

But we have not received justice in respect to the quality of the debt. Very nearly the whole of the debt of Nova Scotia has been created by the construction of a Railway, and we have been told time and again by those delegates, that as soon as we get our railway system completed, our road will be a paying property, and in reality be no debt at all. It is very different with the debt of Canada. In answer to a question put by the hon. member for Halifax, the hon. Prov. Secy. laid on the table a financial statement, containing the debt, income, &c., of Canada, issued by Mr. Galt. At the dinner given last autumn to the Canadian delegates, the hon. Prov. Secy. told us Mr. Galt had the power of making a deficit of a million appear a surplus of that amount. I must confess, looking at the paper before me, there is a great deal of truth in that remark.—In this balance-sheet we find the whole liabilities of Canada are put down at \$176,223,066.65. This, however, is so balanced, even to the last five cents, that we are almost led to believe that Canada in reality does not owe a dollar. But on an examination, I find to make that balance they have put down at cost and accumulated interest all the public buildings, bridges, roads, harbors, lighthouses, canals, railroads, &c., of the country. Now, if we were to put a valuation upon all our roads and bridges, our public buildings, Shubenacadie and St. Peter's Canals, Arisaig Pier, Parsboro Snag, and similar property, we should far overbalance all our indebtedness, without touching the railroads. I have examined the financial returns of Canada, to see the actual net income of the property claimed in this balance-sheet, and I find the net income from over seventy millions of it is only \$471,461, which represents a capital of less than eight millions, leaving about 62,000,000 dollars from which no available profits are derived. The principal sources from which any income is derived is from the Canals and Municipalities. We have the Railways put down for loans and interests unpaid at something like \$30,000,000. It will be perhaps in the knowledge of the House that in 1857 the Grand Trunk Company came to the Canadian Parliament and said: We cannot proceed further, and we wish you to give up your claim on our lines—just as the Shubenacadie Canal people asked us to give up our lien on that undertaking. The Legislature, instead of giving up the claim entirely, consented to give up the first lien and allow new shareholders to come in,—the province, then, to hold the third position. In consequence of this arrangement, no interest is paid, and the accumulation is now \$9,642,000. Anybody who knows anything of the management of these great public companies will perceive, that after working expenses and the interest to the first two sets of bondholders are paid, the Government will never receive a cent of interest upon its loan. Again, there is the Municipal Loan Fund debt, amounting in principal and interest to \$12,890,837—very much of which has been fruitful of the greatest possible political corruption, and will never prove an available asset. Some of the municipalities have borrowed nearly \$300 per head of the population, and of course never can pay either principal or interest. The town of Port Hope, with a population of 4,160, borrowed \$740,000, and had arrears of interest Dec. 31st, 1861, of \$512,303. The town of Niagara, with 2,070 in-

habitants, borrowed \$280,000, and owed for interests \$148,974. I hold in my hand a list of seven municipal cities, containing 40,600 inhabitants, who have received from this fund \$5,594,400, and owed as arrears of interest Dec. 31st, 1861, \$2,359,406—together nearly eight million dollars—the amount Nova Scotia is to be permitted to owe on going into Confederation.

It is therefore evident that very little can be counted upon from the municipalities. It is to be supposed, however, that there is in this balance sheet some property that is profitable. The whole amount of the liabilities are put down at \$76,223,061. They claim funds immediately available to reduce this to \$67,500,000, five millions more than Canada is to enter the Confederation with. This five millions the local governments of Canada are to assume,—but with the debt are to have the property represented by it. Hon. George Brown, speaking of this arrangement, says very distinctly,—and there is a clause in the report of the delegates authorizing it—that the local governments of Upper and Lower Canada are to take this available property—as an offset to the debts that they are called upon to assume. Now it is not reasonable to assume that Upper and Lower Canada, whose public men are so astute, will take liabilities that have no income. They will select the best they can.

Mr. ARCHIBALD—They have no power to make the selection.

Mr. McLELAN—I will read, in corroboration of my statement, the 58th clause of the constitution,—“All assets connected with such portions of the public debt of any Province as are assumed by the local governments, shall also belong to those governments respectively.” These local governments will not assume any debt unless there is an asset connected with it. I will also tell you what hon. George Brown of Canada says:—

“But, Mr. Speaker, I am told that the arrangement as to the debt is unfair—that we have thrown on the Federal exchequer the whole of the debts of the Maritime Provinces, and only a portion of the debt of Canada. There is not a particle of force in this objection. The whole debt of Canada is \$67,500,000, but five millions of this is due to our own people, to meet which there are certain local funds. Now if we had thrown the whole \$67,500,000 on the Federal treasury, we must also have handed over to it the local revenues which, so far as these five millions are concerned, would have been precisely the same thing. But as regards the public debt with which the Federal government would start, it would not have been the same thing. By restricting the debt of Canada to \$62,500,000, we restricted the debt of the Maritime Provinces to the same proportion on \$25 per head of their population; but had we thrown our whole debt of sixty-seven and a half millions on the Confederation, the proportion of debt for the several Maritime Provinces must have been increased, and the whole debt very greatly augmented.”

The hon. delegates cry “Hear, hear,” but I believe every gentleman present hears enough to convince him that the Canadians are to take five millions worth of available property with the debts they are to assume, leaving the balance, \$62,500,000, comparatively worthless.

A good deal has been said about the tariff, and it has been claimed that under the ar-