

and intended to supplement private charities, have quite a contrary effect.—That was not the intention of Parliament. However much men might be disposed to aid the indigent, it is a question how far Parliamentary grants should go. In some respects this system may have led to abuses. I do not believe that if Parliament knew this was the case, it would desire to continue the grants. (Cheers.) I take this opportunity of stating, that every one of those establishments requires that an investigation should be held as to its affairs before any future grants be made—and that such enquiry will be instituted. (Hear, hear.) In regard to the details of the estimates, it is not proper for me on this occasion to delay the House by going into every particular detail, as every item will be submitted in a separate resolution; therefore, I may be permitted to draw the attention of the House to one or two points only. With regard to the Militia, the estimated expenditure is \$260,000; the vote required \$112,000. Under the circumstances, which my friends of the late Government could not control, the payment to the Imperial Government provided for in the previous year did not then come on, but did so in the first quarter of this year, and swelled the amount by \$100,000. I now proceed to state the expenditure for the six months, and the income for the corresponding period. To one point, however, I beg to draw the attention of the House—that is, the sinking fund of the Canada Loan. Observe, that within the six months, \$175,000, the item required, is inserted—that is, the sinking fund for the year beginning the first of January, and ending on the 31st of December, 1864. This was properly payable in the early part of the year, and of course it became necessary to put the same amount into the estimates, which end on the 30th of June also, and thus the six months have got to bear the charge of the whole year. I may remark that arrangements have been made for the purchase of the bonds required to represent the sinking fund. The total amount of the expenditure, by the estimates, as brought down, is \$8,019,700, including the redemption of the public debt.—Then there is the sum of \$2,736,000, that being the portion of the Imperial Guaranteed Loan paid, and which was paid under the instructions of the Hon. Mr. Holton; that reduces the estimates to \$5,223,700. I estimate the receipts to be \$7,413,500, or less the India bonds \$4,477,500, leaving to be provided for the sum of \$449,200. It must be satisfactory to the House to learn the basis on which the statement is made. I am happy to inform the House that in consequence of the very marked increase in the trade of the country for the first quarter, the Customs and Excise show an increase of \$590,000. (Cheers.) But this increase is not such as will justify us, as far as relates to the whole year, in anticipating a corresponding increase. For instance, on referring to April, we see a decrease of \$30,000. In preparing the estimates for the remainder of the year, I did not think it prudent to depend on any continued increase. We have the receipts of every item of revenue for four months; therefore we estimate it only for two months. In estimating for the revenue from the Customs and Excise for the remaining two months, it is more prudent to assume as a basis the receipts of last year rather than make vague estimates.

If the importations during the last two months of this half-year should fall short of those for the corresponding months of last year, we have still a good margin to fall back upon, and consequently, my calculations will not be materially affected. I shall now come to another great branch of our revenue—the territorial. This revenue will produce \$200,000 for the half year, which is \$75,000 above that of the corresponding period of last year. It is proper I should state a few facts with regard to the Ocean Postage; and the conclusions at which the Government have arrived. When the late Postmaster General brought down his Mail Bill, it was stated that a certain amount was due by the American Government and a correspondence was going on with reference to its payment. The American Government claimed it had a right to pay the Government of Canada in the same description of money that it is obliged to receive; and held that Canada ought not to expect to be paid at a different rate from other countries carrying the mails. This Government felt it due to the American Government and the general interest of the country that the question should be settled on these terms. We shall have thus to suffer an annual loss in proportion to the depreciation of their currency. We estimate that the claim realised will afford us \$120,000. With regard to the sinking fund for the Imperial Loan, I may say that the interest on investments, and the premium on discount, are two items necessarily affected by transactions respecting it. As that sinking fund is reduced, the interest on it necessarily diminishes, and the premium and discount depend wholly on the amount realised within any particular period. The amount realised under the instructions of the late Government give us \$115,000 during the current half year. There will be a further sum falling within the year. The amount of the Imperial Loan, not actually redeemed, is only some £340,000, against which we hold India Stock for £358,000. We shall have to provide in the estimates of the expenditure for the half year, for a deficit in the sum of \$449,000. With regard to the provisions for that amount, I do not feel that I shall be called upon to ask the House for any particular authority. I may state that the mode in which I propose to meet this deficit is by the reduction of our cash balances. I may mention that under an arrangement made by Hon. Mr. Holton, a sum of \$110,000 due by the Bank of Upper Canada will be available in the month of June, and the remainder will be taken from the cash balances. With regard to the estimates for the year beginning on the 1st July, I will have to refer again to the Imperial Loan. I which amounted to £1,500,000 stg. Of this amount, there was redeemed, in 1863, £200,000 stg, leaving the sum outstanding £900,000; in 1864, £541,883 was paid. I had better mention that the Finance agents of the Province, with the concurrence of the late Government, thought it advisable, seeing our Indian bonds were at a considerable premium, and, probably, doubting if they could be maintained at that figure in the event of war, to make arrangements for anticipating the payment of a portion of our debt by means of those bonds. Under this arrangement, the sum of £200,000 was anticipated, and paid off within the current six months, and the whole balance now out-