

of the people. (Hear, hear.) I do not, however, believe that at this moment it is possible, nor do I think the people of this country would support any government in adopting this measure unless it were forced upon them by the pressure of an overwhelming necessity—the necessity of providing, by extraordinary means, against dangers by which the peace, happiness and prosperity of the country may be threatened, in fact, by some of those great disturbing causes which are frequently the beginning of the most important financial changes. (Hear, hear.) The local revenue of Upper Canada during the last four years has averaged the sum of \$739,000, and that of Lower Canada, \$557,239; together they amount to nearly \$1,300,000, independent of the eighty cents per head which it is proposed to allow the local governments out of the general exchequer, for the purpose of meeting their local expenditures. These local expenditures include such items as the administration of justice, the support of education, grants to literary and scientific societies, hospitals and charities, and such other matters as cannot be regarded as devolving upon the General Government. The whole charge, exclusive of the expenses of local government and legislation, on an average of the last four years, has in Lower Canada amounted to \$937,000, and in Upper Canada to \$1,024,622 per annum. In addition to these sums, will have now to be added such amounts as may be required to meet the cost of the Civil Government of the country and of the Legislation for local purposes. It may be difficult to form any reliable estimate of the sums required for this purpose, but when the House considers that, according to the statements given of the expenditure during the last four years, there will be available in the whole Province of Canada the sum of no less than \$1,043,015, it must, I think, be admitted that if those charged with the administration of local affairs in Upper and Lower Canada exceed this amount they will be guilty of a degree of profligacy and extravagance for which a speedy remedy will be found by the people. (Hear, hear.) With reference to the Lower Provinces, the delegates from them to the Conference were asked what reductions they could make in the existing cost of the government of their several colonies, and the figures I am about to give will be found most satisfactory, as showing their disposition to reduce their requirements to the lowest possible sum. In the case of Nova Scotia, the estimate of outlay in 1864 for

objects of a local character required an expenditure of no less than \$667,000. Some portion of this expenditure was for services that did not require again to be performed, but it is gratifying to observe that they have undertaken to perform the whole service in future for \$371,000. (Hear, hear.) In the case of New Brunswick, in 1864 the estimated expenditure was \$404,000, which they have undertaken to reduce to \$353,000, and at the same time they have further undertaken within ten years to make an additional reduction of \$63,000, thus reducing the whole expenditure in the future to \$290,000. (Hear, hear.) Prince Edward Island, with an expenditure of \$124,000, proposes to perform the same local duties that formerly required \$170,000; and in Newfoundland an outlay of \$479,000 has been similarly reduced to \$350,000. (Cheers.) The House must now, sir, consider the means whereby these local expenditures have to be met. I have already explained that, in the case of Canada, and also in that of the Lower Provinces, certain sources of revenue are set aside as being of a purely local character and available to meet the local expenditure; but I have been obliged in my explanations with regard to Canada to advert to the fact that it is contemplated to give a subsidy of 80 cents per head to each of the Provinces. In transferring to the General Government all the large sources of revenue, and in placing in their hand with a single exception, that of direct taxation, all the means whereby the industry of the people may be made to contribute to the wants of the state, it must be evident to every one that some portion of the resources thus placed at the disposal of the General Government must in some form or other be available to supply the hiatus that would otherwise take place between the sources of local revenue and the demands of local expenditure. The members of the Conference considered this question with the most earnest desire to reduce to the lowest possible limits the sum that was thus required, and I think the figures that I have already given to the House afford the best possible evidence that no disposition existed, at any rate on the part of our friends from the Lower Provinces, to take from the public exchequer one shilling more than the necessities of their respective communities absolutely demanded. (Hear, hear.) In the case of Canada, perhaps it will be said that a smaller sum would have met our immediate wants, but it was felt that it would be impossible to justify any distinction being drawn between subjects of the same