

coal and other minerals." That, it appears to me, is leaving very valuable material to be subject to taxation by these local governments, for they comprise a very large proportion of the exports of the country. This is giving a great preference to the eastern provinces in regard to powers of taxation. (Hear, hear.) Then, again, as stated by the President of the Council, in another place, the sum of \$63,000 a year is to be given as a sort of gratuity to New Brunswick for a period of ten years. When these things are taken into consideration, certainly it seems that our public men representing Canada in the Conference have gone to work in a rather reckless manner. They have apparently been regardless of expense on the part of Canada, while particularly careful to meet every objection to union on the part of the Lower Provinces. It would appear that because Canada is the largest colony, they were willing to grant everything that the other colonies asked. (Hear, hear.) It seems extraordinary too that these gentlemen should have passed a scheme binding the Government to construct the Intercolonial Railway without any understanding or knowledge as to what it will cost. (Hear.)

HON. MR. CAMPBELL—It will be somewhat inconvenient for a member of the Government to answer at once the questions put by the honorable member, but I have no objection to answer those which he has now asked. The House understands, of course, that the Crown lands of the provinces are retained under the Confederation scheme by each individual province. It was found necessary that they should be retained in order to provide each province with the required funds to carry on the local government. In the province of New Brunswick the duties that are levied in Canada as "stumpage dues" on cutting down timber, are not levied in the woods but collected at the ports as export duties, this being in that province a more convenient and less expensive mode of obtaining revenue from the timber trade. Now, the honorable gentleman will see that if we do not allow the Local Government in New Brunswick to collect these dues in this way, the revenue which is derived in Canada from "stumpage dues," would be lost to New Brunswick. That is the reason why the exception he refers to was made. In the same way, with reference to Nova Scotia, was allowed the royalty on coal, that is the percentage of the product of the mines reserved for the use of the Government, which is collected as a duty on the export of the article. There also

the export duty is reserved as a source of revenue to the Local Government, it being necessary in both cases that they should have the advantage of their territorial revenue in the same way as the local governments in Canada, which will collect the same revenue in a different way. At the first glance it may seem that this clause gives especial advantages to the Lower Provinces not conferred upon the local governments here, but this is not the case. (Hear, hear.) Then, with regard to the subvention of \$63,000 a year to New Brunswick for a period of ten years, it was found necessary because during that time it would be impossible for New Brunswick out of its local revenue to carry out the undertakings upon which the province had entered. The honorable gentleman said, and I regret to hear the statement, that the representatives of Canada must have been reckless, and that as the Lower Provinces made demands conditional upon entering the union, we had to submit with what grace we could. All I can say is that I wish very heartily that those gentlemen who thus find fault had been at the Conference, and then they would have had an opportunity of judging whether indeed we were reckless or not; and I must say to my honorable friend, whom I have had the pleasure of knowing for some years, that if he had truly known the representatives of Canada on that occasion, he would have spared us to-day the imputation made against them that they were reckless. (Hear, hear.) The \$63,000 were given to New Brunswick because it was found that with the local revenue allowed her it would have been impossible for her to fulfil her engagements. It would of course have been idle to have gone into a confederation and find that the revenues of that colony had been so far ceded to us that she was unable to meet the obligations into which she had entered, and that the Confederation would be responsible for the claims of her creditors. The engagements into which she had entered involved a subvention of the railways of the province. In New Brunswick they thought it better, rather than take the shares or mortgages of a railway for the encouragement of railway enterprise, to give a certain sum at once for railway purposes. Any company constructing a railway became entitled to a certain sum per mile out of the public funds. Thus liabilities were incurred which of course it was necessary to redeem. Well, New Brunswick having ceded all her ordinary revenues to the General Government, means had to be provided by it to enable her to meet these