

HOUSE OF COMMONS

Saturday, December 7, 1867

The Speaker took the Chair at 3 o'clock.

The General Committee on Elections reported that they had fixed the following days for choosing Select Election Committee:—Kamouraska, Wednesday, 18th December Yamaska, Thursday, 26th December.

ESTIMATES

A message was brought down from His Excellency, transmitting estimates of the sums required for services not otherwise provided for, for the nine months ending 31st March, 1868, amounting to \$5,264,239.

On motion of Hon. Mr. Rose, the message and accompanying estimates were referred to the Committee on Supply.

THE FINANCIAL STATEMENT

The Hon. Mr. Rose then moved that the House resolve itself into Committee of Supply, and in doing so made his financial statement as Minister of Finance. In rising to lay before the House a statement of the financial condition of the Dominion, he asked the forbearance of gentlemen on both sides. In order that they might understand more clearly the statement he was about to make, he would refer to the order in which he proposed to present them:—First, account of Canada proper—Ontario and Quebec—for the year ending 30th June, 1866, and accounts ending 30th June, 1867; secondly, obligations of the Dominion assumed on the 1st July last; thirdly, the financial condition of the Dominion on the 30th November last; and lastly, statement of income and expenditure from 1st July last till 30th June next. The public accounts for the year ending 30th June, 1866, were already in the hands of members; but the accounts for the year ending 30th June 1867, were not in a sufficient state of forwardness to be distributed—but he would see to it that they would be forwarded to members during the recess. For the year ending 30th June, 1866, the income and expenditure of Canada proper was as follows: Total receipts from all sources, \$12,672,880. There were, however, debentures sold that year amounting to \$400,

leaving the receipts on ordinary accounts, \$12,672,480. The expenditure for the same period was \$12,418,105, but of this sum \$335,979 was for the redemption of the public debt, leaving for ordinary expenditure for that year \$12,082,126, showing surplus on 1st July, 1866, of \$590,354. It was to be remembered, too, that several large items of expenditure for that year are of an exceptional character and would not likely occur again. For the year ending 30th June, 1867, the total receipts \$16,400,139, and the total expenditure \$14,729,090, leaving an apparent surplus of \$1,671,049—these receipts include \$3,986,900 as receipts for debentures issued that year; and the expenditures include \$1,813,117 redemption of public debt—so that the normal receipts for that year were \$12,412,239 and the normal expenditure \$12,915,973, leaving an apparent deficit of \$503,733. This expenditure also includes a large amount for exceptional accounts. The Militia expenditure, which began on the previous year had, to a certain extent, to be continued this year to the amount of \$1,412,932; also on public works which would not be likely to occur again. For instance, the Parliament Buildings, \$466,382; the dues refunded in consequence of the new tariff of last session amounting to \$270,427. These items were of exceptional character, and might fairly be deducted from the ordinary expenditure of that year. He would next enter upon a statement of the finances of the Dominion since 1st July last. The House was aware that the Dominion, in assuming the revenue of the various Provinces, also assumed their liabilities. It was stipulated in the Union Act that the debt assumed by the Dominion was, for Ontario and Quebec, sixty-two and one-half millions; for Nova Scotia six millions; and for New Brunswick seven millions; it was further provided that the Dominion should pay interest on these three amounts. In addition to all these amounts, the Dominion has to pay eighty cents per head of population of the several Provinces at the time of Union; and a further sum to Ontario of \$80,000; to Quebec, \$70,000; to Nova Scotia, \$60,000; and to New Brunswick \$50,000. New Brunswick also received in addition to these sums an additional sum of \$53,000, for the consideration men-

tioned in the Union Act. The Dominion also has to pay the salaries of all the officers of the Dominion, in the different Provinces. He mentioned these facts that the House might correctly understand the various items of outlay for which it was a duty to ask a vote from them. He would not proceed with his financial statement of the Dominion since its existence. Honourable gentlemen would remember that the several items of revenue which were placed to the Dominion account would, when the machinery of the Local Government should be set in working order, revert to them—such for instance as the receipts from Crown Lands, which this year appeared in the Dominion account. The total amount received from all sources throughout the Dominion from 1st July last to 30th November, is \$7,427,615; the expenditure during the same period, \$5,323,085; leaving the apparent surplus of \$2,104,530. Statement B of the printed document in members' hands showed in detail the receipts and expenditures in Canada proper—Ontario and Quebec. The receipts are \$5,922,756; expenditure, \$2,950,592. In Nova Scotia the receipts are \$769,689; the expenditure, \$550,414. The subsidy to the same Province is \$317,449. In addition to which expenditure the January interest amounting to \$102,051 had been provided for in London; and drafts were met by Barings on account of the Pictou Railroad for \$149,377, both coming to \$242,428, making altogether \$1,102,930. The excess of payment to Nova Scotia over receipts, \$340,002. (Hear, hear). The receipts from New Brunswick are \$491,276; expenditure, \$471,966; leaving apparent surplus of \$19,330; to which, however, has been added balance of cash on hand 1st July last amounting to \$275,542, showing a total amount of receipts in excess of expenditure of \$294,872. Since that period there has been paid on interest on a certain amount, and some provincial bonds have been redeemed, amounting in all to \$304,605, showing an excess of expenditure over receipts of \$9,733.

The local revenue of Ontario since 1st July last amounts to \$136,597; the subsidy paid to that Province is \$488,960, leaving a difference of \$352,302 on 30th of November last. The local revenue of Quebec is \$107,276; the subsidy to that Province is \$397,499, leaving a difference of \$290,233. He had thus given briefly a statement of the accounts between the Dominion and the various Provinces, from the 1st July up to the 30th November last.

[Mr. Rose (Huntingdon)]

Hon. Mr. Holton asked information of the item arrears in the accounts with the various Provinces.

Hon. Mr. Rose said that, in Nova Scotia and New Brunswick, there were necessarily, at the date of Union, very considerable sums due to these Provinces not then collected, and others which had been voted by their Legislatures, not then paid. These belonged to the previous year's transactions, but necessarily came into the accounts of the Dominion. The Dominion having taken possession of all the revenues of the Lower Provinces, necessarily had to make good the sums voted by the Legislatures of these Provinces which related to the service of the year anterior to Union. When the accounts came to be correctly balanced, there would be no difficulty in ascertaining what belonged to each Province.

Hon. Mr. Holton said he had referred more particularly to the item of arrears, with reference to the old Province of Canada.

Hon. Mr. Rose explained that the sum referred to, \$1,045,000, consisted of warrants unpaid at 30th June, on account of the expenditure of the previous year. He would now come to state what was the actual condition of our engagements at the present moment—in other words—the amounts of the floating debt of the Dominion, and the course he proposed to take in dealing with the floating debt. The floating debt represented the accumulation of a good many years. The statement he would now submit was made up to 31st October last. There were due to the fiscal agents in England, on Canada account—that is, on account of what was now Ontario and Quebec—\$2,404,115; due to the fiscal agents of Nova Scotia \$134,740; due to the fiscal agents of New Brunswick \$263,980—making a total sum due to the fiscal agents in England of \$3,980,835. There were due in Canada, principally to the Bank of Montreal, \$2,575,000, and a further sum on the redemption of circulation of \$346,066, from which however were to be deducted bonds the province would receive on paying that amount, amounting to \$196,989, leaving \$149,086 to be added to the sum he had previously mentioned making as the total due to the Bank of Montreal, \$2,724,086. There had also to be provided on account of the sinking fund—which was properly charged to revenue, but which had found its way into the accounts

of the fiscal agents—a further sum of \$206,980, making the total floating debt of the Dominion on the 31st October last \$6,911,901.

Mr. Cartwright—Is that exclusive of Provincial Notes and Debentures?

Mr. Rose—Yes. He would now state to the House the mode which Government proposed to deal with the floating debt. In the first place, there were certain assets of the Government of Canada which ought to be realized in order to go in liquidation of that debt. There were 220,000 pounds sterling bonds of the Province of Nova Scotia now in the hands of the fiscal agents in England. That one item represented about a million of dollars. There were due to the Dominion of Canada certain sums by various corporations, institutions, and municipalities, which, if all collected, would reduce in a very considerable degree the amount of floating debt. He did not presume it was possible with due regard to existing interests to force unduly or harshly the payment of these large sums, but a very considerable portion of them he was satisfied might be made available within a not very remote period.

Hon. Mr. Holton asked if the honourable gentleman would mention the nature of these assets.

Hon. Mr. Rose said the Great Western Railway was due a large sum, and several other corporations, etc., were due considerable sums.

Hon. Mr. Holton asked whether he included the liabilities of municipalities under the Municipal Loan Fund Act.

Hon. Mr. Rose said he did not allude to these.

Hon. Mr. J. S. Macdonald—You refer to the Great Western and Northern liabilities.

Hon. Mr. Rose—Yes.

Mr. Mackenzie—They will give you nearly the whole amount.

Hon. Mr. Holton—And there is the liability of the Bank of Upper Canada.

Hon. Mr. Rose—Possibly. He would now go on to state what further provision he proposed to make for meeting this floating debt; and he would at once state that he did not propose doing anything which would interfere with the commercial and banking institutions of the country. (Hear, hear). He did

not think it would be wise to attempt to deplete the deposits which were in the banks by obtaining from them a loan to Government of the very considerable sum which he had mentioned as now due on the floating debt. He certainly much preferred a domestic to a foreign loan. (Hear, hear). It gave people a greater interest in the stability of our institutions, and after allowance was made for commissions, exchange, etc., a domestic loan at a higher rate of interest was probably cheaper than a foreign loan at a lower rate; but as he had said, he thought it would be unwise to attempt at once and hastily to absorb the floating debt by means of a loan. A large amount of money now invested in mortgages and other securities would gradually come in if Provincial debentures were issued; but if debentures were issued to the amount that would be necessary to wipe out the floating debt, the Government would necessarily come into competition with the banks for money now deposited in them, and this would compel the banks to restrict the facilities they would otherwise afford to merchants for purchasing their Spring importations, which would be an unfortunate result that would react very injudiciously on the Customs revenue of succeeding months. But there were other very considerable sums in the country which individuals, trustees, and others would be glad to invest in Government securities, and he proposed to ask power to create a Dominion stock in which trustees and executors, corporations, Court of Chancery, and others entrusted with trust monies, might be able to make their investments. He believed that a very considerable proportion of our indebtedness might be gradually absorbed in that way. The Government proposed also to give facilities for the purchase of terminable annuities. The statistics of insurance companies showed that there was a considerable demand for that kind of annuity, and that many individuals would be glad to purchase annuities at a rate of interest something like six per cent, either on their own lives, or those of their children. A considerable sum might be made available to the Government in that way. There was a third source from which a considerable sum might be obtained—the extension of the principal of Savings Banks. If there was anything which the Government ought to encourage, if it could, it was habits of economy and thrift on the part of the population; and if there was any class of securities which ought to be put beyond the reach of possible contingencies, it was the savings of the poor. We found

that where Government had taken Savings Banks under their protection, the number of depositors and amounts per head in proportion to population were very much increased. In Ontario and Quebec the Savings Banks were generally branches of other Banks. In Nova Scotia and New Brunswick, where the savings deposited were guaranteed by Government, we found in proportion a much larger number of depositors and larger amount deposited than were deposited in ordinary ones. Post Office Savings Banks in Nova Scotia and New Brunswick amounted to \$1,411,804, representing 8,412 deposits. In Canada we have in our Savings Banks \$3,571,494, and the number of depositors was but 15,179, showing the deposits in those Provinces where Government facilities have been afforded to be \$2.30 per head, while in Canada they amounted to \$1.15. The number of depositors in Canada was 1 in 235, in Nova Scotia and New Brunswick 1 in 168.

Mr. Blake asked if the amount given included Building Societies.

Hon. Mr. Rose said it included the whole, except those which the Government had not heard of, being Savings Banks connected with Banks.

Mr. Blake—That is a very considerable item.

Hon. Mr. Rose—It appears in the monthly returns as among ordinary deposits. There was another means by which the Government thought that a considerable amount of money might be obtained and additional security be afforded the public. He referred to giving the same guarantee to those who insure their lives as were now given by the Life Insurance Companies. There were no less than 29 Life Insurance Companies doing considerable business, upon whose solvency the savings of many families for years were dependent, and these companies would no doubt willingly give the necessary guarantee. In England there was invested no less than \$45,438,000 in old and Post Office Savings Banks. There was still another way in which some part of the floating debt might be absorbed—by further circulation of Provincial notes. When the circulation was commenced, in September, 1866, it was about 19 per cent of the total bank circulation, and it had gradually run up to 28.23 per cent of the total circulation. There was but one more means, namely, the issue of exchequer bills with some provision in connection with silver. Inquiries were now being made, but it was premature at present to state details. A plan is being considered but

[Mr. Rose (Huntingdon)]

the information now being obtained led to the belief that this subject could be dealt with to the advantage of the Government and great relief of the country. (Hear, hear). He had now referred to six different ways by means of which the floating debt might gradually be absorbed, and he certainly felt that it was one of the first duties pressing on the Government to get rid of that amount of floating obligation. It was not fitting that credits intended to be only for temporary relief should be turned into permanent loans. (Hear, hear). Let us get rid of the floating debt, and there would be no fear that the ordinary revenues would meet the expenditure we might be called on to bear.

Hon. Mr. Holton asked whether the arrangements of the Government in respect to its credits were of such a character as would enable his honourable friend to raise money in proper time to meet the demands.

Hon. Mr. Rose said they would on the 1st December. Their matured loan with the Bank of Montreal for \$2,700,000 Government had arranged to renew up to 30th of June next. As to the amount due to the fiscal agents in England, he believed there would be no difficulty in obtaining an extension of time at the present rate of interest.

Hon. Mr. Holton asked what was paid now.

Hon. Mr. Rose thought 5 per cent. He had much pleasure in stating that after providing for the January interest, now in course of remittance, a very considerable sum would remain at the credit of the Government. He now came to the question of ways and means for the current year. In the position in which we found ourselves at present, having to provide for the wants of New Brunswick and Nova Scotia, it was extremely difficult to get a correct estimate of what the expenditure was likely to be; and he read the extract of a letter from Auditor-General Langton in support of this statement. He also called the attention of the House to the principle on which the estimates had been brought down. Government had arrived at the best conclusion they could as to the wants during the current year to the 30th June next. They then estimated the amount not provided of that sum. The amount estimated in his statements was for three-quarters of the year ending 31st March next, not provided for by some Act of Parliament. Government had felt that it would not be right to ask a general vote of credit for any longer period than till Parliament met next session; before which time

they hoped to be able to place in the possession of the House detailed estimates of all branches of the service; but it was impossible to do this till appropriations had been made. He would now state what our wants were likely to be. For a right understanding of this, it was necessary that he should mention that in the Maritime Provinces there were large amounts of works going on, contracted for previous to the date at which Dominion began. Some of these might be found to be mere local works, others would form part of those to be included in the property of the Dominion. The rate of progress of these works, it was quite impossible to form any accurate estimate of. Existing contracts were going on, and the Dominion was bound to meet the expenditure either out of capital account or ordinary expenditure, and should endeavour to distinguish between what he considered capital account and what was ordinary expenditure. The estimates of expenditure were as follows:—Interest on the public debt \$4,363,000; charges on management, including premium, discount and exchange \$150,000; sinking fund \$206,980; civil government, including salaries of judges in Lower Provinces \$324,926; administration of justice \$439,000; police, river, harbour and frontier \$55,000. Penitentiary and Rockwood Asylum \$176,500; legislation \$575,000; Observatories, Toronto and Quebec, \$7,200; geological survey, \$30,000, \$10,000 being added to the former grant, so that the Lower Provinces might have the benefit of the service of the able head survey. The next item for militia including marine and defensive expenditure, a large sum was on capital account, and would not have to be met in subsequent years, \$1,600,000. The ordinary expenditure was \$744,240 including Nova Scotia and New Brunswick. But there were other items which this year had to be met, for instance, \$150,000 for barrack accommodation. Stores purchased, \$200,000. These incidental items amount to \$543,490; and would not come into subsequent years; but he did not believe there was a man in the House who would grudge any sum necessary for the defence of their homes. (Hear, hear). Arts, agriculture, and statistics, \$12,000; immigration and quarantine, \$50,000; pensions, \$53,750; public works, buildings and railways on construction account in Canada, \$491,000; Nova Scotia, \$912,000; New Brunswick, \$522,500. Then the current expenditures on account of public works was, Canada, \$20,750; Nova Scotia, \$10,000; New Brunswick, \$5,000.

99038—15½

Mr. Mackenzie asked if the old appropriations were all expended.

Hon. Mr. Rose said there was, by reference to the public accounts, upwards of three millions of old appropriations standing at the disposal of various departments. The course which he thought proper, in order that Parliament might every year have distinct control over the year's expenditure, was that at the end of the fiscal year sums over appropriations should be returned, and that there should be a new vote taken every year.

Mr. Mackenzie—That was the system in England, and was promised last year, and he expected to find a statement of unexpended sums in the accounts brought down.

Hon. Mr. Rose said that there was a statement showing an unexpended balance of three millions on hand. The Government estimated the expenditure for the year beginning July 1st, 1867, and ending 30th June, 1868, proposing to write off all existing appropriations and beginning with a clean sheet from 1st July last. The next item was provincial steamers, \$79,725, included in which were subsidies payable to Nova Scotia for steamers in that Province, \$4,725; next was light-houses, buoys, etc., \$246,000; then fisheries, \$40,000; marine hospital and distressed seamen, \$38,400; subsidy to ocean steamers, \$218,000, making a total of \$622,025. Then to be added to this was indemnity under Seigniorial Tenure Act, \$290,000, which would have perhaps, ultimately to be provided by Lower Canada, according to the result of the arbitration for the settlement of the debts of the two Provinces. Then there followed the items of culling timber, \$65,000; railway and steamboat inspection, \$90,000; Indian fund and annuities, \$181,000; miscellaneous, \$162,000; collection of revenue, which was divided between Customs and Excise, the former being \$643,000, and the latter \$140,000, making together \$783,000; post office, \$735,000; maintenance of public works, \$700,000. He would mention in connection with this item, that Government proposed to establish a different principle from that which had previously existed in regard to revenue of railways in New Brunswick, by making it necessary for the officers of those roads to return gross income instead of deducting working expenses and returning only net revenue. (Hear, hear). This was, no doubt, the true principle that all revenues should be paid in, the Government paying salaries and other costs of management. These minor revenues were

estimated at \$10,000. These items together made a total possible expenditure for the year of \$16,226,801, from which, however, was to be deducted \$1,925,000, for items which he had stated to the House properly belonged to construction or capital account, leaving the ordinary estimated expenditure of the year \$14,301,301. He would close this branch of his statement by saying that of this expenditure the items which the auditors according to the best information he had been able to get, found were not provided for by accounts of Parliament, amounted to \$7,019,039, three-fourths of which, \$5,264,279 was the amount mentioned in the message from His Excellency as necessary to be provided, to carry on the Government till 31st March. He then stated the probable revenue of the year. They estimated the

Revenue from Customs at	\$ 9,121,900
From Excise	3,000,000
Postage	569,000
Ocean Postage	50,000
Public Works, including light	837,000
Provincial Steamers	35,000
Ordnance lands	30,000
Casual and miscellaneous	30,000
Interest on investments	12,000
Premiums and discount	20,000
Bank Interests	18,000
Law fees	25,000
Fines and forfeitures	10,500
Bill stamps	100,000
Law Fee Fund, U.C.	40,000
Tonnage, duties, Quebec River Police	10,000
Tonnage duty, mariners' Fund ...	18,000
Passengers duty, immigration and quarantine	25,000
Railway and steamboat inspec ..	40,000
Fisheries	43,000
Cullers' fees	60,000
Penitentiary	50,000
Militia	20,000
Sundry special receipts	2,000
Copyright duties	4,000
Indian fund	100,000
Great Western Railway Int. A/C ..	50,000
Receipts from sales Public Works	65,000
Northern Railway Interest A/C ..	14,600
Consolidated Fund Investment Account	50,000
Montreal Harbour Commissioners	7,000

Making a total of\$14,457,400

[Mr. Rose (Huntingdon)]

The result of these details was this, that the ordinary estimated expenditure for the current year, up to 30th June next, was \$14,301,301; and the estimated revenue \$14,457,400—leaving a surplus of \$156,090.

Hon. Mr. Holton —But on the whole accounts of the year there will be a deficiency to be met in some way.

Hon. Mr. Rose denied that. They had to provide undoubtedly for the amount necessary to construct those railways in the Lower Provinces, but that amount might be found to be within the \$7,000,000 and \$8,000,000 to be assumed respectively by Nova Scotia and New Brunswick.

Hon. Mr. Anglin asked whether in estimating the amount to be paid to the Lower Provinces, the Finance Minister included the interest on existing debts.

Hon. Mr. Rose said he had. His honourable friend (Mr. Holton) had asked for the subsidies payable by the Government to the several Provinces. They amounted to \$2,797,446, from which, however, had to be deducted the interest payable by Ontario and Quebec on the capital of \$8,700,000, the estimated sum by which the debt of these two Provinces exceeded \$62,500,000, the debt with which they came into the Union. He hoped that the House would understand that in speaking of the items of permanent works it was not intended by that amount to increase the debt of the Dominion, for it might be, and he trusted it would be, within the debt with which these Provinces entered the Union. In the statement which he had thus endeavoured, as briefly as possible, to lay before the House, the sums dealt with were considerable, but the resources, means and energies of this country, were, he believed, ample to meet the demands upon them. He would state a few facts with reference to the progress of these Provinces during the last eight or ten years, which would illustrate their resources and capabilities. In Nova Scotia, in 1856, the revenue from Customs and Excise was \$377,270. In 1866 it had increased to \$1,231,902. (Hear, hear). The imports of the Province rose from \$8,349,160 in 1856 to \$14,381,008 in 1866, while the exports rose in the same time from \$6,864,790 to \$8,043,095, exclusive of ships sold. Then there had been an increase in shipping from \$4,594,000 in value in 1856 to \$13,749,000 in 1866. He was satisfied this evidence on the part of our elder sister would be regarded with great satisfaction by all the Western Provinces. He

also gave figures showing the increased productiveness of the coal and gold mines of that Province. Then coming to New Brunswick the progress had been equally gratifying. In 1856, the Customs duties realized \$596,994, and in 1866, \$1,186,751. The imports in the former year amounted to \$7,505,890, and in the latter to \$10,417,495; while the exports rose from \$5,366,755 to \$6,639,275, exclusive of vessels sold. Then the vessels owned in the Province increased from 133,669 tons in 1857 to 233,945 in 1866. In Canada, the imports in 1858 amounted to \$29,777,852, from which they rose to \$52,637,675 in 1866, showing an increase of 81½ per cent in nine years. (Hear, hear). In 1858, the exports amounted to \$23,472,609, from which they increased to \$53,930,789 in 1865 and 1866. In the last year, however, they were increased by consequence of the demand caused by the American war and by the threatened abrogation of the Reciprocity Treaty, so that for his comparison he would take the year 1866-'67 when the exports amounted to say \$45,570,109, an increase since 1858 of 94½ per cent, showing that the productive powers of the country were more than sufficient to meet its engagements abroad. (Hear, hear). The House would see that the large exports of 1865-'66 were owing to exceptional causes, and the decrease in 1866-'67 might at first glance seem unsatisfactory. In the former year, however, there was an unusual demand from the States for horned cattle, so that the falling off in 1866-'67 in this article of export alone amounted to \$3,121,343. In flour also there was a falling off of \$1,506,904 compared with 1866. In the exports of sheep, swine, beef, there was a falling off of \$325,000 compared with the previous year. This was a serious condition of affairs, but it was gratifying to know that though trade had fallen off with the United States, new channels of trade had sprung up with other countries, and that our total exports in 1863-'66 and '67, as compared with our exports of 1863-'64 and '65 showed an increase of upwards of \$5,000,000. Compare the present year with the ten preceeding years, and it would be seen that there was increase of 107 per cent. He would now refer to our Intercolonial trade. It was gratifying to know that commercial intercourse had increased among ourselves. The exports in 1863 to British North American colonies from Canada proper was to the amount of \$935,000; but it had increased in 1867 to \$3,480,000—almost double the amount of exports the year previous. The imports from the Lower Provinces are increasing enormously.

There were now three lines of steamers plying between the Lower Provinces and Montreal, coming up freighted with coal, etc., and carrying back flour. He concluded by referring to the difficulties to be met in coming down to details of the expenditure for the coming year, and he thought it would not be asking too much to ask the forbearance and assistance of this House to equalize our revenue and expenditure, and place the finances of the country upon a sound basis. In this he was quite sure he would receive from all sides of the House the hearty co-operation of every man who wished to see the prosperity of his country. (Applause).

Hon. Mr. Holton would take this opportunity to congratulate his honourable friend the Minister of Finance, upon the ability with which he had discharged his difficult duty. (Hear, hear). In order that they might have the opportunity of examining more closely the vast mass of figures the honourable gentleman had laid before the House, he thought they ought to be printed before the debate was proceeded with and they were asked to vote supply.

Hon. Mr. Rose was quite willing to postpone taking a vote of supply until his statements were printed and distributed.

Hon. J. S. Macdonald desired to call attention to a statement which might be misunderstood, namely, that the Local expenditure of Ontario was set down by his honourable friend at \$488,960. He wished it to be understood that the Local Government had not spent that amount. They had been living on short allowance for five months. (Laughter).

Hon. Mr. Dorion suggested that the House go into Committee of the Whole to-night, and they could go into committee again after the printed statements had been distributed. He would reserve the remarks he intended to make till then. He heartily concurred in the opinion of his friend (Mr. Holton) as to the manner in which the honourable gentleman had explained the financial condition of the country. His explanations were clear and concise.

Hon. Mr. Howe said he had listened with a great deal of pleasure to the elaborate statement of the Finance Minister. He had heard many Finance Ministers bring down their statements, but he had never heard a more clear and candid statement than the one they had listened to to-night. It was gratifying to him to hear from the statement that his own

Province was in so prosperous a condition. At the time of the passing of the Confederation Act, bonds of Nova Scotia in the hands of the financial agents in England stood in the money market two, if not three, per cent higher than those of Canada. They never had any trouble with their bonds. With regard to the future, he rather liked the announcement made by his honourable friend. If the country would not rush too fast into reckless expenditure, if the expenditure was kept within reasonable limits he believed its natural growth and prosperity would soon relieve us in a great measure from our floating debt. He trusted for the honour of the country it would be so, and if the honourable gentleman, while he holds his present position, comes down, as he has done to-day, concealing nothing but dealing candidly and fairly with the House, he would always receive that consideration without which no Finance Minister could well perform his duties.

Hon. J. S. Macdonald was happy to see that the policy had been accepted of raising the necessary funds among ourselves, and not been obliged to go to England to sell our debentures. He had supported the currency Act last session, and was glad to see that it

worked so well that we were relieved from the painful exhibition of attempting to raise money in England by a sale of our debentures.

Mr. Young would like to ask the Hon. Minister of Finance how he proposed to meet the deficiency he had just announced to exist.

Hon. Mr. Rose said the amount must be raised by increasing the debt.

The House then went into Committee of the Whole on the Supply Bill, and immediately after rose and reported progress.

In answer to **Mr. Holton**,

Sir John A. Macdonald said, that either the resolutions on the North-West, or the question of supplies, would be taken up first on Monday.

EDUCATION REPORT

Hon. Mr. Langevin presented the annual report for 1866, of the Superintendent of Education for Upper Canada.

The House then adjourned at 6 p.m. till Monday.