

we cannot get an intelligible answer as to what these reserved debts are, as against either province, or what the assets are that each is to take as an offset to them. But, for the purpose of constituting the stated debt of the future Confederation, Upper and Lower Canada, we are told, are to throw into it an amount of \$62,500,000, the surplus of their debt being nominally left to be borne by themselves, after they shall have become confederated; Nova Scotia, on the other hand, is to be allowed to increase her debt to \$8,000,000; and Newfoundland and Prince Edward Island are to throw in theirs at the nominal figure they stand at now. But, by an ingenious contrivance, the aggregate real debt of the country is to be, in effect, a good deal more than the aggregation of these figures would give. Upper and Lower Canada, to begin with, as we have seen, are, besides, separately to pretend to bear the weight of their considerable excess of debt over the \$62,500,000, or \$25 a head, allowed under this arrangement. Nova Scotia and New Brunswick, should they not increase their debts to be assumed up to this figure of \$25 a head, are to be paid interest at five per cent. on any amount of shortcoming in that behalf they may be guilty of. And Newfoundland and Prince Edward Island are to be paid interest at the same rate, on the amount to which their smaller debts fall short of this same normal \$25 allowance. For practical purposes, therefore, the debts of the four Lower Provinces are thus brought up to this standard level. The Federal Government is to pay interest on them to that tune—if not to creditors of those provinces, then to the provinces themselves. And we are to start with a clear, practical debt of \$25 a head for every man, woman, and child in the Confederacy. Incurred or not, we start with it as due, and pay accordingly. And there are, besides, those amounts of debt left nominally to the charge of Upper Canada, as to which I shall have a word more to say shortly. Meantime, I proceed to our third head—of revenues. And here, the first and most striking fact is, that the Federal Government is to make yearly grants, payable, by the way, semi-annually and in advance, to each province, in proportion to its population as shown by the census of 1861, and at the rate of 80 cents a head. And the way in which this 80 cents a head apportionment is come at, is in itself somewhat edifying. According to the statements made here by Ministers,

the Finance Ministers of the several provinces were invited at the Conference to come forward with a statement of their respective wants. Of course their statements were to be framed with a due regard to economy. Such things are always to be done economically. This is a diplomatic phrase, of which we understand here the full meaning; and I was not at all surprised to hear, that however economically the statements were made out, they had to be cut down. Whether they are said to have been cut down once or twice, or oftener, I do not distinctly recollect. But at last, after having been duly cut down, they were found to require this grant or subvention, at the rate of 80 cents a head all round—subject always to deduction as against the Canadas, and to additions in favor of the four Lower Provinces, as we shall presently see. With less, the provinces could not get on at the rate thought necessary, unless by levying undesired taxes. Well, besides these subventions, the provinces (all but Newfoundland) are to have the proceeds of their lands, mines and minerals; and Newfoundland is to have, instead, the further grant from the Federal treasury, of \$150,000 a year, for ever. They may all, further, derive some more indirect revenue from licenses of various sorts; and Nova Scotia may add to these an exceptional, and exceptionable, export duty on coal and other minerals; and New Brunswick, the like on lumber. Besides which, on the mere ground that she cannot do without it, New Brunswick is to have a further Federal grant of \$63,000 a year for ten years; unless, indeed, in the event of her not augmenting her debt to the full amount, in which case, any payment made to her of interest on that score is to be deducted from the \$63,000—a shrewd hint, by the way, that she had not best be too economical—and, lastly, all are to have the precious right of direct taxation, and the higher privilege of borrowing without limit. The Federal power is to have, of course, the right to tax in all sorts of ways, the special export duties made over to New Brunswick and Nova Scotia, alone excepted. Now, Mr. SPEAKER, taking this whole arrangement together, I must repeat that I see in it no principle but one. The provinces are to be able to carry on their operations according to their supposed probable future exigencies, without danger of direct, that is to say, oppressive or new taxation. Well, sir, engineers say that the mea-