

terms of union, I will conclude this part of the subject by stating that the terms submitted in the Resolutions, and illustrated by the printed Estimate, instead of giving the Colony a permanent total revenue of \$364,050 per annum, will only produce \$248,567, unless higher Provincial taxation be levied here than in other parts of the Dominion. The way in which I make up these results is as follows:—By the terms submitted by the Government, there is (1st) Fixed subsidy, \$35,000; (2nd) Interest on difference of Public Debt, \$82,000; (3rd) 80 cents per head on 120,000 population, \$96,000; (4th) Reserved revenue, \$151,050: Total, \$364,050. By my interpretation of the proposed terms, there is: (1) Fixed subsidy, \$35,000; (2) 80 cents per head on 120,000 people, \$96,000; (3) Interest on difference of debt, taking \$20 per head as the debt of Canada, \$37,567; (4) Reserved revenue, \$50,000: Total, \$248,567. Now, if we deduct from the latter amount the Government estimate of current expenditure, viz.: \$211,009, there would only remain a surplus revenue of \$36,558, instead of \$151,050, as anticipated. I, therefore, sincerely think that the Government scheme is wrong, and ought to be revised. Mr. Chairman, I therefore propose to bring under the notice of the Council what I consider ought to be the financial terms, taking for granted always that Canada will become liable for our public debt at the time of admission. When the Provincial Delegates met in Quebec and London, to decide on the terms of Confederation, they divided the Provinces into three groups, viz.: Upper Canada, Lower Canada, and the Maritime Provinces. Lower Canada was taken as the initial point. Now, Sir, in deciding finally as to the terms, I consider that British Columbia ought to be treated as the fourth group, whilst the North-West Territory may be regarded as the fifth. The first thing that strikes me, on looking at the Eastern Provinces, is their territory. Ontario has 121,260 square miles; Quebec, 210,000; and all the Maritime Provinces, 88,065. Territorially, then, we are their equal, and greater than either of them. The natural capacity of our territory to support population is as great as Lower Canada. We have a finer climate, and more varied natural resources. Quebec sustains a population of about 1,250,000, or more. Ontario has 2,000,000. It is true that they are two centuries ahead of us, and we are in our infancy, with a handful of people. But that is no reason why, in framing terms, that we should not look forward to the rapid development of the Colony, and to the possession of a large settled population. Considering our geographical position, our natural resources, our wide-spread population, and our future, I think that we are entitled to as large a fixed subsidy as Ontario, that is \$80,000. The proposed terms, submitted by the Government, ask only \$35,000 per annum. Now, this is placing British Columbia, with its 220,000 square miles, its great natural resources, and the best climate in the world, on a par with Newfoundland, with its 40,000 square miles, its sterile soil and inhospitable climate,—a country that has never yet developed any capacity for anything but catching and selling codfish. Prince Edward's Island is also offered a fixed subsidy of \$35,000 per annum,—a little insular community with a territory of 2,100 square miles, a hundred times less in area than our own country, and with a climate far inferior to ours. It is simply absurd to propose such a thing as ranking this Colony in subsidies with either of the Provinces except Ontario. I want neither more nor less than what the latter Province gets as a fixed annual subsidy. Every Hon. gentleman present who gives the matter a moment's consideration must agree with me that \$35,000 is entirely out of the question, and that the least we can accept is a fixed subsidy of \$80,000 per annum. [Hear, hear.] In the next place, I propose that our population be taken at 40,000, and at no time shall it be considered less; and that we shall be entitled to receive 80 cents per head annually until our population shall have reached 1,000,000. By this proportion we have truth and fact on our side. Our population will be subsidized at its actual number and not increased by a fiction—an unnecessary assumption—as in the terms proposed. Under this head we would get, on entering the Dominion, \$32,000 per year. Besides that, as our population increases, this *per capita* subsidy would increase annually in amount, till it reached the maximum number of inhabitants of 1,000,000, and then it would stop. Now, the terms sent down to us by the Government assume, as I have shown before, the existence of a population of 120,000, and propose that we shall receive 80 cents on that number at once, and that we shall receive no increase till our population shall have actually reached and passed that number; so it may be twenty years or longer before our actual population shall be equal to the assumed population, 120,000; and in the *interim* the *per capita* subsidy will remain unchanged. But this is not all. The Government scheme proposes to limit our maximum population to 400,000, the same as in Nova Scotia, New Brunswick, and as proposed in the terms to Newfoundland and Prince Edward's Island. This is part of the same error made in copying the fixed subsidy. If we