

be very ignorant of the wants of the country when he stated that there was enough of notes in circulation to satisfy the demand. He forgot that since 1859 every branch of industry and trade had largely increased, and that the Revenue had nearly doubled. He (Mr. McL.) spoke from personal knowledge when he said that in the country the want of province notes was severely felt. There was therefore no reason for the issue of these Bonds, and as regards the mode in which they had been disposed of, he differed entirely in the opinion that the passage of the law to authorize the construction of the Pictou Railroad was sufficient notice to the public that the Government wanted to borrow money. They might take pattern by the City Council, who, when they wanted money, advertised for tenders, and in some instances had obtained it for five per cent. This was the course the Government should have adopted, and it was one that would have been more satisfactory to the country, and more profitable to all parties concerned.

Hon. ATTY. GENL. agreed that if the government only wanted a small sum such as the city generally required, the course suggested would be the proper one; but he doubted the policy of the government advertising these bonds for sale. He thought it would tend to lower their value. No one acquainted with the subject could expect that, in view of the state of the money market in England, anything more than par could be got for them. It might be true that a larger amount of Provincial paper could be floated, but it would find its way into the vaults of the different banks, and would not be of any real benefit to the country in the way of accommodation.

Mr. ARCHIBALD said that no doubt it was to the advantage of the banks to keep their own notes in circulation; but at the very time it was stated that there was too much Provincial paper in circulation, he had experienced great difficulty in obtaining Province notes from the banks. No one knew better than the hon. member for Halifax, the vast increase in trade that had taken place since 1859; and surely, if the Province was able to float \$150,000 then, it could afford to increase it by half that amount now. It was a matter of great importance to the country that increased accommodation should be given, and he could not see any danger of depreciation; for, if it was necessary to redeem the paper, the government had the power to borrow from the Savings' Bank at four per cent. As regards the system pursued by the government, in disposing of these bonds, he considered it a gross injustice to the country that publicity had not been given of their intention to offer them for sale. He, himself, as Trustee of a Public Institution, had occasion not long since to invest some £2,000, and had he known of this, he would have been glad to have purchased government bonds to that amount; as it was, he was obliged to put it in the banks at four per cent, thus losing to the Institution two per cent. per annum. He could not understand the argument of the hon. Attorney General, that by giving publicity to the matter, the value of the bonds would be depreciated; but whether it did or not, was not the question; what he complained of, was that preference had been given to a favored few, who possessed the confidence of the government, and thus obtained an unfair advantage over the rest of the community.

Hon. ATTY. GEN. denied that any favor had been shown. The government had acted in good faith with a view to advance the best interests of the Province—certain persons who had money to invest thinking that the government required it for the Pictou railroad—without having any other mode of information than was open to the whole public—came forward and offered to buy government bonds at par—and the government accepted their offer,—that was the whole case, and no preference had been shown to one above another.

Mr. MCLELAN said that what he complained of was that the government borrowed money when there was no necessity for it. They had money enough in the treasury, and if they had not they had the power to issue province notes. He could not understand the argument of the Atty. Gen., that if they only wanted a small sum it would be right to advertise, but it was not so necessary when a large sum was required. It appeared that a few favored individuals had obtained these bonds at par—whereas if they had been open to competition they would probably have brought a premium. The proper course manifestly was to advertise for tenders, so that all might have an equal chance.

Hon. PROV. SEC. said if there was anything wrong in the policy pursued by the government it was not the result of accident—for it had been adopted advisedly and after due deliberation—and he thought the result would prove, with a due regard to the interests of the country. But if the house considered that they were wrong, the government would have to submit to their decision. A little reflection would show that the course pursued was a wise one, for if the government advertised to the world that they wanted money for the Pictou railroad, what was to prevent capitalists from combining together and dictating the terms upon which they would give it. If, however, the house thought proper to alter the policy, he only hoped that the result would be, that the bonds would be disposed of upon as favorable terms as those to which objection had been taken.

Mr. LOCKE said every one knew that these bonds are good for 6 per cent. What we do complain of is, that they were disposed of secretly.

Hon. PROV. SECY. said—There was no secrecy whatever. Every man was treated alike, and no preference was shown to any friends of the Government. And, in proof of that, he had only to refer to the fact mentioned by the member for Halifax (Mr. Tobin.) that he was ignorant they were to be issued. Surely, if the Government were inclined to shew favor, they would extend it to him, and yet he knew nothing of it.

Mr. TOBIN had received some information of the intention of the Government to issue bonds.

Dr. TUPPER—Not from the Government.

No. My information was derived from the Secretary of the Acadia Fire Insurance Company.

Dr. TUPPER—It is evident that no favoritism has been shown. All who came forward were treated alike.

Mr. LOCKE—What we complain of is, that the country was kept in ignorance of the intention of the Government to sell these bonds.—He himself had had large sums to invest,