

New York received from her canals the sum of \$5,118,501.35; the expenses of management amounted to \$111,503.78, and those of repairs to \$659,378.74, forming a total of \$770,882.52, which left a net revenue of \$4,347,618.83, after paying all expenses of management and costs of maintenance. (Hear, hear.) Do you know what was done with that surplus? It was applied as follows:—

Sinking Fund under 1 Art. 7...	\$1,700,000
do do 2 Art. 7...	350,000
do do 3 Art. 2...	1,116,242
To the Treasury towards paying the expenses of the state....	200,000
	<u>\$3,366,242</u>

Leaving a balance of \$981,376.17 after having met all engagements in relation to the Sinking Fund, and paid a sum of \$200,000 towards the cost of the government of the state. Here, when a school or sinking fund is created, it is expended, or borrowing has to be had recourse to in order to meet it. Let us then compare the management of our canals with that of the canals of New York. Here the tolls on certain of our canals are abolished with the view of favoring trade, instead of a reasonable revenue being levied from those great works! (Hear, hear.) The total debt of the State of New York on the 30th September, 1863, was as follows:—

Consolidated debt.....	\$6,506,654 37
Canal debt.....	23,268,310 25
Total recorded....	<u>\$29,774,964 62</u>

In the course of the same year, \$3,116,242 was paid into the sinking fund, and there remained still five and a half millions in hand produced by the canals, so that in less than ten years the canal debt and the special debt of the state will be entirely paid off. Shall we be able to say as much of our own debt in ten years time? (Hear, hear.) I repeat then, that the financial system of our neighbours is greatly superior to ours, and that they pay reasonable salaries to their public officers, while such payments here are on an extravagant scale. If I speak of all this, it is because I am opposed to the scheme, and because it is wished to establish a monarchy, a new kingdom on this continent, and because a desire is manifested to have a court, a nobility, a viceroy, tinsel, and so on. I am alarmed at the position in which it is wished to place us, for from extravagance it

is proposed, with all these absurd and ridiculous schemes, to pass to folly. (Hear, hear.) The commercial crisis through which we passed in 1846, when England repealed the import duty on foreign grain brought to her markets, will be remembered. Before that period our grain and other produce were protected on the English markets in being admitted free of duty, while that from the Black Sea and the United States was subject to a duty which was high enough to afford great protection in favor of ours. This new policy in relation to the colonies was productive of disastrous consequences to Canadian trade. The exportation of grain to England was completely put a stop to. There was no longer an outlet for that produce. To get to the United States markets twenty per cent. had to be paid. Well, the long and terrible crisis which followed the abolition of this protection of our produce, and which raged during the years 1847, '48, '49, may be remembered. Beginning in 1847 there was a disastrous commercial crisis in Canada. Failures followed each other with rapidity, and difficulty was everywhere felt. Matters had not greatly improved in 1848. It was evident that a fresh outlet for the agricultural produce of Canada must be found in order to ensure to her satisfactory relief. Discontent manifested itself, and agitation became apparent. Arguments and negotiations were had with the political men of England, but without any satisfactory result being attained. It was then thought that a solution of the commercial difficulties of the country was to be found in political changes. Hence followed the annexation movement of 1849. The obtaining of a political change of this character would at once open to Canada all the markets of the United States, and would, without any doubt, have ensured the material prosperity of the country. The annexation movement met with considerable sympathy in the Northern States of the American union, but in the South it excited alarm. Fear was entertained of the influence which would have been conferred upon the North, by the accession of territory of such considerable extent as the two Canadas, at first, and subsequently of all the English Provinces. The Government of the United States was in the hands of political men from the South. To avert the danger which threatened their influence, that Government shewed themselves favorable to a commercial agreement with the