

resisted payment. This building that was destroyed, was part of the original contract for the asylum, it was built as part of the main building, shewn in the plans as part of the main building, and the Government had been under the impression for the last fifteen years that it *was* part of the main building, and had paid the premium on that assumption ; and therefore the Government considered that these companies ought not to have taken advantage of a technicality (if a technicality it was) to refuse payment in this case. The two companies who have honourably paid, are the Hand-in-Hand and Queen City, and I consider it only due to these companies to acknowledge their honourable conduct. Now, therefore, the question seems to be, whether it is prudent for the Government to continue to pay premiums, if, when losses occur, technical objections are taken advantage of, and the losses not paid? Under the circumstances the Government have not asked for an appropriation. When the present policies expire the Government will then do their own insurance.

Now then, altogether we ask in our ordinary Estimates \$2,988,724.62. Then we have to expect certain expenditure outside of the Estimates. We will have during the year, Railway Certificates to the extent of \$247,982, and we will have Annuity Certificates, \$52,200, or you may say that our total anticipated expenditure in Estimates and outside of the Estimates, will be \$3,288,906.62. Now the next question is, how are we going to meet that proposed expenditure—the ways and means?—and this I will proceed to give in our estimated receipts which honourable gentlemen will find in the sheets they have in their hands.

ESTIMATED RECEIPTS, 1888.

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|--|--------------------|
| SUBSIDY | \$1,196,872 80 |
| INTEREST ON CAPITAL HELD AND DEBTS DUE BY THE DOMINION TO ONTARIO | \$279,111 10 |
| INTEREST ON INVESTMENTS | 40,000 00 |
| | <hr/> 319,111 10 |
| CROWN LANDS DEPARTMENT :— | |
| Crown Lands | \$74,600 00 |
| Clergy Lands | 7,000 00 |
| Common School Lands | 16,000 00 |
| Grammar School Lands | 2,000 00 |
| Woods and Forests | 1,300,000 00 |
| | <hr/> 1,399,600 00 |