

the items belonging to the redemption of the public debt, so as to present a comparison of the ordinary revenue and expenditure for the half year ending June 30, 1864. The estimated income was \$4,774,000, the actual receipts \$5,464,000, the excess being \$690,000. For the year ending 30th June, 1865, the estimated income was \$10,663,000, the actual receipts \$10,528,000, the receipts for the year being less than estimated by \$135,000, the total excess of estimates over income was therefore \$535,000, but it was his duty to draw attention of the committee to the fact, that there were included in that income certain items which appeared on the other side of the account as payments, and therefore strictly speaking were not before the House at the time the estimates were submitted, and did not form part of the ordinary income of the year. He referred to the refunding of duties and payments connected with the Provincial Penitentiary. The refunding of duties amounting to \$185,683. There was another point to which he would allude, namely, the arrangements now made by which all monies received by public officers were carried to the account of the Receiver-General of the Province. They had been endeavoring for years to approach as near as possible to an absolute order that no public money should be paid out except through the Receiver-General's Department, and he thought they had now arrived at a system as nearly perfect as possible in this respect. In the accounts of the past year a new item would be found; \$65,000 from labor of convicts in the Provincial Penitentiary, which appeared on one side as a receipt and on the other as a disbursement, and which did not so appear, nor was it so regarded at the time when the estimates were before the Committee. The amount of refund was, as he had stated, \$185,000, and of expenditure on Penitentiary \$65,000. Then there was an item of American money received for postage which was estimated at its par value, but upon which, as the House had learned from the Public Accounts in June 1864, there had been a loss of \$84,000 which had since been increased to \$100,520. It appears, therefore, that while on one side this item was still entered at par, on the other under the head of premiums and discounts, would be found discount that had to be paid on this money, when consequently he stated the excess of income over the estimates to amount to \$555,000 he would find it necessary to deduct the amount of duties refunded, and expenditure of the Provincial Penitentiary, leaving an actual excess of \$296,319 as compared with the estimates submitted to the House. He would now refer to the outlay of the half-year which had been estimated at \$5,221,000. The actual outlay which took place was \$4,930,000; the estimates for the whole year amounted to \$10,486,000, and the actual outlay to \$11,541,600, making an excess of expenditure over estimates of \$1,055,600, or deducting

the receipts which appeared also on the other side of the account, the refunding and loss on discounts to \$475,000. This excess had been caused by disbursements connected with militia and police on the frontier, and also an amount necessary for making a sum good of which the St. Alban's Banks had been robbed, all of which disbursements the Committee when it last sat had no reason to apprehend would arise. These items amounted altogether to \$500,000, which was within a fraction of the excess over the estimated expenditure. He would now refer to actual results, and would give Committee results as compared with estimates. Expenditure for half year, \$4,991,425; for year, \$11,541,326; total, \$16,532,754. Income for half year, \$5,464,009; for year, \$10,527,932; total, \$15,991,941. Deficiency, as compared with outlay, \$540,823; against estimated deficiency for 18 months of \$272,000—difference, \$266,823. In referring to deficiency of \$540,823 he thought he was warranted in drawing the attention of the committee to the fact that, included in that, are two items that could scarcely be considered as belonging to ordinary expenditure. He referred, in the first place, to the Sinking Fund and payment to the Grand Trunk for postal services of \$101,220, that sum being a debt which was owing. These two amounted to \$442,758; and if we consider these as apart from ordinary expenditure of the country, it would reduce the deficiency to \$98,065. Under expenditure were included items not contemplated by the country or House at the beginning of the year, namely, that already mentioned for frontier police. And he might also draw attention to the fact that on the Ottawa buildings, which was a public work, in eighteen months we had \$715,000 disbursed. He now proposed to show how the deficiency was to be provided for, and would refer first to the balances:—There were on the 1st January, 1865, \$2,603,840; 1st July, 1865, \$3,440,571, increase \$836,731; we paid off \$467,456; sold \$6,617,538; took from balance \$29,998, leaving \$540,823 as the difference between income and total outlay. In estimating the expenditure on this occasion everything was brought in up to 30th June; no items were allowed to stand over, the whole comes in within the financial year. It was well to know that the total result comprehends all the income of the country up to the 30th June. He thought he might congratulate the Committee and the Country that, notwithstanding that we had sustained a most serious falling off in customs revenue, and increased charges upon revenue, we had been enabled to surmount these difficulties.—He would now proceed to revert to the estimates for the current year; and he would first propose to take up questions of estimated income of the country. The principles we had endeavoured to carry out in submitting those estimates, had been to form a reasonable and moderate view of what was likely to be the