and now we are told it is to be undertaken especially for the benefit of the united Colonies. But the question is when will the state of the finances admit of this Canal extension. The Hon George Brown in his speech at Toronto, said:—

"I will, however, take care, gentlemen, that while I have the honor to be one of the advisers of the Crown, the closest economy shall be practised in all matters of the kind. (Cheers.) But in consenting to the construction of the Intercolonial Railway, we were not without a slight regard for the interests of the West, and I am happy to say that with UNANIMOUS CONSENT OF THE DELEGATES, WE HAVE AGREED TO THE EXTENSION OF THE CANAL SYSTEM OF THE WEST." (Loud Cheers.)

His constituents would have discarded him for consenting to the construction of the Intercolonial Railway had he not obtained this concession. Upper Canada will insist on Canal extension if the Railway is proceeded with, and without any regard to the state of the finances. The finances would be considered sufficient as soon as Confederation was consummated. We may look upon this as almost certain, and the great point for us to consider is what benefit would those expensive Canals be to the taxpayers of Prince Edward Island? This is a question which Son members, and the people of the country can very ably answer for themselves. Reference has been made to corruption in Canada, and to the stories in newspapers; but in alluding to the manner in which money has been squandered by Canadian politicians, I do not intend to quote common newspaper authority, but the remarks of the Hon George Brown himself, the present Premier of Canada, based upon an authentic document. In the Toronto *Globe* of March 8, 1861, the Hon George Brown wrote:—

"The publication of the *Auditor's Report* upon the financial condition of the *Grand Trunk Railway*, may be regarded as the final bursting of the great bubble. What was known to a few, suspected by many, and feared by all, who had money in the concern, has now been confirmed by *official* examination, and published to the world."

"The Company's accounts have been *systematically cooked and deliberately falsified* by John Ross & Co., to deceive the English proprietors and capitalists. While these gentlemen were claiming a *profit* in the shape of revenue of $1,472,118, the Company actually suffered a loss of $1,009,491! No wonder the Montreal *Gazette*, the faithful organ of the coalition for years, and the *ready apologist of every* railway iniquity hitherto brought to light, stands aghast now. The figures, revelations, and arguments of the Auditors, have proved too much even for the *Gazette*, and he talks boldly of *criminal prosecutions*, of the personal responsibility of the directors to *deluded* purchasers of stock, and quotes *the statistics of book* in support of his views. He declares that the Report will be read with painful interest, that its statements are of the very gravest nature, affecting not only the character, of the management of the Grand Trunk Railway, but the characters, and perhaps the fortunes of individuals." Of the fitness of the Auditors for their task the *Gazette* says: 'There are perhaps no men in this country better fitted than Messrs. Allan and Workman to pass a judgment upon it. none who better understand the value of figures, or who are more capable in such matters to winnow the chaff from the wheat. We simply mention this for the benefit of our *distant* readers. These gentlemen say distinctly, after a careful investigation of the *books* of the company, that the balance sheet which has been *prepared for the eyes of the public is not correct*."

Hon George Brown adds,—

"But perhaps the most interesting part of the *Report* is under the head of 'General remarks.' It is there stated as the deliberate opinion of the Auditors, that 'the present embarrassments of the company have arisen, chiefly from its connection with the successive Governments of the Province, and the necessity therefrom of *conciliating political support*. Under this head they appropriately place MR GALT'S EVIL SWINDLE in the purchase of the St. Lawrence and Atlantic Railway at 37½ per cent, PREMIUM WHEREAT MORE HAVE BEEN PURCHASED AS 60 per cent discount. The leasing of the Portland and at 6 per cent. annual interest on its entire capital, when its stock was selling at a very large discount, ANOTHER SWINDLE of MR. GALT, by which he realised a COMMISSION, is added to the list. The loss to the company through the speculations of Mr Galt and his friends is set down by the *Auditors* at $6,000,000. The murder is out at last, upon the authority of *the Company's own Auditors*, that ALEXANDER T. GALT, our worthy Finance Minister, and JOHN ROSS, our equally worthy Minister of Agriculture, have made ENORMOUS FORTUNES, but at an expense to the Grand Trunk stockholders of (6,000,000) SIX MILLIONS OF POUNDS."

I may be simply allowed to ask if it is safe to entrust the financial affairs of the United Colonies to such men. The clauses of the Report numbered 60, 61 and 62, call for a passing notice. The 60th says that "the General Government shall assume all the debts and liabilities of each Province." And the next two state the amount of debt to be assumed for Canada, Nova Scotia and New Brunswick. The arrangement does not give satisfaction to the people of Nova Scotia, for they say the debt of Canada is large, her railroad does not pay, and her debentures rate very low in the money market. New Brunswick has not so much reason to complain, for she presented her claim for compensation, and obtained $63,000 for ten years. But when poor Prince Edward Island asked for a few thousand pounds to buy up her proprietary lands, it would not be granted. A proposition to this effect was made by one of our delegates, and I believe none of them can tell who seconded the motion. There was certainly something wrong here. I am of opinion that had our delegates advocated the interests of the Island as well as Mr Tilley did those of New Brunswick, we would have received a grant for the purchase of our lands. They would have some show of argument in favor of this Colony entering the Union, could they come down to this House and tell us that the long vexed Land Question was to be at last set at rest. Instead of procuring a sum for this purpose they have not obtained a single farthing. Is the settlement of our land question not as important to us as the railway to Pictou for Nova Scotia, western extension for New Brunswick, or $150,000 a year to Newfoundland! We have the best of authority for supposing that had the application for a grant to buy up the proprietors' lands of this Island been unanimously supported by our delegates, it would have been acceded to. That authority is the Hon George Brown, who, in an extract which I have already quoted, said respecting the allowance to New Brunswick, "It was absurd to oppose the adoption of a scheme such as this for such a *paltry sum*." I now come to what we are to receive under Confederation as laid down in the 63d and 64th clauses of the Report. I, however, can scarcely call it *receiving*, for in this case we are to pay the difference to boot. The Hon Colonial Secretary says this Report is just and liberal to Prince Edward Island. Is it justice to require us to pay some £20,000 more than we receive? If this be justice, it is such as I will never accede to. We are to give up a large and increasing revenue to the politicians of Canada, who have never been able to govern their own country, and what are we to receive in return? We are to get 80 cents per head of our present population, and the interest of £632,812, being the proportion of debt in our favor, in all amounting to about £50,000. We have been told that a part of this £632,812 may be taken to buy up proprietary lands; but the Report says nothing of the kind; it only states that we shall be entitled to receive the interest at 5 per cent. Besides, if the principal was taken to purchase lands, the amount of interest which would then be received would be less, and our local revenue diminished to that extent, consequently there would be no gain. With respect to the allowance of 80 cents per head for the benefit of the local governments, it would be insufficient for the Lower Provinces, but it would