

be recognized or acted upon by them is hardly within the bounds of possibility. In fact, to do otherwise would be acting contrary to their whole previous conduct, doing violence to what must be their own convictions, and seriously affect the stability and permanence of the whole confederation.

I do not, however, intend going into a detail of the whole circumstances connected with the Arbitration. My present object being rather to give statements relative to the financial operations of the Government—past and future. Another opportunity will be afforded of going into the Arbitration question, when the resolutions respecting the Arbitration come up for discussion in the House. In the meantime, let me say that I do not impute to the two Arbitrators who acted, any *corrupt* or improper motives, but I cannot express very great confidence in their knowledge of the subjects treated upon, either as lawyers or practical business men, or much respect for the manner in which they have been induced to act, against the plain and explicit terms of the B. N. A. Act of 1867, or a profound regard for their opinions and actions as statesmen.

MINISTERIAL PROGRAMME.

Treating, therefore, the whole proceedings of the two Arbitrators, thus far, as a nullity, I may remark, irrespective of these, that it is the intention of the Government to increase the resources of the Province, and to contract the expenditure as much as is consistent with proper efficiency in the various departments of the public service, and encouragement to enterprises likely to increase the prosperity the country.

The resources ought to be augmented as much as possible without bringing, more than absolutely necessary, additional burdens upon the people. This may be done with consent of the House, which I have no doubt will be granted. Last year I stated that I believed there would be a larger balance in the Treasury—(notwithstanding the increased expenditure during the first four or five months of the year)—at the close of the then current fiscal year, June 30, 1870, than was found in the Treasury the