

Hon. Mr. DAVIES.—I did not say that the Judges had done wrong; I merely repeated what I had heard and read in the public newspapers; and will, Mr. Chairman, hon. members on the other side of this House deny this statement? When the Government undertook to purchase the Cunard estate, it was their duty to have made some provision for the payment. I think I saw in some paper a statement to the effect that the Banks represented that they could meet all these payments as they became due, without inconvenience. I believe such a statement was made, and that the Government would not have effected the purchase unless they had such expectations. But we know the situa-

tion of the Banks, that, under their constitution, they can not afford the accommodation required, because it has been and is as much as the Banks do to afford merchants the ordinary requirements for remittances to Britain; and it is evident to every man acquainted with the trade of the Colony, that the Banks cannot now meet the payment on exchange in England, without draining the specie from their vaults. In doing so, the community would suffer, because the exchange they require will be absorbed by Government, and the distress which we already feel will be fearfully augmented when the second and third payments are made. I therefore blame the late Government for entering into a purchase before providing means to pay it—without distracting the trade of the Colony. Sir, they have left us this difficulty to contend with, without allowing time to make the necessary arrangement for overcoming this want of statecraft, by obtaining money in the British market to meet it. While trade is flourishing, it is all very well, but when a reverse comes around, and the Banks cannot give the facilities required, it is different; and where is the gentleman in business, who is not aware of this? I am apprehensive that, when the time for the next payment to be made on the estate comes on, a great difficulty will be experienced, unless some remedy is provided. When the late Government made the first payment, where did they go for money? They went to the Banks. The Banks do not create exchange or bring gold into the market; that is the merchants' avocation, who employ our labor in various ways, in constructing ships, in fishing, &c., &c.; and by exporting these effects abroad, they (the merchants) then give the Banks exchange on their brokers for the proceeds of their shipments. It is true the merchant cannot go on without aid from the Banks,—one assists the other; it therefore follows if the Government drain the Banks of gold, that they cannot afford the accommodation trade requires, then it becomes paralyzed. This is what we are rapidly approaching to, and if the Government cannot effect credit in London, to draw on in payment for the sums falling due on the Cunard estate, I think the Banks will either have to stop specie payment or shut up for a time, which will not only entail ruin on the trader, but eventually fall as heavily on the agricultural classes. I cannot account for gentlemen, possessing the ability the late Government were acknowledged to possess, entering at all into this arrangement, unless it was that they expected the payment of this debt would be an inducement for us to go into Confederation, as we might be enabled to meet this difficulty out of the sum they expected the Canadians would give us for yielding up our liberty. A dearer laid scheme could not have been devised. (Hear, hear.) You may say hear, hear; but many who hear know it was so. My hon. colleague has said that this state of affairs has been brought on by overtrading. I cannot agree with him. The stock now in this Island is not one-sixth more than it was last year; nor does the fall in the price of shipping apply to this Island with any force. It applies with more force to those ships sent from St. John and Quebec. The people of England ought to be proud of those Colonies, when they look at such splendid ships as are sent from New Brunswick and Quebec. They are classed, for seven years, when they should be classed for twelve. They are equal to ships built of English oak, being built of material that will not take the dry rot. Now, I wish to show that the cause of the low price of these splendid ships sent home from the sister Provinces, is that there are more of them in the market than are required; this is the reason why their price is so much depressed. The ships we build range from 100 to 300 tons, and as but few so small are sent to market from other parts,—the requirements being greater, our vessels have not fallen equally low in price with those