

Then it will be said that the Dominion Government propose to expend £220,000 yearly, for five years, upon fortifications—£1,100,000 in all. Yes; but the British Government are expected to guarantee the Loan, at an interest not exceeding 4 per cent., with a sinking fund of 1 per cent. The expenditure of £220,000 sterling a year, spread over seven different localities in Canada and New Brunswick, cannot do much good, and may do much harm. The grant for fortifications will probably be looked upon as a menace by the United States, and if ten times as large as it is would offer no serious obstacles to Canada being invaded and overrun, should the Americans desire the conquest of the country above Quebec. But assuming the expenditure a wise one, after all what is it when the money is borrowed and spent? An annual charge of £55,000 sterling per annum; the Nova Scotian share of which—if we apply the Canadian principle of representation by population—would be £5,500 a year; a sum they would cheerfully pay, if released from the operation of the "British North America Act."

#### EXISTING ENGAGEMENTS.

It will no doubt be urged, as an argument against the Nova Scotians, that pecuniary engagements have been entered into since the Act of Union was passed, and that it would, therefore, be unjust to the public creditor, to repeal the "British North America Act." No serious difficulty could possibly arise on this point, as far as Nova Scotia is concerned. All the undertakings for important public works were made before any Delegation from that Province was sent to England, and long before the Act referred to was passed. Arrangements had previously been made to borrow, on the Provincial credit, all the money necessary to build the Railroad to Pictou, now completed and open for traffic. A contract had also been entered into with English capitalists, to construct a Line of Railway from Windsor to Annapolis, now in course of construction, the Province engaging to pay the Company a subvention of £16,320 sterling a year for twenty years, or to capitalize the amount; the latter course was subsequently adopted, by the Nova Scotia Government engaging to pay the Company the sum of £220,000 sterling in full, in Provincial Debentures at par, bearing 6 per cent. interest. This was done in the Session of 1867.

And a further Contract was made by the Government of Nova Scotia with an English Company to construct that portion of the so-called Intercolonial Railway, which running from Truro to the New Brunswick frontier, would unite those two Provinces, and when the Line now rapidly building is completed, with the entire railway system of Canada and the United States. That engagement, made in 1865, the Contractors profess their readiness to fulfil, and hold the Province liable for the promised subvention of £24,000 sterling a year for twenty years.

All these liabilities, incurred by the Government and Legislature of Nova Scotia, were made some time before the Provinces were Confederated, and in full reliance upon the adequacy of the revenues of the Province to meet all the charges so created.