

community, and there was no doubt that some remedy ought to be provided for the difficulties that now existed. Under the law, Provincial and City Debentures, were exempted from taxation, and the result had been that a large number of them had been sold for some time past. They had absorbed to some extent all the capital that was available, and citizens could now scarcely obtain the money they required on mortgages at 6 per cent., which are liable to taxation. Lenders of money of course gave preference to those securities—Provincial and City Debentures—which they could obtain at 6 per cent., free from taxation. The result was, that persons engaged in building houses, and making any improvements, were actually brought to a stand still in consequence of the want of money. Parties who had money out in mortgages were calling it in for the purpose of investing it more satisfactorily, and a great many people were accordingly put to very great inconvenience, for they could not find any one willing, under existing circumstances, to supply them with the money they required. He therefore felt that it was necessary that the question should be dealt with immediately by the house. He was not prepared to say that the time had come when the people of this country would be willing to see the Usury Laws repealed. Some persons, however, contended that the legal rate of interest might be properly fixed at 7 per cent.—Certainly it was not right that the industrious men of this country should be exposed to the great inconveniences they were now subject to from the causes to which he had made reference. It was therefore necessary for the house to consider whether it would be wise to raise the legal rate of interest, or subject the securities in question to taxation, so as to place every one in the same position. He would, however, take another opportunity of bringing the question before the house in a more definite shape.

Hon. Mr. SHANNON said that there was no doubt the money market in the city at the present time was very seriously affected, but it was well to bear in mind that the same state of things also prevailed in Europe. Some years ago money could be obtained easily for 3 and 4 per cent. in England, but for the last three or four years the average of interest had been about 7 per cent. A gentleman, now in London, had been of late withdrawing his money from this city, and investing it in England since he found he could do so more profitably. Capitalists, no doubt, would be satisfied if they got six per cent., but the fact was they did not get it, since their money invested in mortgages must pay taxation. It was necessary to devise some means that would meet this difficulty arising from a conflict of securities. There was no doubt that money on mortgages was, under ordinary circumstances, the most desirable mode of investment.

Hon. ATTY. GENERAL said that the difficulty had arisen from an attempt that had been successfully carried out in the city of Halifax to tax the same property twice. It should be also remembered that the value of money had arisen very considerably in England on account of the mania for speculation, and other causes. The money market in England naturally influenced the state of things in this country. It should also be taken into account

that other Banks had been established in this country. All these things contributed to make a scarcity of money. He did not think that the principle upon which city taxation was levied was the right one. Was it right that the man who owned the property should pay taxes on it, as well as the man that lent him £500 on it? Considering the thing in its true light, the man who borrowed the money was taxed twice. This fact taken in connection with the causes to which he had referred, explained the difficulties that were stated to exist in Halifax.

Mr. TOBIN differed from the hon. Attorney General as to the double taxation on which he dwelt so strongly. A merchant occupying a store filled with merchandize, is taxed for every dollar of that visible property. On the other hand here is a man sitting in an office, with only desk and stationary before him, he has no other visible property; but yet he is perhaps dealing in very many thousand dollars. Should not such a man be taxed for his business—money lending—as much as he who is taxed for his barrels of flour and hogsheads of molasses? In fact the money lender had better security in mortgages than a merchant could by any possibility have in his business relations with his customers.

After a few further remarks from Mr. Shannon, the Attorney General, the Provincial Secretary laid on the table the resolution from the Halifax Chamber of Commerce referred to by Mr. Tobin.

The House then adjourned.

THURSDAY, April 5, 1866.

UNION OF THE COLONIES.

Mr. ANNAND said:—I felt, Mr. Speaker, when the hon. member for Inverness, Mr. McDonnell, addressed the House, that the time had come when I should define my position on the question of a Union of the Colonies, and I shall now invite the attention of the House to that position. I have always been in favor of a union of the Maritime Provinces, and my views upon that subject entirely accord with views expressed by members on both sides. I need not now recur to the Convention held at Prince Edward Island, or to what took place elsewhere when the Convention was dissolved. These are matters of history, and I will merely allude to the objections which I entertain to any union of the Colonies. I have always thought that the people of Canada were dissimilar to us in origin and pursuits, and that the fact of this Province being separated from communication with the world, excepting through hostile territory, rendered it politically impossible that a union in the present state of affairs could take place. I have also entertained, and have here expressed the opinion, that all the benefits of which we have heard can be obtained without union. Let me briefly refer to three of these,—in the first place, I maintain that all matters of material advantage relating to trade can be obtained without a political union. What is there to hinder us to-day from arranging a treaty of free trade in the manufactures of the different Provinces? I may be told that Canada will not entertain the proposition now;—perhaps, having the objects she has at present in view, might refuse, but in 1862 she was pressing