

To terminate the arrangement by which the Government are bound to keep a specific deposit in the Bank of Montreal;

Another notice to close the arrangement by which the Government are bound not to deposit in any other Bank than the Bank of Montreal;

And another, that the Government should employ the Agency of the Bank of Montreal for redeeming their notes under a certain arrangement.

All these notices have been given, and the arrangements will terminate in about six months.

Now, Sir, with regard to the Intercolonial Loan, I am not aware that the position of matters was altered, it certainly was not altered recently. The matter was very fully explained last Session, and there has been no material alteration since then.

The payment of the £300,000 for the Red River territory has been deposited, and is now practically beyond the control of the Government.

SIR A. T. GALT.—Then you paid the Intercolonial money for the Red River territory?

SIR FRANCIS HINCKS.—Not necessarily that money.

HON. MR. HOLTON.—You paid it from the pocket into which the Intercolonial Loan went?

SIR FRANCIS HINCKS.—Certainly, you can put it in that way if you like.

Then with regard to the explanations which he said were necessary regarding the state of the finances, as the Government did not require to come to this House for assistance in raising any further money than by he mode spoken of. I did not think it was necessary for me to make any statement on the subject. Other opportunities will be offered for making any explanations necessary.

The Red River question is one of great seriousness, but at this hour of the night I do not intend to enlarge upon it. I think I made it sufficiently plain that there would be a demand for money, and that there would be a supplementary estimate brought down. I did not say exactly in regard to Red River, but there is no other matter for which we could have to ask for the money. With regard to fortifications, I may say that correspondence is still going on with the Imperial Government on the subject, and I do not apprehend that there is any fear of difference with the Imperial Government on that or any other subject. My hon. friend charges me with not having come forward with any plan for reducing the expenditure. I could not conscientiously do so; I saw no prospect of reducing the expenditure. He stated one mode through which he thought a reduction could be made: it was with reference to the management of railways in the maritime Provinces. I did not come here this evening prepared to discuss that question, and I feel there are others of my colleagues who are better able to discuss that subject when the proper time arrives. Of course, if he refers to me as not having made any particular suggestions on the subject of economy, it must be borne in mind that after all the Fi-