

ple of the Province. The government had offered these bonds to no one; parties came and solicited them for these bonds, and when it was thought advisable to obtain money in view of some contingency, they were sold at par. The government avoided anything that might cause a rush for these bonds at one time and tend to their depreciation. The government were quite under the impression that a further issue of Provincial paper might be resorted to, but the only issue that had been authorized was the expenditure of £10,000 for the purpose of paying for the site of the new building now in course of erection. It was quite possible that a further extension of £10,000 or more might be safely resorted to, but the issue, as stated by the Financial Secretary, would be absorbed in connection with the Hospital for the Insane. In consideration of the position that our debentures occupied in England, he thought it was a wise policy to dispose of the bonds on the terms they had received.

Mr. ARCHIBALD gave some figures to show that the amount of provincial money now in circulation was £121,682, and said that under the acts of 1858 and 1859 we had the authority to issue to the extent of £159,000. The hon. member for Halifax evidently formed his opinion from the business done in the city, but he (Mr. A.) had stated what he had from information derived from gentlemen who were conversant with the wants of various sections of the province. He had the best reason for believing—and he gave some facts within his own knowledge in connection with this point—that the sum of £50,000 could be absorbed without the least difficulty, or derangement of business. The fact that a railway was to be commenced in Cape Breton during the present year would show that a large sum could be easily put into circulation. Nothing could be more gratifying than that our people should be ready to invest in our debentures in this country, but he did not think that it was right that the government should have taken no steps to inform the public that the bonds were for sale. No difficulty would have arisen from advertizing the public of the fact, for the government were not bound to sell more than was necessary. Other persons beside those who had friends in official quarters should have had an opportunity of knowing that these bonds were for sale. It was not until the other day that he had become acquainted with the fact; and he must confess he did not think the favoritism that had been displayed was creditable to the government.

Mr. S. CAMPBELL said that the city of Halifax had authority to obtain money precisely in the same way as the Province, but the civic authorities did not consider the passage of an act as a sufficient notice to the public that debentures were for sale. On the contrary, the city issued advertisements, and the result had been that it obtained money on more favourable terms than the province had in connection with these debentures.

Hon. ATTY. GEN. said that he imagined there was no man in Nova Scotia who could complain that he could not get the debentures, for bonds, if the law carried out, would have to be issued to a very large amount, sooner or later. It was a matter of notoriety, not only in the city, but in other parts of the province that the bonds were to be sold, and very many persons were laying up their money for

the purpose of investing it in the debentures required for the construction of the Railway in preference to mortgages. Any person who had money to invest knew where to apply, and he was not aware of anyone who felt he was disappointed in getting these bonds. He considered it a wise move on the part of the government to have allowed these bonds to go off at par, and it was not improbable that if they had advertized money lenders would have been placed in a position to combine and depreciate them by making use of the fact that they were only worth so much in the money market in England. One of the gentlemen whose name was in the list told him that the money he had invested did not belong to him, but to a friend who did not wish to have the trouble to go to England. If the money had been his, he added, he would have remitted it to England. The government seeing it was clearly for their advantage, had sold the bonds at par, and in that way procured beforehand a certain amount of money which they thought might be necessary. He denied that any favoritism had been displayed to any one, in connection with the matter of the sale. Any one, looking at the list, would see the names of many of the strongest opponents of the government in the city of Halifax. It was obvious that if one merchant was aware that bonds were for sale, he would mention it to others, and in that way the fact would have all due publicity. As respects the amount of notes that might be put into circulation he was inclined to draw a very different conclusion from the hon. member for Colchester. In 1858 or 1859, these notes were held by the banks for some months. At last they would not receive them as deposits and the government were obliged to withdraw several thousands. Since 1858 there had been no extraordinary demand for these notes, and it would not, in his opinion, be wise to issue any large sum, though he was inclined to believe that a small amount of notes of a denomination of one dollar and such sums, might be made available. He did not think that if we put into circulation any large amount of our notes, the banks would be so ready to hoard them. He granted that there was some reason for a certain amount in the fact that the number of banking institutions has now considerably increased, and that they hold these notes as so much assets. It was also true that the development of the mines of Cape Breton might absorb a certain amount, but when the first outlays of the companies were over their expenses would be dwindled down to an amount equal with the expenditure of the Mining Association. So taking everything into consideration he could not think that any such amount, as stated by the hon. member for Colchester, could by any possibility be absorbed.

Mr. MCLELAN could not understand the necessity for the Government issuing these debentures. There could not have been a very large expenditure incurred in connection with the Pictou Railroad.

Hon. FIN. SEC.—\$56,000 had been expended when these Bonds were sold.

Mr. MCLELAN.—Even that was a small amount, besides there was no need for it when there was a balance in the Treasury, and if more was required a further issue of province notes (which the country required) was the proper course. The Attorney General must