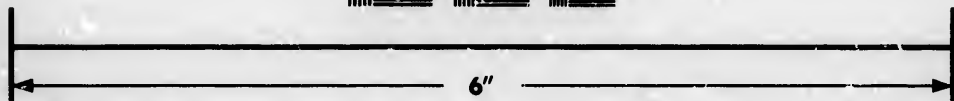
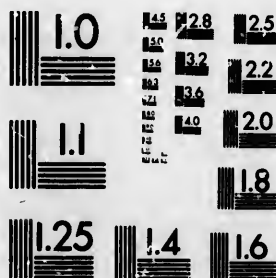


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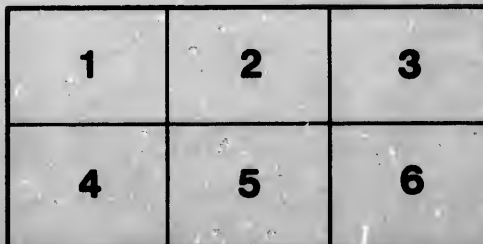
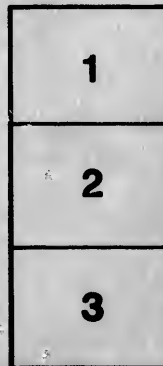
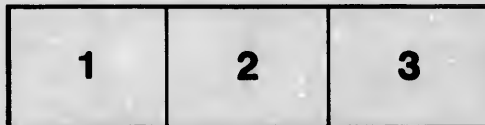
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SPEECH ON THE BUDGET

BY THE

HON. J. G. ROBERTSON,

TREASURER OF THE PROVINCE OF QUEBEC,

DELIVERED IN THE

LEGISLATIVE ASSEMBLY, QUEBEC,

29th NOVEMBER, 1872.

---

*(Reported for Morning Chronicle.)*

---



QUEBEC :

PRINTED BY J. J. FOOTE.

1872.

**SPEECH ON THE BUDGET**

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**HON. J. G. ROBERTSON,**

**TREASURER OF THE PROVINCE OF QUEBEC,**

**DELIVERED IN THE**

**LEGISLATIVE ASSEMBLY, QUEBEC,**

**20th NOVEMBER, 1872.**

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*(Reported for Morning Chronicle.)*

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**QUEBEC:**  
**PRINTED BY J. J. FOOTE.**  
**1872.**

THE UNIVERSITY OF CHICAGO

1911

# ROBERT A. LOUIE

PHYSICS

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CHICAGO

**BUDGET SPEECH**  
**OF THE**  
**HON. TREASURER OF QUEBEC.**

---

*November 29th, 1872.*

**AFTER RECESS.**

The House met at half-past seven.

The Hon. Mr. ROBERTSON then moved the House into Committee of Supply. In doing so, he said:—

MR. SPEAKER,—I beg to move that you do now leave the chair, and that the House go into Committee of Supply.

Mr. Speaker, in presenting the motion that you leave the chair and the House go into Committee to consider the supply to be granted to Her Majesty for the fiscal year commencing the 1st July next, it becomes my duty to give the House some explanations respecting the receipts and expenditures for the fiscal year ending the 30th June last.

The public accounts laid before the House will, I trust be found satisfactory so far as relates to giving a clear exposition of the sources from which our revenue is derived, and the expenditure of the same upon the various public objects sanctioned by the Legislature.

Our receipts for the past year, I am happy to say, have exceeded the estimate I had formed, and our expenditure



has been less than I obtained votes of the Legislature for, including special warrants for unforeseen purposes requiring immediate appropriations, in the public interest. Our receipts exceeded my estimate by about \$50,000, and our expenditure less by upwards of \$100,000 than estimated. (Applause.) The expenditure includes a large payment on account of railways and assistance in aid of the purchase of seed-grain to certain destitute parts of the Province, and other items of expenditure not provided for in the vote of the Legislature during the session of 1870. These items I will allude to more particularly by and by, and I may just mention here that our cash balance on the 30th June last amounted to \$679,809.64, as against the sum of \$659,085.88 on the 30th June, 1871, notwithstanding the unforeseen expenditure referred to. (Hear, hear.)

I do not intend, Mr. Speaker, on the present occasion, going into the discussion of various matters of public interest to the extent I have done on former occasions, not wishing to intrude my opinions on the House to any unnecessary degree, but shall confine my remarks as much as possible to explanations strictly financial, so that honorable members may not be wearied by reference to other subjects not strictly connected with the question before the House.

I hope hon. members will, as heretofore, bear with me and make allowance for the difficulty I experience in presenting figures in that attractive form which some possess, taking the will for the deed, and being assured that it is from no unwillingness of mine to give every explanation and information required, but rather a want of ability on my part.

I would, as on former occasions, call the attention of the House to the fact, that our Public Accounts are merely statements of receipts and expenditure from year to year. Our assets and liabilities are not brought into our published statements. The former are much larger than those from which our revenue hitherto has been derived, and the latter consist of that share of the surplus debt of the late Province of Canada, which may be assigned to us,—with any accrued interest thereon,—on settlement, between this Province and the Province of Ontario.

A few words as to what progress has been made towards the settlement of the arbitration question between Quebec and Ontario since the last session of this House.

It will be in the recollection of honorable members that after the resignation of the Arbitrator appointed by Quebec, the Hon. Mr. Justice Day,—the remaining two Arbitrators held several meetings, and finally rendered and promulgated a "so called award," manifestly in favor of Ontario and against Quebec, *even going beyond what Ontario claimed*, in her factum presented to the Arbitrators, so that Ontario had a less share of the surplus debt to pay than she was willing to pay, and obtained more assets than she claimed belonged to her.

Of course, this left Quebec with more debt to pay than she ought, and with less assets than she was justly entitled to.

This award the Dominion Government declined to acknowledge, as correct and legal, and treated it as worthless—in so far as basing the payment of the annual subsidy to the respective Provinces was concerned—and Ontario thereupon wished to appeal to the Honorable Privy Council in England for a decision. We have acted, and will act on the defensive in this matter. (Hear, hear.)

We have agreed so far as to acknowledge the records kept by the Dominion Arbitrator of the several meetings of the Board to be correct, and if obliged to go before the Privy Council in England, our case is prepared for submission to that body, and has been for months past. (Applause.) I cannot but hope, however, that some means may be devised whereby such a reference may be unnecessary, and the whole of the matters in issue between the two Provinces arranged in this country upon a fair and equitable basis, satisfactory to both Provinces, and with justice to the other parts of the Dominion. Our pretensions as to the so-called award, and as to what this Province is entitled to, we believe can be fully sustained, before any impartial tribunal; and I am sure the members of this House, and the people of this Province, will fully sustain the action of the Quebec Government on this question.

While expressing this opinion, it should not be forgotten that the sooner the matters in issue between Quebec and Ontario are settled the better, and honorable members may rest assured that the Quebec Government will use every effort to obtain an early settlement of this important question, and see that this Province obtains that justice to which it is entitled.

The action of the Members of this House and of the Members from this Province in the Dominion Parliament, can do much to obtain a fair settlement. The frequent changes in the Government of our Sister Province have probably had the effect of postponing the appeal to the Privy Council; but, as before said, we are ready, when called upon, to present the claims of Quebec.

I will now proceed to give a statement in as brief a manner as I can of the receipts and expenditure for the past fiscal year ending the 30th June last.

The public accounts submitted contain the details of what I shall say; but, perhaps, a condensed synopsis may enable honorable members to understand better what has been done than mere reference to the accounts themselves.

At all events it affords me an opportunity of giving explanations which could not well have been printed in a public document of the kind referred to, and the public generally will obtain through the press, information, as to our financial position, by means of my explanations, which otherwise they would not have access to.

*Receipts for Fiscal Year ending 30th June, 1872.*

Cash on account of Subsidy.....	\$800,000 00
(Retained by Dominion Government on the year's subsidy)..	\$159,252 80

CROWN LANDS DEPARTMENT.

General Receipts.....	\$ 56,182 90
Woods and Forests.....	444,752 68
Crown Domain, Seignior of Lauzon, Surveys, Colonization Map, and Deposits.....	21,741 69
	<hr/>
	522,677 27

## SPECIAL FUNDS.

Clergy Lands:		
Municipalities' Fund .....	\$	9,580 10
Jesuits' Estates:		
Superior Education Fund and Income Fund.....		20,886 27
		<u>30,416 87</u>
Bills receivable :		
Matured and paid since 30th June, 1871..		15,853 66
		<u>\$568,947 30</u>
Less Bills receivable not yet matured, includ- ed in the above.....		4,148 10
		<u>Total Receipts from Crown Lands..... \$564,799 20</u>

Showing an increase of Receipts over the preceding year, in the Crown Lands Department, of \$29,384.24.

The collections from Woods and Forests exceed by nearly \$75,000 the receipts for both Upper and Lower Canada during the year '66-'67, being the largest amount collected in any year by the united Provinces. As the timber limits are worked, the Crown dues will increase, and I do not anticipate any reduction on the receipts from this department.

## LAW FEE FUND.

Stamps.....	\$	73,597 35
Collection upon civil processes in our Courts.....		6,298 10
		<u>\$ 79,895 45</u>

## BUILDING AND JURY FUND.

Stamps .....	\$	8,641 54
Collections.....		13,877 38
		<u>22,518 92</u>

## COURT HOUSE TAX.

Stamps.....	\$	18,356 20
Collections .....		2,677 74
		<u>21,033 94</u>

Montreal.....	\$ 19,550 79
Kamouraska.....	680 49
Ottawa.....	770 17
Bonaventure .....	32 49
<b>Total.....</b>	<b>\$21,033 94</b>

## STAMPS UNDISTRIBUTED.

Law.....	\$ 9,815 50
Registration .....	8,004 16
	<u>\$ 17,819 66</u>
	<u>\$141,267 97</u>

To be found in the statement of Receipts No. 2, viz.:

Law Stamps.....	\$103,808 27
Registration Stamps.....	14,606 48
Law Fees, exclusive of Stamps.....	6,298 10
Building and Jury Fund, exclusive of Stamps.....	13,877 38
Montreal Court House, " " ..	2,677 74
	<u>\$141,267 97</u>

## LICENSES.

Proceeds of Tavern, Shop, Auctioneer, Pedlar, &c., Licenses, &c.....	\$116,048 74
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The marriage licenses under the law, began to be issued on the 1st July last, and consequently do not appear in this statement.

## EDUCATION—NORMAL SCHOOLS.

Jacques Cartier.....	\$ 2,905 50
McGill.....	2,580 62
Laval.....	3,773 02
	<u>\$ 9,259 14</u>

Superannuated Teachers.....	\$ 443 61
Normal School Building Fund (Rent of Mack's Hotel) .....	800 00
Journals of Education .....	120 44
Superior Education Fund.....	78 00
	<hr/>
	\$10,696 19

## PUBLIC WORKS.

Rent of House Notre-Dame Street, Montreal.	\$ 120 00
--	-----------

## CASUAL REVENUE.

Consists of fines from Clerks of the Peace, conscience money, on Registration of bonds, copies of official documents, sale of Municipal Code, &c.....	\$1,428 67
Reformatory St. Vincent de Paul, maintenance	4,078 78
St. John's Lunatic Asylum, " ..	391 50
Beauport Lunatic Asylum, " ..	
(From J. U. Tremblay, Lacolle, received from heirs late John Stevenson, who died in the Asylum).....	880 00

## MUNICIPAL LOAN FUND.

Capital.....	\$ 400 00
Interest.....	19,903 57
	<hr/>
	\$20,303 57
Quebec Fire Loan.....	1,450 52
Official Gazette .....	15,840 91

This does not include printing done for the Government during the year, which at reduced rates would amount to \$3,324, which, if paid by the Government direct, would make the amount \$19,164.91.

The \$15,840.91 are therefore cash receipts; all receipts being paid into the Treasury, and all expenses paid by it. Cash profits show \$7,977.27 over expenditure, and including what the Government would have had to pay if the Gazette was published by other parties, \$11,301.27.

There were also gratuitously distributed two thousand numbers of the *Gazette*, which, at a value of two dollars each, would make \$4,000 more to be added to the Receipts.

These principally went to Municipal Councils, under the sanction of the House at last session.

Printing of the Laws and sales of Statutes.....	\$	512	32
Fees on Private Bills.....		3,370	65
Interest—On special deposit.....	\$27,172	71	
On bills receivable.....	477	15	
On Dorchester Bridge Loan .....	1,125	00	
			28,774 86

DORCHESTER BRIDGE LOAN.

On account of Sinking Fund.....	\$675	00
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SEED GRAIN LOAN.

Debentures sold.....	\$20,300	00
----------------------	----------	----

ADMINISTRATION OF JUSTICE.

Sheriff of Montreal:		
House of Correction .....	\$2,836	98
Corporation for Gaol Guard .....	2,400	00
		\$5,236 98

REFUNDS.

Jacques Cartier Normal School.....	\$	845	00
Common Schools.....	3,882	26	
Superior Education.....	421	57	
Prison Inspection from representatives of late Doctor De La Bruyère.....	78	80	
Special Police, 33 Vic., Cap. 24, from Commissioner .....	109	75	
Colonization Society No. 1 (Montmorency)...	129	00	
Miscellaneous Justice, on travelling expenses from Auditor.....	35	20	
Coroners, from Dr. Rankin for funeral expenses	8	00	
Legislative Assembly, from Clerk.....	2,993	33	

Contingencies of Departments from accountant of same.....	\$ 848 10
Crown Lands, General Expenditure.....	1,889 12
Postages of Statutes from Queen's Printer.....	48 60
<b>Total Refunds.....</b>	<b>\$10,788 73</b>
<b>Total Receipts for year .....</b>	<b>\$1,746,459 54</b>
On hand 30th June, 1871.....	659,085 88
	<b>\$2,405,494 87</b>

## SUMMARY OF RECEIPTS.

Dominion Government .....	\$800,000 00
Crown Lands Department .....	564,799 20
Law Fee Fund, Building and Jury Fund, Stamps and Court House tax.....	141,267 97
Licenses .....	116,048 74
From all other sources, Education, Casual Revenue, Reformatory, Asylums, <i>Official Gazette</i> , Interest, Quebec Fire Loan, &c.....	124,848 63
<b>Total receipts for year ended 30th June, 1872...</b>	<b>\$1,746,459 54</b>

*Expenditure during the year ending 30th June, 1872.*

Legislation.....	\$ 155,971 69
Legislative Council.....	\$ 32,200 00
Legislative Assembly .....	88,000 00
Sundry Expenses of Elections....	22,866 74
Parliamentary Library, Salaries and Contingencies of Clerks of Chancery and Law, printing, binding and distributing the Laws.....	12,904 95
	<b>\$155,971 69</b>
Civil Government.....	\$ 182,455 20
Departmental Salaries.....	\$ 102,560 70
Do. Contingencies.....	29,894 50
	<b>\$182,455 20</b>



Administration of Justice.....	\$	292,968	89
Law Fee Fund — Salaries of Sheriffs, Prothonotaries, and Clerks of Circuit Courts, Crown and Peace, old districts, and Court of Appeals .....	\$	108,144	02
Building and Jury Fund .....		572	35
General Expenditure, Criminal prosecutions, Sheriffs' contin- gent Expenses, Prothonotary's do--Coroners' salaries and con- tingencies, Clerks of the Crown and Peace, District Magistrates, &c.....	\$	188,252	52
		<u>\$292,968</u>	<u>89</u>
Police.....	\$	45,404	82
General Salaries, &c., Montreal and Quebec.....	\$	8,006	22
Special Police under 33 Victoria, Chap. 24.....		87,898	60
		<u>\$45,404</u>	<u>82</u>
Reformatory St. Vincent de Paul maintenance	\$	26,839	68
Prison Inspection.....		3,376	67
Thus making the Administration of Justice, Police, Reformatory and Prison Inspection.		368,590	06
Education.....		291,028	33
Superior Education.....	\$	79,982	79
Common Schools.....		125,000	00
Schools in poor Municipalities....		8,000	00
Normal Schools.....		41,824	21
Salaries of School Inspectors.....		19,808	33
Books for Prizes.....		2,500	00
Journals of Education .....		2,400	00
Superannuated Teachers.....		4,908	00
		<u>\$284,423</u>	<u>33</u>
Literary and Scientific Institu- tions, Montreal and Quebec.....	\$	3,600	00
Board of Arts and Manufactures.		3,000	00
		<u>\$291,023</u>	<u>33</u>

## AGRICULTURE.

Sundry Agricultural Societies, with per centage allowed by law to the Council of Agriculture.....	\$ 46,045 90
Board of Agriculture, including special grant of \$4,000 00, to encourage underground drainage.....	12,000 00
Grant to Agricultural Schools, St. Anne and L'Assomption, each \$800. (The erection of building for the Agricultural College in Compton not being, for some reason or other, proceeded with, the grant to that institution was not paid for last year).....	1,600 00
<b>Total for Agricultural purposes.....</b>	<b>\$59,645 90</b>
Immigration.....	\$ 19,894 28
Colonization purposes.....	252,578 57
Societies (of which 36 are in operation) were paid.....	\$ 9,448 57
Roads, 1st class.....	115,000 00
“ 2nd “ .....	15,000 00
“ 3rd “ .....	10,000 00
Ste. Anne des Monts, or Gulf Coast Road.....	3,950 00
Richelieu, Drummond and Arthabaska Counties Railway.....	99,180 00
	<b>\$252,578 57</b>

Making the expenditure for Agriculture, Immigration and Colonization \$252,578 57.

With respect to the payment of \$99,180 towards the subsidy on the Sorel and Drummondville Railway I may remark, that the law provides that the Government may issue debentures bearing six per cent interest, and two per cent sinking fund to redeem the principal at the end of twenty-three years, and may pay the Capitalized Subsidy to Railways in such debentures, or in cash as may be deemed expedient. Now it appears to me poor policy to issue debentures bearing for twenty-three years eight per cent interest and sinking fund, while our deposits in the

banks draw at the most only 5 per cent, and that it was better to pay the subsidy in cash at once, because the difference between the interest receivable on cash deposits, and that payable, upon the issue of debentures, during the currency of the debentures would go far towards reimbursing the Province for the subsidy paid.

Had the sum mentioned been paid in debentures, the difference of interest to the present time payable over that receivable would amount to about \$2,500.

It might have pleased some parties better to have had the cash balance in the Treasury on the 30th June last larger than it was by \$100,000, with an outstanding debt of a like amount even at the loss of the \$2,500 interest to this time, but I am fully satisfied that the policy adopted by the Government is a sound one.

It is better it seems to me to pay off such claims as fast as we can, when means are at our disposal, than to issue obligations to be paid hereafter, even at the risk of reducing our cash balance in the Treasury somewhat, and of hearing periodically the cry of a deficit in the Treasury.

The issue of Government Debentures, it may also be remarked, requires the prompt investment of the two per cent sinking fund semi-annually with the accumulated interest thereon from time to time, otherwise the sinking fund will not meet the principal of the debentures at maturity, and reference to similar transactions of former Governments will show, that the sinking fund has not been *thus* invested, and that debentures had subsequently to be issued to an equal amount with the first issue, to retire them at maturity.

The same rule which applies to private individuals, and which good business men would adopt, holds good with respect to Governments, and in this case it may be well to bear in mind that our present balance in the Treasury exists without incurring any debt by the Government to be hereafter paid with interest annually out of the current receipts of future years.

Even if the balance in the Treasury had been less by the amount paid towards any railway subsidy, it could not properly be said that any deficit existed, and as I before said, it is much better to pay at once and contract no debts, than for the sake of shewing a large sum on hand to withhold payment and issue bonds for future liquidation. (Hear, hear.)

## PUBLIC WORKS AND BUILDINGS.

Rents, insurances and repairs of public buildings .....	\$30,692 91
Reformatory St. Vincent de Paul.....	893 81
Inspections and surveys .....	1,495 48
Batiscan Bridge.....	1,500 00
New Gaol, Quebec, (purchase of ground).....	210 00
Rents, insurances and repairs of Gaols and Court Houses.....	13,851 28
Montreal Gaol (plans of do. for females).....	200 00
Do. heating apparatus.....	7,206 25
Court House and Gaol, Bonaventure.....	9,260 98
Do. do Gaspé.....	10,260 46
New Gaol, Quebec, alterations and repairs....	3,843 00
Do. Sherbrooke.....	10,000 00
Gaol walls, Arthabaska.....	1,580 42
Do. Beauce.....	35 56
Do. Iberville.....	3,850 95
Do. Saguenay.....	35 56
Do. St. Hyacinthe.....	2,394 88
Do. Terrebonne.....	100 00
<b>Making total Expenditure for Public Works and Buildings.....</b>	<b>\$97,411 52</b>

## CHARITIES.

Beauport Lunatic Asylum .....	\$ 105,500 00
St. John's do do .....	19,912 91
Marine Hospital, Quebec.....	4,000 00
Miscellaneous Charities, consisting of grants to Hospitals and Asylums of various kinds..	37,970 00
Reformatory Schools.....	3,750 51
Industrial Schools.....	5,138 55
<b>Total Charities.....</b>	<b>\$176,271 97</b>

I would say here, for the information of those interested in charitable institutions, that the returns made are, in many cases, defective, and not in accordance with the law. Most of them are made, too, for the year ending 31st December instead of the fiscal year ending the 30th June, as required by law. These returns should be made hereafter more correctly; otherwise the grants made may be discontinued.

MISCELLANEOUS SERVICES.

Quebec <i>Official Gazette</i> .....	\$ 7,912 24
Municipalities' Fund, C. S. L. C., Cap. 110....	2,408 00
Arbitration under Constitutional Act.....	4,108 06
Miscellaneous Expenditure.....	7,774 56
Seed Grain Loan.....	28,050 00

In the latter part of last winter, representations were made to the Government, that in certain parts of the Province North and East of Quebec, great destitution prevailed in consequence of the almost total failure of the last harvest, and that, unless some assistance was granted by the Government to aid in the purchase of seed grain, large districts of country would not be sown, and the inhabitants would, of necessity, be compelled to leave their farms and seek for a livelihood elsewhere. It was also represented, that in several parts of the Counties of Chicoutimi and Charlevoix the inhabitants only wanted a loan of money to buy their seed grain, and that if the Government would advance the amount required, the Municipal Corporations would engage to repay the Government by instalments with a moderate rate of interest.

The Government, in view of the urgency of the cases, could not with propriety do otherwise than assent to the demand made, and accordingly an order in Council was passed authorizing the granting of money upon the receipt of Municipal debentures, to such localities as passed by-laws and issued bonds to be placed in the hands of the Government, which were to be sold to reimburse the Government for the money loaned.

The Government thought it better to assist parties to help themselves than to grant money as a free gift, more especially in cases where the parties were able and willing

to repay the money. Certain Municipalities passed by-laws and issued debentures, on receipt of which the face value was advanced by the Government.

These by-laws, however, owing to the short time which elapsed between the demand for aid and the time when the grain to sow must be had, to be of any use, were not passed strictly in conformity to the Municipal Code, and accordingly to legalize the issue of said debentures a measure will be brought before the House to render the bonds legal, and to provide for indemnifying the Government for the money paid.

There were other districts, however, in which no such by-laws could be passed, in which great destitution prevailed and accordingly the sum of \$7,750 was distributed by the Government to assist in buying seed grain. Some of these places had no municipal institutions in working order, others had, but the great majority of the people in such latter districts not requiring help themselves refused to become liable for the payment of the money advanced to their poorer neighbors, and accordingly the Government took the responsibility of granting the sum mentioned to assist in procuring seed-grain to those unable to procure it, and whom the municipal authorities would not aid.

I have no doubt but that the House will sanction what the Government has done in regard to aid given poor localities. It would have been exceedingly wrong to have failed to grant encouragement to those who needed temporary assistance, and I am happy to say that the relief afforded by the Government has been the means of retaining many honest, industrious settlers in the Province, and that the harvest in those places where the seed-grain was furnished, has been abundant, affording sufficient food for man and beast, and enabling the parties to repay the money loaned without inconvenience.

I believe the Government will be repaid every dollar spent if not directly in all cases, at any rate indirectly, and be conferring actual benefits to the Province for more than the outlay.

We are spending money freely and very properly too, in inducing settlers from Europe to locate in the Province, and money spent in cases where *temporary* assistance will enable those in the country to provide for themselves and their families and prevent their emigration to the United States is well employed, and I am sure will meet with the approbation of this House, and the country. (Hear! hear!

Expenditure through Crown Lands Department.....		\$97,983 50
Exploratory Survey for continuation of Gosford Road.....	\$ 5,000 00	
Registration Service (Cadastre)....	20,000 00	
Surveys.....	24,000 00	
General Expenditure, agencies, &c.	48,983 50	
	<hr/>	\$97,983 50
Licenses, Stamps, &c.....		4,123 21

I may observe that the Government up to last year had their law and registration stamps manufactured in New York, as had been the case under the late Government of Canada, but I thought it better, if it could be done, to have our stamps made in the Province, and accordingly made arrangements with the British American Bank Note Company in Montreal to prepare plates and print our stamps, which they have done for a year past. The expense is charged in connection with Licenses and Stamps.

The cost to the Province will not be quite as much as formerly, taking a series of years into account, and at the same time we encourage home production.

Making the total expenditure for the year paid by warrants through the Treasury..	\$1,706,197 09
To which must be added amounts paid by Revenue Officers out of collections made by them, viz.:	
By Sheriffs out of Building and Jury Fund....	7,526 75
By collectors of revenue of licenses for expenses of collections and tavern licenses paid to municipalities.....	15,492 54
	<hr/>
	\$1,729,216 38

Add amount credited Municipal Loan Fund from Dominion. (This amount is cre- dited the Province by the Dominion Government in open account).....	\$ 9,867 10
Add also warrants outstanding 30th June, 1871.....	15,828.71

	<u>\$1,754,507 19</u>
Less Warrants outstanding 30th June, 1872..	28,821 96

	<u>\$1,725,685 23</u>
So that taking the total receipts during the year with the amount in treasury on 30th June, 1871.....	2,405,494 87
And deducting the total expenditure for the year.....	1,725,685 23

Leaves in Treasury.....	<u>\$679,809 46</u>
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Disposed of as follows:

Special Deposit at 5 per cent in Union Bank .	\$200,000 00
Special Deposit at 5 per cent in Bank of Mon- treal.....	200,000 00
Special Deposit at 4 per cent in Bank of Mon- treal.....	100,000 00
Ordinary Deposit in Banks.....	179,809 64
	<u>\$679,809 64</u>

Our principal expenditure would appear to be on the following services:

Legislation.....	\$155,971 69
Civil Government.....	182,455 20
Administration of Justice, Police, &c.....	368,590 06
Education.....	291,023 33
Agriculture, Immigration and Colonization...	332,113 75
Public Works and Buildings.....	97,411 52
Charities, Hospitals, Insane Asylums, &c.....	176,271 97
Crown Lands Expenditure.....	97,988 50
Sundry other items including seed-grain loan	54,376 07
	<u>\$1,706,197 09</u>



To which adding the payments made by Revenue Collectors out of their collections, as stated.....	\$ 23,019 20
And the Warrants outstanding 30th June, 1871.....	15,628 71
And the amount credited Municipal Loan Fund from Dominion.....	9,667 1
	<hr/>
Makes.....	\$1,754,507 19
Deducting from which the warrants outstanding 30th June last.....	28,821 96
	<hr/>
Total expenditure for year ending 30th June, 1872, per statement.....	\$1,725,685 23

JUDICIAL DEPOSITS, 35 VIC. CAP. 5.

Amount of Deposits under the Act from 14th March to 30th June, 1872.....	\$359,707 57
Amount of Treasury cheques issued against the same.....	62,516 40
	<hr/>
	\$207,191 08
Interest allowed by Banks to 30th June, 1872.	1,380 70
	<hr/>
In Banks.....	\$298,571 78

Reference to the statement in the Public Accounts of the Judicial Deposits, will give the items of receipts and disbursements by judicial districts, and a list of the banks in which the deposits are made.

These deposits form no part of the moneys on hand in the Treasury belonging to the Province, as they are held only for safe-keeping.

The law has worked well, and I believe gives general satisfaction.

The expense connected with the procuring of forms of deposit, bank receipts, cheques, books of accounts, &c., have been considerable, and as it would hardly be right to charge this expense against the first three months during

which the law was in force up to the 30th June last, I make no calculation as to the amount payable to Sheriffs and Prothonotaries till the close of the present year, when the expense will be deducted and a distribution made to officers under the law.

I may mention that the accounts include not only the amount paid in from each Judicial District and paid out—but separate accounts with each particular officer making the deposit, with each bank of deposit and with each particular case giving plaintiffs and defendants names, &c., as well as a general account of receipts and payments.

The introduction of the system involved great additional labour on the officers of the Treasury Department, but the plan adopted is now in good working order, and will entail no expense on the Province and prove of immense advantage to the country.

I now come Mr. Speaker to the estimated receipts and expenditure for the fiscal year beginning the first July next.

These have been prepared with all care possible, based on our previous receipts and expenditure, and will, I hope, be found in the main correct, and such as I trust the House will approve and sanction.

In making these estimates I have endeavoured, as heretofore, to so frame them, that our actual receipts shall exceed the estimated, and in regard to expenditure to ask for enough to cover all demands on the Treasury, and if possible, not to expend all that may be voted, the balance of unexpended appropriations being written off at the close of the fiscal year, that is, being retained in the Treasury to be revoted, by the Legislature at a subsequent session, if required.

I need hardly allude Mr. Speaker to the many calls on the Government for aid to many important objects—day after day petitions are presented to this House for grants to every imaginable object, important doubtless in many respects, but at the same time beyond the means at the disposal of the country to grant.

The first item of estimated receipts is for the Dominion Government..... \$800,000 00

This amount would leave on the subsidy payable to the Province from the Federal Government \$159,252.80, to apply on interest upon the Quebec share of the surplus debt of the late Province of Canada.

The next item is

CROWN LANDS DEPARTMENT.

General Receipts, Woods and Forests, Crown Domain, Seignior of Lauzon, &c..... \$583,000 00

This amount is estimated by the officers of the Crown Lands Department, and I have no doubt will be fully realized.

From Law and Registration Stamps I expect to receive the sum of.....	\$ 125,000 00
From Inland Revenue Licenses of various kinds.....	125,000 00
Educational receipts, including Normal Schools.....	10,000 00
Casual Revenue.....	1,500 00
Reformatory St. Vincent de Paul.....	} 9,400 00
St. John's Lunatic Asylum.....	
House of Correction, Montreal.....	
Municipal Loan Fund.....	25,000 00

This amount I have reduced from last year's estimates, as payments are not made as fast as they ought to be. I have strong hope, however, that this estimate will be exceeded.

Quebec Fire Loan.....	\$ 5,000 00
Official Gazette and Sale of Statutes.....	17,200 00
Fees on Private Bills.....	1,600 00
Interest on Deposits and Bills receivable.....	30,000 00
Special Police.....	30,000 00

Making our estimated receipts \$1,712,700, irrespective of any cash balance on hand.

I now come to the estimated expenditure for the next fiscal year, corresponding with the estimates laid before the House some days since. As I before remarked, the voting of these amounts does not necessarily suppose they will be all spent, but I prefer asking for a little more than may be wanted, rather than obtaining special warrants to cover any deficient appropriation.

And first upon

#### LEGISLATION.

Legislative Council—Indemnity and Mileage, Salaries and contingent expenses.....	\$ 37,751 00
Legislative Assembly, for similar services in this branch of the Legislature.....	98,400 00
Expenses of Elections.....	2,000 00
Parliamentary Library.....	5,000 00
Clerk of the Crown in Chancery, salary and ordinary contingencies.....	800 00
Printing, binding and distributing the laws..	5,500 00
Law Clerk—Salaries of office and contin- gencies.....	3,445 00
<b>Making total expenditure on Legislation.....</b>	<b>\$147,896 00</b>

#### II.—CIVIL GOVERNMENT.

Salaries of officers and contingencies..... \$138,120 00

The detailed items of this service are given in the printed statement submitted to the House. It will be found that the amount asked for is a little larger than last year.

The Government found that the cost of living, clothing, fuel, &c., were increased so much that in justice to the employes in the different departments, an increase of salary in certain cases was absolutely necessary to enable them to maintain their families, and accordingly an increase was made in the estimates to cover the proposed additional outlay, and it is intended to begin the increase upon the 1st January next.

The Government also intended to grant a temporary bonus to the employees to assist in payment of liabilities incurred, and to aid in getting over the extreme high prices of the necessities of life which prevail at the present time. This bonus it is intended to take out of Miscellaneous Appropriation.

I preferred bringing this matter squarely before the House to granting such increase and bonus by Special Warrant, and I feel sure that honorable members will sanction what has been proposed.

The high cost of living now over former years imposes upon the Government the duty of seeing that its employees are compensated fairly for the work done, and the experience of every member of this House will demonstrate that an income of a certain amount at the present time will not go as far in the support of a family as the same amount would have done some years since.

The Bonus proposed will in no case exceed a month's salary.

The next item of expenditure is

### III.—ADMINISTRATION OF JUSTICE, \$298,487 00

This amount is made up by averaging the previous expenditure for several years.

Police—Covering Statutory appropriations including Provincial Police.....	45,700 00
Reformatory Prison, St. Vincent de Paul, maintenance.....	30,000 00
Prison Inspection.....	3,400 00
<b>Total Justice, Police and Prison Inspection .....</b>	<b>\$277,587 00</b>

### IV.—EDUCATION (COVERING STATUTORY APPROPRIATION.)

Superior Education.....	\$ 71,000 00
Common Schools.....	145,000 00

Schools in poor municipalities.....	\$8,000 00
Normal Schools.....	42,500 00
Salaries of School Inspectors.....	20,500 00
Books for prizes.....	2,500 00
Journals of Education.....	2,400 00
Superannuated Teachers.....	5,300 00
High Schools, (Quebec and Montreal).....	2,470 00
Compensation to R. C. Institutions for grant to High Schools.....	4,940 00
	<hr/>
	\$304,610 00
Literary and Scientific Institutions, Quebec and Montreal.....	4,000 00
Board of Arts and Manufactures.....	3,000 00
	<hr/>
Total Educational, Literary and Scientific....	\$311,610 00

I may remark that the grant to the Board of Arts and Manufactures for the current year has not yet been paid for reasons which I need not enlarge upon just now, but which I trust will soon be removed.

#### V—AGRICULTURE, IMMIGRATION AND COLONIZATION.

Agricultural Societies, covering statutory ap- propriations.....	\$ 50,000 00
Board of Agriculture.....	4,000 00
Agricultural Schools—2 French and 1 En- glish.....	2,400 00
	<hr/>
	\$56,400 00

For some reason or other the proposed Agricultural School in Compton was not advancing as well as was expected, and the grant for last year was not paid. It is here renewed, and it is hoped that the renewed efforts lately made will be successful, and that the grant for next year may be required for the purpose of aiding in carrying on the institution.

Immigration.....	\$20,000 00
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By this grant we obtain assistance from the Federal Government to help in our efforts to induce European immigrants to settle in the Province.

Colonization Societies.....	\$12,500 00
“ “ Roads, 1st class.....	90,000 00
“ “ “ 2nd “ .....	18,000 00
“ “ “ 3rd “ .....	7,000 00
“ “ Railways.....	15,000 00
<hr/>	
Total Agricultural, Immigration and Colonization.....	\$142,500 00

The House will remember the explanation I gave respecting the payment of capitalized subsidy to Colonization Railways, when alluding to the payment made the Sorel and Drummondville Railway Company. The amount thus paid should not properly be chargeable to annual revenue. The amount in the estimates (\$15,000,) is intended to apply on the interest of debentures if issued by the Government.

I intend, however, in a supplementary estimate, to provide for the payment of the capitalized subsidy, which, properly speaking, should be taken from the balance of Cash in the Treasury, and it is more advantageous to the Province to pay such principal, if it can be done without reducing our cash balance too low, than to issue obligations bearing a higher rate of interest than we receive on deposits. It should also be remembered that in thus reducing our balance by payment of obligations already created, no deficit is chargeable, even should the balance be less in the Treasury at the end of any year than at the beginning. Next I come to

VI.—PUBLIC WORKS AND BUILDINGS.

Rents, Insurances, and Repairs of Public Buildings generally.....	\$84,848 00
Inspections and Surveys .....	4,000 00
Public Departments towards purchase or alterations of buildings, provided the Jesuits' Barracks cannot be obtained (revote).....	50,000 00
Montreal Registry office; if the City of Montreal contributes an equal amount.....	8,000 00
Powder Magazines (revote).....	5,000 00

The following appropriations are chargeable to the Building and Jury Fund of each Judicial District, as far as expended therein:

Rents of Court-Houses and Gaols, Insurance and Repairs.....	\$28,570 00
Montreal Gaol for females, if the City of Montreal contributes $\frac{1}{4}$ of the cost (revote).....	40,000 00
Montreal Gaol; to increase height of walls, - and for a Guard House, (revote).....	5,000 00
Sherbrooke Court-House for Library (revote)..	800 00
Three Rivers Court-House for wing.....	3,000 00
Gaols and Court-Houses, New Districts, (revote).....	5,000 00
<b>Total Public Werks &amp; Buildings.....</b>	<b>\$178,713 00</b>

The next is

#### VII.—CHARITIES.

Beauport Lunatic Asylum.....	\$110,700 00
St. John's do do .....	20,000 00
Belmont Retreat Inebriate Asylum, Quebec...	400 00
Marine and Emigrant Hospital, Quebec.....	4,000 00
Miscellaneous Charities.....	40,710 00
Reformatory Schools.....	5,940 00
Industrial Schools.....	6,000 00
<b>Total Charities.....</b>	<b>\$187,750 00</b>

The great proportion of these Miscellaneous Charities may be called a Legacy left us by the late Province of Canada, and I do not see very well how many of these most important institutions could be sustained without some assistance from the Public purse—at the same time it is very desirable that what is given should be only as assistance to private benevolence, and as an encouragement to private efforts and not as forming the main means of support.

#### VIII.—MISCELLANEOUS SERVICES.

Quebec Official Gazette .....	\$ 9,100 00
Arbitration under Constitutional Act.....	5,000 00
Miscellaneous.....	20,000 00
<b>Total.....</b>	<b>\$34,100 00</b>



**IX.—COLLECTION, MANAGEMENT AND OTHER CHARGES ON  
REVENUE.**

**Municipalities Fund under C. S. L. C., Cap.**  
110, to meet demands for the year..... \$5,000 00

This is another of those precious legacies of the former Government of Canada.

By the act cited \$1,200 was appropriated to assist in building County Court Houses in certain counties. The proceeds of certain clergy lands set apart for that purpose being the fund from which the aid mentioned was derivable.

To show how the fund will stand when the appropriations are paid, the proceeds of the sale of such lands are specially mentioned in the public accounts.

**CROWN LANDS.**

**Registration Service, (Cadastres).....** \$25,000 00

Considering the importance of this work to the country, and the benefit to be derived, I have placed a larger sum than usual for the service by \$5,000. I only regret I could not make it larger for next year. I hope it can be done on a future occasion.

**Surveys.....** \$22,000 00

**General Expenditure, Crown Lands.....** 49,276 00

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\$96,276 00

**Stamps and Licenses.....** \$4,000 00

**Making the proposed expenditure for the fiscal year, commencing 1st July next.....** \$1,699,902 00

**And to cover special warrants for expenditure made to the close of last year.....** \$111,131 19

Thus far, Mr. Speaker, my remarks have been strictly confined to the financial affairs of the Province—Receipts

and Expenditure, actual and estimated, for the past and next future fiscal years.

May I be allowed to add a few more words on what I consider our financial position really to be.

It is quite true that our Public Accounts do not give more than actual receipts and expenditure of moneys received and paid out by the Treasury Department, and it is no uncommon thing to find parties endeavouring to cry down our financial position, judging only from these accounts, because they will not take the trouble to examine into the whole subject for themselves, or are incapable of doing so intelligently, and thus they damage the country.

No person, however anxious and capable of examining into our financial position—into the assets and liabilities of the Province, can be sure of arriving at a positively certain result, because these assets and liabilities are not definitely settled on the one side or the other, nor can they be till the arbitration between this Province and Ontario is finally closed; but at the same time an approximate result can be arrived at sufficient to show whether our financial position is sound or otherwise—sufficient to show whether we are in a position to carry on the public business of the country, paying the necessary expenses for legislation, civil government, education, the administration of justice, and giving aid to the various Charitable and Benevolent Institutions in the Province, and at the same time furthering the settlement of the country, and promoting the public improvements, year by year, out of our annual revenue.

If it cannot be shown that we are, at the least, in a safe financial position, and able to do what I have just stated; or, on the other hand, that we are so situated that, in order to carry on the business of the country in the way mentioned, the Legislature must resort to other means than those hitherto adopted to obtain sufficient revenue for public purposes; I consider it to be in either case, my duty, holding my present office, to frankly state my opinions on our situation, financially to the House; and whether approved or condemned, at all events my duty shall have been performed, and the responsibility thrown where it justly belongs on this House, through which all appropri-

ations must pass and be sanctioned, and which alone can initiate and pass the necessary measures to provide additional revenue if required.

My determination at the time I accepted office in the Government was, and it is the same to-day as it was then, to keep down the expenditure annually within our annual revenue. This has been done so far heretofore, and whenever I fail to do this I will honestly and frankly state the fact to this House and abide by its decision. (Hear! hear!) I am quite aware that in keeping down the expenditure within the limits of our revenue that the Government has been obliged to deny applications for aid towards many important objects, or to grant less amounts than asked, and very probable my own personal popularity has suffered and I have been supposed hostile to, or supposed to be indifferent about certain public enterprises in the country, which required or was supposed to require assistance from the public purse. However this may be, necessity was laid upon me to refuse aid, not because in all cases the objects sought to be obtained were not worthy of support, but because my first duty was to take care of the Provincial Treasury and to keep our finances in a sound, healthy condition.

Now, Mr. Speaker, I would call your attention, and that of hon. members to an important fact which may have escaped observation in our previous expenditure, namely, that we have been paying for public works of a permanent character, which ought not in justice to be charged to, or paid out of the annual revenue, but which, nevertheless, have been so charged and paid. I say such works should not be chargeable upon annual revenue, because when once completed they are completed for ever, and entail no annual expense for the same purpose hereafter.

On examination we will find that a large sum of money has been spent during the last five years in building court houses and gaols and gaol walls; that special grants have been made for special objects: that our contributions to railways, were paid by capitalized subsidy instead of annual interests; that our expenditure on the Reformatory St. Vincent de Paul and other works of a permanent kind, once paid, were so forever, and it is not fair in judging of

our annual receipts and payments that such expenditure should be taken out of and charged to annual revenue. Such expenditure properly belongs and ought to be charged to the Consolidated Revenue Fund, and will be so charged when we are in a position to open such an account.

I have examined the accounts and find that the sums thus paid since the 1st July, 1867, and the 30th June last, amount to \$496,228—about \$100,000 a year paid out of annual income and charged against it, more than strictly speaking belongs to that account. In estimating and judging of our annual receipts and expenditure, it is quite legitimate, therefore, not to put down as a deficit in our revenue as against our disbursements, even if it had occurred, which I am happy to say it has not—charges for works of a permanent character, not entailing annual expenditure.

But, Mr. Speaker, the great bugbear to some, the thing which is to swamp the finances of the Province, which is to swallow up in a moment all the balance in the Treasury, and more too if it were larger than it is, and leave the Province in a hapless condition, with no other alternative than direct taxation from which to pay our necessary outlay, is the large amount of arrears of interest, which we will have to pay the Dominion Government as our share of the surplus debt of the late Province of Canada, under the B. N. A. Act of 1867.

Now sir, I am not going to say how much of the debt of old Canada we may be obliged to assume. All I can say is that I have no fear of our being called to pay interest on anything like the amount which the pretended award of Messrs. Gray and Macpherson assigned to us; but we may be able to arrive pretty nearly at that amount by what we have already paid on the interest of whatever may be chargeable to us on the conclusion of arbitration.

I have made the calculation of the amount retained by the Dominion Government on our annual subsidy since 1867 to 30th June last, of the amount collected for us by the Dominion Government and credited on our account for interest, of the interest due us on certain trust funds, belonging to this Province, in the hands of the Dominion

Government, about which there is no dispute, no pretence of a claim to even by our sister Province, certain deposits credited us by the Dominion Government and charges against them for amounts paid by their order. And what is the result? I find that taking the amount withheld on our annual subsidy by the Dominion Government, the interest on trust funds, the superior education fund and superior education income fund, and our share of the common school fund, the amount collected for us by the Dominion Government and deducting what was paid by the Dominion Government on our account, that there remains in the hands of the Dominion Government to our credit, on interest, on our share of the debt of the late Province of Canada, the sum of \$945,256.49 cts., as reference to the Public Accounts of the Dominion and our own will clearly show, and from which this statement is made up. (Hear, Hear.)

Besides this amount, there is the sum of \$87,400 capital, and the interest accrued on the same, a part of said trust funds mentioned invested by the late Government of Canada on our account, and which will be credited to us when collected, and for which the Dominion Government is responsible to us. Honorable gentlemen will bear in mind that I have *not* taken into this calculation any other assets belonging to this Province, than those about which there is no dispute, and that there remain other assets, which unquestionably will come to the Province, and reduce still further the claim of the Dominion Government for interest on our share of the debt.

Have we then any cause for alarm as to our future prospects on account of the amount payable to the Dominion Government? Have we been living beyond our means, and must we at no distant day, resort to direct taxation to meet the current expenses of the Province? I think not. I have no hesitation in saying, that with care in the collection of our revenue, and the practice of strict economy in our expenditure—and this must be specially attended to—we have no cause to apprehend disaster in our future administration of public affairs, or reason to suppose direct taxation must be resorted to for carrying on the Government of the Province. It is, however, to be constantly borne in mind that our resources are limited, more so than they will

be if there is a fair settlement of the arbitration question, and it is requisite, for the present at least, that we should confine our expenditure within our means, from year to year, living within our annual income and not going beyond it. (Hear! hear!)

Upon anything like a fair settlement of the matters in issue between us and Ontario it will be found that what I stated on a former occasion is correct, that we can in any one year pay in full all arrears of interest to the Dominion Government, if any such arrears there be, without in any way embarrassing the Provincial public business, or rendering taxation necessary.

Taking into account, therefore, Mr. Speaker the large amount of public works of a permanent character for the past five years out of annual revenue, the amount in the hands of the Dominion Government, on account of interest, on our public debt, also paid out of annual revenue, we have no cause for despondency as to our future financial prospects, but on the contrary good reason to take courage.

Another point, Mr. Speaker, to consider, is whether we have reason to apprehend any serious diminution of our annual revenue in future. Our Dominion subsidy is permanent and fixed, less any annual interest to the Dominion Government. Our law fee fund is steadily increasing; our license fund is also gradually increasing and may legitimately be made larger without imposing any burden on the people generally; our Crown Lands receipts, I believe, with due care practised will, to say the least, not diminish and may be increased.

I am aware that some doubt whether the Crown Lands Department can or will continue for any length of time to give a revenue, anything like that given for several years past.

Let us look at the question for a moment.

I take it that parties who obtain limits to cut timber on Crown Lands, taking into account the bonus they pay per mile, or obtaining limits at the annual ground rent of \$2 per mile square, which must be paid whether the limits

are worked or not—in a manner obliges them to work their limits, as few can afford to let so much capital lie unproductive, and limits must be worked or sold to those who will work them. Now, as these limits are worked, the "Crown dues," or "Stumpage," as it is sometimes called, must increase from year to year, and the Government has the right in five years to increase these dues should lumber and timber become more valuable in the mean time. The natural growth of timber will also do something towards supplying hereafter, what may be cut off for the next few years, and this is much more important than many suppose.

For the fiscal year ending the 30th June, 1868, the Crown dues amounted to \$165,381 for last year ending the 30th June last, they amounted to \$292,989. The annual ground rent for the year ending June 30th, 1868, was \$22,401, and for the year ending 30th June last, \$86,782. And besides these amounts—steadily increasing—there is payable to the Department a bonus of \$8 per mile on *every subsequent transfer* from the original holders of limits to other parties. This must bring considerable revenues also from year to year. As the country is settled and means of communication are opened, the proceeds of the sale of lands will increase, and I am satisfied that for many years our Crown Lands revenue will be maintained. (Hear! hear!)

One point more on this subject. The limits to cut timber are not sold, that is the land is not disposed of, but only the right to cut timber for 20 years, reckoning from 1868. At the end of that period the limits are again taken possession of by the Government and can be resold or rather released to others. I may mention one fact in this connection that a limit of 40 miles, which had been abandoned quite lately was resold for \$3,000 after having been worked by one of our largest firms in the country.

In Norway they have been engaged for centuries in getting out timber, and the supply is not yet exhausted.

As I before said, with care, good judgment and economy, our public affairs can be administered with efficiency.

I could wish that our revenue was much larger than it is, in order that the Legislature might have more funds at

its disposal to assist in developing the various industrial pursuits of our people—such as agriculture, colonization, immigration, and for the purpose of further promoting education of various kinds throughout the Province. For these objects, all important to our prosperity, the Legislature has been as liberal as our means permitted. I feel sure that as our revenue increases year by year, the same wise, prudent policy which has obtained hitherto, will be carried out by those who come after us.

The expenditure thus made on the enterprises alluded to must, and will give to the Province a large return for the outlay.

Our Colonization roads will induce settlers to locate on our public lands; our railways will foster enterprise and encourage industries of all kinds, give our agriculturists a cheap and speedy means of transport for their produce to the best markets; and the general diffusion of Education amongst our people will fit them for the performance of their duties in whatever sphere of industry they may choose to adopt.

The enactment of wise, judicious, wholesome laws, and their faithful administration by the officers of Justice; the diffusion by the clergy, of those sentiments and principles without which no country can prosper, will produce results, tending to make and keep our people virtuous, contented and happy. (Applause.)

Each of us, Mr. Speaker, may do something however little to advance the prosperity of our Province and of our Dominion, not only in material prosperity, but in those higher and more important principles which are dear to every right thinking mind; principles of respect to the authority of law, of regard for equal rights and privileges to all classes of the community; of loyalty to our Queen and country, and fealty and adoration towards our Creator. (Cheers.)



