

standing was as follows:—Due on the 1st Jan., 1865, £200,000; on 1st Jan., 1869, the final balance of £140,000; against which we hold, of five per cent. securities, £358,611. Let us sum up the result: We have sold bonds to the amount of £1,141,888, for which we had received a profit, in 1863, of £30,162, and in 1861, of £19,958, or an aggregate of £50,000 stg., in round numbers. (Cheers.) We must consider the premium we pay for those securities. We bought, of four per cent. Indian bonds, £174,500 at 94, and the balance at 2½ prem. The amount received for the sale of those stocks has been £50,120. We have to put against this payments we have made to the extent of £21,584, the result being that we have made a profit of £168,000, and we hold £18,611 of 5 per cent. Indian bonds beyond the amount of the Imperial loan for which we are liable. I will state that we disposed of the 5 per cent. Canada bonds at 97½ for the purchase of the India bonds; and, had we now been obliged to meet our engagements, it would, manifestly, have entailed serious loss to us—a loss far beyond the amount which I was then charged with having unwisely incurred. (Hear, hear.) When the Imperial loan is paid, there will be a reduction of our liabilities in two ways—both as regards the principal of the debt, and the interest upon it. Under the arrangements effected by me at that time, and subsequently, as the public accounts show, £31,500,000 of the public debt was consolidated; and the sinking fund in the estimates now brought down would amount to \$175,000 for the six months, and \$180,000 for the succeeding twelve. I shall now call attention to the estimates of expenditure for the year ending 30th June, 1865, which reach the sum of \$11,686,800. In reference to the details, I do not desire to trouble the House, the principle on which they are made being the same as that of the estimates for the half year. The first figure to which I would draw attention is the reduction which has taken place in the charge for the Ocean Mail Service, and which amounts to \$208,000; and also to a reduction of about \$111,000 in the item for the Public debt. With regard to the redemption of the Lake St. Peter debentures, it is the intention of the Government to bring down a bill to transfer the works for which we have been paying for the last three years, once more to the control of the Board of Works. I may mention that under the late Government the Provincial steamers were offered for sale, tenders were received, and one was accepted. I regret to say that up to this period the person whose tender was accepted has not made his appearance. The Government has to consider what would be the result of the steamers continuing on its hands. In the preparation of the estimates for the year I deviated from the plan of the late Finance Minister. After a consultation with the Auditor, I came to the conclusion that it would be the better for us to estimate for the whole expenditure, and to estimate for the whole receipts on the other side. (Hear, hear.) Another point of great interest I would like to lay before the House. Gentlemen will find an item to continue the survey of the Intercolonial Railway, by Mr. Fleming, the very able engineer prosecuting the work. He had stated to the Government

as his opinion that the sum of \$30,000 would be required; and although \$10,000 were voted last year, the survey cannot necessarily be completed for a less sum than \$20,000. Another item which will certainly be very interesting to the House, is the removal to Ottawa. That removal must take place within the actual year, and within the financial year of 1864-65. The estimate is framed to a certain extent—necessarily to a great extent—on the expenses of the removal from Toronto to Quebec; and since that time, like many other families, we have gathered a good deal of additional material, which will cost more in removal than was incurred from the last seat of Government to this city. We think it better to make the estimate for the removal a little beyond the sum it will probably cost, and put it down at \$150,000. We find, on reference to the transactions of last year, that the deficiency, including all items except redemption of debt, was \$982,000. Before going into details of the estimate of receipts, I consider the duty of the Government is to state the measures they intend to bring down to make provision for deficiencies; and I think it much more desirable that if we err at all, it is better to do so in favor of having too much rather than too little. Instead of meeting here session after session to make up deficiencies, I think it very much better to take such steps as will place the finances in proper condition. I think a Finance Minister should not be actuated so much by considerations of what might be pleasing in regard to the matter of taxation, as by the conviction of the necessity of doing his best to provide sufficiently for all financial requirements. (Cheers.) It is perfectly clear that our credit must seriously suffer if we do not adopt steps of this nature. Our credit has already suffered very materially, and this state of things may certainly be attributed to the insufficient provision made by the Legislature for the financial wants of the country. It may be from other causes also; but it is not necessary for me to mention them, nor do I desire to do so in this discussion. It is quite plain, however, that the circumstance of having an insufficient revenue must ultimately injure the credit and independence of the country. (Hear, hear.) It is high time the people of Canada should meet the deficiency in the revenue and put an end to it. If the House will put an end to these deficiencies we may reasonably hope that in future years it will have to deal with a much more agreeable subject, viz: that of dispensing with surplus revenue, and reducing taxation rather than, session after session, having the disagreeable duty of going before our constituents and telling them that we are compelled to impose additional taxation. (Hear, hear.) There is another subject to which I direct the attention of the House. I refer to the development of the North-West, and the importance of extending our communications by rail with the Lower Provinces. We may be unable to-day to bring down to the House any recommendation for a large appropriation for these objects, but there is an appropriation for the North-West Territory which I presume would have been brought down by the gentlemen opposite had they been in office still. It is now my duty to state the measures the Government intend to submit for the consideration of the House—measures they have in view to restore an equilibrium between