is made up of the per capita allowance on Population, the allowance for Legislative Business, the Export Duty allowance, and what there may be of interest on the Albert Railway money. The Albert Railway will be finished this year, and all the money to the Province, Government's hands under that head, will be withdrawn.

The next item in the Estimated Receipts was $102,000 from Casual and Territorial Revenue. This was an increase over the Receipts of last year, the receipts up to the end of the Fiscal Year 1877 being $102,632.-12. On the 1st July last the Licenses granted at the sales of 1874 expired, and it became the duty of the Government to consider what was the best policy to pursue in reference to this important interest. Tenders for longer Leases than were heretofore given were received from a good many Operators, some of whom asked for Licenses covering ten years, and were willing to pay increased rentages, while others sought for reductions, etc. The Lumber Operators knew that a change was to be made, and they, of course, took such a stand as their own interests in the matter required. The Government believed they was much in favor of increasing the length of the terms for which Licenses would be granted, for it was easy to understand that it would be a great advantage to the Operators to encourage them in clearing out streams to facilitate driving, and thus tend to the opening up of Lumber Lands heretofore unvisited. Under the short term system of Licenses, there was no encouragement to expend money in thus improving the country, for by the time the work was done the Lands would be again in the market and perhaps pass into other hands. An extension to five years, instead of three, was, therefore, determined upon and the Stumpage was fixed at eighty cents per M., an arrangement which he had good reason to believe was considered by the trade and country to be a fair, reasonable and equitable one. He had attended to the fales in the case and he must say he never saw a better pleased lot of men than were the Lumber Operators who had gathered from all parts of the Province. There was not a great deal of competition among them, each seeming to get the Land he desired, save in a few cases, but they appeared to feel that the Government had dealt fairly by them, and many of them expected that the Stumpage would have been raised to a dollar. He did not hear one complain. It was true that many persons thought the Stumpage should have been fixed at a higher rate, but the Government considered all the interests involved and did what seemed just in the matter.

In the Northern sections of the Province where the largest Lumber operations were carried on there was some contest over the question of the Stumpage Charge, while others sought for reductions, etc. The Lumber Operators knew that a change was to be made, and they, of course, took such a stand as their own interests in the matter required. The Government believed they was much in favor of increasing the length of the terms for which Licenses would be granted, for it was easy to understand that it would be a great advantage to the Operators to encourage them in clearing out streams to facilitate driving, and thus tend to the opening up of Lumber Lands heretofore unvisited. Under the short term system of Licenses, there was no encouragement to expend money in thus improving the country, for by the time the work was done the Lands would be again in the market and perhaps pass into other hands. An extension to five years, instead of three, was, therefore, determined upon and the Stumpage was fixed at eighty cents per M., an arrangement which he had good reason to believe was considered by the trade and country to be a fair, reasonable and equitable one. He had attended to the sales in the case and he must say he never saw a better pleased lot of men than were the Lumber Operators who had gathered from all parts of the Province. There was not a great deal of competition among them, each seeming to get the Land he desired, save in a few cases, but they appeared to feel that the Government had dealt fairly by them, and many of them expected that the Stumpage would have been raised to a dollar. He did not hear one complain. It was true that many persons thought the Stumpage should have been fixed at a higher rate, but the Government considered all the interests involved and did what seemed just in the matter.

In the Northern sections of the Province where the largest Lumber operations were carried on there was some contest over the question of the Stumpage Charge, while others were in course of erection. There was evidence of the success of the Government's policy, also, in the fact that the sum of Lands under Licenses had gradually increased under the Stumpage system. The number of square miles under Licenses in 1875 was 3,331; in 1876 it was 2,848 and in 1877 it was 3,402, an increase of 554 square miles in two years. This was evidence that the system was a satisfactory one to the country. The receipts from the Casual and Territorial Revenue in 1874, under the Mileage System, amounted to $35,296.36; in 1875, the first year of the Stumpage system, they rose to $61,046.45; in 1876 they were $76,048.47, and last year they were $102,632.12. It must be remembered that these Receipts did not arise from the sales of Lands, or the granting of the domain of the Province, except for the sales of Crown Lands were comparatively small and of about the same average each year—but they were derived from a system of management which did not impair the value of the interest to the Province or depress the Lumber trade.

Mr. BURNS—It does depress the trade!

Hon. PROVINCIAL SECRETARY said that if they were so he wondered how the Lumbermen went on from year to year, and every year increased their operations.

Mr. BURNS—There is a general loss in the trade!

Hon. PROVINCIAL SECRETARY said the hon. gentleman would pardon him when he said he could not understand, then, how he (Mr. Burns) was now putting up that fine mill at Bathurst, (in which enterprise he hoped and had no doubt the hon. gentleman would succeed.) Why did he not avoid putting his money into such a losing business? He was inclined to think that, notwithstanding the statement they of loss in all departments of the Lumber trade, some of the money stuck to the Operators in some way. It was the staple industry of the country, and employed a vast number of our population, and he had no doubt there was always a margin left to those engaged in carrying it on.

No doubt this margin would be more or less according as times were good or bad. Of course it was natural that the Lumber interests should complain of the Stumpage system, when it was first introduced, but there was opposition to it had now ceased. The Government felt that it should have a fair return to the pecuniary advantage of the Province from the Public domain. The Operators had said if that were so it would be better to increase the mileage, as it would be impossible to collect the Stumpage, but the same system was known to work successfully in Maine and Quebec, and the Government felt that it could be made to work here. Experience had now proved that the system could be worked successfully, and that the Stumpage could be secured and collected in a satisfactory manner.

In 1875, the cost of collecting Stumpage was between 10 and 11 cents per M., in 1876 it was between 9 and 10 cents, and in 1877 it was only 8½ cents. It had also been said that the Government could not realise successfully by taking notes for Stumpage. It was felt, however, that Lumber Operators of the country belonged to a class of sound and honorable business men, who would meet their obligations, and it was but fair that they should have an opportunity of realising on their operations so as to enable them to meet their Stumpage obligations. The Government's confidence was shown by experience, not to have been misplaced and the fact that there were but a few thousand dollars outstanding on Stumpage account, showed that the Note system was a successful one.

The Estimate of $125,000, as the probable Receipts of the present year, was based on information obtained from the Government Cruisers and Scalers who were familiar with the comparative operations of this and last season. The estimate should be the more accurate as the information on which it was based was obtained later in the season than last year, and consequently at a time when a better judgment was warranted by the season's progress.

Miscellaneous Receipts were estimated this year at $6,000. Last year the estimated got them at $5,000. There would be receipts for some $4,000 this year under the head of Agriculture, and that, with the fees of private Bills introduced into the Legislature, would, no doubt, reach the sum named. These Receipts, with others to which it was not necessary that special reference should be made made up the Estimate Receipts for $325,000 for the year 1878.

Coming to the Estimated Expenditure for the year, it would refer only to items which might require explanations, as members had the figures before them. The sum of $23,000 was put down for Agriculture. This included $12,000 for the Societies, and $10,000, which latter sum was to be divided as follows: $4,000 for the proposed Exhibition, and an additional $2,000 to go towards the erection of a suitable Building. Then there was $4,000 for the purchase of Improved Stock and seed wheat. A sum of $5,000 was to come in on account of the last Stock purchased, and it was thought best to devote it to the improvement of the breeds of Sheep, and of Wheat in the Province. Information had been obtained in reference to Sheep, and arrangements for their purchase and distribution would be made. The Wheat was purchased, and he believed already in the cars, and passing on the way to the Province. It was to be put up in two-bushel bags, brought both by the Intercolonial and Western Extension Railways, and distributed from some point in the different counties. The Farmers would get due notice of its arrival, so as to have opportunity to purchase it for spring sowing.

The grant for the support of the Lunatic Asylum this year would be $20,000 and, in addition, $12,000 for the enlargement of the building. The necessity for this had been urged for some time past by the Medical Superintendent of the Institution, but the Government felt that it had other special expenditures in hand which ought to be disposed of before new ones were undertaken. The enlargement of this Building could, however, be no longer put off. This was only a part of the expenditure that would be required, but it was all that would be undertaken for the present year. The enlargement was to consist of two wings, one of which would be undertaken this year, towards the partial construction of which together with the affecting of some necessary changes in the existing building the $12,000 was to be applied.

The next item to which he would call attention was $2,000 for fencing and grading in connexion with the Normal School Building. He here referred to the desirability of the work in question, and said members would, no doubt, readily acquiesce in the appropriation.

The next was the Public Works over expenditure for 1877, amounting to $7,920.-78, which had already been referred to; $20,000 was put down for the redemption of Provincial Debentures and interest. Though the amount for redemption, $10,-000, was small, it was thought well to put in something for that purpose, for it was satisfactory to know that the liability on Debentate account was being decreased even if the decrease was ever so small. The remainder of the Grant would be for interest on Debentures, of which there were $388,000 afloat on 8th February, 1876. The amount of Debentures issued in 1877 increased the total to $488,000. The Bear Bounty expenditure was estimated at $2,000. Northumberland was the Banner County in bear killing last year.

Mr. TWEEDIE—We had them all caught and ready for killing when the Bill passed last session.

Hon. PROVINCIAL SECRETARY said Sunbury did well in bear-slaying too, but not so well as formerly when the same formalities in certificates were not required as they are at present. The Printing and Binding of the Consolidated Statutes would require $6,000. This amount would complete the work and liquidate all expenses connected therewith. The $300 for Judges' Chambers expenses, St. John, was not a new expenditure, but had heretofore been paid out of Old Appropriations. Under a Resolution of last session, however, the amount was now asked for in this way. The balance of $900 for the Normal School had already been referred to and would pay all liabilities in connection with its construction.

Now, if the Special Expenditures were left out of both years it would be found that there was an advantage in favor of 1878 in comparing its estimated expenditure with the expenditure of 1877. Deducting from the estimated expenditure of 1878 the sum of $35,900—on account of extra Educational Expenditure, Bear Bounty, Normal School Extra, and Balance for Consolidated Statutes, Lunatic Asylum Improvements, Exhibition, Etc.—the estimated expenditure for 1878 was $289,100