

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 \$312,303. The town of Niagara, with 2,070 inhabitants, borrowed \$280,000, and owed for interests \$148,974. I hold in my hand a list of thirty-three municipalities, who have received, for railway purposes alone, 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 suppose 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 Provinces 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 what the 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 re-

stricting the debt of Canada to \$62,500,000, we restricted the debt of the Maritime Provinces to the same proportion \$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.”

Mr. ARCHIBALD—Hear, hear.

Hon. PROV. SEC.—Hear, hear.

Mr. McLELAN—The honorable delegates cry “Hear, hear,” but I believe that 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 arrangement that would have to be made we would be called upon to pay a much larger sum into the general revenue than we now pay into our own treasury. There never appeared to me to be any question on this point. The very fact that Canada has to resort to a stamp act in order to raise funds, was sufficient proof to me that they had run to the full extent they could in the imposition of duties. If there be any one mode of raising taxes that is more obnoxious to the people than another, it is a stamp duty—a stamp tax on every note, bill, receipt, or paper. We are told that there will not be a very large increase of duty, because Canada admits many articles duty free. I have been to some trouble in turning to the returns of articles imported by Canada, and I find the result of the examination to be that the whole imports for the year 1863 amounted to \$45,964,000. Now we are told \$23,000,000, or one-half, are free goods, and that since Canada has so many free goods, the consequence is, that running the tariff over the whole, she has a lower scale than Nova Scotia. In order to arrive at the incorrectness of this assertion, you must look at the nature of her imports, and see what those free goods are made up of. I find articles under the Reciprocity treaty \$12,330,000. Of course these are free goods there as here, and would continue to be so under Confederation.—Again, coin and bullion is put down, although in Nova Scotia it is never called an import; but whenever a Bank gets in a quantity of money, in Canada, it is placed among the imports; the amount given is \$4,652,287. I find down for books \$455,941. Again, the vehicles and carriages of travellers crossing the lines to see their friends are down at \$104,586.—Again, gravel and clay are among their imports; clothing and army and other stores for military and naval purposes, nearly a million more. Therefore you see that they put down among their imports articles which were never dreamed of here. The amount of these articles I have enumerated as free here, or