

of Canada doing nothing to produce a rupture with the United States, and having no knowledge of any intention on the part of Her Majesty's Government to pursue a policy from which so dire a calamity would proceed, are unwilling to impose upon themselves extraordinary burthens. They feel that, should war occur, it will be produced by no act of theirs, and they have no inclination to do anything that may seem to foreshadow, perhaps to provoke a state of things which would be disastrous to every interest of the province.

This was the opinion of the honorable gentlemen only two years ago. (Hear, hear.)

HON. MR. HOLTON—How many of them are on the Treasury benches now?

HON. J. S. MACDONALD—I have already said that there are three of those gentlemen there. (Hear, hear.) Well, to go on a little further, His Grace recommended direct taxation, to which we replied:—

Without entering into a discussion of the relative merits of direct or indirect taxation, Your Excellency's advisers feel that it would not be prudent, suddenly or to any large extent, to impose direct taxation for military purposes. This is not the occasion for adopting a principle hitherto unknown in the fiscal policy of the province, and assuredly this is not the time for plunging into an experiment for which the people of the province are unprepared. No more serious mistake can be committed than to conduct an argument upon the supposition that the ability of the Canadian people to sustain taxation is greater than has hitherto been acknowledged in the fiscal arrangements of the Government.

And I may remark that the condition of the country at this moment is much more calamitous than when this report was made. When the hon. member for South Oxford (Hon. Mr. BROWN) was on his feet a few minutes ago, he spoke of the prosperity of the merchants in Upper Canada, and said the condition of the country was not such as to justify the remarks of the hon. member for Chateauguay (Hon. Mr. HOLTON). Sir, he forgot to speak of the situation of the farmers, of which I shall speak presently more at length. This report goes on further to say:—

The wealth of the country is in its lands. If the people are in the enjoyment of comparative wealth, it is so invested as to be not readily available for the production of a large money income. Your Excellency's advisers believe that no government could exist that would attempt to carry out the suggestion of His Grace for the purpose designed.

That was the language of our Government when asked to train fifty thousand men and

to familiarize them to the use of arms (Hear, hear.) I feel that the pressure which has been brought to bear upon the Imperial Government by the GOLDWIN SMITH politicians—by the Manchester School—to get rid of the colonies, is having its effect. The telegram received to-day indicates that the burden of the defences is to be borne by the colonies, as the telegram now before me states:—

Earl RUSSELL regretted the discussion, and stated that the Government declined to make any movement while the Canadians declined to take measures themselves; but as they now showed a different disposition, the Government comes forward to assist them.

MR. SPEAKER, I ask this House, if the honorable gentlemen on the Treasury benches have made any proposals to the Home Government, whether we are not entitled to know what they are? I say that we ought not to leave this House till we have advised them in this matter—till the opinion of this House, representing the people of this country, has been elicited. (Hear, hear.) We are the persons who ought to advise them in this matter; and without seeking that advice, they are taking a step in advance of their legitimate duty. (Hear, hear.) The Duke of NEWCASTLE asked us in the same despatch to place the money required for increased military organization in Canada beyond the domain of Parliament! Such a proposal was met in fitting terms, becoming a people enjoying British freedom. We could not submit it to Parliament, and we did not. It was said in the same despatch that the credit of the country was endangered in the markets of Europe, and that if we were willing to show that we were prepared to defend ourselves, if we went to this vast outlay, we would materially assist in the maintenance of our credit abroad. Our reply to that was, that—

The maintenance of the provincial credit abroad is undoubtedly an object which the administrators of the affairs of the province should at any cost accomplish. Your Excellency's advisers submit that their various measures demonstrate the sincerity with which they are striving to preserve the public credit unimpaired. They contend, however, that not the least important of the agencies to be employed to this end is the exhibition of a due regard to the means at the command of the province. They hold that they are more likely to retain the confidence of European capitalists by carefully adjusting expenditure to income, than by embarking in schemes, however