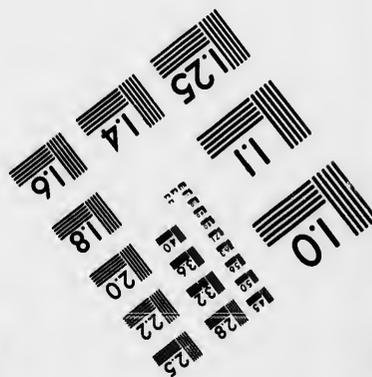
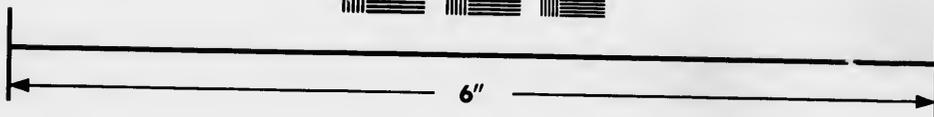
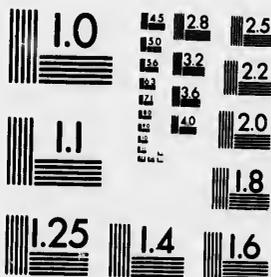


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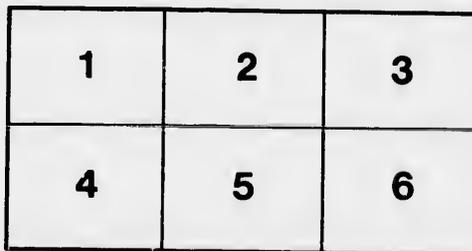
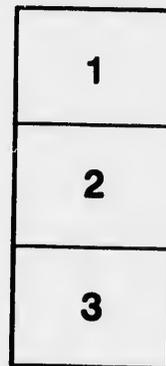
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THE BUDGET SPEECH

BY THE

HON. J. G. ROBERTSON

TREASURER OF THE PROVINCE OF QUEBEC,

DELIVERED IN THE

LEGISLATIVE ASSEMBLY, QUEBEC,

MAY 2nd, 1884.



QUEBEC.

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THE BUDGET SPEECH

P 336.714

BY THE

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HON. J. G. ROBERTSON

TREASURER OF THE PROVINCE OF QUEBEC,

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MAY 2nd, 1884.



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THE BUDGET SPEECH
OF THE
HON. J. G. ROBERTSON,

TREASURER OF THE PROVINCE OF QUEBEC.

LEGISLATIVE ASSEMBLY,

QUEBEC, 2nd MAY, 1884.

The Speaker submitted a message from the Lieut.-Governor, transmitting the estimates.

Hon. Mr. ROBERTSON rose, amid applause, and, on motion that the House go into committee of supply, said:

Mr. SPEAKER—I beg leave to move that you do ~~not~~ leave the chair and that the House form itself into committee of supply.

In making this motion, I am aware that the House and the country will expect from me full explanation as to how the subsidies granted for the past fiscal year have been applied, how the subsidies now asked for are to be expended, and the sources of revenue from which are expected the supplies asked for, and every information in my power as to the financial position of the province. This information I will endeavour to give to the House, and I am sure honourable members will make every allowance for the manner in which I perform this duty, proverbially difficult to deal with in an interesting manner. In doing

this, I wish it to be understood that I am dealing with these questions in no spirit of fault-finding with any person, and as not reflecting upon any previous administration. I shall state things just as I find them, frankly, openly, and so that every honourable member of the House may understand them. Possibly all previous governments and legislatures have each their share of responsibility in the appropriation and expenditure of public funds which have been made, and it answers no good purpose to be casting reflections upon previous management, whether by one party or the other, or insinuating that one party has been in fault and the other blameless.

THE DUTY OF THE HOUR.

The question, Mr. Speaker, which should engage the serious attention of us all is not so much how we got into our present financial difficulties as the best means to be devised and employed to retrieve our position and how we may best bring down our annual expenditure within our ordinary annual revenue at the very least, and provide for the gradual extinguishment of our provincial debt. There is no denying the fact that for several years past our ordinary revenue, aside from unexpected extra revenue, and I might say, even with unexpected revenue, has not been sufficient to meet the expenditure made. There have been annual deficits, larger or smaller, as the figures were manipulated, for several years, but beyond question deficits from \$300,000 to \$500,000 a year have occurred.

This state of things it is impossible can be allowed to exist any longer, unless we make up our minds to perpetual embarrassment and practical insolvency at no very distant period. To do this would destroy our credit at home and abroad, bring dishonour upon our province, and on all connected with the administration of public affairs. Upon this part of the question there is no difference of

opinion either in this House or the country. No one with even a pretence of wishing for the prosperity of our province would venture to recommend an expenditure above our receipts or the continuance of a system entailing large annual deficits as heretofore. We may therefore conclude, I think, with confidence, that all are convinced that the former financial state of things must cease, that radical changes are required in our disposal of public funds, and that some means must be devised to bring our finances into a sound, healthy state. (Hear, hear.)

THE CAUSE OF EMBARRASSMENT.

It is hardly necessary to state to this House, that it is the large expenditure on railway construction which is the principal cause of our temporary financial difficulties, and by this expenditure the province has largely benefitted in almost every section thereof. Our entire funded debt, the interest and sinking fund upon which press so heavily upon the treasury annually, was contracted for railway purposes. At the same time I may be allowed to say that we have been extravagant in our expenditure upon other branches of the public service, which, in view of our large expenditure on railways, should have been curtailed, but which was kept above what our annual revenue would warrant.

I must acknowledge that I have been puzzled a good deal as to the best means to be adopted to equalize our expenditure and our receipts, and in the means I propose to this end I trust I shall have the assistance of the honourable members of both sides of the House; feeling sure that though some difference of opinion may exist as to the means to be employed to accomplish the desired result, still the result to be obtained is so important, so necessary to the prosperity of our province, in which we are all interested, that all will unite with me in devising and

carrying out such means as will place our finances in a sound business-like condition. (Applause.) To do this it seems to me we must either increase our annual revenue very considerably, to meet a like expenditure with former years, or we must materially reduce our expenditure if no suitable means are found at our disposal to increase our revenue.

REVENUES CANNOT BE INCREASED.

I think this proposition will commend itself to all our minds as sound and judicious, and with respect to increasing our revenue, it must be apparent to everyone who is acquainted with our financial position, that, aside from the amount receivable from the Dominion Government, it will be exceedingly difficult to increase our revenue much from the ordinary sources upon which we have hitherto relied. Our Crown Lands revenue cannot be expected to reach in any future year even so high a figure as it did in 1882-83, but must in the nature of things gradually diminish as our woods and forests are depleted of their valuable timber. Our revenue from Law Stamps will not increase and in fact is now as high as with propriety ought to be exacted and many think the tax should be reduced. Our revenue from Licenses must, by the Dominion License Act of last session, be materially reduced. If the Dominion Law is declared constitutional, and if the right of cities to limit the number of licenses to be issued is carried into operation, the only recourse we have is to increase the License fees. If a monopoly is given to liquor sellers, they must pay for the privilege somewhat in proportion to the reduction made in the number of those who are licensed to sell liquors. This is only fair and will be gladly acceded to. Our other sources of revenue are few and fluctuating and cannot with propriety be increased. And there we are, as respects our former general revenue.

THE PEOPLE THE TAX-PAYERS.

It should be always borne in mind that when we speak of revenue from the province, it is from the people that it must come directly or indirectly. Many people have an indefinite idea that somehow or other, revenue can be collected without troubling the people in any way ; they can't explain how or in what way revenue is derivable, and never seem to think that money for expenditure by the Legislature must come from the people in one way or another. The people must furnish our revenue in some way and it should always be remembered that the Legislature in appropriating monies for any public service, is disposing of the people's money and is responsible to them for the disposition made of their funds. (Hear, hear.) If then our expenditure for the purposes of government is continued as large as heretofore, there must be additional burdens placed upon the people in some shape, and a resort to direct taxation of the people has been suggested as the best means to supply funds for the public services of the province.

THE REDUCTION OF EXPENDITURE.

But, Mr. Speaker, there is another way to equalize our expenditure to our receipts than by taxation of the people, which, in my humble opinion, is a "more excellent way" and that is to reduce our annual expenditure largely upon the various services which the Government is called upon to administer. In the first place the public business of the country must be attended to, and although there are certain services and expenditures which we cannot reduce without injuring our credit and doing injustice to third parties and to the general public, still there are—without injuring the public service of the country—retrenchments which should be made in almost every department of the public service. Every item not actually required in the public

interest should be cut off, and things brought down to a business basis. (Cheers.) I see no good reason why our departments should not be conducted as a large commercial establishment would be, our expenses scrutinized, and our receipts as carefully looked after as a commercial firm would do.

This then is our position; all agree that our former large expenditure must cease, or increased taxation must be placed upon the people. I cannot for a moment conceive that any member of this House would advocate continuing our course as heretofore, which would entail annual deficits upon the province, and the question naturally comes as to what is the best course to pursue,—increased contribution from the people or a largely diminished expenditure.

Before considering this question, I will now proceed to give a short summary of the receipts and expenditure for the fiscal year ending the 30th June last. I need not go into details, as the public accounts now in the hands of honourable members will explain these, but a short *resumé* may help members in the examination of those accounts and be of some service to the general public. I have had prepared a summary of the receipts from all sources and of the expenditures for the last year, which will, I think, as nearly as possible discriminate between ordinary and extraordinary receipts and expenditures. Upon the former there is evidently a deficit of nearly \$300,000, taking the most favorable view of the position, and the only way to know how we are progressing from year to year, is not to include loans and other extraordinary receipts amongst ordinary revenue, or on the other hand extraordinary expenditure among ordinary payments, in judging whether we are paying our way or running behindhand in our business, that is, paying our expenditure for the ordinary services of the country out of our ordinary revenue.

There are certain items of expenditure beyond the control

of the legislature or the executive which must be met at all hazards. For instance the interest and sinking fund upon our funded debt, the care of lunatics, certain expenses connected with legislation, the administration of justice, education, etc.; but on these in part and many other services the expense can be controlled to some extent, and it is to these which I would call the attention of the House and in respect to which I rely on the common sense, good judgment and patriotism of honourable members to sustain the Government.

Allow me first, however, to give a brief approximate statement of the

LIABILITIES AND ASSETS

of the province made up to the 31st December, 1883:—

LIABILITIES.

Funded debt at 31st December, 1883, outstanding..	\$18,307,826 67
Less amount included in appropriation for 1883-84 for Sinking Fund	57,730 83
	<u>\$18,250,095 84</u>
Temporary loans and deposits	452,665 24
Railway subsidies, authorized but not yet earned.	1,605,075 75
Balance of appropriation and special warrants for 1883-84	2,113,611 07
Balance of estimated cost of Parliament Building, say	150,000 00
Balance of land debts Q. M., O. & O. Railway not included in appropriations and balance due con- tractor	111,936 86
	<u>\$22,683,384 76</u>
Amounting in all to	

ASSETS.

Part price of Q. M., O. & O. Railway paid and in- vested	\$600,000 00
Balance of price of Q. M., O. & O. Railway not yet due	7,000,000 00
	<u>7,600,000 00</u>
Appropriated by law as sinking fund upon the first three loans	7,600,000 00

Quebec Court House debontures to be issued.....	150,000 00
Deposit in Bank of Montreal, part proceeds of loan of 1882.....	1,500,000 00
Cash in Bank.....	157,261 63
Balance estimated receipts for 1883-84.	1,750,353 03
City of Montreal, difference between \$132,000 and cost of lands expropriated between Dalhousie Square and Hochelaga.....	74,567 58
City of Montreal subscription to Hull Bridge.....	50,000 00
Loans and balance of interest on school lands due by Ontario.....	136,000 00
	<u>\$11,424,182 24</u>
Leaving balance of liabilities over assets.....	\$11,259,202 52

It will be observed that I have included in the above statement the balance of appropriations made by the Legislature and of special warrants for the current year and not paid at the 31st December last, amounting to \$2,113,611.07, which is a claim upon the province, and on the other side I have included the amount of the estimated receipts not received on the 31st December last, so that, in case the appropriations are all called for and paid, and the receipts as estimated are all received, there is a difference against the province of some \$357,258.04. I am satisfied, however, from the large amount contained in the supplementary estimates for the current year for services over what was appropriated at last session that the difference will be larger than I have stated. It will be noticed also that I have not included in our liabilities the amount claimed by the Dominion Government up to the 30th June, 1882, of \$889,551 for over-payments on subsidy and interest, because I do not consider the amount claimed as either just or equitable. Nor have I on the other hand included what may hereafter be realized from the Municipal Loan Fund debt, leaving these two accounts open in the meantime.

COMPARISON WITH ONTARIO.

Let me remark here that while we would not rejoice at our sister province Ontario falling behindhand in its

finances, at the same time that province has been held up from time to time as a model for our imitation, and its large surplus from year to year has been pointed to as showing good management as compared with our reckless management. I copy the following from a statement in a leading newspaper compiled from the Budget Speech of the honourable Treasurer of Ontario and from our public accounts. The article goes on to say :

“ If we take the ordinary expenditure of the two provinces for a period of two years we have this result :—

	Ontario	
	1871.	1883.
Legislation.....	\$ 94,177	\$ 133,366
Civil Government.....	114,613	202,898
Justice.....	182,621	275,244
Education.....	351,306	513,347
Public Institutions.....	213,039	648,995
Immigration.....	29,712	47,764
Agriculture.....	74,927	139,725
Miscellaneous.....	34,559	103,717
Total.....	\$1,094,954	\$2,065,056

In this period the public expenditure of the province has increased about a million dollars while the revenue has remained about stationary, the receipts from Crown lands having been as large in 1873 as last year, the result being the conversion of a substantial surplus into a deficit of \$450,000. To-day the province is living upon the surplus, and it is only a matter of time when the resource will disappear altogether, it having been reduced from \$5,756,352 in 1874 to \$4,384,241 at the close of 1883.

The expenditure of Quebec has been as follows :—

	1871.	1872.
Legislation.....	\$ 128,921	\$ 197,134
Civil Government.....	128,673	179,234
Justice.....	271,212	380,093
Education.....	284,013	356,387
Agriculture.....	59,748	97,767
Immigration	19,581	14,600
Colonization.....	221,652	32,240
Public Works.....	134,008	121,263
Charities.....	172,193	298,299
Total.....	\$1,420,001	\$1,727,017

The increased expenditure in Quebec in twelve years has thus been only three hundred thousand dollars, against an increased expenditure in Ontario of a million dollars in the same period. It will be answered doubtless that Ontario has provided asylums, prisons, reformatories, etc., to a much greater extent than our own province, that the wants of the people are better supplied, and education has been more widely disseminated, but when it suited the political exigencies of the reform party to misrepresent the financial condition of Quebec, to slander the administration of the Conservative party, none of these considerations were obtruded. The item of civil government is not unfairly deemed a fair test of the economy of government. In Ontario, the expenditure under this head has augmented \$88,285 since 1871; in Quebec the increase has been only \$50,561, or not much more than one-half, and a similar favorable comparison may be instituted of nearly every item of expenditure in the two provinces. It is true that Quebec has had deficits for some years past, and that once or twice these have been as large as that of Ontario last year, but this fact is not in any sense a sign of extravagance or misgovernment. Ontario has no debt; it has abstained from liberally subsidizing railways; it has contributed not a dollar to the construction of the great national highway, the Pacific Railway, from the provincial treasury. Quebec, on the other hand, has not only subsidized purely local roads, to the same extent as Ontario, but it has paid the whole cost of construction and equipment of 300 miles of railway from Ottawa to Quebec, a national work accruing to the advantage of the Dominion treasury. In 1883, the receipts of Ontario were, \$2,439,941 and the expenditure \$2,887,037, a deficit of \$447,096. The interest on the debt has been omitted in the payments by Quebec, but this must be done in order to fairly compare the position of the two provinces." (Cheers.)

As I said, it is no matter of rejoicing that Ontario had a deficit of \$447,096 and an estimated deficit for next year of a like amount; at the same time it shows that our province is not alone in not reducing the expenditure to the receipts, with this difference against us, that we, having a large debt for railway purposes, should have been more careful than was necessary in Ontario, inasmuch as she had no debt and had a large surplus to fall back upon. In this connection it should always be kept in mind that we are under the necessity of keeping up two languages in all of our proceedings, involving the employment of educated men as translators, the printing in both languages of all our public documents, thus more than doubling the expense of most of our proceedings, over what the other provinces have to incur. This is frequently overlooked in comparing our expenditure with that of other provinces, and injustice is done us in such comparisons, because our peculiar position is not remembered with respect to the extra unavoidable expense connected with our two languages in all our public documents. (Hear, hear.)

RECEIPTS AND EXPENDITURE IN 1882-83.

I now come to the receipts and expenditure for the year ending 30th June last, which I need not refer to at length, as the public accounts contain all the details, I only notice some of the prominent items on either side of the account.

RECEIPTS.	
Dominion of Canada	\$1,014,712 12
Ontario—Interest on proceeds sales Common School lands	25,000 00
Crown lands	807,911 66
Licenses	298,931 19
Justice	218,426 40
Public officers—percentage	7,080 86
Legislation	4,706 39
Official Gazette	18,020 21

Asylums—contributions from patients	6,623 88
Public builklings	2,244 05
Casual revenno	1,572 80
Pension grant contributions	6,494 87
Interest	10,216 92
Repayments	11,000 00
Quebec fire loan	701 67
Municipal loan fund	34,120 10
Traffic receipts—Q. M. O. and O. Railway	54,949 89
Interest on price, do.....	259,384 40
Direct taxes.....	15,895 73
Teachers' pension fund—contributions	16,893 16
Refunds	2,955 42

\$2,817,841 73

Trust funds, marriage licenses and interest on R.C.	
Sup. Ed. deposit	35,272 03
Special security deposit—(Forget and Co. loan contract).....	30,000 00
Instalments—price of Q. M. O. and O. Railway....	600,000 00
Sale of railway material, &c.....	56,146 20
Proceeds of loan, 45 Vic, Cap. 18	1,116,500 00
	<hr/>
	\$4,655,759 96

EXPENDITURE.

Public debt.....	\$ 889,794 00
Legislation.....	191,841 81
Civil Government	205,258 64
Administration of justice, including police, reformatories and inspection.....	445,989 94
Public instruction including teachers' pensions.....	354,457 00
Literary and scientific institutions.....	14,960 00
Arts and manufactures	10,000 00
Agriculture	84,768 00
Immigration and repatriation	15,000 00
Colonization	76,392 72
Public Works.....	\$184,528 57
Less to be paid out of loans (see below).....	10,043 46
	<hr/>
	174,485 11
Lunatic asylums	232,000 00
Charities	69,121 61
Miscellaneous—General	\$ 22,735 76
Do.—Damages defective surveys	15,443 00
	<hr/>
	38,178 76

88	Engineers for mining purposes	3,108	30
05	Agent in France	2,500	00
80	Municipal loan fund—salary and expenses of com-		
87	missioner	1,799	22
92	Crown lands expenditure	139,035	00
00	Stamps, licenses, &c.	15,585	04
67	Revenue Police	6,000	00
10	Official Gazette	12,325	60
89	Pensions	14,052	01
40	Municipalities' fund	3,936	00
73	Licenses—Payments by revenue officers out of		
16	collections	21,114	22
42	Justice—Do. do.	8,237	80
—	Traffic expenses—Q. M. O. and O. Railway	96,621	90
73		<u>\$3,120,562</u>	<u>68</u>
03	Trust funds (distribution marriage licenses fund and		
00	payment of \$500 on R. C. Sup. Ed. deposit)	7,022	00
00	Special security deposit—Repayment	30,000	00
20	Payments out of proceeds of loan Parliament		
00	building	9,328	28
00	Quebec Court House	715	18
96	Quebec Central Railway guarantee deposit	112,429	57
00	Railway subsidies	99,057	90
81	Q. M. O. & O. Railway construction and lands	551,025	616
64	Do. Changing line from Prince Edward street to be		
04	met by subscription of City of Quebec	31,875	00
00		<u>\$3,962,015</u>	<u>77</u>
00	Balance	693,744	19
00		<u>\$4,055,759</u>	<u>96</u>
00	Memo :		
00	Cash on hand 1st July, 1882	\$379,172	78
00	Less unpaid warrants at 30th June, 1882 (since paid)	40,632	37
72		<u>\$338,540</u>	<u>41</u>
11	Balance of receipts and payments for year 1882-83 ..	693,744	19
00		<u>\$1,032,284</u>	<u>60</u>
61	Cash on hand 30th June, 1883	\$1,125,335	24
76	Less unpaid warrants	93,050	64
		<u>\$1,032,284</u>	<u>60</u>

CHARACTER OF THE REVENUE

It will be observed in the statement submitted that our Crown lands revenue for the year ending 30th June last is

larger than for any previous year. In view of the depression of the lumber trade at the present time and the fact that the quantity of lumber cut during the present winter is by no means up to the average, our Crown lands receipts for the current year and especially for the next fiscal year will probably be very much diminished, and I have therefore not estimated the receipts from this source as large as some previous years' receipts might at first seem to warrant. The receipts from licenses last year were large, but in view of the Dominion Liquor License Act, 1888, and the confusion consequent upon the uncertainty of the constitutionality of that law which involves the constitutionality of the Quebec License Law of 1878 and amendments, it is very difficult to foresee what the effect will be on our revenue from this source. The Dominion Government by statute has declared that the holders of provincial licenses shall not be prosecuted by the federal authorities for the next license year pending the decision as to the constitutionality of the Dominion and Provincial license acts so that we shall proceed as heretofore under our own law. The other items of revenue submitted are pretty much the same as in former years, except the interest on the price of the Government railway sold, which under the law must be applied only to payment of interest on part of our funded debt.

CONSIDERATION OF THE EXPENDITURE.

As to the expenditure, the largest item is interest upon our debt, \$889,794, which we cannot reduce and which must be punctually met in order to preserve our credit abroad. The next largest item of expenditure is for the administration of justice, \$445,989. I am in hopes that we shall be able to effect some considerable reduction upon this item next year. Then comes public instruction, \$354,457; upon this I do not propose to effect any material

reduction. The importance of educating our people is so apparent that I feel sure that it is one of the last objects this House would wish to see the expenditure diminished upon. One of the first things which I would like to do would be to increase the grant for educational purposes, due regard being had to a proper use being made of the appropriation. The next largest item is for civil government including contingencies, \$205,258.64. I am in hopes we can reduce this amount considerably next year. The other items do not call for remark except agriculture and colonization. It should be borne in mind in this connection that the railway facilities obtained by the grants of the province towards railway construction afford one of the best means for colonization purposes, and that those counties which have had railways built through them since Confederation should be content with much less towards colonization roads than heretofore.

For the past fiscal year the ordinary receipts amounted to \$2,817,841, and the ordinary expenditure to \$3,120,562. The other items of receipts are trust funds, proceeds of loans, and the other items of expenditure are for railway subsidies, public buildings, &c.

SUPPLEMENTARY ESTIMATES FOR THE CURRENT YEAR.

I now come to the supplementary estimates for the current fiscal year, amounts either not provided for in the regular appropriations made by the House, or expenditure over and above the appropriations made, and which I prefer to bring directly before the House for consideration rather than to issue special warrants to be voted *en bloc* after the money is paid, or to have payments made on special warrants, instead of a vote of this House. I would here remark that these supplementary estimates are for indebtedness contracted by the former government, and will increase the expenditure for the present year over and above

what was voted by the House for the respective services mentioned, and which the present government could not control as the debts were contracted and obligations incurred before they assumed office. I regret the amount is so large and unexpected, but I lay them before the House for adoption. And first on Legislation :—

Legislative Council.	
Salaries and contingent expenses, caused by the fire..	\$10,000 00
Legislative Assembly.	
Salaries, contingent expenses, salaries of extra clerks, stationery, printing and binding, &c.....	19,030 00
Library of the Legislaturo.....	15,000 00
Expenses of elections.....	5,000 00
Printing, binding and distributing the laws.....	1,237 29
Bourinot's Parliamentary procedure.....	750 00
Total for legislation.....	\$51,017 29

The first item, Legislative Council, is for contingencies caused by the burning of the parliamentary buildings and has been already authorized by vote of the House. The next item, Legislative Assembly, is for increase of salary to the Speaker's messenger, \$200, to correct an error in the statutes which contains \$7,167 instead of \$7,617, a clerical error, six and a half months rent of house of the sergeant-at-arms caused by the fire, \$130, and on contingencies to buy articles indispensably necessary destroyed by the fire, \$250, making together \$1,030; and also for sessional clerks \$2,400, messengers and pages \$1,800, stationery \$2,000, printing and binding \$10,000, and sundries, 1,800, for library \$15,000, in all making under the head of Legislation \$51,017,29. Of this amount special warrants were issued for part of the amount which the vote of the House will cancel.

Contingencies of Public Departments \$4,385 00

For contingencies of departments, to finish the year \$4,385 is required, principally for extra help required to make out returns to the House, &c.

Reformatories at Montreal and Levis.....	\$6,300
Agriculture, immigration, repatriation and colonization—	
<i>Journal of Agriculture</i> , short appropriated	\$1,500
Immigration and repatriation	5,000
Bridge over River Ste. Anne, (Bacon's,) to complete	550
	<hr/> \$7,050

Public works and buildings, rents, insurances, repairs to public buildings generally.....	\$42,282 00
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I need not refer to these items particularly; the estimates show what they are for—on Public works and buildings including the amount for temporary accommodation for the Legislature, in all, \$42,280.

Then we have the following items:—

Charities	\$ 1,500 00
Miscellaneous.....	6,146 20
General expenditure Crown Lands, to provide for overdrawn account	15,459 49
Railways	183,579 51
Being for construction purposes Q. M. O. and O. Railway, balance on land expropriated, right of way, \$100,000 on account of award in favor of Hon. Thomas McGreevy, and \$6,700 for traffic expenses.	
Making the whole amount of supplementary estimates for the current year.....	\$ 317,719 49

ESTIMATED RECEIPTS FOR THE NEXT YEAR.

The estimated receipts for the fiscal year ending the 30th June, 1885, are as follows:—

From Dominion Government—	
Subsidy, allowance for government and interest on funds as formerly	\$1,014,712 12
Subsidy under Dominion Act, 1884.....	127,460 68
Interest on grant for Q., M., O. & O. Railway.....	119,700 00
Whole amount.....	<hr/> \$1,261,872 80

I am not quite sure how the Dominion Government arrived at the amount of subsidy payable under the act of last session. I presume it was by calculating the interest on our share of the surplus debt of the late Province of Canada which was assumed by the Dominion in 1873

and allowing the interest thereon at 5 per cent. from the time it became due, on the assumption that the surplus debt was taken from us by the B. N. A. Act, 1867, and calculating the amounts withheld from us and the interest thereon, forming a capital sum upon which interest at 5 per cent. per annum will be paid us hereafter. In the account furnished us by the Dominion there were certain amounts due to us on which we have received the interest year by year—the principal of which was credited to us on account current, and it is possible I may have included the interest on such principal, which should not have been done. The final adjustment of the account with the Dominion will show how these amounts should stand. The Dominion authorities were written to for a statement of the amount which the Province would receive in addition to what it formerly received, and in answer a telegram was sent by them giving the sum mentioned above, which I accepted in the meantime.

From Ontario Government..... \$30,000 00

The interest for our share of Common School Lands sold in Ontario I place at the above amount.

From Licenses..... \$225,000 00

It is exceedingly difficult to estimate what we may receive from this source. The operation in part of the Dominion license law interferes so materially with our law, that it is impossible to say with any certainty what we may receive. I think we may surely calculate upon \$225,000 from this source; the Act amending the Dominion law providing that no prosecutions will be instituted against parties selling liquor under our License Act, will, I think, induce parties to take our licenses as before, and this revenue may possibly not be materially reduced for the next year.

It is well known that the City Council of Montreal, and

other cities acting under the Dominion License Act of 1883, reduced largely the number of licenses which could be issued under it in those cities, but in carrying out the Quebec license law of 1878 and amendments we could not recognize for the next year the right of the City Council to enact any such provision. Hereafter, if our law is declared to be constitutional, as I have no doubt it will be, I shall be pleased to limit the number of licenses in Montreal and other cities to correspond in some measure with the public sentiment. We could not get through a measure this session in the uncertainty which exists as to the constitutionality of both the federal and provincial laws without in a certain degree at least acknowledging the rights of the federal authority to interfere with the rights and privileges of this Province, which we must protect at all hazards.

From Crown Lands \$600,000

The Crown Lands Department estimate their receipts from all sources for the next year at \$600,000, an amount I hope to see increased even under the depressed state of the lumber trade. This sum is about \$200,000 less than was received during the past year in that department.

Administration of Justice:—From this source the amount is estimated in all at the sum of.....\$ 227,900 00
made up as follows:—

Law stamps	\$170,000 00
Registration do.....	16,000 00
Law fees exclusive of stamps	6,500 00
Building and jury fund.....	14,000 00
Maintenance of vagrant prisoners.....	8,000 00
House of Correction, Montreal	5,000 00
Gaol guards	2,400 00
Fines.....	1,000 00
Montreal Court House.....	5,000 00

From Public Officers:—I estimate the receipts to be—

On percentage on their fees	\$ 6,000 00
Fees on renewals of mortgages	1,000 00

7,000 00

Legislation:—Fees on private bills and sale of statutes.....	5,000 00
Official Gazette.....	17,750 00
Lunatic Asylums—From municipalities and private patients.....	14,000 00
Public building rents.....	\$ 1,000 00
Casual revenue.....	2 000 00
Pension fund contributions.....	6,000 00
Interest on deposits, &c.....	75,000 00
Quebec fire loan.....	1,000 00
	<hr/>
	\$5,000 00
Interest on Q., M., O. and O. Railway.....	380,000 00
Municipal loan fund.....	100,000 00
Repayments.—Beaufort asylum.....	\$ 4,000 00
St. Jean de Dieu.....	4,500 00
	<hr/>
	\$8,500 00
Quebec Court House debentures.....	150,000 00
	<hr/>
Total.....	\$3,112,022 80

As we have appropriated the full amount of the grant for building the Quebec Court House, I take credit for the full amount of debentures to be issued. If, however, the whole grant is not paid, the whole of the debentures will not be issued. I want to have no loss of interest to the government upon the bonds when issued.

THE COMMERCIAL CORPORATIONS TAX.

It may not be improper, Mr. Speaker, to refer to the legislation had two years ago by this House with respect to the act entitled "An Act to impose certain direct taxes on certain commercial corporations." Everyone knows that many suits were instituted to recover the taxes imposed by that act. That there are one or two suits pending before the Privy Council in England is also well known. Upon the result of the decision of the Privy Council depends whether the province will receive some \$200,000, or have to refund what has already been paid, together with a large sum for costs in the suits instituted—the whole of these, as I understand the question, to be

governed by the judgment of the Privy Council. I need express no opinion as to the wisdom of the course pursued on the subject alluded to. I shall only be too glad to receive a considerable increase to our revenue, rather than have to disburse a considerable sum of money, to repay amounts received some years ago and the costs incurred in the suits now pending. If our law is declared constitutional, we shall receive additional revenue, and if otherwise we shall have to disburse a considerable sum not provided for in the estimates submitted.

I have, Mr. Speaker, given the estimated revenue for the next fiscal year as near as circumstances would permit, which I hope will be realized, and have laid before the House the appropriations asked for the same period in the printed estimates now in the hands of the members.

THE PROPOSED EXPENDITURE.

I will now give a synopsis of the differences between the amounts actually spent for the various public services during the year ending 30th June last, and the amounts voted last session and asked for by supplementary estimates for the current fiscal year, both these being compared with the amounts asked for for next year's expenditure, in order that the honourable members may be better able to judge of the reduction made, so as to enable them—if I have not gone far enough in cutting down expenditure—to make suggestions as to other sums which may be reduced, to which I will be much pleased to give every consideration.

LEGISLATION.

To show what retrenchment has been made in various branches of the several departments, I find there was paid for Legislation in the fiscal year 1882-83 the sum of \$191,841.81, and the estimated expenditure for the current year

wss put down and voted by the house at \$196,772.29 and the appropriation asked for next fiscal year I put down at \$145,482.50, showing an estimated expenditure for next year of \$46,359.31 less than was paid for 1882-83, and \$51,289.79 less than was voted the current year, including always the supplementary estimates, a beginning, at least, in the right direction.

CIVIL GOVERNMENT.

The cost of this branch of the public service for the year 1882-83, was \$152,908.64 and the estimated expenditure for the current year voted by the house was \$169,305. The appropriation for the next year is \$141,150. Upon Contingencies of the departments there was paid out in 1882-83 \$52,328.85, and appropriations for the current year were \$51,985. The vote asked for now for Civil Government including Contingencies, amounts to \$185,750, being less by \$19,487.49 than was spent during the year 1882-83, and \$35,540 less than the appropriations made for the current year 1883-84. This reduction, I hope, will be satisfactory to the House, and I am not without hope we may succeed in making some further reduction without interfering with the efficiency of this branch of the public service, (hear hear.) As I have repeatedly stated in the House I am no advocate for obliging public servants to work for a bare livelihood. I am in favor of good fair salaries being paid to good faithful employees and dispensing with the services of those who are inefficient, or who neglect their duties. In some cases employees are not paid enough.

ADMINISTRATION OF JUSTICE.

The amount paid for the year 1882-83 on Administration of Justice was \$372,400.87. The amount voted by the house for this year was \$387,052, and the appropriation I ask for the year beginning the 1st July, 1884, is \$347,367. This

shows a reduction of \$25,033.87 upon the expenditure of 1882-83, and a reduction of \$39,685 on what was voted last year.

I need hardly repeat what I have for the past ten years said to this House, that the expense of criminal justice should be paid by the Dominion Government, inasmuch as it is for the enforcement of their laws; and the fact that the administration of criminal justice was given to the local authorities by the Confederation Act by no means implies that it was to be at their expense, but as we had courts of justice established, and had the exclusive right to establish such courts, that it was more convenient for us to administer the criminal law than for the Dominion authorities to do it. From some hints which fell from some members of the Privy Council in Ottawa I am in hopes we shall be relieved from the burden, or compensation will be made to us, so as to assist in the administration of criminal law. If no assistance should be rendered by the Dominion Government, it may hereafter become a question of necessity with us whether we must not resort to the same plan adopted by, I believe, all our sister provinces, to place a larger share of the criminal justice upon the municipal authorities than is now done, in order to relieve the provincial authorities from bearing, I may say, the whole of such expense, as at present is the case. In the meantime, I hope that this will not be necessary.

I now come to Police Reformatories and Inspectors of public offices. These combined cost the province in 1882-83 the sum of \$73,589.07, and the appropriation for the current year was \$81,000, and the amount asked for in the estimates for next year is \$65,800, showing a reduction in next year's estimates of \$7,789.07 less than was spent in 1882-83 and of \$15,200 less than voted in last session for the present year.

PUBLIC INSTRUCTION.

This item includes not only superior education and common schools, but expenses connected with these services, such as normal schools, school inspectors' salaries, deaf and dumb institutions, scientific and literary institutions, printing legal reviews, arts and manufactures, etc., etc. The amount spent in 1882-3 for these services was \$379,417, and voted for the current year \$376,980, and proposed to be voted for the coming fiscal year \$358,985, a reduction over 1882-83 of \$20,432, and over amount voted last year of \$17,995. With respect to the appropriation for common schools I have made no reduction. This is one of the last services which should be curtailed. The youth of our province should have as far as possible the means afforded them of obtaining at least the rudiments of education, more especially the children of our poorer citizens, and I should be sorry indeed to cut off any amount from the usual grant for the maintenance and support of our common schools, and in this I am sure of the support of this House and the country. (Cheers.)

I have, however, in view of the state of our finances, cut off the usual grants to scientific and literary institutions which I would have gladly continued, were it not necessary in order to reduce our expenditure within our receipts. These institutions have, however, been subsidized for many years and are of such a character as should be self-sustaining, and in the meantime till our finances are in a more flourishing condition I thought the cutting off from these institutions would do less harm than from some other objects heretofore receiving assistance from the Legislature, and which must in part at least be continued. There are some grants towards the reconstruction of educational buildings which have been promised heretofore, and contracts entered into on the strength of these grants I did not feel justified in not con-

tinuing; these will, however, be paid off in a year or two and will not be required, I hope, for other institutions.

AGRICULTURE, IMMIGRATION, REPATRIATION AND COLONIZATION.

These services, Mr. Speaker, I know are of a delicate nature, and knowing the feeling of the House, with respect especially to agriculture and colonization, and considering the financial position of the province, I must confess I had some difficulty in making up my mind as to the amount to be placed in the estimates for these two services. The importance of fostering agriculture and colonization in the opinion of members of this House I well know, and on the other hand the large expenditure on railways, which prove the best possible colonization roads, pressed itself upon my mind, but finally it was decided to place the same amount on the estimates as last year for agriculture and colonization, although I must say I felt that it was more than could be well afforded, and I trust hon. members will be prepared to retrench on other services in order not to exceed our revenue for the coming year.

I recollect distinctly when bringing down the railway policy of the Government years ago, that I explained to the House that if so large an outlay was sanctioned for railway purposes honourable members would understand that of necessity the grants for agriculture and colonization purpose must be diminished as the province could not bear the interest on so large a railway debt and continue at the same time as large grants as formerly to those important objects. At that time the subject was perfectly understood and the universal feeling was that railways must be encouraged at all hazards, as being most pressing and important for the interest of the province if we would keep pace with our sister provinces and do our part in building up our Dominion. (Hear, hear.)

I should have been much pleased to have seen my way clear to have increased the grant for colonization purposes, but my first duty is to reduce expenditure within our receipts, the next to make such reductions as will produce the least harm to the public service, and in doing this I have acted according to the best of my judgment, which I hope will meet with the approbation of honourable members and the country.

With respect to the grants for agricultural societies I have long been of opinion that the money thus spent did not produce the results we had a right to expect, and I am satisfied that a change in our law might be made, which would do much more good to our farmers than to continue our present system of small local exhibitions. The Government had, however, not time to prepare a new system for this session matured sufficiently to be submitted to the House. This must be deferred until another opportunity. Had it not been that the agricultural societies had already made their annual subscriptions towards their respective societies, I should have suggested a cutting down from the usual amount, and I am satisfied that a change can be made in the law relating to agriculture which will give much better results than under the present system. The reduction made under this heading, aside from grants to agricultural societies and colonization roads, which remain the same as last year, is as follows:—Paid in 1882-83, \$176,160.72, and voted for this year, \$190,450, and the estimates for the coming year are \$162,100, showing a proposed expenditure of \$14,060.72 less than was paid last year, 1882-83, and \$28,350 less than appropriated for this year by the House.

PUBLIC WORKS AND BUILDINGS.

Rents, insurances, repairs of public buildings and inspections and surveys.....	\$	46,394
New parliament buildings to come out of loans		110,000

New court house, Quebec	80,000
Repairs of court houses and gaols, rents and insurances	15,257
In all amounting to.....	\$ 251,651

In instituting a comparison of the expenditure for last year, I have deducted the amount paid towards departmental and parliament buildings, as they are not chargeable properly as against ordinary revenue, but are provided for by special loan, and I find that aside from the amount spent on these buildings there was spent in 1882-1883 \$151,702.14, and appropriated for the current year \$277,279, and the estimated expenditure to be \$141,651, shewing a decrease of \$10,051.14 from what was paid in 1882-83, and \$135,628 from the amount of the estimate for 1883-84.

CHARITIES.

The next item in order is charities, under which head we have lunatic asylums, miscellaneous charities and reformatory and industrial schools.

Lunatic asylum, Beauport, estimated at \$122,500; St. Jean de Dieu, \$102,000 and St. Ferdinand d'Halifax at \$3,000, in all \$227,500.

As to miscellaneous charities, the plan I have adopted is this:—The late government by order-in-council deducted ten per cent on all appropriations for the current year. I have followed the same principle with the exception of grants for the blind and deaf and dumb institutions, which retain their original grants. I could not think of any reduction at present on these important and absolutely necessary institutions. Providence has seen fit to inflict upon certain of our people the loss of sight and upon others of hearing and speech, and I consider it not merely a duty of the state, but a privilege, to endeavour to ameliorate their deplorable condition as much as possible. I am sure the House will agree with me, that those

benevolent and Christian institutions should not be reduced in their grants. (Hear, hear.) Some years ago I visited these institutions in Montreal, and I was not only gratified and surprised at the improvement manifested by the pupils under the care and instructions they received, but full of admiration at the Christian and philanthropic spirit manifested by those in charge of these institutions and then made up my mind that every assistance I could render them I would gladly do to the best of my ability. All honour to the philanthropic individuals and communities who devote their means and personal efforts in aid of those so grievously afflicted by Divine Providence. With respect to the two last items in miscellaneous charities, reformatory and industrial schools. I am afraid some abuses have crept in as respects admission to these institutions, and the attention of the government having been called to the subject, means will be taken to remedy the abuses complained of and confine these institutions to their legitimate purposes.

The amount paid out upon charities of all kinds in the year 1882-83 was \$301,121.61, and voted for the year \$299,680. The present estimated expenditure for next year is \$286,464, showing an estimated expenditure of \$14,657.61 less than in 1882-83, and \$13,216 less than was appropriated for the present fiscal year.

The next item in order is

MISCELLANEOUS GENERALLY,

which does not require any particular remarks. The amount spent on this service in 1882-83 was \$59,638.29, and voted for the current year \$72,496.20. I propose asking \$43,750, being 15,888.29 less than spent last year, and \$28,746.20 less than voted by the House for the current year.

COLLECTION OF REVENUE.

The next item is collection, management and other charges on revenue. The Crown lands expenditure has been curtailed considerably, limiting the expenditure to those services actually required.

Municipalities fund L. C., cap. 160.	\$ 3,000
Registration service through Crown lands.	15,000
Surveys do.	30,000
General expenditure.	66,808
Deposits Crown land suspense account.	15,000
Official Gazette.	12,500
Stamps, licenses, etc.	15,000
	<hr/>
	\$157,308

There is one item in Crown lands expenditure which is new, and to which I wish to call attention, viz., deposits Crown lands suspense account, \$15,000. It is customary for parties to deposit monies with the Crown Lands Department awaiting enquiry whether the land asked for is for sale. If not for sale, parties making such deposits have a right to have their money returned. Heretofore the money returned to such parties has been taken from "general expenditure" item. Now, I think that inasmuch as the money received on deposit as mentioned is placed amongst Crown lands receipts year by year, and in some years larger sums were repaid, thus showing a larger expenditure than was actually the case for services rendered the department, there should be a special appropriation made by the House for such repayments, and that the amounts repaid on deposit should not be chargeable to general expenditure. I have introduced this new item for the purpose of discriminating in future between the two items mentioned.

The amount paid out during the year 1882-83 on the services mentioned was \$176,881.64, and voted at last session for the current year \$202,809.49, and the amount

asked for the next year is \$157,308, showing an estimated expenditure for next year of \$19,573.64 less than was paid for the year ending 30th June last and \$45,501.49 less than was voted for expenditure during the current year.

I now come to a very important item

PUBLIC DEBT.

The amount for interest, sinking fund, etc., paid for the year 1882-83 was \$889,794, and voted for expenditure during this year \$927,883.31, whereas the vote required for next year is \$991,787.43, showing an increased expenditure for next year of \$101,993.43 over the amount paid for the past year 1882-83, and \$63,904.12 more than was voted for this year. This increased amount arises from being obliged to pay the interest on the balance of the last loan of \$3,500,000 which becomes due next year, over and above what was necessary before. This must be met at all hazards and irrespective of any other demand upon the treasury.

RAILWAYS.

The expenditure on railways for the next year will be much less than before, that is \$378,104.46 less than paid in the year 1882-83, and \$320,150.09 less than voted for the present year, the amount asked for being \$394,475.50.

As the expenditure for railways comes out of loans I do not think we should calculate the amounts paid out year by year, whether more or less, as affecting or showing receipts and expenditures on the general ordinary business of the Province. We do right in charging, as against ordinary revenue the interest and sinking fund upon railway loans, that is upon our public debt, but the paying out on principal should not be charged as against annual revenue.

The total estimated expenditure for the fiscal year ending 30th June, 1885, amounts to.....	\$3,515,021 64
Of which is to be paid out of proceeds of the last loan, to be deducted:—	
For railways.....	\$394,475 50
For Parliament buildings.....	110,000 00
	<hr/>
	\$504,475 50
Leaving to be provided.....	\$3,010,546 14
The total estimated revenue for the next year is placed at.....	3,112,022 80
	<hr/>
Leaving a difference of.....	\$ 101,476 66

(Cheers.) Honorable gentlemen will understand that there is a great difference often between *estimated* receipts and actual receipts, and also a difference between *estimated* expenditure and actual expenditure. Now, as to the receipts the estimation is mine, and I hope the amount expected may be realized. The expenditure proposed is, I think, quite likely to be exceeded in the nature of things, so that although according to my calculation at present the result stands as indicated, it is, at the same time, quite possible that I may have been too sanguine in my estimation of receipts, and in my effort to cut down expenditure to the lowest possible limits at the present time may have reduced some items of proposed expenditure on some services too much, but it is difficult to tell precisely what amounts on so many items may be best cut off. At all events, it will, I am sure, become the business of the Government to collect all revenue possible, and to limit the expenditure as much as possible. There are always unexpected claims, which must be met year by year, which it is impossible to foresee with any certainty.

A WORD AS TO THE RETRENCHMENTS.

I am well aware, Mr. Speaker, that I am not only risking my own popularity as treasurer, but that of the entire government in endeavouring to cut down our annual ex-

penditure in the way just explained to the House. I am quite aware that to be a popular treasurer in the usual acceptation of the word popular, I should grant money freely, hand it out right and left and promise to comply with every demand, of course with the intention of promoting the public good. I am aware that the friends of the government expect favors for their constituents from the government, and I am also aware that many constituencies press claims upon their members of various kinds without considering always or caring much whether the finances of the province can afford to grant the money asked for. Now no one appreciates more than I the intelligent independent liberal support which has been accorded to the various governments I have had the honor to form a part of by the members of this House and the country for many years. At the same time our circumstances have changed, and what might have been at one time quite proper to do, in our changed position would be the reverse, and instead of yearly surplus we have lately had yearly deficits. The increase of our funded debt for railways necessarily absorbs most of our subsidy from the Dominion in payment of interest and sinking fund upon that debt. Our sources of revenue otherwise are not likely to increase. Our expenditure in many respects is increasing, and must necessarily increase, and the necessities of our financial position force retrenchment upon the government, not altogether of their own free choice, but in the interest of the people of the province. (Hear, hear.)

My primary duty as treasurer I take to be the collection of amounts due the province as fast as possible, and specially to see that no money is improperly expended, and over and above all to watch that our expenditure shall not exceed our regular revenue. If I am correct in this definition of my duties I trust honourable members will

aid me in every possible way to perform my duty by not looking for or asking for expenditure, except for purposes absolutely required in the public interest, and in no case to ask for or allow more expenditure than our receipts permit. I know that some may object to grants being cut off which seem to bear heavily upon particular branches of the public service so called, in which they are particularly interested or which touch particularly their constituents. Some, while advocating cutting off for instance on agriculture and colonization purposes, deprecate cutting off on other services; while those interested in agriculture or colonization are indignant that these acknowledged objects of vital importance to our general prosperity should have the pruning knife applied to what they consider the most important industries in the community. Now, Mr. Speaker, I hope honorable members will bear in mind that if one member of the body politic suffers, all the other members must suffer also, and for a time at least, till our financial position is improved, so that grants may be renewed in the future, all must consent to a reduction of the expenditure, if we would avoid placing increased taxation upon the people.

I have had parties come to me and say, "Mr. Treasurer, I presume you will have to diminish your expenditure considerably in order to bring it down to your normal annual receipts." "Yes," I replied, "it will have to be done by me or some one else, if we would avoid financial embarrassment, and I hope the House will sustain the government in what may be necessary to restore the equilibrium of our finances." He would reply, "I think the House will do so, or do worse, and I understand this matter pretty well, and would take the liberty of suggesting that you don't interfere with, say, grants to superior education; you know that in order to keep pace with our sister provinces we must have our academies, colleges,

and universities well sustained by government aid, and it would be much better to diminish our common school grant, and throw the whole cost of these upon the municipalities, now somewhat accustomed to taxation for common school purposes, than to interfere with our superior education, literary and scientific institutions," etc. Possibly the next man, who looked at things from another point of view would say to me, "Allow me, Mr. Treasurer, to suggest what might be done, and I think I know public sentiment pretty well. Cut off, without mercy, all grants in aid of superior education. If the rich want their children educated in academies, colleges, and universities, let them pay for it out of their own pockets. The state has no right to pay out money in aid of colleges and universities and colleges to educate the children of the wealthy, and as for grants to literary and scientific institutions, these are unpardonable. These societies are mere humbugs, intended to give an opportunity for certain parties to air their opinions at public expense, and make a spread of their little learning at a cheap rate to their own pockets. Cut these all off, wipe out their grants from government, and if they want such institutions let them pay for them by subscription, and then you will soon see in what their real or pretended interest consists. Cut off all these, and give more money to common schools, where every child, no matter how poor, can be educated to perform his duties in after life." Again some have said, "What! cut off a few clerks in the civil service departments, and reduce the salaries of others; why it's barbarous. They have vested rights, being once placed upon the staff you are bound to keep them on, they are gentlemen of education, well connected, have many influential friends, much influence in the country, and why turn them off to effect a mere bagatelle of saving, by such a course; 'tis mere cheese paring, saving candle ends;

let them remain, and cut off all grants to charities so called. These latter are like leeches, sucking the life blood of the province. They should be supported, as in other countries, by private benevolence, and the poor will not be allowed to suffer; put the costs on the municipalities, making each one take care of its own poor and infirm, and you would soon see the greater part of those now in such institutions supported at government expense working and earning their own living, or their friends who are abundantly able in many cases to support their poor relatives, but shirk the responsibility, will not allow them to suffer. That's the plan I would adopt, and the country will sustain you in adopting this course." Others have hinted in pretty plain terms "that the present system of indemnity to members should be stopped altogether. Possibly they might be allowed \$100 a session for expenses, but the idea of paying members \$500, and sometimes more, for a session averaging only about two months a year, besides mileage and pickings in the shape of trunks and stationery, and goodness knows what more, should be stopped at once, if we are in earnest about getting out of our financial difficulties, that we should have better members in the house if no indemnity attached to the office, etc., etc., in the same strain.

Such, Mr. Speaker, are merely specimens of advice tendered me, and I allude to them to show that parties do not like their own pet schemes interfered with, and are quite willing to sacrifice those of their neighbors if their own are not touched. I need hardly say that the opinions expressed are not my own, but of those whom I have talked with on provincial matters. It is astonishing to find how many men there are in the country who understand all about financial questions. They may not profess to know much about the arts and sciences, about classical subjects, or be able to understand different languages, or

in the ins and outs of professional matters, but as regards figures, as respects the keeping of accounts, why the country is full of financiers. They could conduct a banking institution and make mere play of it, and as to the management of the treasury department of a province or the finance department of the Dominion, it could be done without the slightest difficulty, and still I venture to say that special training is as much required to properly understand not the mechanical part of mere bookkeeping, but the proper system and management of business, where the handling of money and the proper and judicious spending of it are concerned, as is necessary to train men for any of the learned professions, and to persons who understand how business should be conducted it is surprising to see many attempt to manipulate figures in accounts, of the first principles of which they are as ignorant as they are of the dead languages. (Hear, hear.) I do not pretend to know much about financial questions, or to be much of a financier, but I know as much as this, that if an individual, a commercial firm, or a government spend more from year to year than they receive, or their income can afford, it is only a question of time how soon they will come to grief. And it is with the view of avoiding financial embarrassments for our province and to avert calamity and ruin to our people to endeavour to put our finances once more into a good, sound, healthy condition and save the credit of our province that I have ventured to suggest to the House and the country, certain economies and retrenchments, which I ask this House and the country to pronounce upon. (Cheers.) It is quite possible I may have failed to indicate the proper services upon which restrictions should be made; it is possible I may not have gone far enough in the direction of reducing expenditure, but I have done the best I could at the present time. I did not wish to make reductions so immediate and complete

as to cause too much distress to those heretofore accustomed to aid from the public purse, and with this view the time may come in the future when further retrenchment must be made, but I hope that the beginning we have made may with prudence and care in the realization of our assets require no further reduction, and if our country prospers as I hope it will prosper, we may even be able to resume our grants to objects which necessity now compels us to diminish. (Applause.)

I leave the matter, Mr. Speaker, in the hands of the hon. members; with them rests the responsibility, and I trust they will calmly, in no party spirit, in no spirit of criticism, but from a patriotic standpoint, deliberately study the whole question and act according to the dictates of conscience, and I have no fear if this is done but our province will soon again be in a position, not only to meet all its engagements with ease and promptness, but that we will be able to resume our efforts to advance the material prosperity of the province in ways which at the present must remain in abeyance.

CLAIMS ON THE DOMINION GOVERNMENT.

It may not be out of place, Mr. Speaker, to refer for a few minutes to the mission of certain members of the Government to Ottawa with the view of presenting to the Privy Council certain claims our province has against the Dominion. It was stated freely in the press that we went to Ottawa for the purpose of coercing the Dominion Government into a favourable consideration of our claims at a critical moment during the session, that we took advantage of the Pacific Railway discussion and the excitement consequent upon the consideration of the important question of granting a large loan to the Pacific Syndicate to press our claims and to have our claims supported by the members of Parliament from Quebec before voting upon

the Pacific Loan—that in fact the members of the Quebec Government were using the influence of the Conservative members in Ottawa to withhold their support from the Pacific Loan resolutions unless our provincial claims were favourably considered by the Ottawa Government. Such statements as these I am bound to say were not true. The same day that the elections of the honourable Attorney-General and myself were over we came to Quebec, and one day was spent in considering the best mode of presenting our claims, and the same evening the deputation left for Ottawa. We could not well present our demands to the Government at Ottawa until our Government was formed and approved by the electors, and in view of the approaching session and our financial difficulties, we could not do otherwise than at the earliest moment possible present what we conceived were our just claims for consideration at the hands of the Federal Government. (Hear, hear.)

You will observe, Mr. Speaker, and honourable members will also take notice, that we were not presenting any new claim against the Dominion. Three years ago a deputation from the Chapleau administration presented precisely the same claims, which were promised consideration by the then Ottawa Government, and in almost every budget speech which for several years I have had the honour of presenting to this House, I kept alluding to these demands and reiterated our determination to press them upon the Dominion Government until they were allowed as only being justice to our province. These in brief may be alluded to as,—

1st. Compensation to the Province of Quebec for the amount paid by the Dominion Government in aid of the construction of the Canada Central Railway and for the railway from Gravenhurst to Callander in the Province of Ontario out of the Dominion funds, towards which we

contributed, and Government expenditure on other railways.

2nd. An additional *per capita* subsidy over the amount mentioned in the B. N. A. Act, 1867, consequent upon our increased population and increased expense connected with carrying on provincial affairs.

3rd. The interest upon the Quebec share of the surplus debt of the late Province of Canada over the 62½ million of dollars assumed by the Dominion from 1867 to 1873, when the Dominion relieved the provinces of Ontario and Quebec from said surplus debt.

4. That the Province of Quebec be relieved from the cost of the administration of criminal justice—that is the cost of the criminal laws of the Dominion—a cost increasing yearly as our population increases, while the Dominion revenues are alone benefitted by the increased population in the consumption of dutiable goods.

THE RAILWAY SUBSIDY.

We prepared a memorandum of our demands upon the two first propositions, and had it printed, with respect to the latter, merely reiterating and renewing our claims and protesting against any waiver of these on our part, but reserving them for future consideration and adjustment. We had the promise of the Hon. Mr. MacKenzie when he entered office as premier that two lines of railroad would be subsidized in connection with the Pacific Railway, one through the Province of Ontario and the other through the Province of Quebec. Sir John A. Macdonald made similar declarations subsequent to his assuming the office of premier. These promises have been fulfilled by granting to the Canada Central Railway \$12,000 a mile for its entire length, as a part of the Canada Pacific, and \$12,000 a mile granted for the railway from Gravenhurst to Callander, 110 miles in length, forming no part of the Canadian

Pacific Railway, but intended to open up to the Ontario system of railways a connection with the Pacific line. So far so good for Ontario, but our claim for compensation to at least an equal amount per mile for the Q. M. O. & O. Railway from Quebec to Ottawa has hitherto been kept in abeyance by the Dominion Government and nothing but promises of consideration at some future time could be obtained. We thought the time had come for a recognition and adjustment of this claim along with the others, and accordingly through the hon. Commissioner of Crown Lands the matter was laid before the Privy Council in a clear and able manner. (Hear, hear.)

I am happy to say that subsequently to our visit the Dominion government acceded to our demands in part, and have agreed to allow us \$12,000 a mile for the length of the road between Montreal and Ottawa, and 6,000 a mile from Montreal to Quebec, but I am sorry to say, diverting a portion of our claim to building another railway against our protestations. I explained to the Privy Council in answer to a question of the honorable Minister of Finance that we did not want the money paid us in cash. I was afraid it might slip through our fingers in some way: but what we wanted was that the Dominion government should assume a certain portion of our funded debt, pay the interest thereon for the currency of our bonds and retire them at maturity. (Applause.) That they could borrow money for such purposes at 4 per cent. to pay our interest with, thus effecting for them a saving of upwards of \$30,000 a year for say 20 years, and by thus investing this amount annually with annual interest thereon from year to year, they would save a large portion of what they assumed for us, while at the same time it would wipe off so much of our liabilities. That having already paid in cash the subsidy to Ontario railways, they were obtaining an advantage in dealing with us in the manner proposed.

With respect to this claim it was on a different footing from our other claims. This was a debt due by the Dominion to the Province of Quebec which we wanted paid and the payment of which involved no compensation to the other provinces as they had already received their equivalent in the shape of railways built for them and in subsidies towards construction of other roads. (Cheers.)

THE PER CAPITA SUBSIDY.

As regards an additional *per capita* subsidy to Quebec, the granting of this would require granting an equal amount to the other provinces, and our demand of a subsidy of one dollar a head based upon the population of 1881, as established by the census of that year, instead of eighty cents per head, upon the population of 1861, would require a large outlay by the Dominion Government to equalize the amount asked by us payable to all the other provinces. On this point the Dominion Government thought proper to express no opinion, and the question was postponed for future discussion and consideration.

REMISSION OF INTEREST ON DEBT.

As regards our third claim, the payment of the interest withheld from us upon our share of the surplus debt of the late Province of Canada over the sixty-two and one-half millions of dollars which the Dominion Government in 1867 assumed from confederation, July, 1867 to July, 1873, we founded our claim upon the Dominion Act 36 Vict., cap. 30, intituled "An act to readjust the amounts payable to and chargeable against the several provinces of Canada by the Dominion Government so far as they depend on the debt with which they respectively entered the Union." Sec. 1st read as follows: "In the accounts between the several provinces of Canada and the Dominion, the amounts payable to and chargeable against

the said provinces respectively, in so far as they depend upon the amount of debt with which each province entered the Union, shall be calculated and allowed as if the sum fixed by the 112th section of the 'British North America Act,' 1867, were increased from sixty-two and a half million dollars, to the sum of \$73,006,088.84, and as if the amounts fixed as aforesaid as respects the Provinces of Nova Scotia and New Brunswick by the B. N. A. Act, 1867, and as respects the Provinces of British Columbia and Manitoba by the terms and conditions on which they were admitted into the Dominion were increased in the same proportion. "Sec. 2. "The subsidies to the several provinces in July, 1872, shall be paid in accordance with the foregoing provisions of this act."

Now it seemed to me that the language employed in the act cited could have but one meaning: that the Parliament of Canada in so far as concerned the accounts between the several provinces and the Dominion, amended the British North America Act of 1867, upon the ground that an injustice had been done in the Confederation Act by charging Ontario and Quebec with the surplus debt of the late Province of Canada, and accordingly substituted \$73,006,088.84, as what it was intended the Union act should have contained in so far as respected the two provinces interested. If the large sum mentioned had been in the British North America Act of 1867, it is quite clear there would have been nothing due the Dominion from Ontario and Quebec at the Union, and that the Parliament of Canada fully intended, and did in fact enact, that the Union act should be so read and construed, as if \$73,006,088.84 were inserted in the said act, instead of the 62½ millions of dollars. If no principal sum was due the Dominion by Ontario and Quebec at the Union it is quite clear no interest could be due or chargeable against us since that time. (Hear, hear.)

When the Act of 1873 was in course of preparation, I went to the office of the Finance Minister and requested to see the draft of the bill then in print and ready to be introduced. I examined and did not like the wording of the first clause, and so stated to the honourable Minister of Finance. He said he thought I was rather difficult to please, and asked what I wanted, and I then and there drafted the first section, showed it to Mr. Tilley (now Sir Leonard Tilley), who approved of it, put his initials to it, and I carried the draft to the law clerk, who incorporated the clause as it now stands in the Act. My intention, I know, was to wipe out the surplus debt of Canada from 1867, and I think I succeeded. That there was no misunderstanding at the time and afterwards as to the intention of the Act will appear as I proceed. So much was I impressed with the justice of our pretensions, that in February, 1880, when a member of the government, I addressed a letter to the then attorney-general, now Judge Loranger, giving my views on the question and the reasons therefor, and requested his opinion, as one of the law officers of the Crown, upon the whole question. He examined the whole subject, and gave a lengthy opinion, fully sustaining my views, and adducing reasons in support of his opinion which I had not thought of. A deputation from the Quebec Government laid this claim before the Dominion Government in 1880, and were told that our interpretation of the Act was not a reasonable one. To this we replied that in 1874, when different arrangements were made by statute for Nova Scotia, the same government and parliament had acted in accordance with our interpretation of the Act referred to, and on the principle that no interest was chargeable against our share of the said surplus debt of Canada from 1867 to 1873, in the provisions made for Nova Scotia. Notwithstanding all this we were informed that our claim could

not be allowed, and if doubts existed as to the meaning of the law they would be removed by new legislation. The other day in Ottawa, after a re-discussion of the whole question, we maintaining our former opinions and urging them as forcibly as we could, we were informed by the hon. premier that he was willing to submit a case to the Supreme Court or the Privy Council in England, at our option, so as to have a decision on the subject. To this we could have no objection, and expressed our willingness to this course.

Since we left Ottawa, I am happy to say, the Dominion government have taken the subject into consideration and have fixed a principal sum of about \$2,550,000, upon which we will receive interest annually. I have taken that into account in the estimated receipts for next year. (Cheers.)

THE COST OF CRIMINAL JUSTICE.

As to the cost of the administration of criminal justice, this question is in abeyance for the present, but it was promised serious consideration by the Dominion Government, and there will be opportunity hereafter of expressing our views upon it. It looks to me that as a matter of justice to us the Dominion ought to pay for the administration of its own criminal law, or else make compensation to us for what we have expended for years past and are yearly expending upon this service. (Hear, hear.) It would be ungenerous on my part not to publicly state that the honourable Privy Council received the government deputation in the most courteous manner, listened to our representations with the closest attention, and I have to say further that the members of the Privy Council from this province and the members of parliament from Quebec assisted us in every way possible, and to these gentlemen, on behalf of our province, I beg to return our hearty thanks. While we had confidence in the justice of our demands and did

not go begging or asking for favours, at the same time everyone knows that it was of importance to be well sustained by friends from this province who aided and assisted us materially in our mission. (Applause.)

Before closing this part of my subject I may say that I differ entirely with the Dominion authority upon the account rendered of \$889,000 being due by Quebec at June 30th, 1882, to the Dominion on amounts overpaid us since 1867. I have not had time to examine into the account submitted, being too busy in other matters, but I cannot admit the principle of being charged compound interest at the end of every six months, nor do I think the Dominion authorities will insist upon it when the accounts are gone into by both governments.

THE NECESSITY FOR RETRENCHMENT.

Now I wish to impress upon the house that notwithstanding we have received substantial aid from the Dominion Government which properly belonged to us, we are not therefore to suppose that by this addition to our revenue we are relieved from the necessity of retrenchment and economy in our expenditure in every possible way. Why, Mr. Speaker, the addition thus made to our receipts does not amount to half our normal deficits for many years, and we have our large funded and other debts to provide for; our sinking fund to provide for year by year, and besides we have been carrying on our establishment on too large and expensive a scale, and the necessity for economy no less exists than formerly with this important difference that, with strict economy in our expenditure, we can hope to meet our liabilities without placing additional taxation upon the people, which otherwise might not have been within our power. (Hear, hear.) If, sir, the aid we have received has the effect of leading us to suppose we can continue our former expenditure

without retrenchment and economy in the future it were better for the province not to have received a dollar from Ottawa, as in that case direct taxation stared us in the face, was impossible to avoid; and then the people of the province would take the matter into their own hands and place such men only in power as would insist upon and carry out the principle of keeping down our expenditure within our receipts. I have heard parties saying, "Well with so large an amount from Ottawa," always placing it more than it was actually, "there will be no need of cutting down expenditure, we can go on as before, spending money right and left. The usual grants will be continued, etc., etc.," but these parties forgot or overlooked the fact that the additional interest we will have to pay next year upon part of our last loan, if deducted from the additional amount receivable from Ottawa would not leave enough to make up half the deficiencies for a series of years which have occurred in our province, that is, we need to retrench upon our usual expenditure at least half of our usual deficits to enable us, after payment of the extra interest alluded to, to make both ends of the year meet. At the same time it is only right to say that the additional aid from Ottawa, just and proper as it was to us, in payment of just claims, is and will prove of great benefit to us, by enabling us to carry on the affairs of the country, if proper exertions are made to keep down our expenditure within proper limits without placing burdens upon the people in such a way as to interfere with the advancement of the country and the individual prosperity of our citizens. (Cheers.)

I hope I have made clear to honorable members the necessity of economy and retrenchment in every department of the public service. I know it is not a pleasant subject to dwell upon, but it is not the less necessary in our present circumstances, and on the proper action in

this matter depends the prosperity of our province, and I know the great body of the people are anxiously waiting the action of the government and of the House with respect to the course which may be adopted. (Hear, hear.)

THE POSITION OF THE PROVINCE.

But now, Mr. Speaker, I come to a summary of our position as a province, and at the risk of detaining you, sir, and hon. members, I hope all will bear with me for a few moments longer.

It has been shown that our debt, after deducting the price obtained on the sale of the government railway, and calculating upon the interest of such sale receivable each year in reduction of interest, and finally of a certain part of the principal of our debt that we owe over and above what we may receive from the railway, between eleven and twelve million dollars, which we must at all hazards provide for out of our ordinary receipts, in so far as interest and sinking fund are concerned, for the gradual extinguishment of our debt. I have shown that the amount asked for from the House for the next fiscal year is \$3,010,546.14 for ordinary expenditure. It must be noticed, however, that the estimated receipts for the current year may not correspond with the actual receipts—may be more or may be less—and the estimated expenditure for the same period is liable to the same fluctuation, and actual results must be waited for to know how our affairs stand as respects the business of this year. At any rate it is apparent that we have for several years been spending more than our ordinary revenue warranted, which, with our large railway debt, places the province in its present financial position. It is equally clear that this state of things must cease if the good name of the province is to be maintained at home and abroad.

In order to bring our finances into a proper healthy condition certain reductions upon our former expenditure have been proposed, if we would avoid placing additional burdens upon the people, and at the same time bring our expenditure within our receipts, and it remains for this House and the country to adopt or reject the economies proposed. If rejected, I fear for the future of our province. We cannot go on as heretofore without damaging the credit of our province and imposing burdens upon the people which will press so heavily upon them as to seriously retard the settlement of the country, induce or force our citizens to seek some other country where the burden of taxation will be lighter, and paralyze every branch of industry amongst us to such an extent as will entail ruin on many of our people and make us a byword and reproach amongst our sister provinces.

It will be asserted of us and of our public men that we are incapable of self-government, that we have wilfully and deliberately contracted obligations and borrowed money which we have not the honesty or disposition to pay.

We can meet an expenditure equal to former years and meet all our obligations if this House and the country will consent to have additional taxation placed upon the people. If the country wants a certain percentage in the way of tax either upon the acreage of the country or its assessed value as placed in municipal valuation rolls, or upon income, or by any other mode of levying moneys directly from the people sufficient to meet our expenditure, this can be done, but any person can easily see and foretell the result of such a proceeding. In the first place I conceive it is not needed, and our people will not consent to it, and I feel sure whenever the sense of the country is taken as to whether the plan the Government now propose to cut off expenditure in the meantime, it may be

on objects which deserve support to some extent, and which would receive it if we had the means, or tax the people to furnish the money, there will be an unanimous cry from all parts of the province to adopt and carry out the system proposed and to carry it even farther than has been done in the present instance if necessary rather than resort to direct taxation. (Cheers.)

If on the other hand this House agree with the Government and undertake to carry out the plan of retrenchment proposed, I see no reason to fear for the future of our province.

Our claims against the Dominion Government for justice have been in part allowed and adjusted, and we have every reason to believe the balance will receive equal consideration, not as a favour but as a right.

We have an immense field for settlement upon our Crown lands in various parts of the province, which, though not adding very much to our direct revenue still increases the wealth of our country and population, and by means of their industry affords markets for our manufactures. (Hear, hear.)

Education is gaining slowly but surely amongst our people, our country is becoming better known to Europeans, and many of our people who have left for the United States would like to return to the land of their birth, and if we as legislators do our duty by enacting wise, judicious laws, by guarding faithfully our finances, by economy and retrenchment in every department of the public service, if we show that we place the real interest of the country first and foremost in our programme of proceedings, that we prefer the prosperity of the country above even party lines or party cries, that we are ready if need be to make personal sacrifices individually to accomplish the desired result of having our receipts every year exceed our expenditure, then the temporary clouds of

embarrassment which are to be found floating over our heads will soon disappear, and we will emerge into the clear sunshine of prosperity and show to our sister provinces that the descendants of the two great nations in Europe, England and France, are to be found, notwithstanding their difference of race and creed, working harmoniously and shoulder to shoulder for the common good of our common country. (Loud applause.)

That our province has so far done its share in building up the Dominion no one can deny; that we have gone beyond our means in opening up the province with railways, thereby enhancing largely the wealth and prosperity of the country out of the public funds, is patent to everyone.

Mr. Speaker, I leave the question for the careful consideration of hon. members, on them the responsibility rests. (Hear, hear.) I would merely urge upon my colleagues in the House to use their best efforts to bring our expenditure within our ordinary receipts. If I have not gone far enough in the way of economy and retrenchment I shall be glad to proceed farther in that direction. The fate of the province is hanging in the balance. If this House shows a determination to practise economy in every possible way, by a reduction on our present expenditure and carefully husbanding our revenue, we will soon be in a position to devote more attention and means to fostering our important industries, and thus increase our prosperity so as to leave no portion of our Dominion in a better position than we are. By following such a course we will have the satisfaction of feeling that we have done our part in developing the resources of our country, and leave to our descendants a happy heritage in their possession. (Cheers.)

Under the flag of our country, we will find substantial liberty exceeded in no part of the civilized globe. With

good laws well administered, with education progressing amongst our people, with industry, perseverance in the discharge of our duties, public and private, with full liberty, notwithstanding some differences of opinion, to worship God according to the dictates of our conscience, the Province of Quebec will do her part to make this Dominion of ours one of the brightest jewels in the crown of our beloved sovereign Queen Victoria, whom God long grant to reign over us.

The Treasurer sat down amid hearty cheering, announcing that his intention was only to pass one item to-day, and then the committee would rise and report progress.

BIBLIOTHEQUE
PARLEMENTAIRE

