

question? It is with reference to the subject of the debts of Ontario and Quebec. Do I understand my honorable friend to say that the debt of the Dominion will be affected by the settlement of the debt as between the two Provinces?

Hon. Mr. ROSE—I would rather not go into a statement as to the principle or mode in which those debts are to be settled. They are to form the subject of arbitration, and from the high character of the gentlemen who have been selected as arbitrators, I have no doubt that a satisfactory result will follow. I now come to the estimates for next year, which perhaps form not the least interesting part of my statement. I mean, Sir, the Estimates for the year ending on the 30th June, 1869, which were brought down this afternoon. (Hear, hear.) In adverting to them, it will be seen from the observations I have already made that it becomes indispensably necessary, if we are to look straight in the face what the current obligations and revenues of the Dominion are now and are likely to be in the future, that we should distinguish between what is ordinary and what is extraordinary expenditure. From the statement I have laid before the House, it is apparent that there are extensive works going on in various parts of the Dominion, payment for which cannot be made out of the current revenue of the country, and which must necessarily be met by means of loans. I therefore propose to distinguish between the expenditure for the ordinary services of the Dominion and this expenditure on account of public works, which is extraordinary and which I term capital account. I have in the statement I have laid before the House calculated everything which can by any possibility be taken into the account as ordinary expenditure; and among the extraordinary expenditure I have included nothing which cannot, beyond all doubt, be fairly met by means of loans. It will be seen by the Estimates that the anticipated expenditure for the year 1868-9 on ordinary account is.....(*).....\$13,886,645. I propose to add to that amount, though I do not propose

to take a vote for it, the sum of..... 154,516

for reasons which I shall presently state, making the total possible ordinary expenditure.....(†).....\$14,041,161. This additional sum of \$154,516 I include for this reason: The anticipated outlay upon the Intercolonial Railway and the expenditure on account of fortifications may possibly begin in the year 1868-9. I have estimated that operations on the Intercolonial Railway will extend over a period of four years, and on account of fortifications I do not suppose it is possible to limit the expenditure within a less period than five years. I have estimated that, if these works commence this year, there may be an expenditure going on for a period of six months, during the financial year 1868-9, causing an expenditure of one-eighth of the whole amount on the Intercolonial Railway, and one-tenth of the amount which my honorable friend the Minister of Militia proposes to ask for fortifications. The interest and sinking fund upon this one-eighth of the expen-

* £2,843,146 sterling.

† £2,885,170 sterling.