow immediately to repay these two millions, when we have ten years to do so! Has such a pretension ever been heard of? And it is a man, who poses as serious, who advises you to borrow immediately to pay a debt which you have ten years to pay in twenty half yearly instalments. But it is said: you have failed in your promises; you have borrowed \$3,000,000, when we prove to you that it was to pay the debt incurred by those gentlemen. And then, in 1888, you voluntarily and unanimously voted new railway subsidies to the extent of over \$1,500,000. You did not deem it proper to record that vote as a protest, because most of the gentlemen on the other side desired that these new subsidies should be granted.

We have paid a fourth or at least a fifth of these subsidies without borrowing a cent. We have paid \$400,000 to the Jesuits, we have paid \$100,000 for the construction of iron bridges, we have paid the \$50,000 for seed grain, we have paid all these sums which you know of and yet these gentlemen have the audacity to tell you that we are leading the country to bankruptcy!

If we did wrong in agreeing to new railway subsidies in 1888, that wrong was shared by our adversaries. It is quite true that the motion was declared carried on division, but not one of them dared to vote against it; and when the share of the Catholics in the Jesuits' indemnity was in question, we were unanimous, Protestants as well as Catholics, supporters of the Opposition as well as supporters of the Ministry: we voted that time unanimously. Wherefrom would you have us take the money to pay these \$400,000? Do you think they could be paid with prayers? You authorized us to pay them; thank us therefore for having found the means to pay them without resorting to a temporary loan from the banks.

You say: you took it from the railway deposits. Where would you have us take it? When those gentlemen had anything to pay, they did not take the money from deposits, because they had none. They went to the banks. Con-

sequently, when we came to power, we were obliged to pay \$4,000,000 of temporary loans which those gentlemen had contracted, for the good and sufficient reason that they could not live without borrowing, their treasury being empty. This is the truth.

I shall leave the member for Montmorency with his contradictions, with his rash and audacious assertions, and with his exaggerated pretensions. He is preparing a little baggage for the elections which, he says, are nigh. He is in the Lieutenant Governor's secrets more than I am, for I have never said that the elections would soon take place, and he asserts with infallible knowledge that the treasury is empty and that we must borrow. Well, Mr. Speaker, let him say so; the province of Quebec is not the less in a prosperous state and the treasury in excellent condition. We are paying all that we can and we always meet our obligations; we have paid the \$400,000 to the Jesuits, and we shall pay, when the law has been sanctioned, the \$60,000 to the Protestants; we shall meet all our liabilities honestly; and, when we come together again in this House to render an account of our management, we shall prove to all who are open to conviction that that management has been faithful, honorable, intelligent and in the interests of the province.

I have only a word more to say. I willingly pardon the member for Montmorency for his unfair attacks on my party and especially on the Treasurer. Much allowance must be made for those who are now in Opposition, because they loved power much.

I hope that the statements of my honorable friend, unsupported as they are by any proof, will not shake the confidence of my friends in this House and of the country. Every one knows that we are making constant and conscientious efforts to restore public confidence and to reestablish order in the finances and that we have succeeded in putting an end to the deficits, which were the rule before we came into power. Every one knows that we have the confidence of our friends in the House. They have proved this on different occasions and they will again prove it to-night.

It is not by attacks of the character I have just referred to that our friends will be persuaded to abandon us. They know that we are doing our best and that, if the expenditure has increased, the revenue has augmented in still greater proportions. They know that we are making conscientious exertions to govern the country well. They do not regard us as faultless any more than we consider ourselves faultless. But they know that we are doing our duty, that we

accept the responsibility of our acts and that we are not afraid to assume the responsibility of the acts of our friends ; and to-night, I am convinced, they will give us a fresh proof of their confidence, which will be ratified by the electorate. And when we shall appear before the electorate—I do not want to boast—but if the Almighty will keep me in health and give me the necessary strength, I shall lead at the general elections the noble and generous phalanx I have around me. (Applause) I shall be at its head and what is more I shall not flee the place where there is most danger or most fatigue : I shall be found at the most perillous posts ; I shall be everywhere that a friend wants my aid, and I shall carry aloft the same flag as in 1886 and which I have since preciously cherished—the National flag, which will be hailed with respect by the whole province and which I shall carry back to this House stainless, glorious and triumphant. (Prolonged Applause).

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