

to the Union. In the course of these discussions, the question of the Intercolonial Railway came up as a necessary accompaniment of Confederation, when we sought and obtained a renewal of the promised Imperial guarantee of a loan for the construction of that work.

The important question of the future military relations between the Mother Country and Canada received earnest and grave consideration. Before entering on the discussion of details, we referred to the recent debates in the Imperial Parliament on the subject of Canadian Defences, and especially to the assertions confidently made by certain members of the House of Commons that Canada was incapable of efficient protection against invasion from her inland border. We explained the injury such statements tended to produce, and the necessity of our ascertaining, as a preliminary step to our discussions, whether or not they were well founded. We asked that a Report on the whole subject of the defence of Canada, with plans and estimates, might be obtained from the highest Military and Naval authorities of Great Britain. Such a Report was obtained and communicated to us confidentially—and we rejoice to say that it was calculated to remove all doubt as to the security of our Country, so long as the hearts of our people remain firmly attached to the British Flag, and the power of England is wielded in our defence.

On the part of Canada we expressed the desire that this plan for the defence of all parts of the Province should be taken as the basis of arrangement; and that a full and candid discussion should be had as to the share of the cost that ought to be borne respectively by the Imperial and Provincial Exchequers. We expressed the earnest wish of the people of Canada to perpetuate the happy existing connection with Great Britain, and their entire willingness to contribute to the defence of the Empire their full quota, according to their ability, of men and money. But we pointed out that if war should ever unhappily arise between England and the United States, it could only be an Imperial war, on Imperial grounds—that our Country alone would be exposed to the horrors of invasion—and that our exposed position far from entailing on us unusual burdens, should on the contrary secure for us the special and generous consideration of the Imperial Government. We explained, moreover, that though Canada continued to progress steadily and rapidly, it was a vast country, sparsely populated—that the difficulties of first settlement were hardly yet overcome—that the profits of our annual industry were to be found not in floating wealth, but in the increased value of our farms and mines—and that, at this moment especially, from the failure of successive crops, the effects of the American civil war on our commercial relations, and the feeling of insecurity as to our position, (greatly aggravated by statements of the defencelessness of the country in the British Parliament and by portions of the British Press)—Canada was labouring under a temporary but serious depression. We pointed out that, while fully recognizing the necessity and prepared to provide for such a system of defence as would restore confidence in our future at home and abroad, the best ultimate defence for British America was to be found in the increase of her population as rapidly as possible, and the husbanding of our resources