

the interest for the Intercolonial Railway debt will be half a million of dollars.

HON. MR. BROWN—\$350,000.

MR. SCATCHERD—At the reduced rate of interest, the Federal Government will start with an annual burden, in the shape of interest, of at least \$5,000,000. I had put the sum down at \$6,158,851.

HON. MR. BROWN—How much does my hon. friend make the difference in the interest—\$1,158,851?

MR. SCATCHERD—Ycs.

HON. MR. BROWN—My hon. friend is entirely wrong in his calculations. But will my hon. friend answer this question: How much additional money shall we receive into the treasury in the shape of customs duties from the Lower Provinces?

MR. SCATCHERD—But we are given to understand that the customs duties, instead of being increased, will be decreased. If, however, the Lower Provinces, which now pay on an average, we will say 15 per cent., shall be called upon to pay at least 20 per cent., and up to 40 per cent., they will never agree to Confederation.

HON. MR. BROWN—My hon. friend is all wrong in his figures, but that is really not the point. When he says that the interest will be increased, he should also state what we are to get back in the shape of customs duties from the Lower Provinces. What is the use of giving one side and not the other?

MR. SCATCHERD—I think that any person who will seriously contemplate this proposition of the Government, must come to the conclusion that this Confederation scheme is nothing more or less than a scheme to construct the Intercolonial Railway. (Hear, hear.) If it was not necessary for some parties that that road should be constructed, we should have had no Confederation scheme. Another objection, to my mind, on the face of these resolutions, has reference to the subsidy of 80 cents per head. The 64th resolution provides that the General Government shall pay 80 cents per head of the population of 1861 to the several provinces for local purposes:—

Upper Canada.....	\$1,116,872
Lower Canada.....	888,531
Nova Scotia.....	264,685
New Brunswick.....	201,637
Newfoundland.....	104,000
Prince Edward Island.....	64,505

I think it will be admitted by every member

from Upper Canada, that if the people of Upper Canada had representation by population, they would have no desire to change the present system of government. (Hear, hear.) We in Upper Canada contend that we pay seventy per cent. of the taxation, while Lower Canada pays only thirty per cent. Now, what will be the effect of the 64th resolution? Under that resolution, Upper Canada will receive a subsidy of \$1,116,000, and on the principle which has always been contended for in Upper Canada, the proportion of that sum which Lower Canada will pay, as a member of the Confederation, will be thirty per cent., or say \$335,000, while Upper Canada will pay seventy per cent., or \$781,000. We have been paying the larger proportion of the taxation, and Lower Canada the smaller proportion, and the object of going into this Confederation is, that the local governments should have the management of their own local affairs, and that we should raise the money necessary for our own local purposes, while Lower Canada should raise the money necessary for her local purposes. But in this instance, the General Government will collect that money in Upper Canada in the large proportion which I have just stated; on the other hand, Lower Canada will get a subsidy of \$888,000. Upper Canada, as a member of the Confederation, will pay \$621,000 of that sum, according to the admitted ratio in which she contributes to the public exchequer, and Lower Canada will pay 30 per cent., or \$267,000.

MR. HOPE MACKENZIE—The hon. gentleman is entirely mistaken in his argument.

MR. SCATCHERD—By this arrangement, then, Upper Canada, in comparison with Lower Canada, will pay to the General Government yearly, for all time to come, in excess of Lower Canada, \$286,000 more than she would pay were these subsidies collected direct from each province.

HON. MR. BROWN—The calculation of my hon. friend is entirely incorrect. But I do not wish to interrupt him, unless he desires it.

MR. SCATCHERD—I have no objection. Is not the principle on which I have made the calculation correct?

HON. MR. BROWN—No, it is not correct. The hon. gentleman should remember that the relations between Upper and Lower Canada will be entirely changed when all these provinces are brought together.