

It may be convenient, in the first instance, however, to consider *serialim* the seven heads of claim preferred by Mr. Howe and Mr. McLellan.

1. That the assets contributed by Nova Scotia would entitle her to enter the Union with a debt of \$9,980,874.

It is undoubtedly true that at the time of the Quebec Conference, in Oct., 1864, the debt of Nova Scotia was only about \$5,000,000.

Between that time and the date of the Union, in 1867, the Province had expended in money, or contracted engagements, which the Dominion had to meet [but with which Nova Scotia is charged], that have swelled her debt [subject to certain adjustments,] to \$9,300,000.

That outlay was mainly on works which became the direct property of the Dominion, and among which may be enumerated the following:

A. Outlay on Truro and Pictou Railway.

B. Province Building.

C. St. Peter's Canal.

D. On Halifax and Truro Railway—four works on which an outlay, amounting in the aggregate to about \$2,600,000, took place in the interval; and, besides these, about \$1,100,000 has been expended, or is in course of payment, for the Windsor and Annapolis Railway, which will not become the property of the Dominion, but, it is urged, will form an important feeder to the Dominion lines.

It is also urged that of the rest of her debt, amounting to about \$5,500,000, the principal part had been previously incurred on the railways from Halifax to Windsor and to Truro, which are also assigned by the Act of Union to the Dominion as its property, and that this sum is exclusive of the right of way, which, by the legislation of Nova Scotia, was furnished at the expense of the localities; whereas the land for the other parts of the Intercolonial Railway is being provided at the public charge.

It was therefore strongly pressed, as is now repeated in the accompanying letter, that a comparison should be instituted of the value of the entire property which each Province brought into the Union, and that it should have a corresponding claim on the Dominion Exchequer. Whatever justice there may be in principle in this proposal, such a comparison obviously involves many particulars, which would make it difficult, and even impossible, to arrive practically at an equitable solution.

The advantage of particular works to the localities as compared with their advantage to the Dominion could hardly be estimated. The geographical situation might enable one Province to contribute, at a smaller cost, an asset more directly productive in itself, but which might still be dependent for that productiveness on another more costly, and less directly remunerative, constructed by another Province.

The question whether one Province had not procured these works on better terms by the adoption of a different system than the others would arise. The prospective productiveness, and whether that productiveness might not depend on the development of the natural resources of the several Provinces at their own cost, and various other elements, all equally conjectural, would likewise have to be considered. The undersigned therefore submits that it could not result in any practical good, but on the contrary would lead to embarrassing comparisons with the other Provinces, to endeavor to adjust the claims of Nova Scotia on any such principle.