

HON. MR. MACPHERSON.—I suppose the honorable member knows the reason of this decline. Soon after what was done in the Conference was known in England, the St. Alban's raid took place, and the consequence of the events connected with that was a fall of 17 or 18 per cent. in our securities.

HON. MR. SEYMOUR.—In consequence of the wise policy of the statesmen of England friendly relations had been maintained with our neighbours. It is true the passport system was put on, but it is to be removed again, and all things are to become as they were before, with the exception, perhaps, of the Reciprocity Treaty. Every man of business knows that that rise in stocks was not caused by anything connected with the Confederation scheme. Why should it? What is it that increases the value of stocks and depreciates them? Is it not the confidence of capitalists who have invested in them, that the interest will be paid. But under this Confederation scheme will not our expenses be increased? This Intercolonial Railway must be built and kept up, and this must be at the cost of Canada. You have got your local governments to keep up, and you have got your Confederate Government to keep up, and if we look at the experience of the past, is it likely there will be any reduction in the future? (Hear, hear.) I have got figures here to shew what the cost of the two governments was before the union of the provinces. The whole expense of the government of Lower Canada, with the salaries of officers, &c., was £57,618. In Upper Canada we were as economical. We were then under the rule of the Family Compact, and a worse compact we might have. (Hear, hear, and laughter.) They were high-minded, and they did not stoop to matters of corruption, as others have done since. (Hear, hear.) The whole expenses of the two governments were only a little over £100,000 a year. What are they now? Some two years ago the expenses of the civil government alone, not including the cost of the militia, were \$3,000,000. Here, in a little more than twenty years, the expenses have increased seven-fold, notwithstanding that we have only one Government. Now, what are we to expect from the Confederate Government? Every honorable member knows that things must be made pleasant for everybody, and when you are forming a Confederate Government, these expenses must be continued. You cannot turn people adrift,

and you must either employ or pension them. Are we to suppose that because there is a Federation, these expenses will be lessened? I admit that in the Lower Provinces they have managed their affairs with less expense than we have. But now we will have the local governments to pay for. We will have another staff to keep up for each province, which will add very materially to our expenses. The money must come out of the pockets of the people, who will have to pay it either by direct or indirect taxation. What possible difference can it make to the people of this country, whether they pay it directly by taxation or in duties? Direct taxation must be imposed, and that to a large extent, by the local governments.

It being six o'clock, the SPEAKER left the Chair.

After the dinner recess,—

HON. MR. SEYMOUR, continuing his remarks, said—I think, honorable gentlemen, that, taking into consideration the vast importance of this scheme—its importance in a financial point of view alone, without saying one word about the principle of changing the Constitution without consulting the people—there should be an appeal to the country before it is carried into effect. A point which I did not enter fully into before the recess was the argument that Confederation would strengthen the connection with the Mother Country. Now, do we not see all the financial reformers in England, with the *Times* and other influential organs of the press, which on financial grounds were desirous of separating the colonies from the parent state, all advocating this measure in the warmest possible manner? Undoubtedly the imperial government will sanction the scheme, but it is the policy now of that Government to sanction anything of a local character that the colonies desire. Well, in addition to the press that is favorable to the separation of the colonies from the Mother Country, and financial reformers like GOLDWIN SMITH and others who have favored the same views, what was stated a short time ago by the Under Secretary of State for the Colonies to his constituents? In speaking of this scheme, he said it was favored by the Imperial Government for the purpose of preparing us for a change in our relations; for the purpose of educating us to defend ourselves. (Hear, hear.) Was it not very strong language, coming as it did from no less a personage than the Under Secretary for the