

HON. MR. BROWN—It was not to that that I particularly referred; but the hon. gentleman all through his speech has repeated things which my colleagues as well as myself have repeatedly declared, from personal knowledge, to be incorrect.

HON. MR. HOLTON—If the papers were brought down there would be no misapprehension.

MR. SCATCHERD—What is the amount to be contributed by the Imperial Government altogether for our defence? Is it only £200,000?

HON. MR. BROWN—The hon. gentleman will see from the reports that that amount is intended simply for works at Quebec. The proportion to be contributed for the defences at Montreal and westward is not stated, nor yet settled.

MR. SCATCHERD—I have been told for the first time that the Imperial Government will contribute anything towards the western defences; for the telegraphic reports say that, if they undertake to fortify Quebec, the Canadian Government will have to undertake the works at Montreal and westward. Now, we are told that this scheme has reference both to local government and local defence, and as the cost of defensive works is stated by Col. JERVOIS to be six millions, I suppose we will have to pay that too.

HON. MR. BROWN—The cost may be a great deal more than six millions, possibly. We can say nothing at present as to the cost.

MR. SCATCHERD—A great deal more. Then immense sums of money are to melt away like snow upon these works, and, in fact, there will be no limit to the expenditure. (Hear, hear.) However, passing on from this point, I would like to ask, if Confederation is carried, in what position will the country stand in respect to the public debt? It appears that the population of the various provinces, in 1861, was as follows:—

Upper Canada.....	1,396,091
Lower Canada.....	1,110,664
New Brunswick.....	252,447
Nova Scotia.....	330,857
Newfoundland.....	130,000
Prince Edward Island.....	80,757

If Confederation takes place, these provinces will be indebted as follows: the public debt of Canada, according to the Public Accounts, amounts to \$67,263,000; Nova Scotia is to be allowed to increase its debt to \$8,000,000; New Brunswick will be

allowed to increase its debt to \$7,000,000; the debt of Prince Edward Island is \$240,000; and the debt of Newfoundland, \$946,000, making, if the provinces are united, a grand total of \$83,000,000 as the debt of the Federal Government. It may be said with respect to Canada, that she is going into the Confederation with a debt of only \$62,500,000; although that may be true, she will nevertheless owe the whole amount I have stated, which, if not paid by the Federal Government, will have to be paid by the Governments of Upper and Lower Canada.

HON. MR. BROWN—My hon. friend will see that the debt of \$5,000,000 that make up the \$67,263,000 is due to ourselves, and that there are assets to meet it, which assets will be made over to the local governments. The reason it was taken from the \$67,263,000 was because it was due upon local account, and because there were local funds to meet its payment. It was altogether apart and distinct from the general debt of the province.

MR. SCATCHERD—What are the assets? Are they sufficient to pay the interest upon the amount?

HON. MR. BROWN—Yes, quite enough.

MR. SCATCHERD—This \$5,000,000 is part of the debt of the province, which I have put down at \$67,263,000.

HON. MR. BROWN—Yes; but my hon. friend must see that there are local funds to meet it, just in the same way as we deduct the Sinking Fund from the amount of the general debt.

MR. RYMAL—Two years ago the hon. gentleman taught us to believe, and I heard him say that the debt of the country was \$78,000,000. (Laughter.)

HON. MR. HOLTON—Was the amount of the Sinking Fund always deducted by the hon. member?

HON. MR. BROWN—Yes; I always deducted it from the debt; but I did not deduct these local funds that are now placed against the sum of \$5,000,000 to be borne by the local governments.

MR. SCATCHERD—At the time Confederation takes place, there will be a debt weighing upon the provinces of \$83,000,000, upon which interest will have to be paid, and the following additional debts, so far as we know, will be immediately contracted by the new Government: Intercolonial Railway, \$20,000,000.