

show the state of affairs for the current year; next the financial relations of the various Provinces towards the Dominion; then what the prospects for 1868-9 were with regard to the expenditure and revenue; and the only part of my task now remaining is to advert briefly to the new engagements which, according to the avowed policy of the Government, we are about to assume, and to consider in what way, in the future these are likely to be met by the country—how far our resources are adequate to that end without undue pressure on the public. I quite agree that at the outset of our career we should pause and reflect twice before entering on undertakings likely to be unprofitable. But the necessity that exists for the construction of the Intercolonial Railway, which perhaps might come under that description, is acknowledged on all hands. Without it there would have been no Union, and therefore as to the policy of incurring that expenditure, no observations will be necessary. Now, Sir, in considering our relations with the mother country and all she has done for us, I do not think much need be said on the duty of our taking a fair share in the defence of the Dominion, and doing that without which all our expenditure for Militia purposes would be useless. If we are to provide an effectual defence for the country, it is quite certain that the erection of works of position is necessary in order to equalise our paucity of numbers and inferiority in the field. I shall therefore do no more than proceed at once to state the extreme limit of the annual charge for the construction of the Intercolonial Railway, and for fortifications. The House is already aware of the gross estimated amount, and it only remains to me to state simply, what will be the probable annual charge during the next five years. The estimated amount of outlay for the Intercolonial Railway, for Sinking Fund and for Fortifications is,

For the 1st year	(*)...	\$309,033
2nd "	(†)...	\$618,066
3rd "	(‡)...	\$927,100
4th "	(§) ..	\$1,236,133
5th "	() ..	\$1,289,666

The latter year gives the maximum of the annual charge both for Interest and Sinking Fund on the Guaranteed Loans. At the rate I have mentioned the debt would continue for twenty-eight or thirty-two years, according as the Sinking Fund was invested at six or five per cent., after which the annual payment would diminish for five years in the reverse order in which it increased, until the whole debt was extinguished, which would be in thirty-eight or forty-two years. In considering how this amount is to be met without undue pressure on the resources of the country, some little reference to our past progress is not unadvisable, for my belief is that judging by that standard, these additional charges will not perceptibly increase our burdens, provided we husband our funds, and this House does its duty in enforcing an economical administration of public affairs. The increase of population and wealth and extension of trade in the new Dominion within the next few years will, I believe, be such that the public revenue must also largely increase, and the additional charges I have men-

* £63,500 stg. † £127,000 stg. ‡ £190,500 stg. § £254,000 stg. || £265,000 stg.