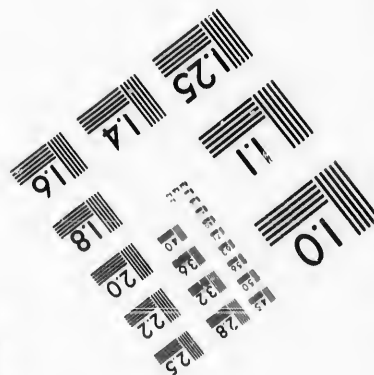
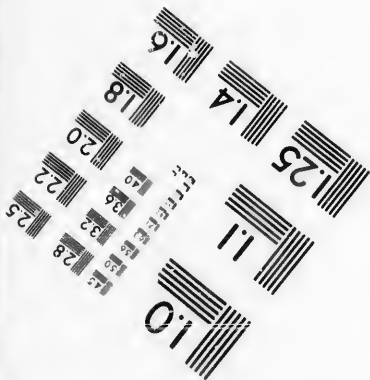
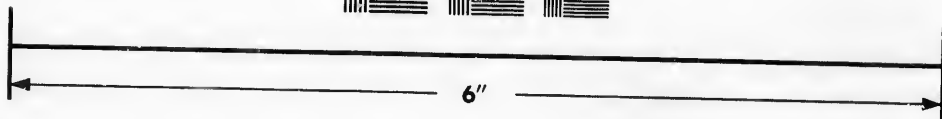
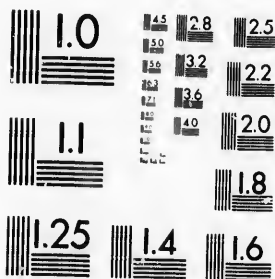


**IMAGE EVALUATION
TEST TARGET (MT-3)**



**Photographic
Sciences
Corporation**

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

**CIHM/ICMH
Microfiche
Series.**

**CIHM/ICMH
Collection de
microfiches.**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques

© 1986

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Coloured covers/
Couverture de couleur | <input type="checkbox"/> Coloured pages/
Pages de couleur |
| <input type="checkbox"/> Covers damaged/
Couverture endommagée | <input type="checkbox"/> Pages damaged/
Pages endommagées |
| <input type="checkbox"/> Covers restored and/or laminated/
Couverture restaurée et/ou pelliculée | <input type="checkbox"/> Pages restored and/or laminated/
Pages restaurées et/ou pelliculées |
| <input type="checkbox"/> Cover title missing/
Titre de couverture manque | <input checked="" type="checkbox"/> Pages discoloured, stained or foxed/
Pages décolorées, tachetées ou piquées |
| <input type="checkbox"/> Coloured maps/
Cartes géographiques en couleur | <input type="checkbox"/> Pages detached/
Pages détachées |
| <input type="checkbox"/> Coloured ink (i.e. other than blue or black)/
Encre de couleur (i.e. autre que bleue ou noire) | <input checked="" type="checkbox"/> Showthrough/
Transparence |
| <input type="checkbox"/> Coloured plates and/or illustrations/
Planches et/ou illustrations en couleur | <input type="checkbox"/> Quality of print varies/
Qualité inégale de l'impression |
| <input type="checkbox"/> Bound with other material/
Relié avec d'autres documents | <input type="checkbox"/> Includes supplementary material/
Comprend du matériel supplémentaire |
| <input type="checkbox"/> Tight binding may cause shadows or distortion
along interior margin/
La reliure serrée peut causer de l'ombre ou de la
distorsion le long de la marge intérieure | <input type="checkbox"/> Only edition available/
Seule édition disponible |
| <input type="checkbox"/> Blank leaves added during restoration may
appear within the text. Whenever possible, these
have been omitted from filming/
Il se peut que certaines pages blanches ajoutées
lors d'une restauration apparaissent dans le texte,
mais, lorsque cela était possible, ces pages n'ont
pas été filmées. | <input type="checkbox"/> Pages wholly or partially obscured by errata
slips, tissues, etc., have been refilmed to
ensure the best possible image/
Les pages totalement ou partiellement
obscurcies par un feuillet d'errata, une pelure,
etc., ont été filmées à nouveau de façon à
obtenir la meilleure image possible. |
| <input type="checkbox"/> Additional comments:/
Commentaires supplémentaires: | |

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X	12X	14X	16X	18X	20X	22X	24X	26X	28X	30X	32X
						✓					

The copy filmed here has been reproduced thanks to the generosity of:

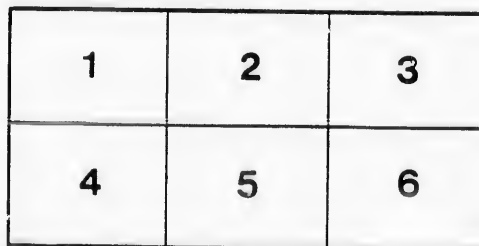
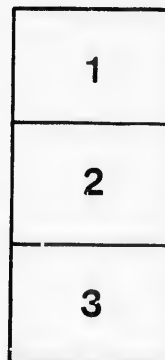
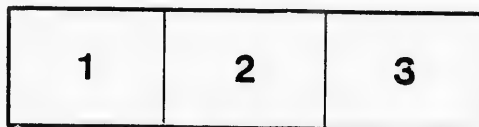
Seminary of Quebec
Library

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

Séminaire de Québec
Bibliothèque

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.

284 Debats parl. No 3

FINANCIAL STATEMENT

HONORABLE JOHN ROSE,

MINISTER OF FINANCE, CANADA,

SUBMITTED 7TH DECEMBER, 1867:



WITH

APPENDICES,

SHEWING:

- A.—Abstract of Cash Receipts and Expenditure of the Dominion of Canada, from 1st July to 30th November, 1867.
 - B.—Detailed Statement of the Revenue and Expenditure of the Dominion of Canada, in Canada, including arrears of 1866-7, for the five months ended 30th November, 1867.
 - C.—Detailed Statement of the Revenue and Expenditure of the Dominion of Canada, in Nova Scotia, including arrears of 1866-7, for the five months ended 30th November, 1867.
 - D.—Detailed Statement of the Revenue and Expenditure of the Dominion of Canada, in New Brunswick, including arrears of 1866-7, for the five months ended 30th November, 1867.
 - E.—Statement of Local Revenue and Expenditure of the Province of Ontario, as received and paid out by the Dominion of Canada, for the five months ended 30th November, 1867.
 - F.—Statement of Local Revenue and Expenditure of the Province of Quebec, as received and paid out by the Dominion of Canada, for the five months ended 30th November, 1867.
- And a Statement of the Receipts and Payments of the late Province of Canada, for the year ending 30th June, 1867.



Ottawa:

PRINTED BY HUNTER, ROSE & COMPANY.
1867.

I

A.—

B.—

C.—

D.—

E.—

F.—

And

FINANCIAL STATEMENT

OF THE

HONORABLE JOHN ROSE,

MINISTER OF FINANCE, CANADA,

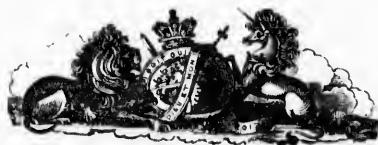
SUBMITTED 7TH DECEMBER, 1867:

WITH

A P P E N D I C E S,

SHEWING :

- A.—Abstract of Cash Receipts and Expenditure of the Dominion of Canada, from 1st July to 30th November, 1867.
 - B.—Detailed Statement of the Revenue and Expenditure of the Dominion of Canada, in Canada, including arrears of 1866-7, for the five months ended 30th November, 1867.
 - C.—Detailed Statement of the Revenue and Expenditure of the Dominion of Canada, in Nova Scotia, including arrears of 1866-7, for the five months ended 30th November, 1867.
 - D.—Detailed Statement of the Revenue and Expenditure of the Dominion of Canada, in New Brunswick, including arrears of 1866-7, for the five months ended 30th November, 1867.
 - E.—Statement of Local Revenue and Expenditure of the Province of Ontario, as received and paid out by the Dominion of Canada, for the five months ended 30th November, 1867.
 - F.—Statement of Local Revenue and Expenditure of the Province of Quebec, as received and paid out by the Dominion of Canada, for the five months ended 30th November, 1867.
- And a Statement of the Receipts and Payments of the late Province of Canada, for the year ending 30th June, 1867.



Ottawa :

PRINTED BY HUNTER, ROSE & COMPANY.
1867.

M
Mess
an E
up to
havin

H
feel
whic
grea
hesit
Fina
assur
of it,
at th
portu
my f
from
thes
the
shall
the I
of th
shou
that
will
to th
ject.

I
prop
year

I
for th
the s
laid
I s
alter

FINANCIAL STATEMENT

OF THE

HONORABLE JOHN ROSE.

HOUSE OF COMMONS.

SATURDAY, 7th Dec., 1867.

Mr. *Speaker* having taken the Chair, and a Message received from His Excellency, with an Estimate of the sum required to be voted up to the 31st March, 1868, viz., \$5,264,279, having being read and referred:—

Hon. JOHN ROSE said:—Mr. *Speaker*,—I feel that under the peculiar circumstances in which I now rise to address the House, I have great need of its forbearance. I should have hesitated to accept the office of Minister of Finance still more than I did, had I not been assured by honorable members on both sides of it, that I should meet with every indulgence at their hands; and I take this, the first opportunity I have had, of publicly expressing to my friends on both sides of the House and from all parts of the Dominion, my thanks for these promises of support in the discharge of the duties devolving upon me. (Hear.) I shall be as brief as possible in laying before the House a statement of the Financial Affairs of the Dominion, but it is necessary that I should go into this matter at some length; and that the House may the better follow me I will state the order in which I intend to allude to the several points of this branch of my subject.

I will first advert to the Accounts of Canada proper—I mean Ontario and Quebec—for the year ending the 30th June, 1866.

I will then go on to consider the Accounts for the year ending 30th June, 1867, or rather the statement of affairs of that date, which was laid before the House last night.

I shall then review the position of affairs, as altered by the new state of existence upon

which we entered upon the 1st of July last.

Next, I shall state what was the position of our Finances at the date Parliament met, or rather at the 30th of November ultimo, with special reference to the floating liabilities, and to the way in which it is proposed to deal with them.

And lastly, I shall lay before the House the estimated Income and Expenditure of the Dominion, from the 30th of June last to the 1st of July next.

This, I think, is the proper arrangement of the subject. It will include Statements of the Accounts of the late Province of Canada, up to the date of its new Union, and of those of the Dominion for the first year of its existence. (Hear.)

The Public Accounts of 1865-6 are now in the possession of the Members of this House. Those for 1866-7 are not yet in a sufficiently forward state to be distributed, but I will endeavor to see that during the recess they shall be forwarded to the members, so that they may have the details of the revenue and expenditure before them at the earliest possible date. Meantime there has been prepared and distributed a general statement of revenue and expenditure for the year: Honorable members will find, on examining the Accounts for 1865-6, that for the year ending 30th June, 1865-6, the receipts, from all sources, of the late Province of Canada—now Ontario and Quebec—were.....\$12,672,880 and that deducting the debentures sold, viz. 400

there were left as receipts of an ordinary kind.....\$12,672,480

The expenditure for the same period was\$12,418,105 but there was redeemed during the year of the Public Debt 335,979

leaving, as ordinary expenditure of the year 12,082,126

showing as a result, for the year ending 30th June, 1866, a surplus of ordinary revenue of.... \$590,354

It is to be remarked, however, that in the ordinary expenditure of that year, were some very large items, which, strictly considered, are of an exceptional character. I need not go into details, but I need only advert to one item to prove this, which is:—For the Militia, \$1,640,554—an unusual expenditure, occasioned by the difficulties of the year; and it must be satisfactory to this House, and a subject of congratulation to the country, that notwithstanding this exceptional expenditure, we had a surplus of revenue to the extent of \$590,354. (Hear, hear.) I now come to the statement of Revenue and Expenditure for the year ending 30th June last, which has been laid before the House, from which it will appear that the gross receipts of the year were...\$16,400,139 the gross payments being..... 14,729,090

showing an apparent surplus of... \$1,671,049

But in these receipts are included the proceeds of debentures and Provincial notes issued during the year..... \$3,986,900

and in this expenditure is included the amount of Public Debt redeemed.... 1,813,117

2,173,783

showing, in reality, a deficit of... \$502,734

It is, however, again to be noted that in the expenditure of this year there are very large exceptional items, occasioned by the same causes as in the year previous. The Militia expenditure had to a certain extent to be continued, and during 1866-7 it amounted to \$1,412,932. The House will also find put down under the head of Public Works an amount of which \$466,382 might have been charged to Capital Account, and in the Collection of Revenue is included the amount of duties refunded, largely owing to the circumstances attending the introduction of the Tariff of last Session, viz.: \$270,427, so that the

apparent deficit of \$502,734 is not of an alarming character—indeed, were it not for these three items of an exceptional kind, there would have been a very fair surplus of revenue over expenditure. I think it is but right that members of this House should understand this clearly, and I repeat that the amount of \$1,412,912 for Militia is exceptionally large; that the amount for Public Works contains \$466,382 which might have been charged to Capital instead of Revenue, for it is hardly fair to the present generation to pay out of revenue for works destined to last for all time to come; and that much of the refund of \$270,427, charged in Collection of Revenue, arose out of circumstances connected with the Tariff Resolutions of last Session, which are hardly likely to occur again. Notwithstanding these three items, Sir, it is gratifying to find that the accounts of the last two years are of so favorable a character as that which I have just indicated to the House, and that instead of having a large deficit, we have had to bear a very large exceptional expenditure, and had, one year, a surplus of \$590,354, and the next a deficit, all items charged, of only \$502,734. (Hear, hear.) This brings me down to the consideration of the state of affairs when, on the 1st July last, we entered on our present constitutional arrangements, and it is perhaps necessary that I should refer for one moment to those features of the Union Act which affect the money dealings of the Dominion. As the House is aware, the Dominion, when taking possession of the revenue and of certain property of the four Provinces, also assumed certain obligations of those Provinces. It is stipulated in the Union Act that the amount of debt with which the Provinces should go into the Union should be

For Ontario and Quebec...\$62,500,000
For Nova Scotia..... 8,000,000
For New Brunswick. 7,000,000

\$77,500,000

It is further provided that the Dominion shall be liable for the obligations of the several Provinces at the time of the Union, no matter to what sum they may amount. Clause 111 says that "Canada shall be liable for the debts and liabilities of each Province existing at the Union," which of course means even liabilities in excess of the amount of stipulated debt. The Dominion is bound, in addition, to pay the interest of this public debt of \$77,500,000; also, to pay the stipulated subsidies of 80 cents per head of the population of each Province, and besides, the supplementary grant of

\$80,000
70,000
60,000
50,000

\$260,000
New Brunswick of \$63,000 mentioned I mention correctly lists in man before it bo my du Dominion of Civil C eal Govern in the var the Domini of course debt assu vines.

I now c gramme— been recee July last, could plac and also o minion "c shall herer ments of t evening, a able memb shall refer House ma and expen possible. there no d count sou belong to veral Prov ment has, since the l born for th vernments, ture belong found their minion. Th counted for and may h as being ei proceeds of debt. Thi to the Prov which the the Govern functions w formed by t Crown Lan

\$80,000 to the Province of Ontario.
 70,000 to the Province of Quebec.
 60,000 to the Province of Nova Scotia.
 50,000 to the Province of New Brunswick.

\$260,000

New Brunswick receiving in addition the sum of \$63,000 per annum for the consideration mentioned in the Act. Besides all this—and I mention these details that the House may correctly understand the difficulty which exists in making up exact statements to be laid before it, of the outlay for which it will be my duty to ask a vote at its hands—the Dominion is bound to defray certain expenses of Civil Government—the salaries of the Local Governors, of the Judges, and of all officers in the various Provinces who become officers of the Dominion. From these payments we have of course to deduct the interest on the excess of debt assumed on behalf of any of the Provinces.

I now come to the next point in my programme—an account of the sums that have been received by the Dominion from the 1st July last, up to the latest hour to which I could place them in possession of the House, and also of the sums expended by the Dominion “on Dominion account”—a phrase I shall hereafter often have to use. The statements of these amounts were finished late last evening, and are now in the hands of honorable members. With your permission, Sir, I shall refer to the total sums in order that the House may see the condition of the income and expenditure of the Dominion as nearly as possible. I say as nearly as possible, because there no doubt are on both sides of the account some items which do not properly belong to the Dominion, but to the several Provinces. The machinery of Government has, in many cases, been carried on since the 1st July last by Dominion officers, born for the Dominion and for the Local Governments, and items of revenue and expenditure belonging to the several Provinces have found their way into the accounts of the Dominion. These will, however, all have to be accounted for when a final adjustment is made, and may have to be refunded to the Provinces as being either arrears belonging to them, or proceeds of local property, or included in the debt. This is peculiarly the case in regard to the Provinces of Ontario and Quebec, for which the Dominion officers at the head of the Government have performed for some time functions which may hereafter have to be performed by their own officers. For example, the Crown Lands accounts for these Provinces

have been brought into the Dominion accounts, but they will all form the subject of adjustment when the arbitration between Ontario and Quebec takes place. (Hear.) The first account, marked A, is an abstract of the cash receipts and expenditure from all sources from the 1st July to the 30th November, 1867, that is, a statement of all the cash which has gone into the public chest, whether on Dominion account proper, or on account of the Dominion as acting for local funds. The totals shew that the amount received since the 1st July is..... \$7,427,615 while the total amount paid out during the same period is.... 5,323,085

leaving an apparent surplus of revenue over expenditure of... \$2,104,530 but in this expenditure, it will be perceived, all the large payments which occur periodically are not included, of which the principal is the interest on the Public Debt, payments which have since in a great measure absorbed this surplus.

Hon. Mr. HOLTON—Do these receipts include the cash balances handed over to the Dominion by the pre-existing Governments?

Hon. Mr. ROSE—I have purposely excluded cash balances, which would complicate the statement. I desire to keep them out of the account for the present.

Hon. Mr. HOLTON—It is better to do so; I simply ask for information.

Hon. Mr. ROSE—Having thus explained statement A, I proceed to remark that statement B shews in detail the receipts and expenditure in Canada—that is the Provinces of Ontario and Quebec—which have entered into statement A, that is to say—

Receipts..... \$5,922,756
 Payments..... 2,950,592

Surplus..... \$2,972,164
 Statement C gives in detail the receipts and payments in Nova Scotia, and a glance at it shews as
 Receipts \$769,689
 Payments 580,414

leaving an apparent surplus of..... \$219,275
 But since then, there has been advanced on account of the subsidy to be paid to Nova Scotia . \$317,449
 And there has been paid for interest due to the Messrs. Baring..... 242,428
 _____ 559,877

From which if we deduct the surplus of receipts just mentioned we shall find that Nova Scotia has at this time received an advance of.....\$340,602

This is the position up to the 1st December instant, but while I make the statement, I hope no member will entertain any sectional feeling—I give the facts as they are, but these figures, it should be remembered, fluctuate very much, and of course a great deal of this expenditure is on account of the debt of \$8,000,000 with which Nova Scotia agreed to come into the Union. We have in fact to find the money to make up a portion of that debt, and having round the money, the Dominion is bound to find the money to meet the interest. It is not as if the debts of Nova Scotia or New Brunswick had existed at the time of the Union; for then all the Dominion would have had to do would have been to provide the interest; but there are current engagements of the Maritime Provinces, maturing from time to time, which the Dominion has to find money for at once, and that perhaps not merely to the amount of seven or eight millions, but to the extent to which their liabilities exceed this sum, and after this comes interest on the whole, the excess of which over the interest on the seven or eight millions will have to be deducted from the subsidies to be paid.

Statement D shows in detail the expenditure and revenue of the Dominion in New Brunswick, viz. :—

Receipts	\$491,296
Payments	471,966

leaving an apparent surplus of.....	\$ 19,330
between the current revenue and expenditure, to which is to be added the balance of cash on hand on the 1st July, viz.....	\$275,542

showing a total sum of	\$294,872
of receipts in excess of expenditure on New Brunswick account, up to Dec. 1st, but since that period the interest on a certain amount of debt has been paid, and bonds to the extent of £31,000 sterling have been redeemed; together.....	\$304,605

Hon. Mr. ANGLIN—Provided for, not paid, for the interest on the debt is not due until January 1st.

Hon. Mr. ROSE—I beg my hon. friend's pardon—the bill of exchange has been bought and forwarded, and I believe this purchase was the first duty that devolved upon me when I assumed the portfolio of the Minister of

Finance. (Hear, hear.) This, sir, would show an advance to New Brunswick of \$9,733. It is, perhaps, hardly necessary that I should detain the House by any lengthened notice of the accounts E and D, which represent the mere local receipts from local sources, and the expenditures on local account of the Provinces of Ontario and Quebec; there being in these accounts no large income from Customs, &c., which enter into the accounts of the other Provinces. The total amount of the local receipts, on account of the Province of Ontario, was.....\$136,597 and there had been paid to it on the subsidy account..... 488,960

leaving an apparent advance to Ontario, on 1st December last, of....	352,362
Then, as regards the Province of Quebec, the account shows the receipts from local sources to have been	\$107,276
And there has been a payment made on subsidy account to that Province of.....	397,499

leaving an apparent advance to the Province of Quebec of.....	\$290,223
---	-----------

I have thus gone as simply as I can—I hope in such a way as that the House could follow me intelligibly—over the state of the accounts between the Dominion and the various Provinces from the 1st July to the 30th November. I do not think it necessary to advert now in greater detail to these accounts. I shall have another opportunity of giving some explanations which may be needed for a correct account of the estimates that will be laid before the House.

Hon. Mr. HOLTON—Perhaps the honorable gentleman might give some explanation of these items of "arrears" which appear with reference to the various Provinces.

Hon. Mr. ROSE.—The principle on which the arrears appear in the accounts is just this. On the 1st July last, the date of the Union, there were very considerable sums due to the Provinces of New Brunswick and Nova Scotia on account of the previous year's transactions. These properly belonged to those Provinces themselves, but they have necessarily come into the accounts of the Dominion, and will have to be accounted for again when the actual balances between the Dominion and its various Provinces are finally struck. And, on the other hand, there were considerable sums voted by the Legislatures of the various Provinces for the services of the year previous to the date when the Dominion commenced. The Dominion

1st Pa
having
of the
good
those
stances,
That is
which a
and on
accounts
may be
perly be
of the U
separat
showing
arrears,
rears.

Hon.
the New
"Constr
Governm
need w

Hon.
struction
there sh
nual char
charges
necessary
what has
struction
are permit
House wi
distinction
mates of
large item
public w
vinces.
nature of
ion.

Hon. M
tion a litt
I had spe
old Provin

one side,
haps, in
say wheth
estimate
ending Ju

Hon. M
Sir, havin
state of
the 1st J
state what
gements
words wh
Dominion
shall statu
propose to
debt. As

having taken possession of all the revenues of the Lower Provinces necessarily had to make good the sums voted by the Legislatures of those Provinces, extending, in many instances, beyond the date of the Union. That is the explanation of the "arrears" which appear on the one side of the account and on the other, in order that when the accounts come to be correctly balanced, there may be no difficulty in ascertaining what properly belonged to each Province at the date of the Union, there has been necessarily a separate account kept for each Province, shewing what was received on account of arrears, and what was paid on account of arrears.

Hon. Mr. SMITH.—There is an item in the New Brunswick account of \$95,000 for "Construction of Railways." Is that the Government Railway, or is the amount connected with the subsidy account?

Hon. Mr. ROSE.—It is charged to the construction account of course, in order that there should be a correct exhibit of the annual charges, what I may call the revenue charges upon the Dominion. It will be very necessary for us to keep an exact account of what has been spent on capital or construction account, to distinguish it from what are permanent charges on the Dominion. The House will see more clearly the force of this distinction when I come to explain the estimates of the current year, in which there are large items on account of the construction of public works going on in the Lower Provinces. These of course will not be of the nature of a permanent charge on the Dominion.

Hon. Mr. HOLTON.—When I put a question a little ago to the honorable gentleman, I had special reference to the arrears of the old Province of Canada, \$1,046,005 on the one side, and \$569,103 on the other. Perhaps, in explaining these figures, he might say whether they affect in any manner the estimate he gave of the surplus for the year ending June, 1867.

Hon. Mr. ROSE.—No, they do not. Now, Sir, having brought before the House the state of the income and expenditure to the 1st July last, it becomes my duty to state what is the actual condition of our engagements at the present moment—in other words what is now the floating debt of the Dominion; and, in connection with that, I shall state to the House the course which I propose to take in dealing with that floating debt. As my honorable friend opposite

(Hon. Mr. Holton) is well aware, this is the accumulation of a good many years. The state of political parties, and various events to which I need not now allude, have rolled up its amount one year after another. I shall now endeavor to state to the House the precise amount of that floating debt on account of all the Provinces. The account is not made up to the 30th November but to the 31st October, as it was necessary to include the state of our accounts with our financial agents in London.

There was then due to the fiscal agents in England on Canada account—on account of what are now Ontario and Quebec \$2,404,115
 There was due to the fiscal agents of the Province of Nova Scotia. 1,312,740
 There was due to the fiscal agents of the Province of New Brunswick, one account of... \$112,010 and another, since paid, of..... 151,970

making together, on account of New Brunswick..... 263,980

being a total sum due to the fiscal agents in England of \$3,980,835

There was due in Canada, to the Bank of Montreal..... 2,575,000 and a further sum on the redemption of circulation, of, \$356,066 from which, however, are to be deducted bonds the Province receives on paying that amount..... 206,980
 149,086

making the total sum due to the Bank of Montreal..... \$2,724,086
 Then there is on account of the Sinking Fund, which is of course properly chargeable to revenue, but which has found its way into the accounts of the fiscal agents, the sum of \$206,980.

The floating debt then is as follows:
 Due fiscal agents..... \$3,980,835
 Due Bank of Montreal 2,724,086
 Sinking Fund account..... 206,980

Total \$6,911,901

Mr. CARTWRIGHT—Is that exclusive of the Provincial notes and debentures?

Hon. Mr. ROSE—Yes. I will now state to the House the mode in which the Government

propose to deal with this floating debt. In the first place, there are certain assets, which the Government of Canada have and which ought properly to be realized, in order to go in liquidation of that debt. There are £250,000 sterling of bonds of the Province of Nova Scotia, now in the hands of the fiscal agents in England, that one item representing about a million of dollars. Then there are due to the Dominion of Canada certain sums by various corporations, institutions and municipalities—forming a very considerable amount in the aggregate, which, if all collected, would reduce in a very considerable degree this floating debt. I do not presume that that it is possible, with due regard to existing interests, to force unduly or harshly the payment of those large amounts. Still there is a very considerable sum, I am satisfied, which will be available from those sources within a not very remote period. And I think it is the duty of the Dominion, when it has to pay a high rate of interest on its floating debt, to realize those assets as rapidly as they can be realized, with a due regard to the interests involved. (Hear, hear.) I will not mention now the sums which the various bodies owe, because a proper adjustment of accounts has in some instances still to be made with them. But I refer to this matter, in order to shew that the attention of the Government has been drawn to the realization of the sums due to it, so that whatever may be realized may go in diminution of the floating debt.

Hon. Mr. HOLTON.—Will the hon. gentleman state the nature of those assets?

Hon. Mr. ROSE.—I think the hon. gentleman knows a good many of them very well. He proposed himself to turn his attention to them some years ago. The Great Western Railway owes a large sum, and several other companies, corporations and institutions, are indebted in very considerable sums.

Hon. Mr. HOLTON.—I do not desire to interrupt the hon. gentleman more than is necessary. But I would like to ask whether he alludes to the liabilities of municipalities under the Municipal Loan Fund Act as part of the assets?

Hon. Mr. ROSE.—It is impossible to give an answer to that. We cannot say, until the arbitration takes place between Upper and Lower Canada, and there is a division of assets and liabilities, to which of these Provinces they belong.

Mr. MACKENZIE.—But how is it, viewed as a Dominion debt?

Hon. Mr. ROSE.—I do not include them at all, as realizing anything for the Dominion. I

refer merely to the liabilities of various companies and associations to the Government.

Hon. J. S. MACDONALD.—Such as the liabilities of the Great Western and Northern Roads.

Hon. Mr. ROSE.—Yes

Mr. MACKENZIE.—There is little besides.

Hon. Mr. HOLTON.—Then there is the Bank of Upper Canada account.

Hon. Mr. ROSE.—Yes; possibly so. Now, having indicated clearly and in general terms the disposition to realize as far as can be realized with fairness and consideration to existing interests the sums that are due to the Dominion, I would advert to the various modes in which the Government propose dealing with this matter of the floating debt. And I think it but fair and right at once to say that the Government do not contemplate bringing out a domestic loan which shall in any way interfere with the commercial or banking interests of the country. At the present time I do not think it would be wise to attempt to deplete the deposits which are in the Banks, by obtaining from them on a loan to the Government the very considerable sum which I have adverted to as now due on the floating liabilities. I consider, however, that the advantage of a domestic loan is very much greater than that of a foreign one. (Hear, hear.) And I think there is no doubt the House will agree with me, in considering the proposals I have to lay before it, that it will be greatly for the advantage of this country, that this amount of floating debt should be gradually absorbed by the people of the country—(hear, hear)—because it gives them an interest in the stability of our institutions, and in the proper management of public affairs. (Hear, hear.) I do not propose to resort to a foreign loan, because, although we might, in getting money abroad, apparently have the advantage of a less rate of interest at the outset, yet, when you take into account the commissions, loss on exchange, and all the other charges consequent on a foreign loan, I do not know but that on striking an accurate balance, it will be found a cheaper mode of getting money at a higher rate of interest here, than getting it at a lower rate abroad. I will now proceed to indicate to the House some of the ways in which the Government purpose to deal with this matter.

Hon. Mr. HOLTON.—I do not see any reference made in these statements to Provincial Notes issued since the 1st July. There is a statement that \$2,113,700 were placed during the previous year. We all know from the statements issued by the Government, that

there

since

Hon.

July.

Hon.

Hon.

glad

consid

ing d

reason

to att

amoun

ment.

is now

on dep

is a ve

gages

dually

to be

to atte

to the

out thi

out of

deposi

a cours

ment

the B

Banks

deple

commer

making

tions.

the con

very in

ference

months.

they w

exchang

from th

business

selves i

unable t

to the a

various

you wil

1867, b

The au

Canada,

In Nova

In New

This,

the Savi

Banks i

deposits

ing debt

There ar

ever, in t

there has been a considerable enlargement since in the circulation of these notes.

Hon. Mr. ROSE.—Not a great deal since July.

Hon. Mr. HOLTON.—A couple of millions?

Hon. Mr. ROSE.—No, I should be very glad if there had been, it would have very considerably reduced the amount of the floating debt. (Hear, hear.) I will give the reasons again why I think it would be unwise to attempt at once and hastily to absorb this amount by means of a loan at the present moment. A great proportion of the money which is now waiting for investment, is in the Banks on deposit mostly at interest. No doubt there is a very large sum of money invested in mortgages and other securities, which would gradually come in if proper facilities were given to be invested on Government account. But to attempt at this moment to issue debentures to the extent that would be sufficient to wipe out this floating debt, would necessarily take out of the hands of the banks the money on deposit at interest. If it were understood such a course was to be resorted to, the Government would come into competition with the Banks for that money, and if the Banks understood their deposits were to be depleted, they would not venture to give the commercial community the usual facilities for making purchases for their spring importations. The result would be so to paralyse the commercial interests, that it might act very injuriously on the revenue with reference to the importations in the succeeding months. Merchants, unless they knew that they would get facilities for the purchase of exchange, and that they would get enough from the Banks to conduct their ordinary business, would hardly hazard involving themselves in obligations which they might be unable to meet. (Hear, hear.) Now, if you look to the amounts on deposit at interest in the various Banks, in the late Province of Canada, you will find them ranging from 1862 to 1867, between \$9,000,000 and \$16,000,000. The amount deposited in the Banks in Canada, in July, 1867, was.....\$15,954,247
In Nova Scotia (part returns).... 666,681
In New Brunswick (part returns) 605,029

Total.....\$17,225,957

This, I presume, included the amount in the Savings Branches attached to chartered Banks in Canada. To take from these deposits a sum sufficient to extinguish the floating debt, would, I think, be injudicious. There are other very considerable sums, however, in the country, which individuals, trus-

tees and others, would be glad to invest in Government securities. We propose to take power, in a form which I will explain more fully hereafter, when I ask the assent of the House to the measures that will be introduced, to create a Dominion Stock, in which trustees, executors, corporations, the Court of Chancery and others having the charge of trust moneys, may be able to make their investments. I believe a very large amount may be got in this way, without our doing anything to bring about a crisis, and, if the measure be made effective—and not merely a nominal one, appearing in the Statute book—I believe the parties I have referred to will make use of the stock for investing their money, and that no small proportion of our indebtedness will be gradually absorbed in that way. (Hear, hear.) We propose also to give facilities for the purchase of Terminable Annuities. There is no doubt that as the wealth of the country increases, there is a large demand—and the statistics of Insurance Companies shew it—for this kind of annuities, and that there are many individuals in the country who would rather purchase annuities for their lives, or those of their children, on Government Security, on a basis of 6 per cent. than purchase them from private companies on a basis of 2 or 3 per cent. And I have little doubt this, if the system be properly gone into, a large sum of money will, at no very remote time, be made available to the Government by this measure. But there is a third way, in which we believe that an additional sum will be obtained, and that is by the extension of the principle of Savings Banks. If there is anything which it is the duty of a Government to encourage and to provide for, it is, I think, to provide for the savings, and to encourage habits of economy and thrift on the part of its population. If there is any class of securities which ought to be put beyond the reach of possible contingencies, it is the savings of the poor in small sums. In every country where Government have taken Savings Banks under their protection, and have administered them themselves, we find that the amount of deposits, and the number of depositors, in proportion to the population, are increased. Now, what is at present the Savings Bank system of this country—of the late Province of Canada? It is partly conducted by the incorporation of particular institutions, or a branch is organised, by other Banks, for the receipt of small savings, without any control whatever, and these small savings enter into the ordinary accounts of the Banks themselves. But in Nova Scotia and New Brunswick, where

the Savings Bank system is administered by the Government, and under its control, and the deposits are guaranteed by Government, we find a much larger amount of deposits than is found in the Savings Banks of Canada, both in proportion to the population, and per head of the depositors. I ask the attention of the House to the facts I am about to state in reference to the working of the Savings Banks in those Provinces. According to the latest returns, there were in the Savings Banks of Nova Scotia, deposits to the amount of \$643,645, and in those of New Brunswick, \$768,159, making a total of deposits in Savings Banks in those two Provinces of \$1,411,804, placed there by 8,412 depositors. Now in Canada we have altogether in our Savings Banks but \$3,571,494, and the number of depositors is but 15,173, hardly twice the number in the Lower Provinces. While in those Provinces, therefore—and this holds especially true of New Brunswick—where Government facilities are given for receiving on deposit the savings of the poorer classes, the Savings Banks deposits amount to \$2.11 per head of the population, in Canada they are but \$1.15 per head of the population. And, if you take the number of depositors, the number in Canada in proportion to the whole population is but 1 in 235, while in Nova Scotia and New Brunswick the number who avail themselves of the facilities which the Savings Banks there afford is 1 in 168. I think there can be no better evidence that if we afford the people in this part of the Dominion the same facility for making an economical and productive use of their savings, they will gladly avail themselves of it, and I put this subject on far higher ground than the mere temporary wants of the Government, for it is a matter of the greatest importance, and of the highest policy, that facilities should be afforded for the investment of the savings of the poorer classes. (Hear, hear.)

Mr. BLAKE—Does your statement give the amount of deposits in Building and Savings Societies?

Hon. Mr. ROSE—Yes; I believe it includes the whole of these. The only institutions from which we have no returns, are the Savings Branches in connection with Chartered Banks.

Mr. BLAKE—That is a considerable item.

Hon. Mr. ROSE—I think it is not a very large one.

Mr. BLAKE—I am informed that the amount held by the Bank of Montreal is very large. These amounts should be included in a comparative statement of the deposits in Savings Banks.

Hon. Mr. ROSE—I would ask the hon. gentleman what means he has of forming an estimate? I have exhausted every means at my disposal to ascertain what proportion of the deposits in Banks is represented in their Savings Bank branches.

Mr. BLAKE—I do not say that I have any means of forming an estimate, but merely that these deposits must be a considerable item.

Hon. Mr. ROSE—But on the other hand I have put the Building Society deposits in Upper Canada in the estimates, and these are not included in the statement for the Lower Provinces. (Hear, hear.) I have now mentioned three modes by which money may be obtained, towards diminishing the floating debt—the creation of permanent stock, available for trust purposes—the creation of terminable annuities—and Savings Banks. I may mention, with reference to Savings Banks, that in England, where they are under Government control, the deposits are now no less than £45,438,000, viz.: £9,626,000 in the Post Office Savings Banks, and £35,812,000 in the other Savings Banks. In view of these figures, I think the House will agree with me that a judicious extension of the facilities by which small savings may be made productive on the security of the Government, is highly important. (Hear, hear.) There is another mode by which the Government think a not inconsiderable amount of money may be obtained. And it is not merely for the purpose of meeting the immediate requirements of the Government, but for the higher object of giving security to the public, that my attention has been directed towards it. I refer to causing Life Assurance Companies to give the same guarantees which are now given in the case of Fire Assurance Companies. As the House is aware, the guarantee of a deposit of Government securities is given to those who insure with Fire Companies. But, though the necessity is much greater that a guarantee should be given by Life Assurance Companies, there is no corresponding provision applicable to them. There is at this moment deposited with the Government by Fire Assurance Companies, as a guarantee for those who deal with them, \$889,548, of which there are in Canada Government securities, \$685,972. This is by fifteen or sixteen Fire Insurance Companies. There are, I think, not less than twenty-four Life Assurance Companies, which are now doing a large business in Canada, and on whose solvency the comfort of many families in future years is dependent. If the same provision is extended to Life Assurance Companies which exists now with reference to

ask the hon. gentleman forming an estimate means at my disposal at my disposal in their

that I have any but merely that desirable item.

the other hand deposits in and these are for the Lower have now money may be the floating stock, availability of ter- Banks. I

to Savings ere they are deposits are viz.: £9,626, s Banks, and Savings Banks.

ank the House ous extension savings may ty of the Go- (Hear, hear.)

the Govern- e amount of is not merely mediate re- but for the to the public, ed towards it. e Companies are now given npanies. As e of a deposit to those who ut, though a guar-antee Companies, on applicable ent deposited urance Com- who deal with e in Canada

This is by Companies. twenty-four are now do- nd on whose ilies in fu- e same pro- rance Com- ference to

Fire Assurance Companies, I have no doubt the more substantial Companies would gladly avail themselves of the opportunity of investing such a sum of money as the Legislature may require of them, as a guarantee for their solvency and the security of those who invest in them. (Hear, hear.) There is still another way in which I think some portion of this debt may be met, and that is by the gradual extension of the circulation of Provincial Notes.

Hon. Mr. HOLTON—Hear, hear.

Hon. Mr. ROSE—I suppose my hon. friend is gratified at the prospect which exists of reducing our liabilities in some degree by the expansion of that circulation. I am pleased to be able to inform him that while—when the system began under the Act of last Session—the circulation in September, 1866, was but 19 per cent. of the total Bank circulation, it has gone gradually up, until it has become 28 per cent. of the total circulation.

Hon. Mr. HOLTON—Shewing that there is an increase since July.

Hon. Mr. ROSE—That was the amount in July. Since then, the Provincial Note circulation has increased, I think, about \$400,000, but the circulation of the Banks has increased in a larger ratio. There has been, however, a gradual and systematic expansion of the circulation of Provincial Notes. I have indicated then these five different ways, and there is one other which I can now do no more than hint at—the use of Exchequer Bills on certain conditions, connected with some provision with reference to silver. Enquiries are now being instituted, and it would be premature to state anything with reference to the measure or the plan which is being considered. I would simply say in connection with this, that if the information which is obtained shews it can be done properly, we trust that silver may be made available in a way that will be both advantageous to the Government, and some relief to the public. (Hear, hear.) But, as enquiries in reference to that subject are only in course of being made, to go into the details now might defeat the object in view. I have thus referred to six different ways, in which I think the floating debt that will remain after the realisation of what is due to us may be met gradually, and without violence to any interest of the country. And I think it is certainly one of the first duties pressing on the Government, to get rid of its floating liabilities. It is not right that credits which were got to meet a mere temporary necessity should be turned into permanent loans. It is not a judicious or becoming relation for the Government

and its fiscal agents to be on. (Hear, hear.) I think one of our first duties—and I have no doubt the means the country will provide will enable us very soon to do it—is to absorb that floating debt. Until it is funded in some way or other, I do not believe that the credit of the country will reach that level to which the good faith of our people and our resources properly entitle it. Once get rid of that, and you will no doubt be able to provide an ordinary revenue that will meet the ordinary expenditure. (Hear, hear.)

Hon. Mr. HOLTON—There is a point in connection with this, on which I think some explanation should be given—whether the arrangements between the Government and its creditors are such as will enable my honorable friend to take the necessary time to realise from all the various processes he has indicated, enough to meet his engagements. In other words, when are those engagements exigible by the creditors?

Hon. Mr. ROSE—I am glad my honorable friend has asked the question. On the 1st December, the Bank of Montreal loan for a little over \$2,500,000 matured, and we have arranged for the renewal of that loan up to the 30th June next. (Hear, hear.) As regards the account with the fiscal agents, I have no doubt from the liberal spirit in which they have always met us that there will be no difficulty in extending our floating engagements for such a period as to bring them within the various processes I have mentioned.

Hon. Mr. HOLTON—What rate of interest are we paying in England now?

Hon. Mr. ROSE—I think it is five per cent. That is the minimum, so long as the Bank rate is below that amount. The interest in New Brunswick is, I believe, a fixed rate.

Hon. Mr. HOLTON—I think the old rate was one per cent. above the Bank rate.

Hon. Mr. ROSE—I believe it is not so now. It is but five per cent., no matter how much the Bank rate may be under that amount and the Bank rate, should that rate be above five per cent. My Hon. friend behind me, (Hon. Mr. Tupper,) mentions that in Nova Scotia it is also five per cent. I forgot to allude to the Bank balances, but I am happy to say to my Hon. friend opposite (Hon. Mr. Holton,) that, after providing for the January interest, which is now being remitted to Europe, there is a very considerable sum remaining, which the Government may, if its maturing engagements permit, be enabled to apply towards the reduction of floating liabilities. I do not know the exact sum remaining, but it is considerable.

Now, Sir, I come to what is, perhaps, the most interesting part of my subject—the expenditure, and the ways and means for the current year. (Hear, hear.) I confess that in dealing with this part of my subject I experience some difficulty. Of course in the position in which we now find ourselves, with many new engagements of various kinds, having to provide for the wants of Nova Scotia and New Brunswick, in addition to those of Canada, and having yet to provide for the organization of the various departments by the bills now in progress through Parliament—it is very difficult, I say, under these circumstances, in the absence of proper Dominion machinery, to get an accurate and reliable estimate of what the expenditure is likely to be. Perhaps the House will pardon me if I read an extract from a letter of one of the most able and most indefatigable officers in the civil service of this or any other country, Mr. Langton, who has been engaged in preparing these figures, and who points out so clearly the difficulties that he found in his way, that I am sure the House will appreciate them. But before I do so, I will call the attention of the House to the mode in which the estimate in block has been prepared and brought down. The Government have arrived at the best conclusion they could under the circumstances, as to the wants of the current year maturing on the 30th of June next. They have then estimated what, out of that probable total sum, is the amount which is unprovided for—what amount is not authorized to be paid by some Act of the Parliaments of the various Provinces—and the sum mentioned in His Excellency's Message to the House is three-fourths of that estimate, to cover the expenditure for the nine months ending 31st of March next, which has not been provided for by some Act of Parliament. The Government felt that it would not be right to ask for a general vote of credit for any longer period than when Parliament would be next in session, and therefore the vote of credit which the House is asked to grant, is only to cover the outlay till the end of March next, before which we hope to be able to place in possession of the House a detailed statement of the services in all branches of the Government of the Dominion. (Hear, hear.) Mr. Langton's letter is as follows:—

“AUDIT OFFICE, OTTAWA,
Dec. 5th, 1867.

“SIR,—I have been endeavouring, according to your instructions, to prepare estimates, in the usual form, for the current year, but I find difficulties arising at every step of my progress, some of which I beg to submit to you:

“(1.) It does not seem to be distinctly ascertained whether the General Acts, under which much of the expenditure of Canada has hitherto been authorized, continue in force for this Dominion. Some Bills are now before the House, re-enacting existing Statutes, but others remain only on the Statute Books of the late Provinces of Canada, Nova Scotia and New Brunswick. I feel, therefore, a constantly-recurring difficulty in determining whether some particular contemplated expenditure requires to be placed on the Estimates or not.

“(2.) If this is the case in Canada proper, with the business of which I am familiar, it is much more so with regard to items peculiar to Nova Scotia and New Brunswick; as I have no sufficient information as to what heads of expenditure were authorized there by General Acts, even if it be decided that such Acts remain in force for the Dominion.

“(3.) It has not been decided with regard to many services, and it is difficult to see how it can be decided until the arbitrators have met, whether they are to be considered Dominion services, or are to be under the control of the Local Governments.

“(4.) As far as Canada proper was concerned, I could, from past experience, form a very near estimate of what will be wanted under the several heads, and I knew—at any rate—to whom to apply for farther information; but when we have to include the Maritime Provinces, my own experience is at fault, and I have found it very difficult to obtain any information which can certainly be relied upon.

“These difficulties are unavoidable, upon our suddenly entering upon a new state of National existence. I could, indeed, make an approximate estimate under general heads, which would not differ much from what will be found necessary in practice, and I have done so; but if I were to enter into any detail, I should certainly be found to have over-estimated some and under-estimated other branches of the Public Service. It will become my special duty, as Auditor, to see that the expenditure is strictly confined within the Parliamentary votes; and I think it would be a great mistake if, at the very commencement of the Dominion, imperfect Estimates were submitted, as they necessarily would be, to which—in practice—it would be found impossible to adhere.

“Under these circumstances, I think that no detail should be attempted, but that the Estimates should be submitted in round sums for the general heads of service, with a large margin for unforeseen expenses; or, what would be much better, that a general Vote of Credit should be taken for all necessary expenditure up to—say the end of March—by which time Estimates for the whole year could be prepared in sufficient detail, showing, in another column, what had been expended for each service under the authority of the General Vote, up to that date.

“I have the honor to be,

“Your obedient servant,

“JOHN LANGTON,

“Auditor.”

“The Hon. J. Rose,

“Minister of Finance.”

Well
at th
Hous
accu
vouch
sider
publi
be gi
stater
upon
futura
a kn
under
that I
vines
on, w
the de
railwa
public
found
others
of the
minio
Act.
and of
ment,
estima
offered
There
to An
St. Pe
in pro
payme
rate of
service
said, o
which
Mr.
there n
Govern
Honn
ernmen
expend
so that
cannot
\$300,00
the W
which n
upon th
Compan
enable i
penditu
Union A
bound t
or excee
Brunsw
Scotia, v
of these
Union.

distinctly ascer-
ts, under which
ada has hitherto
e for this Domi-
e the House, re-
ers remain only
e Provinces of
I feel,
difficulty in deter-
contemplated ex-
the Estimates

ada proper, with
illiar, it is much
ecular to Nova
ave no sufficient
penditure were
even if it be de-
e for the Domi-

with regard to
see how it can
e met, whether
services, or are
Governments.
was concerned,
n a very near
der the several
whom to apply
we have to in-
own experience
difficult to ob-
ainly be relied

able, upon our
e of National
n approximate
ch would not
l necessary in
I were to en-
be found to
der-estimated
e. It will be-
e see that the
in the Parlia-
l be a great
nt of the Do-
submitted, as
in practice—
re.

think that no
e the Estimates
r the general
n for afore-
much better,
be taken for
y the end of
r the whole
detail, show
en expended
the General

ant,
ANGTON,
Auditor."

Well, Sir, it is evident that the Government at this time have either to lay before the House in detail, estimates, the reliability and accuracy of which they have no means of vouching for, or to ask that the sum considered necessary for them to carry on the public service for nine months in the year be given them in bulk. I will now give a statement of the expenditure of the past, upon it estimating the expenditure of the future, and place the House in possession of a knowledge of our wants. To the right understanding of this, however, it is necessary that I should mention that in the Lower Provinces there are extensive public works going on, which were contracted for previously to the date of the Dominion. Some of these are railway works, some canal works and some public buildings. Portions of these may be found afterward to be merely local works, and others are works which will probably form part of those included as the property of the Dominion, in the schedule attached to the Union Act. Of the rate of progress of these works, and of the probable demands upon the Government, it is quite impossible to form an accurate estimate, and any statement that may be offered on these points can only be conjectural. There is for instance the railway from Truro to Annapolis, in Nova Scotia; there is also the St. Peter's Canal, and there are various works in progress in New Brunswick, upon which payments have to be made, according to the rate of progress, so that in providing for the services of the current year, it is, as I have said, only a conjecture to arrive at the liabilities which will accrue under this head.

Mr. MACKENZIE—In New Brunswick is there not a maximum amount for which the Government is liable?

Hon. Mr. ROSE—Yes, there is; but the Government has to pay \$25,000 for every \$100,000 expended in the construction by the Company, so that a precise idea of the progress estimates cannot be arrived at. Then there is, I think, \$300,000 of stock held by the Government in the Western Extension of New Brunswick, which may be called up. It depends, of course, upon the progress of expenditure how soon the Company may require its means in order to enable it to meet its engagements. These expenditures are all going on, and under the Union Act the Government of the Dominion is bound to meet them, whether they come up to or exceed the \$7,000,000 in the case of New Brunswick or \$8,000,000 in the case of Nova Scotia, which was supposed to form the debt of these Provinces when they entered the Union. If in either case the total expendi-

tures exceed these respective amounts the interest upon the excess is to be deducted from the subsidies annually to be paid to those Provinces by the Government of the Dominion. What I wish to impress upon the House, then, is the uncertain character of the expenditure which the Government have to deal with.

Hon. Mr. ANGLIN—I do not wish to interrupt the honorable gentleman, but I should like to ask a question. He is dealing with these as matters of ordinary expenditure, and I presume they will be refunded by the Provinces to the Government of the Dominion.

Hon. Mr. ROSE—My honorable friend is entirely mistaken as to my object. I am speaking now as to the amount of money we have to provide for this year, whether that money will afterward be refunded or not. The people of the Dominion have to provide for these expenditures whether they may afterwards or not be regarded as expenditures on Construction or Capital Account or as Ordinary expenditure; and I shall distinguish, as I go on, between what I consider expenditure on Capital Account and Ordinary Expenditure. I have here a statement as nearly correct as we have the means of arriving at now of the estimated expenditure of the Dominion, which I shall lay before the House:—

Interest on public debt.....	\$4,363,000
which is, of course, all provided for by Act of Parliament.	
Charges of management, including premium, discount and exchange.....	150,000
Sinking Fund to be provided for this year.....	206,980
Civil Government, including \$324,926 unprovided for, and including also the salaries of judges in the Lower Provinces and other charges upon the Civil Government which it is incumbent upon the Dominion to meet	521,000
Administration of Justice.....	429,000
Police, river, harbour and frontier (including the river and harbor police of Montreal, whose payment will ultimately be assumed either by the Government of Quebec or the Government of the Dominion).....	55,000
Penitentiary and Rockwood Asylum.....	176,500
Legislation (of which there is \$196,800 to be provided for, the amount payable to members this session being, it is considered, provided for by the Act	

which has already passed)..... 575,000
 Observatories, Toronto and Quebec (whether to be continued by the Dominion or not is a matter for subsequent consideration).. 7,200
 Geological survey..... 30,000
 The appropriation under this head has hitherto been \$20,000, but I propose to extend it this year to \$30,000. We consider that the Lower Provinces in the development of their mineral resources ought to have the benefit of the experience of one of the ablest geologists of the age, Sir William Logan, and his talented assistant, Professor Hunt, than whom as men of science there are hardly any two others of greater ability. (Hear, hear.)
 Militia, marine and defensive expenditure..... 1,600,000
 In this item is included the expenditure on gunboats, together with considerable other marine expenditure for defensive purposes; but I must call the attention of the House to the fact that a very large portion of this sum is on capital account—that is to say, it will not have to be made in subsequent years. The ordinary expenditure of the militia is \$744,240, including the service in Nova Scotia, New Brunswick and Canada, but there are other charges of a special character which have to be met before the 1st of July next. For instance, equipments for barracks amount to \$150,000. This expenditure, as the House is aware, was incurred last year when an additional force of Her Majesty's troops was sent out for the defence of our frontier. Barrack accommodation had to be provided for this force at a considerable outlay, and although the accounts are not adjusted, it is considered better to take the note. There have been stores purchased to the amount of \$200,000, a considerable portion of which remains on hand, including targets, clothing and equipments. These exceptional items, not properly to be charged to the ordinary militia expenditure of the year, amount to \$509,000 and

will not have to be borne in succeeding years.

Mr. MACKENZIE—Clothing will have to be provided.

Hon. Mr. ROSE—Not every year—only every three or four years.

Hon. J. S. MACDONALD—That depends upon the probability of active service.

Hon. Mr. ROSE—Yes, if unfortunately there should be a necessity for active service, this item would be increased, but I am sure there is not a member of this House who, if the active service of the militia should become necessary for the national existence or for the peace and safety of the people, would grudge the outlay. (Hear, hear.) If it should be necessary in order to protect our frontier and defend our homes, I am satisfied there is no member of the House who would raise an objection to the increased expenditure. The next item is

Arts, Agriculture and Statistics, (a considerable part of which is exceptional expenditure in Nova Scotia)..... 12,000

Emigration and quarantine..... 50,000

Pensions (which have increased in consequence of the events of last year)..... 53,750

Public works and buildings and railways. And, now, here is the distinction I draw under this head. There is on construction or capital account an estimated expenditure in Canada of \$491,000

In Nova Scotia of..... 912,000

In New Brunswick of.... 522,500

—making a total on capital account, not to be met out of the ordinary revenues of the year, of.....\$1,925,500

Now, the current expenditure on public works and buildings, maintenance and repairs is,

1st Part
 In Canada
 In Nova
 In New
 wick.
 —making
 tal of
 The wh
 this h
 Mr M
 presume
 of Queb
 Hon.
 deal of
 Provin
 are the
 A porti
 paid, b
 timates
 Mr.
 item inc
 Public
 Hon.
 has been
 1st of J
 posed a
 for Can
 able am
 these b
 Hon.
 appropri
 Hon.
 used.
 Mr.
 that bu
 has been
 Hon.
 my hon
 Holton
 it gives
 ing a ch
 ernment
 ment er
 penditu
 ence to
 ada it v
 upward
 propriat
 of the v
 Govern
 the Ge
 one to
 order t
 every y
 control
 year, is
 every 1
 have be
 unexpe
 the pub
 ation sh

In Canada....	\$207,000
In Nova Scotia	10,000
In New Brunswick.....	5,000
—making a total of.....	\$222,000
The whole sum under this head being.....	2,147,500

Mr MACKENZIE—By Canada I presume you mean the Provinces of Quebec and Ontario?

Hon. Mr. ROSE—Yes. A good deal of the expenditure in these Provinces is on the canals, which are the property of the Dominion. A portion of these sums has been paid, but is included in the estimates of the year.

Mr. MACKENZIE—Does that item include the expenditure on the Public Buildings here?

Hon. Mr. ROSE—Yes, all that has been expended on them since 1st of July last. There is a proposed appropriation of \$491,000 for Canada, of which a considerable amount is for expenditure on these buildings.

Hon. Mr. HOLTON—Is the old appropriation exhausted?

Hon. Mr. ROSE—It is not to be used.

Mr. MACKENZIE—I understand that but little more than half of it has been exhausted.

Hon. Mr. ROSE—I am glad that my honorable friend (Hon. Mr. Holton) put the question, because it gives me an opportunity of stating a change proposed by the Government which will give to Parliament each year control over the expenditure of that year. By reference to the public accounts of Canada it will be seen that there are upwards of \$3,000,000 of old appropriations standing at the disposal of the various departments of the Government. Now, the course which the Government think a proper one to take in reference to them, in order that Parliament may have every year distinct and complete control over the expenditure of that year, is that at the beginning of every fiscal year the sums which have been appropriated and remain unexpended should be returned to the public chest, that the appropriation shall not be allowed to stand,

but that a fresh vote for all expenditures shall be asked from Parliament every year. (Hoar, hear.)

Mr. MACKENZIE—That is the system which prevails in England, and I am glad to see it adopted here. I expected to have found a statement of the unexpended appropriations in the papers which have been brought down.

Hon. Mr. ROSE—There is a statement of that kind.

Mr. MACKENZIE—We have not got it then.

Hon. Mr. ROSE—If the honorable gentleman will refer to the Public Accounts of the Province of Canada for the year 1866, he will find that there were appropriations to the amount of \$3,000,000 not then expended; and in the Public Accounts for 1867, when they are brought down, the same unexpended appropriations will be found carried forward.

Hon. Mr. HOLTON—My honorable friend states that the expenditure on those buildings, forming a considerable portion of the \$491,000 for public works in Canada, is to be asked for now. I would like to know whether the former appropriation is exhausted?

Hon. Mr. MACDOUGALL—Of the appropriation made by the Legislature of the Province of Canada last year, there is a considerable unexpended balance, which, according to the principle just laid down by the Finance Minister, will be written off, and to meet whatever expenditure may be found necessary, a new appropriation will be asked from the House.

Hon. Mr. ROSE—My honorable friend (Hon. Mr. Holton) will see that we are estimating the amount of expenditure from the 1st of July last to the 30th June, 1868, and that we propose to write off all existing appropriations and start afresh from the 1st of July last. (Hear, hear.) We will, therefore, ask the House for a vote to cover the total expenditure of this year, or rather the first nine months of it, whether the amount is included in the expenditure authorized by previous votes or not. This, I think, is the correct principle to go upon, and one of which honorable

12,000

50,000

53,750

500

gentlemen opposite will, I imagine, recognize the propriety. (Hear, hear.) The next items are under the head of marine expenditure :—

Provincial steamers, (including subsidy payable to Nova Scotia on account of steamers in that Province).....\$ 79,725

Light-houses, buoys, &c.. 246,500

Fisheries..... 40,000

Marine Hospitals and distressed Seamen, which are charges against the Dominion..... 38,400

Subsidy to O. Steamers 218,000

Making a total on marine account of..... \$622,625

Indemnities under Seigniorial Act of 1859..... 290,000

This expenditure is, of course, to be met by the Dominion; whether it is to be assumed by Lower Canada or not is to be determined by the result of the arbitration which will hereafter be held under the provisions of the Union Act.

Culling timber..... 65,000

Railway and Steamboat inspection. 9,000

Indian fund and Indian annuities. 181,000

Miscellaneous 162,000

Collection of revenue, which is, of course, under various heads, as follows :—

Customs (including sundry returned duties)\$643,000

Excise..... 140,000

Post Office..... 735,000

Maintenance of Public Works (including railways, and collection of tion of revenue and management)..... 700,000

I will mention in connection with this that we propose to establish a different principle in dealing with the revenues of the railways in New Brunswick from that which is now in operation. These revenues are at present received by the proper officers, whose duty it is to work the roads, and only the net amount is paid into the treasury. We propose that in future the gross receipts shall be paid in, and that the Government shall make the necessary payments to the officials for their salaries and for the working of the roads. (Hear, hear.) This

is in accordance with the constitutional principle that all the revenues of the Government should be paid into the public chest, and not with deductions for the cost of collection or management. We include therefore in this item of \$700,000 \$120,000 as the cost of working the railways in New Brunswick.

Minor expenditures 10,000

Total collection of revenue..... \$2,228,000

The final items to be added are the subsidies stipulated to be paid to the Provinces by the Act of Union, viz :—

To Ontario\$1,196,872

Quebec..... 959,252

Nova Scotia..... 326,685

New Brunswick.... 314,637

Total subsidies.....\$2,797,446

Less interest payable by Ontario and Quebec on \$8,700,000, by which sum the debt of Canada is estimated to exceed \$62,500,000..... 435,000

Net subsidies.....\$2,362,446

These items together make out a total possible expenditure for the year of.....\$16,226,801

Deduct from this, however, the items which I have stated to the House properly belong to construction or capital account, which amount to..... 1,925,000

Leaving the ordinary estimated expenditure of the year.....14,301,301

Now, sir, let me close this branch of my statement by saying that of all this expenditure the items, according to the best information the Auditor has been able to get, which are not provided for by Acts of Parliament, amount to.....\$7,019,739

Of which three-fourths, to cover the expenditure for nine months, is the sum mentioned in the message from His Excellency the Governor General to the House. \$5,264,279

I now proceed, Sir, to lay before the House an estimate of the revenue of the year. We estimate the revenue from—

Customs, Railway imposts and Excise..... } \$12,121,900

Post Office..... 569,000

1st

Ocea
me
Publ
Prov
Terra
bu
Casu
Inter
Prem
Bank
Law
64,
hor
me
com
pro
men
Fines
Bill S
Law
Tonna
Pol
Tonna
Car
New
Passer
Qu
Railw
Fisher
Culler
Penite
Militia
Sundri
Copyri
Indian
Great
coun
pay
that
Recep
Wor
Northe
Consol
Montre
Makin
of...
Asagai
ditur
Lo
(Hear,
Hon
ciency.
Hon
that th
Hon
ture for
nearly a
the esti

Ocean postage (which varies very much).....	50,000
Public Works (including lights)...	837,200
Provincial Steamers.....	35,000
Territorial—not from Crown lands, but Ordnance lands.....	20,000
Casual and Miscellaneous.....	30,900
Interest on Investments.....	123,400
Premium and discount.....	20,000
Bank imposts.....	18,000
Law fees, under 12 Vic., c. 63 and 64, (I am not sure whether my honorable friend opposite, the member for Cornwall, does not consider that this item of revenue properly belongs to his government).....	25,000
Fines and forfeitures.....	10,500
Bill Stamps.....	100,000
Law Fee Fund, Upper Canada.....	40,000
Tonnage duties, Quebec River Police.....	10,000
Tonnage duties, Mariners' Fund, Canada.....	\$10,000
New Brunswick.....	8,000
Passenger duty (Emigration and Quarantine).....	25,000
Railway and Steamboat inspection.....	4,000
Fisheries.....	16,400
Cullers' fees.....	60,000
Penitentiary.....	50,000
Militia.....	25,000
Sundry Special Receipts.....	2,000
Copyright duties.....	400
Indian Fund.....	100,000
Great Western Railway interest account, which is retained for the payments for Postal service to that Railway.....	50,000
Receipts from sales of Public Works.....	15,000
Northern Railway interest account, Consolidated Fund investment acct.	14,600
Montreal Harbor Commissioners..	50,000
7,000	
Making a total estimated income of.....	14,457,400
As against a total estimated expenditure on ordinary account of ..	14,301,301

Leaving a surplus of..... \$ 156,099
(Hear, hear.)

Hon. Mr. HOLTON.—Still there is a deficiency.

Hon. Mr. ROSE.—In what way? I state that there is an estimated surplus.

Hon. Mr. HOLTON.—The gross expenditure for the year is estimated at \$16,226,801, nearly a million and three-quarters more than the estimated income.

Hon. Mr. ROSE—Yes, including the expenditure on capital account; but I think my honorable friend will hardly say that we ought to build railways and dig canals and carry on other important works of that kind out of the ordinary revenue of the country. (Hear, hear.)

Hon. Mr. HOLTON.—But in the accounts of the year, there will be a deficiency, to be made up in some way.

Hon. Mr. ROSE—We have, undoubtedly, to provide for the amount necessary to construct these railways in the Lower Provinces; but that expenditure may be found to be included within the \$7,000,000 and \$8,000,000 of debt with which New Brunswick and Nova Scotia respectively came into the Union; in which case the interest upon it only will be a charge upon the Government.

Hon. Mr. HOLTON.—But still you will have to find the money to meet that expenditure this year.

Hon. Mr. ROSE—Certainly; but I stated at the outset that a portion of the payments on capital account for works in progress may be included in the quota of those Provinces. The immediate effect undoubtedly is that we have to find the money to make up that very debt instead of merely making provision for the interest. I do not deny that we have to find means to meet that expenditure out of ordinary revenue, but by a careful and economical management of affairs, I believe we will at the end of the year have something to the good. (Hear, hear.)

Hon. Mr. ANGLIN—I would like to ask the honorable gentleman whether, in estimating the amount to be paid to the Lower Provinces, he estimated the interest on the difference between existing debts, and the amount to which they might be increased under the Union Act?

Hon. Mr. ROSE—I have estimated the subsidy as payable on the restricted amount of debt, as regards the Maritime Provinces; but, as regards Ontario and Quebec, we do not undertake to say how much of the excess beyond the \$62,500,000 is to be assumed by one Province, or how much by the other—that will be decided in accordance with the provisions of the Union Act; but we know that the aggregate debt of these two Provinces is considerably in excess of the \$62,500,000. I hope the House understands that, in speaking of the permanent works in the Lower Provinces, the expenditure upon them is not to be regarded—at present at all events—as an addition to the debts with which these Provinces came into the Union.

I beg the House not to be led away by the supposition that it is intended by that amount to increase the debt of the Dominion. That expenditure may be—and I hope it will be—within the amount of debt with which those Provinces entered the Union. (Hear, hear.)

Now, Sir, I think that, in the statement which I have laid before the House, I have endeavored to be as brief as possible in going over the extended ground presented. A long period has elapsed since a statement of our financial affairs has been laid before Parliament; but I have endeavored to circumscribe my remarks within reasonable limits, and to present as clear and succinct a statement as I could of the financial condition of the country. I trust that I have succeeded in my object. (Hear, hear.) Now, although the sums with which we have to deal are large, and the demands upon the Government considerable, I believe the resources, the means and the energy of this country, are ample to meet them all. (Hear, hear.) I have no desire to detain the House by reference to statistical information; but allow me to place honorable members in possession of a few facts bearing upon the ability of the various sections of the Dominion to meet the obligations that are entailed upon it. I will begin with our elder sister, Nova Scotia, of which the honorable member for Hants is a leading representative, and state one or two facts with reference to its progress within the past eight or ten years. The revenue of that Province, from customs and excise, in 1856, was \$377,270, and in 1866 it had increased to \$1,231,902. (Hear, hear.) Had it remained a separate Province, the revenue must have been augmented this year, for my honorable friend (Hon. Mr. Howe) must be aware that, with the additional obligations entailed upon that Province, in consequence of the public works undertaken by the Government, it would have been necessary largely to have increased the ways and means, in order to enable it to meet its engagements. If we take the imports of the Province as another evidence of progress, we find that they increased from \$3,349,160, in 1856, to \$14,381,008 in 1866. I grant that a mere increase of imports, if not accompanied by an increase of exports, would not be evidence of prosperity, but of the reverse. We find, however, that this is not the case, for the exports of the Province increased from \$6,864,790, in 1856, to \$8,943,095 in 1866, exclusive of the value of ships sold. Then, if we take the increase of shipping owned in the Province, we find that it has been proportion-

ately large. In 1856, the number of ships was 1,789; in 1866 it was 3,509. In 1856, the tonnage was 142,945 tons; in 1866 it was 400,895 tons. In 1856, the value of the shipping was \$4,694,608; in 1866 it was \$13,749,547. (Hear, hear.) I am satisfied that such evidence of prosperity on the part of our elder sister on the sea shore will be viewed by every one who comes from the west with the greatest satisfaction. (Hear, hear.) I will give some further facts, to show that Nova Scotia possesses other elements of progress and prosperity, equal to those possessed by any part of the Dominion; and nothing, I am convinced, will give more general gratification than to know that the particular industry and wealth of that section of the country are open to profitable development by the people of the entire Dominion. Take the quantity of coal raised in the Province. In 1856 we find that it was 231,934 tons, and in 1866 it was 601,301 tons—nearly three times the amount. (Hear, hear.) If we take also another element of wealth existing there, and note its development—I refer to the gold fields—we shall find that, from 1862 to 1866, there was a progressive increase in the production. In 1862, the number of ounces taken from the mines was 7,275; in 1866, it was 24,162. In 1862, the yield averaged \$368 per man employed in the mines; in 1866 it averaged \$669 per man. There has, therefore, been a large increase in those three great elements of wealth—gold, coal, and shipping—which I am sure we will all, in this part of the Dominion, gladly see still further developed. (Hear, hear.) Now, if we come to New Brunswick, we find that the progress has been equally gratifying. In 1856, the Customs and other duties in that Province realized \$596,994, whereas in 1866 they realized \$1,186,751. The imports in the former year were \$7,508,890, while in 1866 they had risen to \$10,417,495. The exports during the same period had risen from \$5,366,775, in 1856, to \$6,639,275, exclusive of vessels sold in 1866. The shipping of the Province increased from 543 vessels and 133,669 tons, in 1856, to 983 vessels and 233,945 tons in 1866. (Hear, hear.)

Mr. MACKENZIE—Does that mean vessels sold?

Hon. Mr. ROSE—No, only vessels owned in the Provinces. Now, Sir, these are facts which, I am sure, will be most gratifying to every man in Ontario and Quebec, and we would all rejoice to see the figures doubled in the course of the next ten years. Let me now advert to one or two facts relating more parti-

cularly
Canada
as much
of, 600
men o
des; an
anxious
this pa
the int
more c
hear.)
of coin
should
\$29,07
\$52,63
that pe
hear.)
out a c
no prop
a coun
amount
had ris
take th
parison
created
ed abro
was in
the exp
cles pro
1866-7
of the
680, a
advert
diminu
diminu
the ex
state t
our exp
notwith
there is
wherea
period
that th
its abo
abroad
than th
we we
exports
instead
an iner
House
been la
for the
was a
our ex
year.
eviden
but, as
is awa

cularly to what was formerly the Province of Canada; and I believe they will be a cause of as much satisfaction to my honorable friend opposite (Hon. Mr. Howe) as they are to the men of Ontario and Quebec. I do not yet despair of seeing that honorable gentleman as anxious and alive to promote the interests of this part of the Dominion as he is to forward the interests of the Province which he now more especially claims as his own. (Hear, hear.) In Canada, then the imports exclusive of coin and bullion, which for obvious reasons should not enter into the calculation, were \$29,077,852 in 1858, from which they rose to \$52,637,675 in 1867, showing an increase in that period of nine years of 81½ per cent. (Hear, hear.) Then advertent to the exports, without a comparison of which with the imports no proper idea can be given of the progress of a country, we find that in 1858 our exports amounted to \$23,472,609, from which they had risen to \$53,930,789 in 1865-6. I do not take this latter year for the purpose of a comparison, because in consequence of the vacuum created by the American war and the threatened abrogation of the Reciprocity Treaty, there was in that year a spasmodic stimulus given to the exports to the United States of various articles produced in this country. The exports in 1866-7, have fallen off as compared with those of the previous year by the sum of \$7,360,680, and I think it right that I should advert for a moment to the causes of that diminution, and point out in what articles the diminution took place, and to what country the exports fell off. Let me first, however, state that if you make a comparison between our exports in 1858 and our exports in 1866-7, notwithstanding the falling off in that year, there is exhibited an increase of 94½ per cent., whereas our imports in the corresponding period increased only 81½ per cent., showing that the productive powers of the country and its ability to meet engagements contracted abroad have been augmenting in a greater ratio than those engagements. (Hear, hear.) If we were to take a comparison between our exports in 1858 and our exports in 1865-6, instead of 94½ per cent. there would be shewn an increase of upwards of 100 per cent. The House will see from the returns which have been laid before it of the imports and exports for the year ended 30th June, 1867, that there was a falling off of upwards of \$7,000,000 in our exports as compared with the previous year. This might at the first glance seem evidence of a diminution of our prosperity; but, as I have already stated, and as the House is aware, there was a stimulus given in 1865-6

to the export of certain articles to the United States, especially of horned cattle, by the demand which arose in that country, to fill up the vacuum created by the war which had then just terminated, and also by the anticipated repeal of the Reciprocity Treaty. These causes swelled our exports to the United States beyond all precedent in that year. If you examine the tables you will find that in the article of horned cattle alone there was a diminution in the exports in 1866-7, as compared with the previous year, of no less than \$3,121,343.

Mr. MACKENZIE—Was there a diminution in number as well as in value?

Hon. Mr. ROSE—Yes, the diminution was in both, and I will give the honorable gentleman the numbers, if he desires them.

Mr. MACKENZIE—I merely mentioned that to show that perhaps the trade has not fallen off so much as the difference of value would indicate.

Hon. Mr. ROSE—There was a very considerable falling off in the trade in that year as compared with 1865-6, but there was an increase as compared with the previous years to 1865-6.

In 1866 the value of cattle exported to the United States was.....\$4,312,142
And in 1867 only..... 1,190,799

showing a decrease of..... \$3,121,343

This of itself making a very large item of decrease in our export trade. Again, if we take the value of horses exported to the United States, we find it was in 1866.....\$3,671,250
In 1867..... 2,110,626

A deficiency there of.....\$1,560,624

I will not weary the House with an enumeration in detail of the other principal articles of export to the United States, such as swine, sheep, beef, butter, pork, barley, oats. In these articles there was a decrease of \$3,250,000 in 1867, as compared with 1866. Altogether, there was a gross diminution in our export trade with the United States in 1867, of about \$10,000,000, as compared with 1866. That is no doubt a very serious decrease, but there is a gratifying feature in the picture as well—that, while our trade with the United States had fallen off, we were finding new channels of trade otherwise, although not perhaps in the full proportion in which our exports to the United States diminished. The figures I shall place before the House show a most gratifying increase in our export trade to other countries. I ought to mention, however, with reference to the export trade to the United States, that, while there was a

gross diminution on certain articles to the amount of \$1,500,000, there was an increase on other articles, which reduced the net deficit to \$10,000,000, and we have this gratifying feature, shewn by the commercial returns of the country, that the total exports of the years 1866-7, as compared with the exports of 1864-5, in which no unhealthy stimulus was given to the trade—shew an increase of about \$5,000,000 over the latter year. I say the unhealthy stimulus that was given, for I believe many of the farmers along the borders oversold themselves, and, tempted by the high prices, diminished their stock too much, and that their means of future productiveness were injured by the reckless manner in which they sold their stock to the United States during the year 1865-6. It is not fair, therefore, in estimating the prosperity of the country, in connection with its productive power, to compare the exports of last year with those of 1865-66, in which that unhealthy stimulus was given to the trade. We must compare these of the previous year, and we will find, as I have said, an increase of \$5,000,000, or, if you go back to 1858, and compare them with the average exports of 10 years preceding that year, you will find an increase of over 100 per cent., and, even as compared with 1865-66, there was an increase in our exports to countries other than the United States, of \$2,350,000. I am afraid I am occupying the House too long with these figures—(Cries of No! no!)—but, if the House will indulge me, I will endeavor not to trespass much longer on its patience. I will refer now to a branch of our trade, the result of which last year, I am sure, will be gratifying to every one in this House—I allude to the increase of our intercolonial trade, the trade among ourselves. (Hear, hear.) Those who wish to see this country cemented and become one, cannot but feel gratified, that the commercial intercourse between the various Provinces has increased in the ratio it has done, during the last year. The exports to the other British North American Provinces, from Canada proper, were:—

In 1863.....	\$ 935,000
In 1867.....	3,418,000

Shewing that we have at all events the element of commercial intercourse which is sure to cement our political and social relations. (Hear, hear.) As compared with 1865-66, the exports of last year to the Lower Provinces, have more than doubled, the figures being:—

In 1865-6.....	\$1,571,116
In 1866-7.....	3,418,589

I think we may well congratulate ourselves that the trade between Canada proper and the Lower Provinces has thus more than doubled in one year. (Hear, hear.)

Hon Mr. HOWE and Hon. Mr. ANGLIN here made some remarks across the House, which were inaudible in the gallery.

Hon. Mr. ROSE—I do not see anything to excite the laugh of the honorable gentleman, (Hon. Mr. Anglin,) but if he has any knowledge of the subject, acquired even from a superficial observation of the commerce of this country, he must know that the imports from the Maritime Provinces to Canada proper, have gone on increasing enormously this year. None knows better than the hon. gentleman before him (Hon. Mr. Holton) that three lines of steamers from the Lower Provinces to Montreal came up during the last season, with cargoes of sugar, oil, coal, fish, &c., taking in return flour, and other agricultural products, and that there has thus sprung up, during the last year, a large and increasing trade, one which, I trust, will continue to increase. If you examine the Trade Returns you will find a large import now from the Lower Provinces into Canada. (Hear, hear.) There is another fact which I am very glad to put the House in possession of, and it is this: I have endeavored to obtain returns of the exports from the 1st July to the present date, in order to compare that portion of 1867-68 with 1866-67; and I am glad to say that during the three months ending 30th September last, there was a very considerable increase in our exports over those of the corresponding quarter of last year. (Hear, hear.) The total exports from Canada during the three months, ending 20th September, were:—

In 1866.....	\$10,172,142
In 1867.....	10,946,114

An increase of..... \$773,472
Equal, if the same ratio is preserved, to an increase of over \$3,000,000 for the year. And, notwithstanding the circumstances which have since occurred—notwithstanding that the failure of the Commercial Bank directly and indirectly has had a serious effect in checking the movement of the agricultural products of the country—I believe, as far as I can ascertain from partial returns for the next two months ending 30th November, although they are not so complete as to warrant my laying them before the House—I believe there will be found, notwithstanding the dis-

.....\$1,571,116
 3,418,589
 tulate ourselves
 da proper and
 hus more than
 hear.)
 . Mr. ANGLIN
 oss the House,
 gallery.
 not see any-
 the honorable
 in.) but if he
 object, acquired
 rrvation of the
 must know that
 e Provinces to
 ncreasing enor-
 vs better than
 u (Hon. Mr.
 amers from the
 ame up during
 sugar, oil, coal,
 ar, and other
 there has thus
 a large and in-
 t, will continue
 the Trade Re-
 import now
 into Canada.
 or fact which
 use in posses-
 endeavored to
 from the 1st
 er to compare
 866-67; and
 g the three
 er last, there
 so in our ex-
 nding quarter
 The total ex-
 hree months,

172,142
 946,114

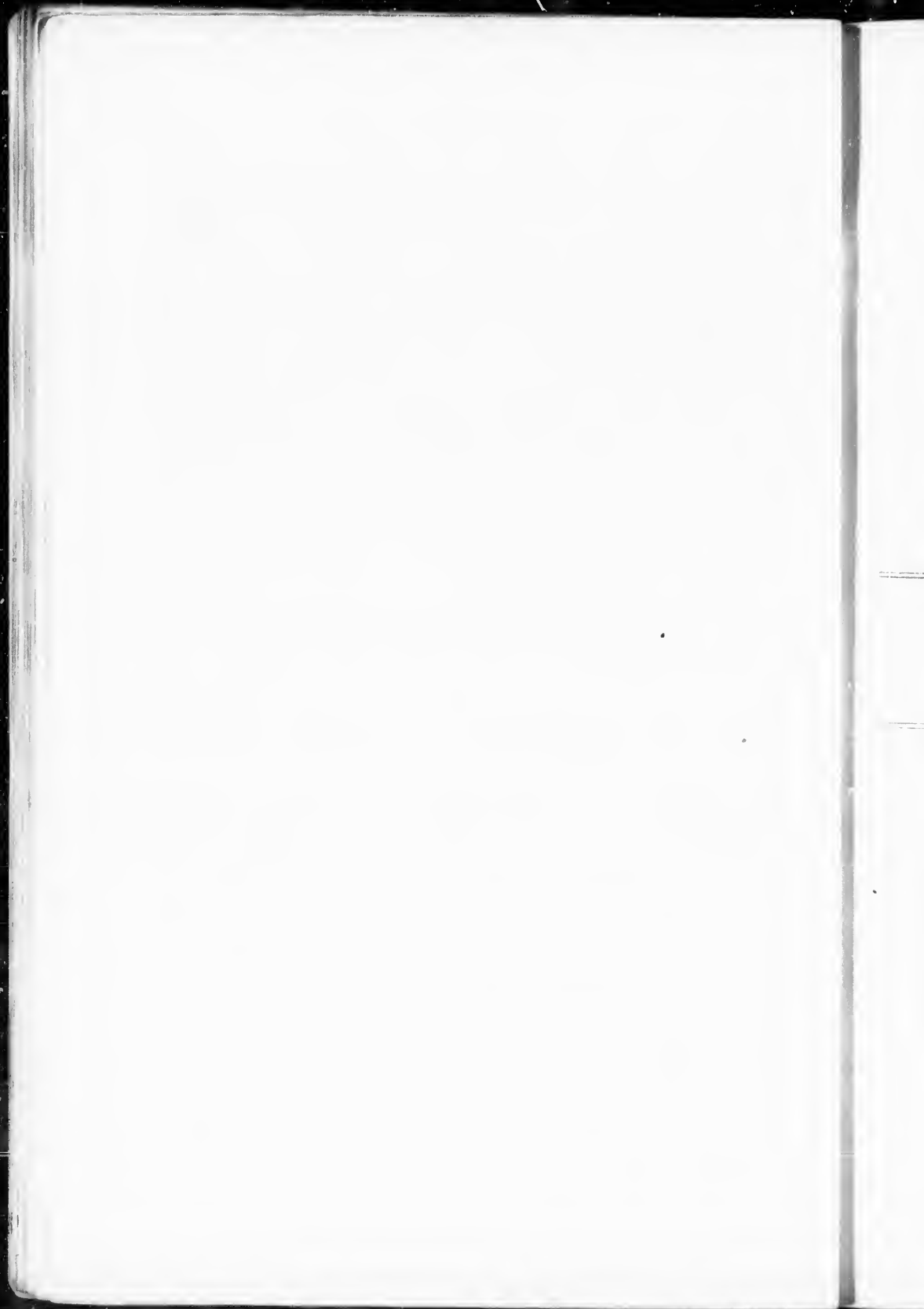
773,472

erved, to an
 r the year.
 reumstances
 withstanding
 ercial Bank
 erious effect
 agricultural
 ve, as far as
 rns for the
 vember, al-
 s to warrant
 —I believe
 ing the dis-

trust which has prevailed, and the indisposition of farmers to bring their products to market, a greater proportion of increase for those two months, than for the three months ending 30th September. (Hear, hear.) And what confirms this impression is the fact that the returns of railway freight traffic—not merely Great Western traffic, which enters the country at one end of the line and leaves it at the other, but of railway traffic generally—shew an increase of \$116,304, since 30th September, as far as returned. (Hear, hear.)

I have to apologize to the House for having detained it so long—(no, no.)—but I must close. I have alluded to the accounts of 1865-6 and 1866-7; I have stated the altered condition of affairs consequent on the Union Act; I have stated what our floating liabilities are and how the Government propose to deal with them; and I have laid be-

fore the House such approximate estimates of the payments and revenues of the Dominion as it is in the power of Government to give, together with explanations of the difficulties which lie in the way of a Finance Ministers coming down with more minute details. (Hear.) I feel that I am placed in no ordinary difficulty, being only a week in the House since my acceptance of office, and I think I do not expect too much when I hope to have the forbearance—in fact the co-operation and assistance of the House in achieving the object which I am sure it is the desire of every member to see attained, viz.:—The equalization of the revenue and expenditure, and the placing of the finances of the Dominion on such a firm basis as the high character of its people and the great resources of the country justify and demand. (Hear, hear.)



APPENDICES.

APPENDIX A.

ABSTRACT of Cash Receipts and Expenditure of the Dominion of Canada, from 1st July to 30th November, 1867.

EXPENDITURE.	\$ cts.		RECEIPTS.	\$ cts.	
	\$	cts.		\$	cts.
Total Expenditure in Canada on Dominion account.....	1,905,587	25	Total Receipts in Canada on Dominion account.....	5,353,652	49
Do do on account of Warrants, 1866-7.....	165,898	07	Do do on account of Arrears, 1866-7.....	569,103	53
Do do on account of Arrears, 1866-7.....	879,107	07	Do Nova Scotia on Dominion account.....	667,368	18
	1,045,005	14	Do do on account of Arrears, 1866-7.....	102,321	02
Do Nova Scotia on Dominion account.....	413,305	47	Do New Brunswick on Dominion account.....	451,451	76
Do do on account of Arrears, 1866-7.....	137,109	22	Do do on account of Arrears, 1866-7.....	39,844	39
Do New Brunswick on Dominion account.....	153,168	34	Total on Dominion account.....	6,472,472	43
Do do on account of arrears, 1866-7.....	318,798	20	Do on account of arrears, 1866-7.....	711,268	94
Total on Dominion account.....	2,472,061	06	Total Dominion and Arrears.....	7,183,741	37
Do on account of Arrears, 1866-7.....	1,500,912	56	Total Receipts in Canada on account of Ontario.....	136,597	67
Do Dominion and arrears.....	3,972,973	62	Do do Quebec.....	167,276	39
Total Expenditure in Ontario on Subsidy account.....	488,960	31			
Do Quebec do.....	397,499	77			
Do Ontario and Quebec Suspense account.....	21,202	06			
Do Nova Scotia Subsidy account.....	267,342	80			
Do do Special advance on Railway account.....	50,106	85			
Do New Brunswick on Subsidy account.....	125,000	00			
Total Expenditure.....	\$5,323,085	41	Total Receipts.....	\$7,427,615	43

JOHN LANGTON,
Auditor.

Department of the Minister of Finance,
Ottawa, 4th December, 1867.

DETA
Interest
Charges
Redempt
Civil Gov
Administ
Police...
Penitenti
Legislati
Education
Do
Literary
tions...
Hospitals
Geological
Militia and
Arts, Agric
Emigration
Pensions...
Public Wor
Rents and
Roads and
Ocean and
Light Hous
Fisheries...
Culling Tim
Compensati
Seigniorial
ships, L.C
Railway and
tion...
Municipalitie
Do
Indian Fund.
Marine...
Miscellaneous
Collection of
Customs
Excise...
Post Office
Public We
Territorial
Stamps...
Fines and
Minor and
Crown Lands
Unpaid Warrant
Total...
NOTE:—
Expenditure on
Do acc
Department of
Ottawa,
D

APPENDIX B.

DETAILED STATEMENT of the Revenue and Expenditure of the Dominion of Canada, in Canada, including arrears of 1866-7, for the five months ended 30th November, 1867.

Canada, from

\$	cts.
5,353,652	49
667,368	18
451,451	76
6,472,472	43
711,268	94
7,183,741	37
136,597	67
167,276	39
\$7,427,615	43

EXPENDITURE.	Amount.	Not provided for.	REVENUE.	Amount.
Interest on Public Debt.....	\$ 91,553 11		Customs	\$ 3,881,719 57
Charges of Management	97,928 92		Excise	1,088,218 78
Redemption of Debt.....	9,840 00		Post Office.....	253,694 18
Civil Government.....	204,726 27	162,735 68	Ocean Postage.....	22,690 04
Administration of Justice.....	151,102 22	6,331 10	Public Works.....	291,779 01
Police.....	16,316 16		Provincial Steamers.....	14,210 53
Penitentiary.....	112,235 80	50,397 71	Territorial	15 00
Legislation.....	150,092 67	61,816 09	Casual	5,214 20
Education East.....	9,661 17		Interest on Investments.....	9,876 05
Do West.....	7,221 54		Premium and Discount.....	10,750 00
Literary and Scientific Institutions.....	2,400 00	2,387 29	Fines and Forfeitures.....	3,957 81
Hospitals and Charities.....	35,481 30	2,917 02	Bill Stamp Duty.....	48,141 71
Geological Survey.....	7,978 77	6,064 13	Tonnage Duty, Quebec (River Police).....	7,861 35
Militia and Enrolled Force.....	447,234 15	171,919 15	Tonnage Duty, Quebec and Montreal (Mariners' Fund).....	8,314 81
Arts, Agriculture and Statistics.....	134 00		Passenger Duty (Emigration and Quarantine).....	14,048 00
Emigration and Quarantine.....	37,240 60	3,260 03	Railway and Steamboat Inspection	3,700 95
Pensions.....	10,893 52	363 00	Fisheries.....	4,720 91
Public Works and Buildings.....	90,753 30	6,190 97	Trinity Houses.....	146 91
Rents and Repairs, &c., do.....	28,601 55	25 93	Militia.....	5,532 92
Roads and Bridges.....	8,812 94	48,493 61	Consolidated Fund Investment Account.....	2,903 04
Ocean and River Steam Service.....	163,959 61	52,621 12	Receipts from sales of Public Works.....	2,225 00
Light Houses and Coast Service.....	65,605 05	7,123 62	Montreal Harbor Advance Account.....	7,000 00
Fisheries.....	9,303 12	23,276 56	Great Western R. R. Interest Account.....	304 42
Culling Timber.....	49,800 00	2,703 09	Crown Lands Department.....	168,304 85
Compensation to Seigneurs.....	94,704 40		Services, 1867.....	84 88
Seigniorial Indemnity to Townships, L.C.....	7,478 86	2,490 07	Copyright Duty.....	253 81
Railway and Steamboat Inspection	3,258 98	203 40	Indian Fund.....	16,509 59
Municipalities Fund, West.....	131,749 03	5,170 01	Hospitals and Charities.....	28,443 00
Do East.....	600 00	167,770 98	Law Stamp Duty, U.C.....	200 00
Indian Fund.....	70,264 62	195,606 46	Bank Impost Duty.....	16,462 26
Marine.....	8,492 39	69,517 22		5,492 43
Miscellaneous.....	20,808 33	2,337 71		
Collection of Revenue:—		1,372 58		
Excise.....	167,770 98	232 45		
Post Office.....	14,070 49	671 66		
Public Works.....	269,600 09	47,398 77		
Territorial.....	131,417 21	165,898 07		
Stamps.....	2,337 71			
Fines and Forfeitures.....	1,372 58			
Minor and Special Revenues.....	232 45			
Crown Lands Department.....	671 66			
Unpaid Warrants of 1866-7.....	47,398 77			
	165,898 07			
Total.....	\$2,950,592 39	\$1,052,054 75	Total.....	\$5,922,756 02

Director.

NOTE:—

Expenditure on Dominion account.....	\$1,905,587 25
Do account of arrears, 1866-7.....	1,045,005 14
	\$2,950,592 39

NOTE:—

Receipts on Dominion account.....	\$5,353,652 49
Do account of arrears, 1866-7.....	569,103 53
	\$5,922,756 02

Department of the Minister of Finance,
Ottawa, 4th December, 1867.

JOHN LANGTON,
Auditor.

APPENDIX C.

DETAILED STATEMENT of the Revenue and Expenditure of the Dominion of Canada, in Nova Scotia, including arrears of 1866-7, for the five months ended 30th November, 1867.

EXPENDITURE.	Amount.	REVENUE.	Amount.
	\$ cts.		\$ cts
Distressed Seamen.....	44,220 00	Customs	522,213 30
Interest on Public Debt.....	12,898 67	Railways	114,633 00
Light Houses and Coast Service	4,425 43	Fishery Licenses	5,783 36
Penitentiary	16,570 00	Light House Duty	4,032 51
Public Works and Buildings.....	1,223 25	Post Office.....	10,800 00
Indians.....	5,954 63	Casual.....	683 50
Civil Government	100 00	Penitentiary	446 75
Copper Coin.....	11 40	Emigration and Quarantine.....	160 92
Rations to Troops	15,000 00	Light Houses and Coast Service.....	841 62
Militia	930 70	Signal Stations.....	218 50
Miscellaneous	18,648 28	Distressed Seamen.....	377 36
Post Office.....	129 20	Fines and Forfeitures.....	1,363 08
Public Printing.....	1,003 75	Refunds	5,814 28
Statistics	550 00	Arrears of 1866-7.....	102,321 02
Savings Banks.....	5,002 51		
Administration of Justice.....	1,200 00		
Pensions.....	30 00		
Legislation.....	316 59		
Signal Stations.....	343 50		
Sable Island	46 50		
Rents and Repairs.....			
Railways.. { Construction. \$152,000 00 }	268,000 00		
{ Maintenance. 116,000 00 }	15,994 82		
Customs Expenses, including drawbacks.	137,109 22		
Arrears of 1866-7.....			
Total.....	\$550,414 69	Total.....	\$769,689 20

Note:—	\$137,109 22
Expenditure on account of arrears of 1866-7.....	413,305 47
Do of Dominion.....	317,449 65
Do Subsidy and special advance.....	867,864 34
Receipts on account of arrears of 1866-7.....	\$102,321 02
Do Dominion	667,368 18
	769,689 20

In addition to which Expenditure, the January interest, amounting to \$40,051, has been provided for in London, and drafts were met by Messrs. Barings on account of the Pictou Railway, for \$140,377.75:— \$242,428.75.

JOHN LANGTON,
Auditor.

Department of the Minister of Finance,
Ottawa, 26th November, 1867.

APPENDIX E.

STATEMENT of Local Revenue and Expenditure of the Province of Ontario, as received and paid out by the Dominion of Canada, for the five months ended 30th November, 1867.

REVENUE.	\$ cts.
Municipal Loan Fund.....	17,876 39
Law Society.....	150 00
Do Stamps.....	6,347 70
U. C. Building Fund.....	11,225 00
Education.....	8,692 93
Crown Lands.....	88,433 30
Reformatories.....	370 92
Hospitals and Charities.....	3,501 43
Total.....	\$136,597 67
Expenditure.....	\$488,960 31

NOTE.—Included in the Excise Revenue of Statement marked B, there is applicable to Ontario the sum of \$1,045.87, tavern and other licenses, collected during the Quarter ended 30th September, 1867.

JOHN LANGTON,
Auditor.

Department of the Minister of Finance,
Ottawa, 4th December, 1867.

APPENDIX F.

STATEMENT of Local Revenue and Expenditure of the Province of Quebec, as received and paid out by the Dominion of Canada, for the five months ended 30th November, 1867.

REVENUE.	\$ cts.
Municipal Loan Fund.....	368 00
Law Fees.....	5,085 99
Do Stamps.....	37,216 76
Registration Stamps.....	3,079 07
Court Houses.....	3,298 70
Building and Jury Fund.....	600 00
Education.....	5,365 01
Crown Lands.....	48,916 61
Hospitals and Charities.....	140 70
Reformatories.....	2,964 63
Casual.....	1,142 00
Total.....	\$107,276 39
Expenditure.....	\$397,499 77

NOTE.—Included in the Excise Revenue of Statement marked B, there is applicable to Quebec the sum of \$8,031.86, tavern and other licenses collected during the Quarter ended 30th September, 1867.

JOHN LANGTON,
Auditor.

Department of the Minister of Finance,
Ottawa, 4th December, 1867

STATEMENT of the Receipts and Expenditures of the Province of Canada, from June 30, 1866, to June 30, 1867.

RECEIPTS.		Amount.	PAYMENTS.		Amount.
		\$ cts.			\$ cts.
Customs		6,973,261 77	Interest on Public Debt.....		3,631,788 56
Excise		1,350,701 52	Charges of Management.....		183,475 35
Post Office.....		479,025 65	Sinking Fund.....		243,333 34
Ocean Postage.....		57,434 27	Redemption of Public Debt.....		1,813,117 17
Public Works.....		408,166 92	Premium, Discount and Exchange.....		54,165 12
Provincial Steamers.....		33,164 36	Civil Government.....		536,760 11
Territorial		776,379 31	Administration of Justice, East		399,498 79
Casual.....		16,478 01	Do do West.....		36,973 05
Quebec Loan.....		96 00	Police.....		243,813 64
Interests on Investments.....		87,527 36	Penitentiary, Reformatories and Prison		385,962 15
Premium and Discount.....		16,216 66	Inspection.....		273,647 63
Bank Imposts.....		18,042 42	Legislation.....		346,721 15
Law Fees, 12 Vic., caps. 63 & 64.....		25,391 77	Education East.....		14,802 50
Fines and Forfeitures.....		12,901 15	Do West.....		347,995 71
Bill Stamps.....		104,022 16	Literary and Scientific Institutions.....		23,275 04
Law Fees, L.C. (Con. Stat. L.C., cap. 93).....		84,699 70	Hospitals and Charities.....		1,412,932 04
Law Fees, U.C. (County Attorneys).....		34,003 10	Geological Survey.....		9,836 27
Tonnage Duties (Quebec River Police).....		9,836 27	Militia.....		57,912 88
Do (Mariners' Fund).....		9,697 05	Arts, Agriculture and Statistics.....		108,078 25
Passenger Duty (Emigration and Quarantine).....		22,621 00	Agricultural Societies.....		32,798 74
Railway and Steamboat Inspection.....		5,759 70	Emigration and Quarantine.....		51,485 18
Fisheries.....		10,490 90	Pensions.....		35,420 00
Cullers' Fees.....		61,004 81	Indian Annuities.....		540,165 03
Penitentiary, Reformatories, &c.....		67,135 86	Public Works and Buildings.....		109,056 55
Hospitals and Charities.....		6,266 55	Rents and Repairs.....		145,400 50
Militia.....		32,856 59	Roads and Bridges.....		310,302 06
Trinity House, Quebec.....		2,066 09	Ocean and River Steam Service.....		110,464 34
Registration, L.C.....		3,910 69	Light Houses and Coast Service.....		36,807 37
Debentures and Stock.....		873,200 00	Fisheries.....		200,777 25
Provincial Notes.....		3,113,700 00	Seigniorial Tenure Redemption.....		195,553 04
Municipal Loan Fund, U.C.....		189,782 50	Township Indemnity.....		65,043 29
Do do L.C.....		81,838 85	Culling Timber.....		10,648 52
Quebec Fire Loan.....		3,556 72	Railway and Steamboat Inspection.....		148,622 67
Law Society.....		14,955 03	Advances and Repayments.....		7,750 58
Court Houses, L.C.....		38,966 88	Removal to Ottawa.....		150,325 22
Building and Jury Fund, L.C.....		18,026 63	Indian Fund.....		109,242 41
Upper Canada Building Fund.....		23,645 05	Municipalities, East and West.....		41,601 17
Municipalities Fund, U.C.....		177,708 48	Secret Service.....		153,355 17
Do L.C.....		16,632 52	Miscellaneous.....		
Educational Fund, U.C.....		36,678 05	The Collection, &c., of Revenue:—		
Do L.C.....		31,596 57	Customs.....		627,612 68
Common School Fund.....		124,596 48	Excise.....		140,694 59
Copyright Duties.....		395 26	Post Office.....		559,195 25
Indian Fund.....		92,422 45	Public Works.....		267,500 23
Great Western Railway (Interest Account).....		75,918 22	Territorial		133,403 98
Northern Railway (Interest Account).....		1,873 00	Stamps.....		6,149 02
Public Works, Special.....		20,000 00	Fines and Forfeitures.....		5,152 26
Tug Steamers.....		16,190 00	Minor Revenues.....		1,029 81
Trust Fund Investment.....		3,400 00	Special Funds.....		73,344 49
Consolidated Fund Investment.....		106,647 07			
Receipts from Sales of Public Works.....		24,502 47			
Tavern Licenses applicable to Municipalities, L.C.....		4,960 02			
Total.....		\$16,400,139 89	Total.....		\$14,729,090 54

JOHN LANGTON,
Auditor.

Department of the Minister of Finance,
Ottawa, 5th December, 1867.

