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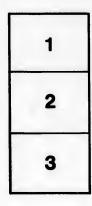
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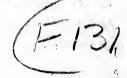
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[1878] . Cons.

No. 1.

#### CAMPAIGN TRACTS.



#### RESULTS

OB

# FIVE YEARS GRIT-ROUGE RULE

#### IN CANADA.

### . The Public Expenditure and the Public Debt.

Now that the elections are coming on, by the close of the third Parliament of. the Dominion, it is proper to take stock of the result of five years of Grit-Rouge rule in the Dominion. Mr. Mackenzie came into office with loud professions on his lips. When the elections of January, 1874, occurred, the people gave him a' larger majority than has ever been before accorded to any Government in Canada. They believed the twenty years of professions of the party led by Mr. Mackenzie, and they resolved to give them a trial of five years. They have had that trial. It is true that almost every election that has occurred since has shown a decreasing confidence in the Government; but they always had a majority large enough and compact enough to enable them to do whatever they thought to be for the interests of the country. With such a majority there could be no excuse for not carrying out in office the promises made in opposition. Have these promises been

carried out? That is the important question for the electors, now that they are called upon to pronounce judgment upon the record of the last five years. And that is the question which in these political tracts it is designed to answer.

First as to the financial question. Upon no subject were the Grits and Rouges more pronounced in their statements. The late Government were, according to them, grossly extravegant. There was abundant room for reductions in the public expenditure. Mr. Mackenzie, in a speech delivered at London on the 25th October, 1870, said :--

"When the Government was first formed in 1867-8, the offices were filled with a great army of employees, but notwith standing the entire expenses of (ivil Government, incirding the Governor-General's salary and those of the Lieut.-Governors were \$594.445 82. What was it now? The very same items now reached \$661,675.82-an increase of nearly \$70,00 in two years, in consequence, as he firmly believed, of the naturally bad system of Government : that existed under a coalition."

FEDI



At St. Catherines, on the 15th of November of the same year (Globe of the 16th) he said :-

"Why the Ministry were packing the pub-lic buildings from aitic to cellar-two or three in every r om-till one could hard y find his way through them. The last time he was at 0t aw the found four men at the do r waiting for the Litle man's beh ats inside "

The Kouges, in 1872, when they went through the form of reorganizing under the name of the partinational, laid down the following as among the principles which were to be carried into effect by their party as soon as it succeeded in getting office :-

8. Reduction of the number of Ministers. 4 Diminution of the Governor-General's salary.

5. Reduction of the number of public em-ployees to what is strictly required for the efficient performance of the public service.

How have these promises been fulfilled? The number of Ministers has not been reduced. Un the contrary when, during last session, Mr. Laflamme introduced a bill to abolish the office of Receiver-General, as useless, instead of attempting to carry out the promises of his party, and saving the expense of this useless Minister, a new office, that of Attorney-General, was created. The salary of the Governor General has not been diminished, and thus the conduct of the Conservatives in resisting the decrease in the salary of the Queen's representative, has And the following been vindicated. figures, in relation to the costs of the civil service, will show that, if Mr. Mackenzie was right in his statement that the expenses were too high, that the Administration was extravagant, he is highly culpable for not having reduced them :--

1872 3	\$750.900
1873.4	883,685
1874-5	909,3 0
1875-6	842.0 0
1873-4 1874-5 1875-6 1875-7	812,200

The Ministerialists are in the habit of pointing to the year 1873-4 as compared with the last for which we have any public accounts; as a proof that substantial reductions have been made in the cost of Civil Government under this Government. It is worth while giving in detail the expenditures, under the head of civil gov the omission from the accounts of the

ernment for these last two years as follows, premising that the expenditure fortwo-thirds of the first year was by Mr. Mackenzie and his colleagues, and that in the following year they largely increased it :—

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OIVIL GOVERNMENT.

		1873.4.	1876 7.
I	Governor-General\$	48,668	\$48,666
	LtGov. Ontario	10,000	10,000
	" Quebec	10,000	9,973
	" Nova Scotia	8 903	9,000 -
	" N. Brunswick.	9,000	9,000
1	" Manitoba	9,000	9,000
1	" B. Columbia	9,000	9,000
	" P.E. Island	6,814	6,999
1	" N. W. Territory	1,000	5,403
-	" Keewatin		734
	DEPARTMENTAL S	ALARIES.	
	Governor-General's Sec-		
	retary's Department	10,079	10,092
-	Privy Council	16,011	21,444
	Department of Justice	19,181	18,724
	" Penitentiar-		
	ies Branch		2,877
	Militia and Defence	42,776	42,192
1	Secretary of State	33,660	38,336
	Department of the In-		
1	terior	42,556	47,186
i	Receiver-General	28 131	26 452
l	Inland Revenue	28,773	30,777.
	Minister of Finance	54,139	53 412
1	Treasury Board	3 458	3,300
l	Department of Customs.	35,358	34,320
l	Department of Public		
1	Works	54,336	55,150
1	Post Office Department	82,991	88,239
•	Dept. of Agriculture	35 916	32,123
1	" Marine & Fisheries.	30 087	32,304
	Quebeo	4,188	
•	Nova Scotia	2,915	
•	New Brunswick	4,928	
	British Columbia.	2,140	
	Agencies-Public Works	2,530	
	" Domision Landa		/
	office, Manitoba	10,583	
	Total contingencies	222 803	157,479
F	Total Civil Government	660 8 32	6.14,712
		C002 605	CO 19 101

\$883,685 \$812 191

There is an apparent decrease in the cost of civil government b. tween 1875.4 and 1876-7 of \$6,170. But it will be seen that this has been more than made up by

as folture for -Ir. Mact in the ed it :---1876 7. \$48,666 10,000 9,973 9,000 -9,000 9,000 9.000 6,999 5,403 734. 10,092 21,444 18,724 2.877 42,192 38,336 47,186 26 452 30,777. 53 412 3,300 84,320-55,150 88,239 32,123:

82,304 .... 57,479 .... 57,479 .... 12 191 n the 1875-4 9 seen up by

the

office in Manitoba, amounting in all to	
\$27,284; so that, deducting this from the	Do
	Pe
	Co
seen that with all their efforts to	St
present a good appearance in	Po
the last Public Accounts before	1.0
the general elections, the cost of the	
service, which Mr. Mackenzie denounced	
as excessive, is \$21,114 in excess of the	
last year for which the late Government	of
prepared the estimates, though the ex-	ie
penditures of these estimates were for	an
eight months of that year in the hands	ar
of Mr. Mackenzie and his colleagues.	su
The increase is in the matter of contin-	M
gencies. That, however, the late Gov-	ye
ernment cannot be held responsible for,	m
seeing that they were in office for only	Pa
four months of the twelve in which	fai
those contingent expenditures were	ex
made. The expenditure under this	go
head was \$222.803, while the estimate	on
of Mr. Tilley was only \$150,000; so that	sil
Mr. Mackenzie spent \$72,803 more on	br
contingencies than Mr. Tilley asked for	be
or Parliament had voted : and having	th
done that, he attempts to make the late	
Government responsible for the expendi-	
ture. In order to show that this same	
method was adopted in connection with	
other expenditures on the Civil Govern-	
ment, it is only necessary to compare the	
sums voted by Parliament, as appears by	nu
the supply bill, under the guidance of the	m
late Government, and the sums expended	th
by the present Government, as appears	
by the Public Accounts :	18
Voted, Expen'd,	
Governor-General's Secre-	1
tary's Office \$ 5,982 10,079	18
Privy Council 11,650 12,869	18
	18
	m
" Receiver-General 17,247 21,131	1070

"

46

Finance.....

Customs.....

Inland Revenue....

" Public Works .....

" Marine & Fisheries.

Post-office Department...

Dept. Agriculture .....,

45,460

24.835

19,775

41,360

66,410

30,630

20,015

Marine and Fisheries Department of outside agencies, and the Dominion Lands

Treasury Board Marine and Fisheries	3,150	3,458
Agencies	15,200	14,173
Dominion Lands Office	4,800	10,583
Public Works, B. C	4,000	2,530
Contingencies	150,000	.222,803
Stationery.	15,000	
Possible increases	10,000	

\$570,192 \$683,104

It will thus be seen that in the matter f civil service alone, excluding the salars of the Governor-General, the Lieuten. at Governors and the Ministers, which re fixed by statute, and are not abject to an annual vote, Mr. lackenzie's Government spent in the arliament voted. In order, therefore, to irly apportion the responsibility for the spenditures, under the head of civil overnment, if Mr. Mackenzie insists upn making the late Government responble for 1873-4, on the ground that they rought in the estimates, this sum must e deducted from the expenditure, and he following will be the table :---

1872-3	\$750.900
1873-4	
1874-5	
1875-6	
1876-7	

Taking the general statement of revenue and expenditure since this Government came in, including the estimates for the current year, we have the following:

rs		Expenditure.	Revenue.
	1873.4	#02 216 216	\$24,205,092
'd.	1.745	23 713,071	24,648,715
	1875-6	24,488,372	22,587,587
79	1876-7	23,519,301	22,059,274
69 15	1877-8	24,227,000	23,500,000
76			

\$119,263,400 \$117,000,000 35,556 31,131 The figures for this year are the estiates; and as the estimate of receipts 47,139 was \$600,000 in excess of the actual re-28,359 ceipts on the 10th February last, it is fair 21,773 to assume that there will be an actual 48.686 deficit this year of a million and a half of 75.941 dollars. That is taking the statement as 28,916 it is there. But in the expenditure of 33,087 1876.7 there is an item of \$343,591.68 car-

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ried to suspense account, on account of renewals of Intercolonial railway. Both Mr. Mackensie and Mr. Cartwright bave contended, and properly so, that these renewals should be charged against revenue. In that case, the expenditure for 1876-7 should be \$23,862,892.

But it is in the cost of collecting the revenue, and of superannuations and pensions, that we have the most remarkable evidences of how miserably the Grit-Rouge Administration have carried out their promises of retrenchment. Here are some figures on this point. In the cost of collecting the customs revenue we have the following startling figures:—

	Cost of
Revenue Collected.	Collecting.
\$13,053,900	\$568,000
14,410,600	658,300
15,387,000	682,700
	721,000
	721,600
	\$13,053,900 14,410,600 15,387,000

The cost of collecting each \$100 of Customs revenue has therefore been as follows :--

1872-3	\$4	35
1873-4	4	56
1874-5	4	44
1875-6		
1876-7	5	75

A noteworthy feature in this Customs record is the astounding increase in the salaries, &c., at the port of Montreal :---

	Revenue	Cost of
	Collected.	Collecting.
1872.3	\$5,017,200	\$ 87,700
1873-4	5,639,000	95,800
1874-5		99,800
1875.6		117,300
1876-7		118,000

In Montreal it is well-known that this large increase in the cost of collecting a greatly reduced revenue at the port, arose from the fact that positions in the customs were the common form of bribery, used by the ministerial candidates, during the severe election contests which have taken place in that city. In the cost of collecting the Excise revenue we have the following figures :--

,	Collected.	Costs of Collecting.
1872-3	\$4,527,000	\$171,700
1873.4	5,651,500	201,200
1874 5	5,141,300	199,300
1875-6	5,597,000	218,30
1877-7	4,974,000	211,000

The cost of collecting each \$100 of Excise revenue has therefore been as follows:

1872-3	\$3.90
1873-4	
1874-5	3.87
1875-6	3.89
1877.7	4.24

It is well known that in former years the Grits and the Rouges were strongly opposed both to the pension and the superanuation system, especially to the former. Yet, here are some figures which will serve to show how they have carried out their principles in office. The figures of Pensions are as follows:

1872-3	\$ 49,200
18/3-4	56.400
1874-5	63.700
1875-6	110,200
1876-7	112,500
Of the Superannuation F	und as follows

5	1872-3 1873-4 1874-5 1875-6 1876-7	53,000
	1873-4	64,400
	1874-5	77,300
	1875-6	101,600
	1876-7	104,800

In the matter of the cost of Administration of Justice we have the following figures. It is proper to say that the establishment of the Supreme Court is responsible for a portion of this increase. But Mr. Blake in his elaborate statement in Parliament last session fixed the cost of that Court at \$50,000:--

1872-3	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	.:	\$399,000
1873-4	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•			459,000
1874-5	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•			•	•	•	•	•	•	497,400
																										544,000
1876-7	•	•	•	•	•		•	•	•	•	•		•	•	•	•	•				•	•	•	•		565,600

The cost of management of the principal canals, railways and telegraphs was asiollows :-- 18 18 18

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399,000 459,000 497,400 544,000

565,600 princiwas as

1872-3		\$1.408.295
	•••••	
1875-6		1,920,786
1010-1		4,400,400

In the cost of management for 1873-4, however, there is an item of \$545,000 on account of Intercolonial Railway, which was improperly charged to revenue instead of capital account. All similar expenditures since have been charged to capital, and in the debates which occurred in Parliament it was admitted that this item should have been so charged. Deducting this, the figures for 1873-4 should be \$1,720,333, instead of \$2,265,-333.

Taking all the charges together, and giving the Grit-Rouge Government the benefit of all they claim concerning the year 1873 4, the estimates for which were prepared by Mr. Tilley, but during eight months of which Mr. Mackenzie was in office, and in a position to make any economies he thought possible, we find the following as the general result :—

	1873-4.	1876-7.
Civil Government. \$	883,700	\$ 812,200
Immigration	318,660	210,000
Customs Salaries	658,300	721,600
Excise Salaries	201,200	211,000
Administration of		
Justice	459,000	565,600
Pensions	56,400	112,500
Super a nnuation		•
Fund	64,400	104,800
Public Works 1	,720,333	104,800 2,260,500

\$4,361,900 \$4,998,200

Thus showing an increase of \$635,000 in controllable expenditure, under this Grit-Rouge Government, from which the people were led to believe there would be the most important reductions in the public expenditure in all departments. Taking, however, the last complete year of the late Government, and the last year of the present, we have the following result :--

Civil Government.	\$750,900	\$812,200
Immigration	277,400	210,000
Customs salaries	568,000	721,600
Excise salaries	171,700	211.000

5	Administration of Justice	399,000	565,600
1	Pensions	49,200	112,500
5	Superanuation fund	53,000	104,800
,	Public Works		2,260,500

\$3,677,500 \$4,998,200

Or an increase of \$1,320,000 over the expenditure which Mr. Mackenzie was in the habit of calling excessive, when he was in opposition. So much for the ordinary expenditure or as it is called the expenditure changeable to consolidated fund.

But as an answer to this, the electors will be told that the expenditure under Government, between 873, increased in a the former 1867 and 1 1873, If this were true, in much greater ratio. the sense in which it is presented as an answer to the charge of extravagance, and of violation of their promises brought against the Mackenzie Government, it would in fact be no answer. The late Government has been out of office for a Parliament, and it is with the present Government that the electors have now to do. But without admitting that there is any force in that kind of argument, let us look at the facts. Here is the state of the expenditure account as taken from the public accounts :--

1867-8	\$13,486,000
1868.9	14,038,000
1869-70	14.345.500
1870-1	15.623.000
1871-2	17,589,500
1872-3	17,589,500 19,174,600

For the year 1873.4, the estimates were brought down by Mr. Tilley, although two-thirds of the expenditure was made by Mr. Mackenzie's Government. Mr. Tilley's estimates of the expenditure for 1873.4, *i.e.*, the amount the old Government proposed to spend, was \$22,483,000, made up as follows:

First Estimates		\$20.941,000
Supplementary	do	1,542,000

•1

\$22,483,000

1,600 The supplementary estimates were due 1,000 to the assumption of the Provincial debts,

dollars, by the Dominion Government; and were, therefore, simply a transfer of liability from the Provinces to the Dominion, and to the charges incident to the entrance of Prince Edward Dominion. Ĩ£. into the - is Island for the sufficient to account inthat during that time st Territories, British Co the crease, British Colum-Northwest bia and Prince Edward Island were added to the Dominion. That these experditures were wisely made, we have the most undoubted testimony, that of Mr. Cartwright himself. In the prospectus of one of his numerous loans, issued in London, dated 19th October, 1875, referring to the increased expenditure of Canada, he said :---

The revenue has shown a continuous sur-plus during each y ar since Conlederation, in lso, althouga it has in the interval been charged with much heavy expenditure of an esceptional kind, such as the outlay en-nected with the everal Fenian attacas on the or untry, the acquisition and organization of new territory, and providing an adequate defensive force for the Dominion. The cight years since Confederation, therefore, exhibitian ag. regate surplus of two h lilions four hundred and forty-thiee thousand one hundred and leven pounds (equal to eleven mi-lions eight hundred and eight dollars, and not including the sinking fund) which has ten partially applied in the redemption of debt, and tar. ially expet ded in new works. The annual payment for tinking fund is includ d in the current expenditure, and forms in the agregate a further tum of seven hundred thousand pounds (or three millions four hundred and tix thousand six hundred and sixty-eight dollar)since Confederation."

And if that were not enough, we have the fact that without the addition of any new territory to the Dominion, the amount asked for by Mr. Cartwright for the current year's expenditure, chargeable to consolidated revenue, exceeds the amount asked for by Mr. Tilley the last year he was in office, by no less than \$1,760,000! It is worth while, however, to remember that while the late Government were liberal in their expenditures, as was required in bringing into operation the new system, erecting public buildings, and making public improvements in the different Provinces, they never exceeded their income, but on the contrary were always largely within it. Here because that was a work which the late is the revenue and expenditure account Government were condemned by the

amounting to nearly fourteen millions of during the first years of confederation :-

	Expenditure.	Revenuc.	Surpluses.
167 8	\$13,486,000	\$13,687,900	\$201,900
1168-9.	. 14,038,000	14.379.000	841.000
1869-70	14,345,500	15,512,000	1.146.500
1870-1	15,023,000	19 3 35,600	8,712,600
	17,589,500	20,714,800	8 125,800
	19,174,600	20,813,500	1,638,900
	\$91,258 000	\$101,442,8.0	\$10,186,200

So that if, in consequence of the expansion of the Dominion, and the outlay caused by it, the expenditure increased \$6,000,000 in the six years, the revenue increased so much more as to leave an aggregate surplus of over ten millions, which, added to capital, went in reduction of the public debt. It was not long that. under the malign influence of the present Government, this condition of things was changed, as will be seen by the following general statement :---

•	(l.) ´	Annual surpluses 1872-3	1867-8 to	\$10,166,200
		Surplus, 1873-4 1874 5		
	•(3.)	Deficit, 1875-6 18°6-7 bable do 1877-8		\$1,824,700
	Pro	bable do 1877-8	1'500,009	\$4,860,800

And this is a result in spite of the fact that while under the former government. tea and coffee, and other articles were made free, when imported from England or from the countries of production, and thus the people relieved of over two millions annual tax, the deficits under Mr. Cartwright's regime have occurred, notwithstanding that he had added three millions of dollars a year additional burdens upon the country. But for that increase in taxation, the deficit under the present Government would have been in the aggregate nearly seventeen millions of dollars !

An attempt has been made to show that the large increase of expenditure has been the results of works undertaken, or obligations incurred by the late Government. That cannot apply to expenditures chargeable to consolidated fund, with which we have been dealing. It cannot apply to the canal enlargement,

devote be sho be no Govern increas The been v been f during been in sult on 1872 3. 1873 4. 1874-5. 1875 6. 1876-7. Tota \$44,932 The debt ha Interest Interest Interest Interest Interest Tota] debt si Dedu "assets debt ta 1867 ... 1868 ... 1869 .. 1870 ... 1871 ... 1872 ... 1873 ...

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e expane outlay increased revenue leave an millions, reduction long that, hings was following

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to show diture has rtaken, or Governexpendited fund, aling. It argement, the late l by the Grits for not pressing forward with more vigor. It can only apply to the Pacific Railway; and in a subsequent paper, devoted specially to this subject, it will be shown that in relation to it there can be no ground for attack upon the late Government, as affecting the remarkable increase of expenditure under this one.

The increase in the public debt has been very marked. Mr. Cartwright has been three times in England for loans during the four years and a half he has been in office, and the following is the result on the public debt:

1872 3	\$129,743,400
1872 3 1873 4	141,163,500
1874-5	151.663.400
1875 6	161,205,000
1876-7	174,675,800

Total increase in debt since 1872-3, \$44,932,400.

The increase in the interest on the debt has been as follows :---

Interest	in	1872-3	55,549,400
Interest	In	1873.4	6,122,800
Interest	in	1874-5	6,340.000
		1875-6	
		18:6-7	

Total increase in the interest on the debt since 1872.3, \$1,583,000.

Deducting what are known as the "assets," Mr. Cartwright brings out the debt table as follows :---

1867	. 5 75,729,000
1868	. 75,757.000
1869	
1870	
1871	. 77,706,500
1872	. 82,187 000
1873	99.848,500
1874	. 108,325,000
1875	. 116,008,400
1876	. 124.551 600
1877	. 133,000,000

That is, the net debt of the Dominion inoreased during the first six years of Confederation under the late Government, \$24,000,000; and during the four years of Mr Mackenzie's reign it increas d \$33, 000,000; and this in spite of the fact that the burdens of the people have been inoreased by Mr. Cartwright to the tune of three millions of dollars annually. That the increase under the former Administration was a legitimate and proper one, is shown by Mr. Cartwright's London circular, to which reference has been already made. He says in relation to it :

"The whole of the debt has been incurred for legitimate objects of 1 ub is util 12. "The indirect advantage from these public works has already usen found in their nua; kabi-rapidity with which the commerce and materia: prosperity of the Deminion have been ever oped; while a substantia? is orease in the direct returns may lairly be expected from the improvements now in progress and to follow the steady progress of Lopulation and trade."

The result of five years of Grit Rouge rule therefore has been, that while we were promised economy in the public expenditure, we have had extravagance; while we were promised " a career of material prosperity and material progress," we have had hard times in every department of business, increased taxation and annual deficits; and while the increase of debt under the old government was de-nounced, we have had the debt in-creased, notwithstanding our higher taxes, at a ratio double that of the increase during the former administration. These are facts for the electors to consider, and considering them, to act upon them by such a rebuke to the men whoobtained office by deceiving them, as will teach such pretenders a salutary lesson for the future.

