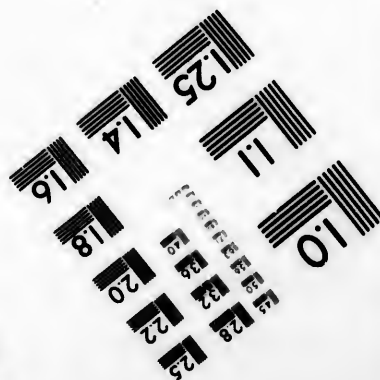
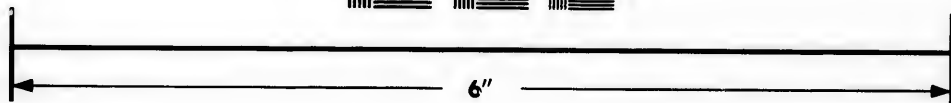
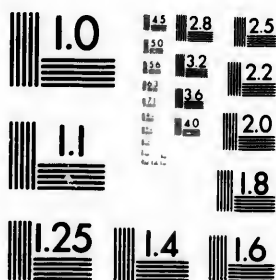


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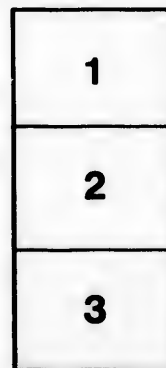
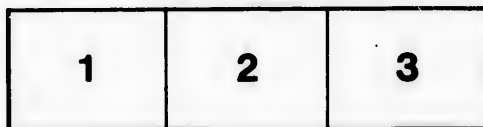
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BUDGET SPEECH

DELIVERED IN THE

LEGISLATIVE ASSEMBLY OF QUEBEC

ON THE 5th DECEMBER, 1890

BY

HON. JOSEPH SHEHYN

TREASURER OF THE PROVINCE

AND

SPEECH

DELIVERED IN THE

Legislative Assembly of Quebec, on the 11th December, 1890

BY

HON. MR. MERCIER

PREMIER

*In reply to a criticism of the budget speech by Mr. Hall, member
for No. 5, Montreal*



QUEBEC

1891

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BUDGET SPEECH

DELIVERED BY

HON. JOSEPH SHEHYN

TREASURER OF THE PROVINCE

IN THE

LEGISLATIVE ASSEMBLY OF QUEBEC

ON THE

9th DECEMBER, 1890



QUEBEC

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BUDGET SPEECH

DELIVERED BY

HONORABLE JOSEPH SHEHYN

TREASURER OF THE PROVINCE

IN THE

LEGISLATIVE ASSEMBLY OF QUEBEC

ON THE

9th DECEMBER, 1890

— o —

MR. SPEAKER.—Before making the usual motion for this House to go into Committee of Supply, permit me to state as fully and clearly as possible the financial situation of the province.

Both in this House and in the press, the important question of the state of our finances has been frequently and seriously discussed and I can only hope that, as in the past, its present discussion will be conducted with calmness and reflexion, for the greater good of the country and not for the purpose of confusing the public mind.

I am well aware that the subject to be treated is dry and uninteresting and that, to many, a speech dealing with figures is one of the least attractive and the most tiresome things in the world. But it is well to remember that the question of the finances is one of the most important which can engage the attention of this Legislature and that the country expects us to devote to its study all the intelligence and the good will at our command. I therefore claim, from the indulgence of the House, the benefit of a patient hearing.

In order to facilitate honorable members in following the remarks I have to offer, it is necessary that I should begin by indicating the order I intend to pursue, which will be as follows :

155181

- 1o. Remarks on the fiscal year 1889-90 ;
- 2o. Statement of assets and liabilities ;
- 3o. Floating debt ;
- 4o. Conversion ;
- 5o. Remarks on the current fiscal year ;
- 6o. General remarks on the situation.

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

Receipts of the Fiscal Year 1889-90.

Dominion of Canada.....	\$1,278,952 80
Crown lands.....	918,627 77
Administration of justice.....	226,727 64
Percentage on the fees of public officers.....	6,720 00
Licenses.....	438,454 20
Legislation.....	5,753 16
Lunatic asylums—contributions from municipalities and patients.	14,399 26
<i>Official Gazette</i>	20,222 08
Public buildings.....	1,531 66
Casual revenue.....	2,237 08
Contributions to civil service pension fund.....	7,295 69
Contributions to expenses of inspection of insurance companies...	525 60
Industrial schools.....	45 60
Taxes on commercial corporations.....	130,212 74
Interest on deposits in banks and on loans.....	109,563 76
Premium, discount and exchange.....	935 81
Interest on the price of sale of the Q. M. O. & O. railway.....	368,520 32
Railway inspections.....	288 00
Refunds.....	5,770 21
<hr/>	
Total ordinary receipts.....	\$3,536,783 79
Municipal loan fund.....	\$ 3,200 00
Quebec fire loan.....	623 28
Jesuit barracks, proceeds of sale.....	30,000 00
<hr/>	
	31,823 28
<i>Trust Funds</i> —Teachers' pension fund.....	\$ 8,802 93
City of Hull sinking fund.....	1,902 50
Marriage license fund.....	7,608 00
<hr/>	
	18,313 43
<hr/>	
Total receipts from all sources.....	\$3,588,920 50

ay e Fiscal Year 1889-90.

	Public debt.....	\$1,259,406 88
	Legislation.....	312,948 81
	Civil government.....	255,144 20
	Administration of justice, including police.....	516,747 28
up as	Reformatories and industrial schools.....	75,000 00
	Inspection of public offices.....	8,136 22
	Public instruction.....	366,835 00
	Literary and scientific institutions.....	9,650 00
52 80	Arts and manufactures.....	10,000 00
27 77	Agriculture.....	98,636 54
27 64	Colonization roads and societies.....	140,050 00
20 00	Immigration.....	8,744 28
54 20	Repatriation.....	2,221 25
53 16	Public works and buildings.....	148,841 23
09 26	Lunatic asylums.....	230,000 00
22 08	Charities.....	44,206 00
31 66	Miscellaneous.....	26,675 12
37 08	Agent in France.....	2,500 00
55 69	Crown Lands Department.....	239,832 20
5 60	Municipalities' fund.....	216 00
5 60	<i>Official Gazette</i>	14,079 71
2 74	Deductions on revenue, stamps, licenses, etc.....	8,345 82
3 76	Pensions paid.....	18,866 11
5 81	Traffic expenses—Q. M. O. & O. railway.....	5,000 00
0 32	Building and jury fund—amounts paid by sheriffs out of collections.....	8,416 37
8 00	Licenses—amounts paid by revenue officers out of collections.....	33,259 98
0 21	Sherbrooke hospital and orphan asylum.....	1,000 00
	Railway inspections.....	1,000 00
3 79	Printing report of the Superintendent of Public Instruction.....	2,331 75
	Distributing to the teachers of the province "L'Enseignement primaire".....	2,000 00
	Distributing amendments to the municipal code.....	250 00
3 28	Exhibition of the counties of Chicoutimi and Saguenay.....	2,000 00
	Joseph Dussault, for 10,000 copies of "La Baie d'Hudson".....	1,500 00
	Fraserville hospital.....	500 00
	Temiscamingue hospital.....	500 00
43	Hotel Dieu—St. Hyacinthe.....	500 00
	Grey Nuns hospital—St. Jérôme.....	500 00
50	College St. Barnardin de Waterloo.....	500 00

Teachers' pension fund—annual grant.....	1,000 00
Transcription, etc., of registers, etc., registry office, Montreal West.	5,154 72
Help to the distressed people of the Labrador coast.....	3,844 14
Annuity to Mrs. Gaspard Drolet	338 33
Help to sufferers by the St. Sauveur fire in May, 1889.....	10,000 00

Total ordinary expenses..... \$3,881,672 95

New Parliament buildings, Quebec, construction....	\$162,760 00	
New court house, Quebec, construction.....	49,037 36	
Spencer Wood, hot-house, cellar, sheds, etc.....	10,231 00	
Iron bridges in municipalities.....	76,460 42	
Court houses and gaols in rural districts, new vaults	4,534 47	
Explorations in the counties of Dorchester, Levis, etc.	9,824 50	
Kamouraska Circuit Court house and registry office.	2,512 00	
Bibliothèque du code civil.....	6,000 00	
Dictionnaire numérique de Beucherville.....	2,785 00	
Heirs of the late Jean Langelier.....	5,000 00	
Oil paintings of Speakers' portraits.....	1,600 00	
Brother Arnold, for repairs to his school in Montreal	999 38	
Purchase of the library of the late Judge Polette....	3,000 00	
Heirs of the late Judge Loranger.....	2,182 40	
New map of the province of Quebec.....	10,200 00	
Corporation of the city of St. John's.....	3,500 00	
Installation of both Houses of the Legislature.....	4,640 00	
Night schools.....	19,737 45	
Printing, etc., the laws, to correct omission in 1878.	6,500 00	
Quebec railway bridge company.....	404 53	
Settlement of the Jesuits' estates.....	400,000 00	
Codification of the laws.....	36,675 00	
		818,583 51
Subsidies to railway companies	\$327,417 97	
Construction of Q. M. O. & O. railway.....	16,000 00	
		343,417 97

Trust Funds:—

Marriage licenses, distributed by Protestant council of public instruction	\$ 7,164 00
Security by public officers.....	250 18
Aylmer court house fund.....	1,749 80
"La Canadienne" Life Assurance Company's deposit, part returned.....	5,000 00
Montreal & Lake Maskinongé railway company, guarantee deposit, repayment	3,903 64

Temiscouata railway company, guarantee deposit, repayment.....	55,752 57	
Quebec and Lake St. John railway company, guaran- tee deposit, repayment.....	195,413 03	269,233 22
		<hr/>
Total payments of all kinds.....		\$5,312,907 65

Statement of Cash.

To cash on hand at 30th June, 1889.....		\$2,210,019 79
Add trust funds receipts.....		18,313 43
“ Warrants outstanding at 30th June, 1890.....		112,571 45
		<hr/>
		2,340,904 67
Less excess of payments over receipts for 1889..90..	\$1,473,067 36	
“ Trust funds payments.....	269,233 22	
“ Warrants issued in 1889, but paid in 1890....	73,259 66	
		<hr/>
		1,815,560 24
		<hr/>
Cash on hand at 30th June, 1890.....		\$ 525,344 43

I.

Remarks on the Fiscal Year 1889-90.

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

Total payments.....		\$5,312,907 65
Total receipts, including trust funds and repayments.....		3,588,920 50
		<hr/>
Excess of payments over receipts.....		\$1,723,987 15
Cash on hand on 30th June, 1889.....		2,210,019 79
Deduct excess of payments.....		1,723,987 15
		<hr/>
		486,032 64
Warrants outstanding on 30th June, 1890.....	\$ 112,571 45	
Less warrants of 1889 paid in 1890.....	73,259 66	
		<hr/>
		39,311 79
		<hr/>
Leaving a balance of.....		\$ 525,344 43

which will be found to correspond with the cash on hand on 30th June, as shown by the public accounts.

Of course, this only indicates the total operations, but does not show the situation exactly. To ascertain the difference between the receipts and the ordinary and extraordinary expenditure, it is necessary to deduct certain sums.

Thus, the total payments amounted to..... \$5,312,907 65

But from these must be deducted :

Trust funds..... 269,233 22

Reducing the total payments to..... \$5,043,674 43

On the other hand, the total receipts were..... \$3,588,920 50

Less trust funds..... 18,313 43

3,570,607 07

Total special or extraordinary expenditure..... \$1,473,067 36

EXTRAORDINARY EXPENDITURE.

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

Miscellaneous (page 15—public accounts)..... \$ 818,583 51

Railway subsidies..... 343,417 97

\$1,162,001 48

Difference between receipts and ordinary expenses...\$ 345,177 16

Less special receipts..... 34,111 28

311,065 88

Real amount of extraordinary expenditure..... \$1,473,067 36

These figures establish as clearly as possible both the amount chargeable to capital and that of the ordinary expenditure, and I may add that these statements, coupled with the public accounts, contain the fullest information in regard to the operations of the fiscal year, and as such should satisfy all requirements.

But this did not prevent the Opposition organs from eagerly rushing into misrepresentation of these official figures when they were first made public ; and, instead of calmly judging our administration and discussing questions on their merits, they preferred to fall back on mystification.

An attempt was made especially to show that our financial policy was extravagant and ruinous, because we had spent \$1,473,068.36 under the head of extraordinary expenditure. A great outcry was made over this item, but not a

word was said about the details which make up the total and which are to be found fully explained on pages 15 to 17 of the public accounts. A desperate attack was made on this expenditure in particular, but the most absolute silence was maintained both as to the objects of that expenditure and as to the common responsibility of the Opposition with the Government for it, seeing that it had been incurred for public works duly approved and authorized by the Legislature. On page 15 of the public accounts, under the head of special expenditure, a sum of \$818,583.51 is set down. This sum forms part of the expenditure for which we are so unfairly blamed, and yet it is made up of the following:—\$400,000 paid in settlement of the Jesuits' estates, which settlement was authorized by the House and which we had no choice but to carry out, as our adversaries well know that, once the question was settled and the credit voted, there was no other course left to us but to pay; \$211,297.16 paid during the fiscal year on account of the construction of the Parliament Buildings and Quebec Court House, obligations recognized and admitted by the Opposition themselves, because flowing from their own policy when in power, yet not a word to explain this fact in their criticism; and other items to the amount of \$200,000, in round figures, for iron bridges in municipalities, codification, &c., which had been voted at the previous session and which the Government had to honor at maturity. The sum of \$269,233.22 was also paid in reimbursement of guarantee deposits, and in their calculations they include it as an expense, although it is nothing of the sort; yet this sum forms part of the amount for which they so unfairly criticize us.

On page 17, \$343,417.97 appear as having been paid in subsidies to different railway companies in virtue of statutory appropriations. Now, every one is in favor of this railway policy, and, previously to 1887, upwards of \$2,000,000 had been granted in subsidies, and \$3,000,000 in round figures in 1888. The subsidies granted by our adversaries and those voted in 1888 amount to a sum of \$5,000,000, if not more, and, as they have become statutory appropriations, the Treasurer is obliged to pay them as they fall due, for the obligation is one from which there is no escape on the part of the Government. Yet, in their criticism of the total expenditure, the Opposition, knowingly or not, totally ignore these details. I am satisfied that the House will thoroughly understand and appreciate the illogical conduct of our adversaries, *who condemn as a whole what they have approved in detail.*

They are always in favor of every thing likely to increase their prestige and strongly support almost every popular measure, but, when it comes to footing the bill, there is a change of tune. They pretend to be alarmed at the increase of the expenditure, forgetting that, in the great majority of cases, they not only encouraged that expenditure, but actually supported it.

They are in favor of the railway policy, an exceedingly expensive policy and the principal cause of our debt; but in their calculations they do not hesitate to give prominence to the total figure of the expenditure, but at the same time they take good care not to say a word as to the details of this same expenditure. Briefly, they are in favor of expenditure, but against it the moment it has been incurred.

Ah! Mr. Speaker, we, on this side of the House, can at least boast that we have the courage not only to ask for the necessary appropriations to improve the condition of our fellow-citizens, but to accept the responsibility of our acts and we do not shrink from the duty of frankly stating to the Legislature the true position of our finances. When by the votes of its representatives and in virtue of statutory appropriations, the province has legitimately contracted obligations for which both sides are responsible, why do the honorable members of the Opposition shrink from stating that they have been a party to them, and pretend that we are blindly burthening the Treasury with an extraordinary expenditure? Simply, because on that side of the House little regard is paid to the means, provided the end in view is attained, which is to asperse and depreciate the Government's policy.

In my financial statement of 1889, I estimated the probable ordinary receipts at.....	\$3,405,672 80
The amount really received was.....	<u>3,536,783 79</u>
or.....	\$ 131,110 99

more than the estimates, but \$152,888.41 less than my revised estimates of last session.

This excess of receipts was to have been derived chiefly from the returns from Crown lands, which according to the Commissioner's estimate, should have yielded \$1,200,000, while in reality they only produced \$918,627.77.

This difference between the actual collection and the honorable Commissioner's estimate is readily accounted for by the stagnation and depression in the timber trade, the sudden fall in the price of square timber, the overstocking of the market resulting from the formidable and growing competition of the timber-producing countries of Europe, the import duties imposed by the United States on our sawn lumber, and the failure of important houses which threw back on our market immense quantities of woods of all kinds sold and unpaid for. All these, according to the honorable Commissioner, were so many causes which combined not only to deter the lumber merchants from getting out all their season's cuts of timber, but also, in the ordinary course of business, to prevent the sale of the stocks on hand and the complete collection of the timber dues and other large sums owing to the department. The other revenue items, however, produced on the average the sums on which I had counted.

But on the one hand, if the Crown lands yielded \$300,000 less, on the other, the expenditure indicates a higher figure than that of my revised estimates—this excess occurring chiefly in the following items :

Interest service, \$72,000 more than my estimate ; legislation, \$83,000. This excess is explained as follows :

Exceptional expenses for salaries of sessional clerks and messengers and other services, on account of the length of the session.....	\$ 9,500 00
For printing and binding caused by a gradual increase extending over several years and the final settlement of all accounts to the 30th June, 1890.....	15,000 00

To meet the expenses incurred by the different committees last session for stenographers, witnesses, &c., say \$5,000. To meet the expenses connected with the general elections, \$50,000, for which no provision has been made. Administration of justice, an unforeseen expense of \$48,000 more than the previous year, due to an increase in the number of costly criminal trials. Additional expenditure for colonization, public works, repairs to court houses and gaols, which were urgent and necessary, according to the reports of the departmental engineers. The Crown lands also show an increased expenditure compared with the previous year, but this difference had been foreseen and provided for in the supplementary estimates last session. Indeed, except the additional outlays in connection with the administration of justice and legislation, all the other increases had been foreseen in those estimates.

I candidly admit that it is becoming more and more difficult to keep down the expense of the general administration, on account of the increase in the interest service and the extension of the public works and other services in keeping with the increase of the population. New demands are constantly arising and it is, in addition, almost an impossibility to resist the pressure brought to bear on the Government by the people who want a policy alike generous and in accordance with the growing requirements of the country. But it is well to remember that it is impossible, with the proceeds alone of our ordinary resources, to meet all the requirements and satisfy all the wants entailed by such a policy. Both the country and the House are in favor of a vigorous policy which will hasten the development of our resources ; but it should not be forgotten that this cannot be achieved without some sacrifice on the part of those who reap the benefit of that policy. It is our desire, as far as possible, to meet the unanimous wish of the country; but let us not be blamed afterwards if the expenditure has not been kept down to as low a figure as might be desired, as it often happens, I am sorry to say, that the very men, who do their share towards encouraging the expenditure, are afterwards often the first to turn around and condemn it, once their object has been attained !

Before passing to another head of my subject, let me say that I think the following statements will prove of some interest both to the House and to the country, in view of the outcry made by our adversaries as to the alleged extravagance and ruinous character of our policy. Moreover, I consider it right to show how far they are astray in the charges they do not scruple to hurl against us :

STATEMENT OF ORDINARY RECEIPTS AND EXPENSES FROM 1888 TO 1890.

1888 Ordinary receipts.....	\$3,738,228	39
1889 do do	3,627,932	20
1890 do do	3,536,495	79

The total receipts for these three years amount to the sum of.....\$10,902,656 38 representing an annual average of \$3,634,218 79.

1883 Ordinary expenses.....	\$3,365,032	36
1889 do do	3,543,618	64
1890 do do	3,881,672	95

Total expenses for these three years..... \$10,790,323 95

Average annual expenditure, \$3,596,774,65. The figure of the ordinary expenditure is therefore lower than the receipts and indicates a surplus of \$112,332.43 for the three years in question, which is a very different result from that obtained by our adversaries.

Now, contrast the foregoing statement with the following figures :—

STATEMENT OF ORDINARY RECEIPTS AND EXPENSES FOR 1882, 1883 AND 1884,
AND FOR 1885, 1886 AND 1887.

	<i>Receipts.</i>	<i>Expenses.</i>	<i>Deficits.</i>
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
Total	\$8,245,324 45	\$9,096,473 37	\$851,148 92

The total receipts for these three years amounted to the sum of \$8,245,324.45, equal to an annual average of \$2,748,441.48, and the total expenditure for the same period to \$9,996,473.37, giving an annual average of \$3,032,157.79, and showing an annual deficit of \$283,716.31.

Now, let us examine the following statement :

	<i>Receipts.</i>	<i>Expenses.</i>	<i>Deficits.</i>
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
	\$8,841,276 72	\$9,258,138 89	\$416,862 17

The total receipts for these three years amounted to the sum of \$8,841,276.72, giving an annual average of \$2,947,092.24. The total ordinary expenditure for the same period was \$9,258,138.89, which gives an annual average of \$3,085,046.29 and a total deficit of \$416,862.17 for the three years.

An examination of the three statements just submitted will indicate at a glance that the three years of our administration show a surplus of \$112,332.43. We therefore succeeded with our ordinary receipts during those fiscal years in more than covering all our ordinary expenses ; so that under this head it is impossible to assert that we have increased the amount of our obligations.

Now, compare this result with that obtained by our predecessors from 1882 to 1884. A deficit of \$851,148.92 in the ordinary operations stares us in the face, and one of \$416,862.17 from 1885 to 1887. Add these sums together and you get a total shortage of \$1,268,011.09 on the ordinary operations of the six years. From these figures, it is easy to see what little foundation there is for the charges which our adversaries have been making against us by the column full in their organs. Either they wrote knowingly or they accepted as proven what was not so. In either case, they were guilty, because they acted upon a regular determination to deceive the people as to the true situation. On the other hand, if they claimed as true what was not so, their writings were equally mischievous.

We expended more than our estimates ; there is no question about that ; but at all events our receipts sufficed to cover our ordinary expenses. On the other hand, during the last six years of their tenure of office our adversaries admittedly spent less, but, unfortunately, while spending smaller sums for certain purposes, they managed to accumulate, between their ordinary receipts and expenses, a deficit of \$1,268,011.09. In the face of such a result, I ask every impartial mind which is the better of the two administrations ? Is it the one which spends less, but in whose ordinary services there is a total shortage of \$1,268,011.19, or the one which spends more, but which under the same head can show a surplus of \$112,332.43 ? It is only necessary to put such a question to get an immediate answer.

I believe that I have now given the House all needful information relative to the last fiscal year. At all events, I have shown the situation as it really is, and the House may rest assured that the figures I have just laid before it are in every sense indisputable.

The results of the last fiscal year have certainly not come up to our expectations; but this has been due to circumstances over which we had no control. The stagnation in the timber trade naturally had the effect of materially reducing our revenue from the Crown lands: but this state of things can only be temporary and, with the revival of activity in that branch of industry, which must come before long, the revenue arising from this source will not fail to attain the figure anticipated by the honorable Commissioner. By means of prudence and the strictest supervision of the administration, it is possible to restrict the expenditure in certain cases; but it should not be forgotten that the interest service must increase in the course of time. Thus, for instance, in 1886, it was \$977,760.32 while to-day it amounts to \$1,259,496.88 or an increase of \$281,646.56.

I regard, however, the difference between the receipts and expenses merely as accidental, for, with the revival of trade and the new sources of revenue to be drawn upon, that difference will disappear.

SPECIAL EXPENDITURE.

Unable to make any serious assault upon us as regards the ordinary expenditure, our adversaries have fallen back on the special or extraordinary expenditure, for the manifest purpose of confusing the minds of those who are not in a position to appreciate the distinction which should be made between the expenses of the ordinary service and the expenses on capital account. To hear these gentlemen speak and to judge by what has been written in their press, it might be imagined that we had invented this distinction; but it is only necessary to glance over the debates on the budgets when they were in power, to discover that they were extremely particular on this very head. Indeed, the conviction that such was the case will be immediately forced home by a study of Mr. Desjardins' speeches. True, that gentleman was not the Treasurer *de facto*, but he was the official and authorized mouthpiece of his friends to expound and defend on their behalf the great theories of political economy of the then Ministerial party. I must admit, however, notwithstanding his learned demonstrations on financial matters, that his principles did not always chime with his theories. His strictness was not absolute under all circumstances, but greatly depended on the interests at stake for the time being. For instance, as a Ministerialist, he looked with a favorable eye, even in the most unfavorable cases, on the extravagance and the weak points of his party, even when they were condemned by his own friends; while, in Opposition, all the great principles so pompously paraded by him as a Ministerialist were repudiated as no longer applicable.

In any case, it is acknowledged by economists that two budgets are necessary, one to represent the expenses of a permanent character and the other those connected with the great public works. Moreover, apart from the theories upheld by the economists, it matters little what you call an expenditure when it has been first properly sanctioned. In fact, the distinction becomes perfectly legitimate when the House has been informed that certain expenses are chargeable to capital. Suppose, for example, that the Treasurer brings down a budget of ordinary expenses and that in addition he proposes other expenditures to the House, to meet which he has no revenue. If the House considers that these appropriations are in the public interest and that it makes them with a full knowledge of what it is about, it is quite competent for it to do so. This was, moreover, the doctrine maintained by our adversaries when in power, but now that they are in Opposition it suits them to forget their past principles. Their present contention is that there should no longer be any special expenditure, on the ground that this special expenditure is being used to mislead the people by purposely confounding the ordinary with the extraordinary expenses. But they are forgetting a most essential point—that they left us a legacy of debts which we have been obliged to pay, as I will show in a moment. In classifying these special expenses, over which they have made so much outcry, it will be found that they are composed in great part of their own obligations, which we had to settle.

According to the public accounts, the special expenditure from 1888 to 1890 amounted to the sum of \$1,904,575.96, divided as follows:—

In 1888 total of this expenditure (see public accounts).....	\$ 689,532 76
In 1889 “ “ “	405,459 69
In 1890 “ “ “	818,583 51
	\$1,904,575 96

Here then, apart from the railway subsidies granted in 1888, is the total figure expended under this head from 1888 to 1890; but, from this sum of \$1,904,575.96, there must be deducted in the first place the special receipts taken in from 1888 to 1890 and amounting to \$206,936.29, and then if you add to the latter the \$112,332.42 of surpluses on the so-called ordinary operations, you will get a sum of \$319,268.71; now deduct this total, and there remains a balance of \$1,585,307.25, which represents the exact figure of the special expenditure. All the figures I have just cited have been taken from the public accounts and are official. Now, according to this increase, let us establish the figure for which our friends are responsible and then see what can be legitimately laid to our charge.

Amount of claims settled and payments made by us, but which are in reality ascribable to the obligations of our predecessors :—

From 1888 to 1890.

For construction of Parliament buildings.....	\$ 538,489 53
do do do	301,770 95
Explorations in Dorchester and other counties under a resolution of the Legislative Assembly, on the 14th June, 1886.....	10,000 00
Insurance on Parliament buildings. Deposit refunded.....	32,765 00
Arrears in the Crown Lands to meet old liabilities.....	58,844 95
Indemnity and costs resulting from errors in land surveys in the County of Rouville—old claim.....	10,500 00
Lockwood claim.....	10,500 00
Heirs J. Langelier.....	5,000 00
Corporation of the city of St. John's—old claim.....	3,500 00
Printing, etc., of statutes to rectify an omission in 1878.....	6,500 00
Total of sums paid on our predecessors' obligations.....	\$ 974,370 41

Statement of sums paid under the head of advances and special or extraordinary expenditure for which we are responsible :— from 1888 to 1890 :

1890 : Settlement of the Jesuits' estates.....	\$ 400,000 00
1888 to 1890 : Iron bridges in municipalities.....	151,460 43
Codification of the laws.....	107,999 40
Improvements to the Montreal court house.....	71,422 83
Explorations in Dorchester and other counties.....	19,824 50
Committee to purchase seed grain.....	50,000 00
Night schools.....	19,737 45
	\$820,444 60
McGill normal school, enlargement.....	2,500 00
Arthabaska court house, new foundations.....	7,400 00
Court houses and gaols in new districts, heating apparatus.....	12,000 00
Circuit Court, Kamouraska, new building.....	12,512 00
Spencer Wood, stables, sheds, etc.....	14,231 00
Court house and gaol, Bonaventure, wing for the gaoler and guardian.....	4,000 00
Bibliothèque du Code Civil.....	6,000 00
New map of the province.....	10,000 00
Boucherville's numerical dictionary.....	2,785 00

e in reality

38,489 53

01,770 95

10,000 00

32,765 00

58,844 95

10,500 00

10,500 00

5,000 00

3,500 00

6,500 00

4,370 41

ordinary

:

0,000 00

1,460 43

7,999 40

1,422 83

9,824 50

9,000 00

7,737 45

4,444 60

5,500 00

4,400 00

9,000 00

512 00

231 00

9,000 00

9,000 00

9,000 00

785 00

Judge Polette's library.....	3,000 00
Judge Loranger's heirs.....	2,182 40
Installation of the Houses of Assembly and Legislative Council...	4,640 00
Arbitration between Quebec and Ontario.....	1,673 72
Quebec railway bridge.....	1,681 69
Brother Arnold, for repairs to his school, Montreal.....	999 38
Portraits of the Speakers.....	1,600 00
Advance to the Protestant Insane Asylum, Montreal, to be reimbursed from the proceeds of the sale of the Leduc farm.....	17,821 29
	<u>\$930,205 55</u>

The addition of these two amounts gives, under the head of special or extraordinary expenditure, a total of..... \$1,904,575 96

If you now deduct from this special expenditure the expenses in connection with the contracts and obligations of our predecessors, as well as the settlement of old claims, amounting in all to \$974,370.41, there will be a balance left of..... \$ 930,205 55 the entire responsibility of which we assume.

From this balance must be deducted our surplus of ordinary receipts over expenses from 1888 to 1890.....\$ 112,332 42

Advance to Protestant Insane Asylum repayable out of the proceeds of the sale of the Leduc farm	17,821 29	130,153 71
		<u>\$ 800,051 84</u>

The real balance of special expenditure at the 30th June, 1890, for which we are responsible is therefore \$800,051.84.

Let us now examine the items which made up this amount :

Settlement of Jesuits' estates.....	\$400,000 00
Iron bridges in municipalities.....	151,460 43
Codification of the laws.....	107,999 40
Purchase of seed grain.....	50,000 00
Improvements to Montreal court house.....	71,422 83
Night schools.....	19,737 45
Explorations in Dorchester county, etc.....	19,824 50
	<u>\$820,444 60</u>

The balance of the special expenditure, not included in the foregoing statement, amounts to \$109,760.95, and is therefore more than covered by the surplus of \$112,332.42.

All the figures just given are official and can be verified on reference to the public accounts for 1888, 1889, and 1890.

I have considered it my duty to thoroughly post the House in regard to these special expenses, which have been so unfairly used against us in the press and at public meetings. Indeed, it would be an impossibility to say how often statements, as erroneous as they have been exaggerated, have been published by the Opposition press as to the real financial situation. Nevertheless, it is by means of such a display of figures, wholly devoid of any official character, that they have endeavored to mislead the House and the electorate.

It is needless for me to dwell further on a subject which has already been exhausted on so many previous occasions. It should not be forgotten that these gentlemen had their own budget, prepared by the advocate of their financial doctrines and intended to serve as a catechism for the elections. In proof of this, it is only necessary to refer to the Opposition newspapers since last session, which have been repeating in every possible shape the figures and calculations of their political economist, whose skill consisted in making out a budget not to enlighten the House and the country in regard to the true situation, but to confuse and muddle the public mind.

I think I have now given the House all the explanations possible regarding the last fiscal year and the special expenditure of the last three years.

I will now take up the statement of the assets and liabilities made up to the 30th June, 1890 :

II.

Assets and Liabilities.

APPROXIMATE STATEMENT of the assets and liabilities of the Province of Quebec on the 30th June, 1890:—

Liabilities.

Funded debt outstanding.....	\$21,448,666 67
Temporary deposits.....	2,178,047 25
Outstanding warrants.....	112,571 45
Railway money subsidies authorized, but not yet earned.....	\$1,367,737 92
Railway land subsidies, converted into money subsidies, authorized, but not yet earned—balance on the first 35 cents per acre	865,159 96

Railway land subsidies, converted into money subsidies, 1,901,000 acres, at 70 cents per acre—\$1,330,700, first 35 cents per acre pay- able as the work progresses.....	665,350 00	
	<u>665,350 00</u>	2,898,247 88
Balance of land and other debts in connection with the construction of the Q. M. O. & O. Railway		122,364 00
Loss on Exchange Bank deposit.....		27,000 00
Kamouraska court house debentures.....		8,955 00
Contract for statues on Parliament buildings		32,000 00
Estimated amount required to complete Quebec court house		159,000 00
Quebec court house bonds		100,000 00
		<u>100,000 00</u>
		\$27,186,852 25

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	
	<u>7,000,000 00</u>	\$ 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.....		525,344 43
Cost of Jacques Cartier normal school, Montreal, to be repaid from sale of property		133,348 02
Advances to various parties		104,092 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
		<u>200,000 00</u>
		\$11,131,785 14
Excess of liabilities over assets on 30th June, 1890.....		16,055,067 11
		<u>16,055,067 11</u>
		\$27,186,852 25

The gross liabilities stand at nearly the same figure as on the 30th June, 1889, but the assets, which amounted to \$12,813,960.50, show a diminution of \$1,682,175.36 at the corresponding date in 1890.

The funded debt, which amounted to \$21,510,960.30 on the 30th June, 1889, had dropped to \$21,448,666.67 on the 30th June last ; the difference of \$62,293.33, having been applied to the redemption of a corresponding amount of our bonds.

The net liabilities over the assets show an increase of \$1,611,219.40 as compared with the figure of the 30th June, 1889. But this increase is easily accounted for by the payments made during the last fiscal year, over and above the total receipts. A glance at pages 14, 15 and 16 of the public accounts will show for what purpose these disbursements were made and how the payments were applied. The difference between the receipts and expenses ; the settlement of the Jesuits' estates, \$400,000 ; trust funds and deposits refunded, \$269,233.22, and other items clearly indicate what was done with the cash on hand and the moneys received since the last fiscal year.

The guarantee deposits of the different railway companies are being repaid gradually and call for no particular explanations.

The sum of \$2,898,247.83 in the liabilities under the head of subsidies to railway companies, represents the balance of all that has been voted by the Legislature for this purpose to the 30th June, 1890. It is impossible to say, even approximately, when we shall be called upon to meet these liabilities, as that entirely depends on the progress made on their works by the different companies entitled to the subsidies as soon as earned ; but, though the dates of these payments are more or less certain, it is absolutely necessary to make provision to meet the whole of them the moment they are legally due. Some of the companies are pushing on their works vigorously, while others again are going ahead very slowly. Some of them have not yet even effected the conversion of their land grants into money subsidies. Nevertheless, these companies always succeed ultimately in establishing their right to the subsidies which have been granted to them. These grants are included in the liabilities, as they are obligations which will have to be met some day or other. Strictly speaking, they should only figure among the liabilities as they come due.

The sum set down as the balance of land and other debts in connection with the construction of the Q. M. O. & O. Railway does not call for explanation at the moment, as all that relates to this item will be explained when the House is asked to vote any appropriation entered in the budget for the purpose. But I may state that under this head is included a sum of \$45,000, representing the Bellerive property. The capital of this liability is only payable in 1892. It is not yet possible to ascertain the loss we will have to bear as regards the Exchange Bank deposit, as it will only be known when the estate has been finally wound up.

The sum of \$8,955 is intended for the redemption of the amount of debentures on the Kamouraska court house, which bear 8 per cent. interest per annum.

The credit for the completion of the Quebec court house is the same as that voted last year to completely and finally cover all claims connected with the construction of that building.

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, with the exception of the cash on hand, which shows a lower figure. But it may be well to repeat what I said on the subject in my budget speech, last session.

"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, as it represents a building of great value, 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 as a 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."

I am still of the same opinion, but I did not wish to make the change, without first obtaining the views of the House, which has not yet seen fit to express itself in any positive way on the subject.

The House will, doubtless, remember that, according to the preamble of the Act authorizing a loan, the floating debt amounted, on the 31st January, 1887, to the sum of \$3,761,466.75, as far as it was possible at that date to ascertain the state of the liabilities; but since then it appears that, to the 30th June, 1890, we have paid, in connection with these same obligations, more than was then foreseen and, on the contested debts, a sum of \$974,370.41, the details of which have been given in my explanations relative to the last fiscal year under the head of special expenditure. At least, this was what we were able to establish to the 30th June, 1890, outside of what we may be called upon to pay in the future, as we have not yet succeeded in forming a definite estimate of these contested debts. For instance, there is among these contested debts a balance of \$687,619.17, which stands against us in the accounts of the Dominion with the province. Thus far, we have not been able to come to an agreement with the Federal

Government as to the mode which should be adopted for a final and satisfactory settlement of these accounts ; but it is certain that, no matter what may be the settlement effected, ever were it the most favorable, we shall remain the debtors of the Federal Government for a large amount.

Now, if these \$974,370.41 be added to the sum of \$3,761,466.75,
 we get a total of..... \$ 4,735,837,16
 which represents the aggregate of the obligations left by our
 predecessors.

If you deduct from this amount the proceeds of our loan of 1887.. \$3,378,332 50
\$1,357,504 66

And if you add to this sum the \$158,000.00 entered in the
 budget of the current year to settle all claims connected with
 the construction of the Quebec court house..... 158,000 00
\$1,515,504 66

a figure of.....
 is reached, and this figure represents the balance of the floating debt that has
 since remained outstanding, because the loan we were authorized to negotiate was
 not sufficient to cover all. Instead of \$3,378,332.50, we would have required
 \$5,000,000 in round figures to meet all the obligations of our predecessors, as they
 have been so far ascertained. For it must not be forgotten that the preamble
 of the bill was for a sum of \$4,037,614.89, to which was to be added \$174,190.57
 for the construction of a court house at Montreal and other items.

The statement of the assets and liabilities indicates that the floating debt
 amounted to \$4,600,400.46 on the 30th June, 1890. Account must be taken, in
 this statement, of the \$2,398,247.88 applicable to railway subsidies as established
 by law, and also of the \$800,051.84 under the head of special expenditure,
 including the sum of \$400,000 unanimously voted by the House in settle-
 ments of the Jesuits' estates. These two sums form together a total of \$3,698,-
 399.72, which represented, on the 30th June, the floating debt for which we are
 responsible. There is a wide difference between this figure and the one which
 our adversaries proclaimed in their press and on the hustings during the last
 electoral campaign. Some of them put it down at \$5,000,000; others again ran
 it up to seven or eight millions. Judging from their absurd statements, there is no
 doubt that most of those gentlemen were in good faith. I say in good faith,
 because no serious man, in a position to knowingly judge and speak on the subject,
 would have ventured to state that the liability column being..... \$27,157,808 31
 on the 30th June, 1889, compared with the liability column,

which, on the 31st January, 1887, showed..... 22,143,447 65

The difference between the two columns was..... \$ 5,014,360 56

Therefore, according to their contention, the floating debt, at that date, amounted to \$5,014,360.56 more than on the 31st January, 1887, while, in point of fact, it was only \$2,954,680.60. They reached this result by reckoning among the liabilities the \$2,171,755.22 of the guarantee deposits from the railway companies, without taking into account against it the sum of \$2,210,019.79 cash on hand.

Now, I ask all who are in good faith and who know what assets and liabilities really are, to say what opinion should be held of the man, who, with a reputation for intelligence, should dare to go before the public and proclaim that the floating debt amounts to \$5,000,000, wholly basing his calculations on the column of liabilities and neglecting to take the assets into account? The answer at once suggests itself. It sometimes and, indeed, often happens that the attention of the elector and reader is caught with resounding arguments, supported with the cry of bankruptcy at our doors. But fortunately the good sense of the electorate enabled them to exercise a proper discrimination during the last campaign, as they preferred the Government's figures to those of its adversaries.

To sum up, the total amount of our obligations from the 31st January, 1887, to the 30th June, 1890, is \$3,698,299.72, including \$2,898,247.88 for railway subsidies, voted without protest against our policy by our adversaries, and the \$400,000 in settlement of the 'Jesuits' estates, unanimously voted by the Opposition.

This then was, on the 30th June last, the real amount of the obligations imputable to our policy.

ASSETS AND LIABILITIES UNDER OUR PREDECESSORS.

Before passing to another head of my discourse, let us turn back for a moment and see what was the state of the management of the finances by our adversaries when they were in power, so that it may be compared with the result of our administration from the 31st January, 1887, to 30th June, 1890.

From 1875 to 1887, the total of the expenditure chargeable to capital account, together with the floating debt on the 31st January, 1887, and other obligations arising out of the contracts of our adversaries, amounted to \$25,244,983.00, which gives an annual average of \$2,103,747.00, or, if you add to this item the contested claims of \$4,534,497 as they stood on the 31st January, 1887, the average annual capital expenditure would be \$2,500,000.

The amount of our obligations from the 31st January, 1887, to the 30th June, 1890, is \$3,698,299; annual average, \$1,056,655.

Annual average of our predecessors.....	\$2,103,747 00
do do under our administration.....	1,056,655 00
	\$1,047,092 00

Our average is therefore \$1,047,092 under that of our predecessors.

Now, compare this average of \$1,056,655 with that of our adversaries, inclusive of the contested debts—on the one side.....	\$2,500,000 00
And on the other.....	1,056,655 00
	\$1,443,345 00

and you get a difference of.....
more than our average.

Such was their financial record while in power.

It is quite true that they spent less, under the head of ordinary expenditure, but, on the whole, the excess of their expenditure over their annual receipts is represented by the sums just noted. Is this not a great improvement on the administration of our predecessors ?

Mr. Speaker, I may well ask whether this difference between the sum of our capital expenditure as compared to that of our predecessors is not the most eloquent testimony that could be adduced in our favor ? It proclaims with force and reason that, while vigorously steering the province in the path of progress, we have watched with a careful eye over the finances of the country. It is, in fine, a complete vindication of the present Administration against the slanders of those who have sought, without scruple, to asperse its character.

III.

Floating Debt of the Province.

FLLOATING DEBT ON 1ST JULY, 1890.

Temporary deposits.....	\$ 261,361 27
Railway companies' guarantee deposits.....	1,916,685 98
Railway subsidies not earned.....	\$1,367,737 92
Land subsidies converted, but not earned, 1st at 35	
cents per acre.....	865,159 96
Converted land subsidies..	665,350 00
	2,898,247 88

Balance of expropriations connected with the construction of the Q. M. O. & O. and other debts.....	122,364	00
Loss on Exchange Bank deposit.....	27,000	00
Settlement of Jesuits' estates—Protestant Committee of Public Instruction.....	62,961	00
Estimated special expenditure 1880-91.....	912,183	00
Supplementary estimate of special expenditure 1890-91.....	115,448	71
Estimated special expenditure 1891-92.....	\$ 838,555	00
Less re-votes:.....	280,000	00
	<u>558,555</u>	<u>00</u>
		\$6,874,806 84
Cash on hand on 1st July, 1890.....	\$ 525,344	43
Less warrants outstanding to be paid out of this amount.....	112,571	45
	<u>412,772</u>	<u>98</u>
		\$6,462,033 86
Obligation, under the act 53 Vic., chap 110, guaranteeing a third of the interest at 3½ per cent., during 10 years, on three millions of dollars worth of bonds which may be issued by any company regularly formed for the purpose of building a bridge over the river St. Lawrence at or near Quebec.....	300,000	00
		<u>\$6,762,033 86</u>

The state of the floating debt and obligations of the Province, as ascertained to date, is as follows :—

The total of the floating debt is \$6,762,033.86. In this amount are included the special expenditure of \$912,183 voted for the current year, as well as the sum of \$115,448.74 asked for by the supplementary estimates, and the \$558,555 applicable to the next fiscal year ending on the 30th June, 1892.

Under the head of assets, we have only the following sums: Claim against Hon. Thomas McGreevy, \$100,000; it would neither be judicious nor in the interest of the province to qualify this asset as long as the claim has not been definitely settled. The item of the Jacques Cartier Normal School, Montreal, \$138,348.02. Loans made to different institutions and corporations, under legislative authority, \$104,092.69. These different sums together aggregate \$342,403.71, the collection of the greater part of which is more or less doubtful.

The balance of the contested claims outstanding on the 31st January, 1887, is not included in the estimate of the floating debt. It is impossible to foresee what will definitely have to be paid on these debts, as certain claims are turning up from time to time, whose legitimacy is unquestionable, especially in connection with

the construction of the Q. M. O. & O. Railway; but I think that there does not remain much to be paid now under this head. However, among these contested debts, there is a balance in dispute for an amount of \$687,619.17 in the statement of accounts between the Dominion of Canada and the province.

It is true that we are contesting this statement of accounts, which has been prepared by the Federal Government and brought down to the 30th July, 1885; but nevertheless the fact remains that, the day we agree as to the mode to be adopted for a final settlement, we shall have to refund a pretty large sum to the Federal Government, especially if it should happen that some of that Government's claims turn out against us.

To the floating debt must further be added the new subsidies which the Government intends to propose to the House, as well as all other demands of a nature to entail expenditures which are not provided for in the actual estimates.

As I have already shown, the loan of 1887 was not sufficient to meet all the obligations of the then floating debt. The developments since then have proven that over \$1,500,000 more, in round figures, would have been needed for the purpose, without making allowance for any new claims that may turn up.

In this statement of the floating debt, the subsidies to railway companies figure for a large amount, as do also all the obligations connected with works of great public utility.

To meet these obligations, we have no assets on which we can count upon, and to think of doing so out of our regular revenue is altogether out of the question, as those revenues are needed for the requirements of the ordinary service. It is therefore absolutely necessary to have recourse to a new loan, in order that we may be in a position to honor the engagements legitimately contracted under legislative authority.

Between this and the next fiscal year the ways and means must be provided to meet the following obligations:

Railway subsidies entered in this year's budget.....	\$ 575,364 27
Repayment of guarantee deposits.....	222,097 41
Special expenditure for the current year, see this year's budget....	1,086,131 74
	<hr/>
	\$1,883,593 42
Jesuits' estates, Protestant share.....	62,961 00
	<hr/>
	\$1,946,554 42
Less re-votes for next year	280,000 00
	<hr/>
Balance.....	\$1,666,554 42

This is the amount that will be required between this and the end of the current fiscal year:

For next fiscal year :

Special expenditure, as entered in the budget.....	\$ 838,555 00
Repayment of guarantee deposits.....	231,070 00
Railway subsidies.....	756,000 00
	<hr/>
Total required.....	\$1,825,625 00

These two sums form a total of \$3,592,179.42, which is the amount, approximately, that will have to be provided for between this and the 30th June, 1892. As I have just stated, this sum is only approximate, as it is impossible to foresee the exact outcome, which may exceed or fall below the sums indicated. All depends more especially on the demands that will be made by the railway companies, which draw on the Treasury according to the more or less rapid progress of their works. And the same remark applies to the public works in course of execution. As for the balance of the actual obligations, it will be required at a more or less remote date.

If, between this and the 30th June, 1892, we have to pay the whole or part of this amount of \$3,592,179.42, and perhaps more, if any new appropriations are added to it, the interest service will be increased in consequence, and, as the interest at 4 per cent. on this amount represents \$143,687, that service will be proportionately augmented.

To meet this additional amount of interest, we must necessarily increase our sources of revenue and this we propose to do, by submitting for the approval of the House, measures which will enable us to realize the necessary receipts.

As the balance of the obligations must also be liquidated at a more or less distant date in the future, the Government must be in a position to honor them at maturity, as it would never do, under the working of our constitution, to wait until the last moment to provide the means for the purpose.

If the necessity of a loan is to be regretted, it should not be forgotten that the province is bound to do honor to its legitimately and legally contracted engagements. At the same time, it is well to note that this loan is required for public works, which will increase the value of property in the province, as well as the general prosperity, and constitute permanent investments of a nature to develop the national resources and wealth.

We must not delude ourselves into the belief that it is possible to carry out great public works, to promote the material progress of the country, without calling upon the latter to make some sacrifices, especially if it desires the advancement of the general welfare of the province.

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In concluding these remarks, I may be permitted to remind the House and the country that, in taking the initiative in a multitude of measures intended to improve the condition of the people of the province, the Government is only conforming to the well expressed wishes and desires of the entire population. Moreover, Mr. Speaker, we have taken neither the House, nor the country by surprise, as in all we have done both the House and the country were duly notified. Once more, too, let me repeat the remarks I have already made on several occasions—that the people are in favor of an energetic and a vigorous policy, but that such a policy cannot be carried out without some sacrifices on their part. Thus, in granting new subsidies to railways, in building iron bridges, liberally subsidizing the cause of education, relieving distress, helping agriculture and colonization, erecting new buildings, the utility of which cannot be questioned, and effecting improvements in all parts of the province, we are continuing the policy sanctioned by previous Legislatures and forced upon us by the real wants of the country. Needless to say that a policy of this kind cannot be carried out without ways and means. The country must understand, and I believe it does understand, that the improvement of its condition cannot be effected without costing it something.

IV.

Conversion.

As announced in the Speech from the Throne, proposals of a confidential nature have been received for the conversion of the debt, authorized by the law of 1888, but the Government has deemed it prudent to take no final decision in the matter before getting the law amended, as it is incomplete in certain respects for the purpose.

The House will readily understand that it would not be judicious or advisable to make proposals of this nature public, as such publicity, if it were possible, could only injure the success of the pending negotiations on the subject.

If we can effect a conversion on the desired conditions---and I have reason to hope that we will---the result will be to realize an important saving in the interest service on our debt and to proportionately lighten the budget.

I may add that the proposals we have received justify the belief that an advantageous conversion in all respects is possible.

The changes to be proposed in the law are intended to facilitate the success of this important operation, and I am satisfied that the amendments to be submitted will meet with your approval.

V.

Current Fiscal Year.

The House will understand that, at this early stage of the current fiscal year, it is very difficult to discuss at any length the probable result of its operations, considering that all our calculations rest only on estimates.

Nevertheless, it is possible to anticipate—only approximately, however—what will be the probable result, as far as the ordinary operations are concerned.

The appropriation of last year for the administrative service	
amounted to.....	\$2,240,589 92
And adding the service of the public debt.....	1,176,055 32
	<hr/>
We get a total of.....	\$3,425,645 24
Which represents the then foreseen amount of the ordinary operations.	
We ask, by a supplementary budget intended to meet certain obligations of the service, a sum of.....	215,570 01
	<hr/>
Making a total of.....	\$3,641,215 25

Such is our estimate for the current fiscal year, and we think that, with prudence and a wise economy, it will prove sufficient to cover the ordinary expenditure. On the other hand, we have reason to believe that the estimated receipts on which we depend will cover the proposed expenditure.

The operations of the first four months should not be taken as a criterion by which to judge the results of the whole year; for it should not be forgotten that the opening months of the fiscal year are generally the worst, the payments always exceeding the receipts for the same period, while the receipts being periodical do not always come in simultaneously with the disbursements. Certain sources of revenue can only be realized at certain times of the year; for instance, those arising from Crown lands, such as ground rents, which fall due, generally speaking, only in December; and the same remark applies to the timber dues which are paid in May and June and to the licenses, which only come in in the spring.

The service of the Education department, and that of Agriculture and Colonization demand large outlays at the beginning of the year, as can be seen by a glance at the expenditures for those services which figure in the statement of the receipts and expenses from the 1st July to the 1st November. This explains the difference that exists at certain times of the year between the ordinary receipts and expenses.

The estimated figure of the expenditure, the supplementary estimates included, therefore amounts to the sum of \$3,641,215.25, and, if you take into account the fact that the estimate of the receipt is placed at a very low figure, to which must be added the new sources of revenue proposed to be created, there is no doubt, if our hopes are realized, that our receipts will be amply sufficient to cover all apparent difference at this moment between revenue and expenditure.

I venture to believe that these explanations will convince the House that my anticipations will be realized and that we shall succeed in balancing our budget of the ordinary expenditure.

FISCAL YEAR 1891-92.

I estimate the receipts of this fiscal year at \$3,602,835.70, of which \$35,000 represent the receipts on capital account and \$3,567,835.70 as ordinary revenue. This estimate is based on the receipts of the last fiscal year, allowing for changes and a possible increase or decrease in certain items.

The following are the receipts on which I count :

ESTIMATED RECEIPTS FOR 1891-92.

Federal Subsidy :

Subsidy payable under the Confederation Act..	\$ 959,252 80	
Interest on trust funds.....	74,622 22	
Special subsidy under 47 Vic., chap. 4.....	127,460 68	
Interest on railway subsidies under 47 Vic., chap. 8.....	119,700 00	
		\$1,281,035 70

Interest :

Interest on price of sale of Q. M. O. & O. rail- way	\$ 370,000 00	
Interest on loans and deposits.....	20,000 00	
		390,000 00

Administration of Justice :

Law stamps.....	\$ 170,000 00
Fees.....	2,500 00
Building and jury fund.....	9,000 00
Contributions for the maintenance of vagrants in prisons.....	8,500 00
Gaol guard, Quebec and Montreal.....	4,000 00

Fines	500 00	
Montreal gaol, sale of broken stone.....	6,000 00	
Montreal court house, stamps not included.....	2,000 00	
High Constables fees, Quebec.....	700 00	
		203,200 00
Registration stamps.....		17,000 00
Licenses.....		450,000 00
Crown lands.....		1,050,000 00
Taxes on commercial corporations.....		130,000 00
Percentage on fees of certain public officers.....		7,000 00
Percentage on renewals of hypothecs.....		350 00
Legislation.....		3,000 00
<i>Official Gazette</i>		25,400 00
Lunatic asylums, paying patients.....		300 00
Public buildings, rents, &c.....		650 00
Contributions to pension fund (civil service).....		7,000 00
Casual revenue.....		2,500 00
Quebec fire loan.....		400 00
Refunds		10,000 00
Municipal loan fund.....		25,000 00
		\$3,602,835 70

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.

The receipts arising from the administration of justice are set down at a very moderate figure; my estimates being rather under than over what they are likely to produce. Thus, last year, they yielded \$226,727.64, so that the estimate is not excessive. I estimate the revenue from licenses at \$450,000, which is a slightly higher figure than that of last year, but lower than they will produce on account of the changes to be made in the present duties. I estimate at \$1,050,000 the receipts from Crown lands. This figure is not exaggerated, especially in view of the additional revenues which we propose to collect. The revenue from the tax on commercial corporations is placed at \$130,000, which corresponds with the amount collected during the last fiscal year. In the Comptroller's opinion, we can surely count on this sum.

I have put down the receipt from the municipal loan fund at \$25,000; but this item is always more or less uncertain. It often happens that we get nothing from this source, while, in some instances, our estimates are exceeded. All depends on the nature of the settlements made.

All these estimated receipts being based on an ordinary average, the figures of which are, in no case, exaggerated, I believe that I can rely with sufficient certainty on the whole amount being realized. Certain items may, perhaps, yield a little less, but others again will produce more than the stated figures.

Let us now take up the expenditure. I estimate at \$5,385,476.17 the total payments, distributed as follows :—

Ordinary Expenses :

Interest on the public debt.....	\$1,239,556 82	
Administrative service.....	2,319,337 97	
		————— \$3,558,894 79

Capital Expenditure :

Construction of public buildings, &c.....	\$ 838,555 00	
Railway subsidies.....	756,956 25	
Repayment of railway guarantee deposits.....	231,070 14	
		————— 1,826,581 39
Total.....		————— \$5,385,476 18

As members have had the estimates in their hands for some days past, I would only take up the time of the House to no purpose in entering into the details which make up this whole.

Moreover, as each item will be considered in Committee of Supply, it would be simply doing double work to enter into details at the moment.

The total of the expenditure on capital account, including the re-votes, is less than that of last year.

We ask \$838,555.00 for public works, buildings, etc., and \$756,956.25 for subsidies to railways. For the next fiscal year, the expenditure for public works, buildings, etc., including subsidies to railways, will amount to \$1,695,511.25, which is \$34,015.24 more than we have asked for the current year. This excess is only apparent, because what is not spent during this fiscal year will be required the year after, as demonstrated by the re-votes included in the budget for next year. Thus, the item for railways is placed at \$756,956.25 although it is impossible to state with any exactness, in advance, what will be the amounts required for the purpose.

As the railway subsidies are paid in virtue of an appropriation settled by statute, the amount figuring in the budget is only put there to show as approximately as possible the financial operations of the year in their entirety.

The following statement will indicate the increases and decreases:

	1891.	1892.
Parliament buildings.....	\$ 20,000 00	\$ 20,000 00
Quebec court house.....	3,207 00	
“ “	155,800 00	
Statues by Hébert.....		12,000 00
Laval normal school, Quebec, new building.....		75,000 00
Spencer Wood, construction of a green house, etc...	1,000 00	600 00
Construction of iron bridges.....	100,000 00	100,000 00
Court house and gaol at Aylmer.....		20,000 00
New vaults for court houses and gaols in rural districts.....	7,000 00	
Night schools.....	40,000 00	50,000 00
Construction of a vault for the archives at Quebec, revote.....	10,000 00	10,000 00
Enlargement of the Montreal court house.....	150,000 00	100,000 00
Montreal gaol, revote.....	300,000 00	400,000 00
Court house and gaol, Sherbrooke.....	3,000 00	
Heating apparatus in court houses, new districts....	8,000 00	12,000 00
Court house and gaol, Gaspé.....	2,286 00	
Quebec gaol.....	3,890 00	
Court house and gaol, Iberville.....	3,000 00	
Stoning roads.....	10,000 00	10,000 00
Colonization roads.....	50,000 00	
Montreal exhibition association.....	25,000 00	
Court house, Hull, revote.....	10,000 00	10,000 00
“Edifice National,” at Montreal.....	10,000 00	10,000 00
Kamouraska court house fund.....		8,955 00
McGill normal school, Montreal.....	60,805 00	
Jacques Cartier normal school, Montreal.....	42,000 00	
Exhibition grounds, Montreal.....	4,000 00	
“ “ “	24,721 90	
For damages caused by a hurricane in Beauharnois, Vaudreuil and Huntingdon.....	9,880 00	
Codification of the laws.....	6,009 84	
Balance due for costs and damages in connection with the Egan township law suit.....	15,000 00	
To complete the Arts and Design building.....	5,532 00	
General index.....	6,000 00	
	\$1,086,131 74	\$838,555 00
For 1890-91.....	\$1,086,131 74	
“ 1891-92.....	838,555 00	
	\$ 247,576 74	

RAILWAYS.

	1891.	1892.
Q. M. O. & O. Railway.....	\$ 70,364 27	\$ 6,956 25
Railway subsidies.....	500,000 00	750,000 00
Quebec bridge.....	5,000 00	
	<u>575,364 27</u>	<u>756,956 25</u>
Railways, 1892.....	\$756,956 25	
“ 1891.....	575,364 27	
More.....	\$181,591 98	

The importance of railways is no longer open to discussion. The province of Quebec, with its wealth of minerals, forests, water powers and products of the soil, can only be developed by furnishing easy means of communication to its inhabitants. If the rich valleys of the Lake St. John and Ottawa had been opened up by railways only twenty-five years ago, those vast regions would be to-day populated by thousands and thousands of Canadians, who have been forced to exile themselves from their native land in search of a livelihood.

PUBLIC WORKS.

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 to complete certain parts of the attics, necessitated by the growing requirements of the public service—more space being needed. We ask \$75,000 for the erection of a new building for the Quebec normal school—the actual structure being too old and no longer in keeping with the requirements of the day.

The \$600 asked for Spencer Wood are to be employed to complete the improvements in course of execution during the last two years.

\$100,000 are asked for the construction of iron bridges. This policy seems to be greatly appreciated, judging from the engagements already contracted and the many demands that are being received. The appropriation of \$100,000 asked for the enlargement of the Montreal court house is required to carry out the remaining works

The sum of \$10,000 appropriated last year for the construction of a vault for the archives at Quebec was not used; but, as this vault must be constructed in the near future, we again enter it in the budget.

The credit asked for the construction of a new gaol at Montreal will not be entirely expended this year, but, as it is important that the works on this building should be pushed forward rapidly next year, we add \$100,000 to the \$300,000 voted for the current year, so that there may be no interruption to the undertaking. We ask \$20,000 for the construction of a court house and gaol at Bryson, and \$10,000 for road-stoning, as an experiment. Several counties have already applied for grants for the macadamizing of certain roads, but, before the 30th June next, the department cannot establish the quantity of works done and the amount paid out of the appropriation.

For a proper understanding of the value, importance and utility of the works for which we ask appropriations, I have only to refer hon. members to the report of the Commissioner of Public Works.

And, speaking of the Public Works Department, I may remark that it is a branch of the civil service which is daily increasing in importance. A glance at the different public enterprises successfully carried out and those in course of execution or in contemplation, will give an idea of the progress of this department. A mere enumeration of these is enough to warrant my assertion: Construction of iron bridges over the rivers in our rural districts to enable the people to act, move about and prosper; macadamizing of our country roads, so that at all seasons farmers may easily circulate from parish to parish; erection of a normal school at Quebec to replace the present dilapidated old building, which is unfitted to receive the young men desirous of getting in that excellent institution the requisite training to enable them to spread the benefits of education in our country parts; construction of a vault to place in safety the archives of Quebec, which are so precious for our national history; construction of a new gaol to replace the present inadequate one at Montreal, the commercial metropolis of Canada and the most populous city of the province; completion of our Parliament buildings; enlargement of the Montreal court house—all works which must of necessity be carried out.

With respect to the subsidies to railways, it is—as I have already stated—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 push on their works. In any case, however, I believe that the sum specified will be amply sufficient to meet the demands that will come in, as the amount entered in last year's budget was not more than half expended. As regards the details of these works and other information on the head of the railway policy, I may mention that the Commissioner's report will be found to contain all that hon. members may desire on the subject.

In the estimate of the receipts which I have just submitted, I have taken a very moderate average, without fully allowing for the increase of revenue to be created, but I may state that they will exceed the amount of my calculations.

With all due regard for the requirements of the public service, it is, nevertheless, absolutely necessary to keep the expenditure within the limits of our resources. I have no doubt that, by exercising the strictest supervision over the employment of the public moneys, it might be possible to more or less control its figure; but, short of making retrenchments in the controllable services and cutting down a host of grants which are of great utility, it would be difficult, if it is desired to maintain the effectiveness of the different services, to put down a lower figure than the one we ask.

It should not be forgotten that the interest service, which, in 1886, amounted to \$997,760.32, has to-day attained the figure of \$1,256,406.88, the difference of \$281,646.56 between these two sums representing the increase over 1886. As this is one of the services which it is impossible to control, it is useless to think of reducing its amount, except in the event of the conversion of the debt being effected on the desired conditions. In the contrary event, a gradual increase may be looked for in the interest service, as it becomes necessary to pay off our present and future liabilities. While admitting that it is growing more and more difficult to control the figure of the expenditure for certain services, still it should never be lost sight of that it is sound policy to not overstep our resources. At the same time, we must be prepared for the fact that, even in proceeding with all the prudence desirable and practising all the economy possible, the expenditure for certain services must attain a higher figure in keeping pace with the development of our resources and the increase of the population.

By following this course, the province will increase and prosper and the revenues it will yield to the Government will be in proportion to its prosperity and in keeping with its resources.

Still, while looking forward hopefully to the future, we must be careful to not discount it too confidently and especially to not forget that every dollar we spend beyond our revenues becomes a burthen, both in capital and interest, on the Treasury.

It is needless, at the moment, to dwell on the details of the different services which show an increase in the expenditure as compared with previous years, as the whole appropriations for those services will be fully discussed before being adopted; it would therefore only tire honorable members to enter into these details at present.

Moreover, counting upon an increase of revenue, we have deemed it our duty to devote larger sums to the cause of education and to everything calculated to promote the best interests of the province, and I am sure that there is not a member in this House anxious for his country's prosperity, who will blame us for having pursued a policy in accord with the wishes and aspirations of the people.

VI.

General Remarks.

Such, Mr. Speaker, is the financial position of the province explained frankly, conscientiously, and in all its reality.

I do not belong to the school, who pretend that it is good policy to attenuate the effect of figures and to conceal the true state of affairs. I trust that the House and the country will do me at least the justice of crediting me with being sincere. Moreover, Sir, what interest have I in making a statement that would give rise to some distrust in the public mind? Convinced as I am that the best policy is to call things by their right names, it would be repugnant to my feelings to be ranked among the adepts of such a school.

We have no pretension to infallibility, far from it; but we can at least conscientiously claim that we have neglected nothing to render ourselves worthy of the confidence which the people have reposed in us.

We have pursued a broad and liberal policy in all that relates to the development of our resources and are perfectly satisfied that that policy is in accordance with the wishes of a people, who ardently desire the progress and prosperity of their country. In entrusting us with the control of its destinies, the province has approved the policy we have inaugurated. But such a liberal and progressive policy cannot be carried out unless those, who benefit by it, are agreeable to shoulder their share of the burthen it entails.

However well disposed the Government may be in favor of a policy destined to contribute to the advancement of the interests of the province, it must not lose sight of the fact that the ways and means must be provided to carry out every new scheme that is proposed.

As the wants of the province are in proportion to its immense extent, it is admitted that private initiative would be powerless in most cases. Its population, comparatively limited both in numbers and resources, consequently find themselves compelled to call on the Government for the improvements of general utility, and under the circumstances it is with great satisfaction that I can state that, notwithstanding the almost irresistible pressure brought to bear on it, the Government has nevertheless succeeded in keeping within the bounds of the possible.

I do not hesitate to assert that the Government's policy has been of a fortunate character and that the few sacrifices which it now requires from the province are a mere trifle compared with the immense results which that policy has already produced.

Let the House give us its loyal assistance, and, with the distinguished leader who so ably and successfully directs the policy of the province, we can look forward with confidence to the future!

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SPEECH

DELIVERED BY

HON. H. MERCIER

PRIME MINISTER OF THE PROVINCE

IN THE

LEGISLATIVE ASSEMBLY OF QUEBEC

ON THE

11th DECEMBER, 1890

*In reply to the criticism of the Budget Speech by Mr. Hall, member for
Division No. 5, Montreal.*

— o —

MR. SPEAKER.—I must congratulate the honorable member for No. 5, Montreal, on the lengthy speech which he has just made. I congratulate him on the new role in which he has appeared and I congratulate him all the more that he has acquitted himself of it to perfection, which, by the way, he always does in all that he undertakes. At the same time, I hope he will permit me to say, with all the deference possible, that his treatment of the subject did not impress us with the idea that it was being handled by a Treasurer, past, present or future. We felt, on the contrary, that we had to do with a lawyer and, as a lawyer, he argued his point. He pleaded it as he pleads the cases of his clients, and experience at the Montreal bar has taught me that his abilities never shine to greater advantage than when pleading a bad case. He assumes with so much confidence and such an air of good faith that he is right that his opponents often find themselves at a loss for a reply. I do not go so far as to say that this is the case in the present instance, but I am satisfied of one thing—that he has succeeded in convincing some of his friends who were wavering a good deal before he began his speech. He has succeeded, I say, in convincing them that his case is a good one, and this is the artful way in which he went about it. He began by dealing

with the question in detail. He referred to the increase of expenditure under certain heads and, as soon as he had managed to give prominence to some items in point, he drew the sweeping conclusion that the present Government is extravagant. Samming up from a few details, he exclaimed: Look at the result of the whole? It is simply desperate and the province of Quebec is rushing headlong to ruin.

He took care, however, to add that the province was rich and that it could stand some further expenditure, if the precaution was taken to provide the necessary revenue.

Before examining these details and glancing at my hon. friend's argument as a whole, I may be permitted to make a few preliminary remarks.

The hon. member seems to be alarmed because the total expenditure for the year ended on the 30th June, 1890, amounted to the sum of \$3,812,000. Now, let me ask him why he was not equally alarmed when the expenditure rose, in 1881-82, to \$3,628,000?

Mr. Speaker, I take these two figures and I will show how fair is their comparison. In 1881-82, as in 1889-90, there were general elections, so that the expenses of general elections are chargeable as well in the one case as in the other, with this difference, that we had to run elections in 73 counties, while, in 1881-82, elections had only to be held in 65. However, this detail is unimportant. The fact we have to deal with is that the total expenditure of 1881-82 amounted to \$3,628,000, and the total expenditure of 1889-90 to \$3,812,000—a difference of \$200,000.

Now, is there any reason to be alarmed at this? Is there any reason to blame us for it? How is this increase of \$200,000 to be justified? If it cannot be justified, we are guilty; but if we can justify it, according to the admission of our opponents themselves, what is there to be said about it? It is not sufficient to set figure against figure. It must be reasoned, accounted for, explained. Let us see if it can be justified? Well, Sir, I have no hesitation in asserting that it is justified by the public accounts. Our adversaries blame us for an expenditure of \$3,812,000 in 1889-90, while we cast up to them one of \$3,628,000 in 1882. The difference, as already stated, between the two is \$200,000. Now, in the first place, give us credit for the sum of \$242,000 more of interest that we have had to pay on loans that had to be contracted to pay off your debts. This is not a hustings where a clever speaker can humbug his audience. We are here 73 members, elected by the people and presumed to be intelligent. I believe that we are incapable of allowing ourselves to be misled, even by the cleverest man, and I therefore ask how can our adversaries reasonably blame us for this \$200,000 increase, which does not even represent the interest on the money we had to

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borrow to pay off their own debts? Every one knows that, in 1882, the very year that these gentlemen spent \$3,600,000, they voted appropriations to railways and pledged the province to the payment of more than \$100,000 of interest. Everyone knows that, before these gentlemen were turned out of office in 1886, they voted railway subsidies and that they again pledged the credit of the province to the payment of more than \$100,000 of interest, making in all \$200,000, without providing the ways and means to pay a single cent of these railway appropriations.

And then when we came to power, in order to meet the most pressing obligations, we had to borrow $3\frac{1}{2}$ millions of dollars, which, at 4 per cent, represents an interest of upwards of \$140,000. Well, if we spent last year \$200,000 more than they spent in 1882 and this increase is justified by the increase of the interest service alone, what have they to say? Are we not obliged to pay the interest on the money borrowed to settle their debts?

Where was my friend from No. 5, Montreal, at that time? He was in public life as he is to-day. He was supporting the gentlemen whom he still supports. Did he utter a word against Mr. Chapleau? Did he criticize the expenditure? Did he approve the exorbitant expenses? Yes, he did, and yet his friends in that very year, 1882, spent \$3,628,000, though the expenses they had to bear were much less than those we have to support at present.

But to-day he is severe upon us, because we spent \$200,000 more than was then spent, though this increase can be justified as I have just justified it.

More than that, the very men, who are reproaching us to-day with the increase of the expenditure, are the same who in 1888 allowed the railway resolutions to pass unanimously or at least without recording their votes against them. And why? Because they had themselves applied for and obtained subsidies for certain railways in which their friends were interested? In other words, they had an interest in keeping silent and those who were not interested did likewise.

And it is, after this generosity on our part, after risking our popularity to build railways controlled by our adversaries and at their demand, that we are blamed by them for these very expenses.

Mr. Speaker, I had fancied that gratitude might be found among public, as among other men. If so, how comes it that those, who went down on their very knees to us at that time to ask for subsidies, are now the first to criticize and sling mud at us?

Among these extraordinary expenses for which we are to-day blamed and which have helped to swell the total, there are some in which these gentlemen concurred and, if this system of slander is persevered in, I may be driven to disclose the famous "Round Robin" signed by the gentlemen on the other side to

get an increase of indemnity and then I hope that we shall see the end of their outcry about the increased expenditure for legislation. I remember that I was at the time at the end of this very table, in this very seat, surrounded by our adversaries, who wanted absolutely to have \$1000 inserted instead of \$600, which was the amount of the indemnity at that date.

I very well recall my answer; I told them: You will not get \$1000; but I will perhaps try to give you \$800; whereupon one of those very gentlemen whom I see at this moment and who was one of the speakers on the other side the loudest on the hustings and elsewhere in his thunders against our increase of the members' indemnity, said: Keep your \$800; we don't want it; we want \$1000. But he changed his mind for all that and took the \$800.

This item alone of \$200 on 87 members—for we are 87 including the legislative councillors—makes an increase of \$17,400. Our friends are ever ready to approve the details of the increase, but they refuse to accept the amount as a whole, that is to say, that they have no objection to squeeze out of the public chest what is agreeable to them, but they do not want to have it added up in favor of the Government. They are strong on subtractions, but they do not want to hear of additions.

My honorable friend has referred to the item of legislation. I will not go into all the details, as to do so would be too fastidious, too tiresome. But my honorable friend has said: Legislation has cost this year \$312,000, while in 1886 it only cost \$181,944. In the first place, the election expenses, must be struck out for the elections of 1886 are only charged in the fiscal year 1886-87. Consequently, we see an immediate rise in this item for the next year to \$278,000, that is to say, that we had elections between the 1st July, 1886 and the 30th June, 1887. Our expenses were increased by nearly \$100,000. Is it fair to take as a point of comparison the year 1885-86, when there were no elections, with the year 1890, when there were?

But, if you wish to make a comparison, take the same item for 1881-82 and contrast it with that of 1890; there was a general election in 1882 and you will see that the difference is not great. The difference is not much if you strike off the \$17,400 increase of the members' indemnity; there is scarcely any difference in fact.

Make another comparison! Compare last year with the year 1886-87, for the legislation of which we are not responsible. You have \$278,000 as against \$312,000. If you deduct the \$17,400 increase of the members' indemnity, you have hardly any difference and you have eight additional counties more than in 1882 to increase the election expenses. The whole of the election expenses amount to to the sum of \$43,000, so that you can see by these details that my

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honorable friend from No. 5, Montreal, has been unjust, no doubt unwillingly, for he is certainly one of those who usually treat questions in a fair, equitable and reasonable manner; but I believe that in this instance he has not been fair.

One more detail and I shall have done with this part of my remarks. In the ordinary expenditure I believe it is usual, Mr. Speaker, to include the charities. Nobody, I think, will deny this fact. But I would like to know what is the difference between the charities we give and those given by our hon. friends opposite? During their fit of economy, they began by retrenching 10 per cent. every year from the appropriations for charities. Let us not indulge in sentiment, but deal rather with the practical side of the question; take 10 per cent. annually from a grant, and, if I calculate rightly, at the end of 10 years the entire grant will have been eaten up! When we came into power, we stopped this reduction; we not only did that, but we went further, and increased a host of these grants; we even gave new ones, and will my hon. friend deny that he was one of those who helped to have these new charities granted? Is he not one of those who asked to have the grants to certain charitable institutions in the province of Quebec increased? Why did he ask this? Because, in his heart and soul, he believed it to be necessary. Well, if it was necessary in his case, why was it not equally necessary in the case of one of my friends? If it was necessary for two members of the Legislature interested in two benevolent institutions of the province, was it not necessary for the sixty-five members? If it was necessary for the sixty-five members, might it not be necessary for the bishops of the province; might it not be necessary for the priests, for the nuns, who devote themselves throughout their whole lives for the cause of humanity with such an admirable spirit of sacrifice?

All the applications, or at least a great number of the applications made for these grants, were supported by the gentlemen opposite.

Now, we are blamed for these charities. Is this just or fair? And when charity is asked and an increase of the grants to benevolent institutions has been obtained from the Government, is it justifiable to reproach us with the total of these credits after they have been increased? Take all the services—they are in the same position!

Did we not properly and fairly treat our adversaries who asked us to build railways or execute colonization works? Did not our adversaries contribute as we did to the incurring of the expenditure for them? Undoubtedly, and yet these are made a subject of reproach to us.

Mr. Speaker, this is not fair. And when my honorable friend from No. 5 Montreal reflects a little over what he has done to night, he will be compelled to admit that he has not been fair to his constituents, that he has not been fair to the Government. No more to him than to any other representative of the minority,

have we ever refused the grants they have deemed it right to ask. Whenever he has asked for anything for Protestant educational institutions, it has been granted to him. When he asked us to increase the grant to the Protestant hospital of Montreal and to place it on the same footing as the Catholic hospital of Montreal, we consented to do so. When he applied for certain grants for charitable institutions dear to Protestants, we met his views. When we were asked for grants for the Jewish institutions of Montreal, we also gave them, because we believed it to be our duty to protect that minority as well as any other.

When we were asked here at Quebec and in Montreal, on behalf of the minority, to have special credits voted for the protection of English and Protestant women, we did not hesitate, because we believed that it was necessary to assist the institutions for the purpose. We said : you, the ladies of Quebec, and you, the ladies of Montreal, who pick up and look after these poor women, who do not speak the language of the majority, or profess their religion, who are exposed to danger, who have not the requisite protection in a strange country, we will help you, because you state that you have not the necessary means to meet all your expenses. We will extend to you the same protection that we give to all, because we are in favor of justice to all (Applause).

Need I go further ? Not more than fifteen days ago, the very man, who is criticized so severely, my friend, the Treasurer, asked us for an appropriation for Sherbrooke in favor of a Protestant library and a Protestant institution which had never received a grant from any of the preceding Governments. We gave it. But do you think that by granting credits to all applicants, whenever we find them necessary, we will not increase our expenses ? Do you think that if we wished to be niggardly, to only grant favors to our friends and to always refuse them to our opponents, we would not show more satisfactory budgets ?

This, however, is not our policy, because it is not a just or a fair one, and because we do not want to be niggardly at the expense of the province for the benefit of our party.

But let us leave the details ; I might pass the night in giving all these details and the result would be disastrous for our adversaries, because I maintain that, comparatively speaking, they have drawn more heavily upon the Treasury than our friends have drawn.

If you take the amount granted to railways since our advent to power, you will see that our adversaries exceeded us by over 75 per cent. One instance is enough for me to cite—that of the Bay des Chaleurs railway. This company was controlled by Mr. Riopel, the Conservative Federal member, and Mr. Robitaille, an ex Lieutenant-Governor of the province of Quebec, two men who did us, personally and politically, the greatest injury that could be done, and one of whom,

as lieutenant-governor, was not satisfied to reign, but wanted to govern. I have a perfect right to say this, for it is a matter of history. He is no longer governor; he has become again a politician and a railway speculator. And what did he do with the money he came and begged here, stating that it was to be employed for the construction of the railway? What did he do with it? He put it in his pocket. (Laughter).

Ask the poor workmen who toiled for months and months, in rain and cold, suffering every possible hardship to earn a dollar a day; if we had not stepped in; they would still be unpaid? Ask the farmers whose lands were stolen; if we had not intervened, those lands would be still unpaid for? Ask the storekeepers, who furnished the provisions and everything else necessary to feed and maintain that army of workingmen—had it not been for us they would never have been paid, and yet we are reproached because, in granting this extra subsidy, we necessarily increased the interest service—an unavoidable consequence, for capital expenditure means increased interest to pay? Do you want me to name to you the other companies controlled by Conservatives which came to us on their knees begging for subsidies, and consequently seeking to increase the debt and the interest service? It is needless, as they are well known.

We are now at the 9th December, 1890. We had the general elections on the 17th June last. Now, all these expenses, for which we are blamed to-day, were in the budget and the public accounts before the elections. They were approved and voted by the majority and, in some instances, by the unanimity of the old House. We went before the people with this record, which our adversaries style a record of extravagance. No stone was left unturned to get the people to condemn us, and, when we were on the point of starting for the elections, one of the most eloquent of our opponents, who is no longer here, said to us: "We shall go before the people and you will be swept out by the public indignation." Well, we went before the people, our majority of 17 was increased to 25 or 26, and the Government, which was represented as the most extravagant ever inflicted in the province of Quebec, came back stronger than ever. And why? Because we were frank, open and aboveboard with the people. Before leaving, we stated boldly what we proposed to do, and the people preferred this almost brutal frankness to the captious, I will not go so far as to say, hypocritical, for the word would not be Parliamentary, but I may say the hidden and secretive policy of our adversaries.

Consequently, when the people, who are the judges and know how to handle the scales, saw the two parties before them, they said: "We prefer the one who weighs most even if it spends more than the other which is lighter and which is not frank," and so we came back stronger than before.

Mr. Speaker, I remember the scenes which occurred on the hustings and all my friends will remember them ; you too, sir, will remember the charges which were hurled against us, when we were struggling for the triumph of our cause. It was not enough to tax us with extravagance, with leading the province headlong to ruin, but our adversaries even went so far on the hustings—and I might name the very members now here present who had the audacity to do so—as to assert that we were enriching ourselves at the public expense, that from poverty we had suddenly sprung into wealth, that we were living in a sumptuous style unheard of before in the province, and it was insinuated that, if the expenditure was increasing, it was because we were pocketing the money. It was even said that we were building houses, castles, in fact, that were costing millions, that we were rolling in our carriages and pairs and, in fine, that we were in every respect guilty of such shocking extravagance that honest folks in both parties should join and make an effort to get rid of us, the whole winding up with the question : Where will this system land the province ? But this is not said here. In good company such nonsense is not spoken. But before the people, the good people, who are so honest, but so easily deceived sometimes, no such precaution is taken and the most stupid nonsense is often uttered in the hope of duping some, at all events.

But let us leave this aside. It is useless to begin over again. The judgment has been rendered. Our friends opposite had the fullest opportunity to plead their case, and they used it. The trial is over and there is not one of the charges that has been repeated against us since this morning that has not been passed upon and dismissed by the electors. Have our adversaries been sent here to reverse the decision of the electoral body ? I have no doubt that it would give them the greatest pleasure to do so, considering that it was so unfavorable to them. But to succeed in this, Mr. Speaker, they must regard this House as a court of appeal. Well, that court of appeal has been constituted precisely for the purpose of carrying out the decision of the electoral body. Do you think we are going to agree to this demand ? Do our adversaries imagine that we are going to pronounce the people wrong in condemning them ? It has always been our conviction that they should have been condemned long before and, that if they were not so, it was due to the fact that they knew how to manage things more artfully than others at the time. But I am sorry to say that they are now condemned to remain in the flames of purgatory for five years. Masses may be said to lessen their torments, but, when they get out, they will owe their liberation to prayer but not to their good deeds.

Well, if the verdict has been rendered, why begin over again. Mr. Speaker, I have one piece of advice to give to my friends. They are not obliged to follow it ; but I beg of them not to fatigue themselves too much. Let the gentlemen

opposite continue to argue the case they have been arguing, since 1887, on the hustings and in this House. They have been tried, judged and found wanting. Let them begin over again, if they please. We will listen to them with respect, for they deserve respect, but, I shall not add, with interest, for it is always the same old story over again with them. We can, for politeness sake, pretend to be serious; but I do not think anything they can say is likely to alter votes here, nor do I believe that it will change any in the province of Quebec. In any case, it is always the same old story over again, in the same old tone, the only variation being its occasional eloquent repetition, now in English and now in French.

I do not intend to tax the patience of the House any longer. But I may say that we have the people with us; that the people have approved our expenses, and that it approves our policy. We must push on that policy. In a few days, we shall bring down the railway resolutions. Railways, still controlled by our adversaries, will be subsidized and subsidies have been asked from us by gentlemen on the other side. If they must criticize our railway policy, they have a duty to perform, which is to begin by moving that the subsidies they have themselves solicited be struck out, and, when those items have been so struck out, you can be sure of one thing—that the majority of the House will not find the balance too high.

I hope that I have neither been too long, nor too violent. At all events, my desire was to be as brief and as courteous as possible, but, whether I have succeeded or not, I cannot say. I am certain, however, of one thing—that, if I have not succeeded, I have not been more unfortunate than my adversaries in their attempts to criticize my honorable friend, the Treasurer's, budget, attempts that are invariably failures notwithstanding all their ability and exertion (Applause).

BIBLIOTHÈQUE
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