

"By this Act \$1,544,270 was added to the public debt of this Province, but which, under these terms of the Act quoted above should be circulated and allowed as the sum fixed by the British North America Act were increased from \$32,590,000 to \$73,036,088.84. The interest on \$1,544,270, then, should be allowed from 1867 to 1873 on the same ground that it has been allowed from 1873 till now. If this is correct, the Dominion Government ought to allow the Province of Nova Scotia the sum of \$463,281, being the interest on the above amount for six years at 5 per cent. per annum. Also the interest on \$463,281 from 1873 to 1879, six years, at 5 per cent., \$138,984.30, making a total of \$602,265.30."

Now, this branch of the question was referred to the Attorney General, the present Minister of Justice, for his report, and the Attorney General makes his report under date of the 27th February, 1880. He says:

"The second section of the Act supports to the fullest extent my contention that the increased allowances made in 1869 were made in consequence of the Province having established her right to have received better terms at the time of the Union, because it is still more plain and strong in its language in dealing with the matter of additional subsidy."

The hon. gentleman then goes on in various ways to point out the legal aspect of the case, and the ground why he thought that contention should be sustained, and he says:

"The Statute enacts—

"It was, and is the intention of the Act first above mentioned that the increased subsidy to be allowed to the Province of Nova Scotia under the said Act, should be based upon the said sum of \$9,186,706, as if that sum had been mentioned in the 114th section of the British North America Act, 1867, instead of the said sum of \$8,000,000."

"It would be impossible to give effect to the Statute without considering the larger amount of debts substituted for all purposes for the smaller in the British North America Act of 1867 in the same way, and to as full an extent as if it had been originally inserted therein."

I will not detain the House by going over all the financial arguments which were addressed by that Government and repeated by a subsequent Government under a liberal leader. When the Government in which the Hon. the Minister of Justice was Attorney General went out of power, and a Liberal Administration came into power, they took up the question where their predecessors had left it. They had not, I am sorry to say, made much progress with the Government or obtained any more satisfactory answer as to the position which our Government had assumed when they left office, and therefore our Local Government took the question up again, and both parties in the House, as I think the Hon. the Minister of Justice will bear me out in saying, both Conservatives and Liberals in both branches of the Legislature of Nova Scotia, joined in a representation to the Administration repeating the arguments adduced by their predecessors, entering perhaps more minutely into all the financial details and pointing out to the Government that, under the existing state of affairs, it was a matter of impossibility that the Province of Nova Scotia could continue to maintain her public works without some rearrangement of these financial terms. It is true, and we admit, that for a long time under both Administrations no answer was received from the Central Government, and it would appear, I think, that more courtesy was to be expected from the Dominion Government towards the smaller and less powerful Provinces when they approached them in a question of such magnitude as they then presented for their consideration. The Dominion Government withheld for some considerable time any reply to the memorial of both the Provincial Governments, and when the reply was received, the first reply was combated and disputed most energetically and conclusively by the Local Government of which the present Minister of Justice was a member; so I hold it to be a peculiarly fortunate time, in discussing a matter of such importance, when the Province of Nova Scotia has in the Dominion Cabinet to-day a gentleman of the ability and energy of the hon. the Minister of Justice, who so thoroughly understands the question from our provincial standpoint; and I have no doubt, when the question comes before the Government for its consideration, the hon. gentleman will consistently bear out the position he took when he was in the smaller political atmosphere of the Legislature in our

Mr. JONES.

Province. It is true that a *modus vivendi* was suggested by the Government of the hon. gentleman, that some arrangement might be made looking to the mines and minerals of the Province. It was pointed out that, under the previous Administration, a sum of money had been given to the Province of New Brunswick, \$150,000, in lieu of the export duties which that Province had at the time of the Union, amounting, I think, to about \$60,000, if my memory bears me out. At all events, the Province of New Brunswick was granted \$150,000 in lieu of the export duties, and that has placed that Province in a much more favorable financial position, numerically speaking, than the Province of Nova Scotia enjoys. It was, therefore, suggested, and I think not without reason, that, looking at the action the Government had taken with reference to the Province of New Brunswick, they might adopt a similar position with reference to the mines of Nova Scotia, which pay to the local treasury now a royalty of 10 cents per ton. If that were adopted, and an arrangement made on the same basis, it would give the Province of Nova Scotia somewhere about \$300,000 per annum, and the Government would then hold the royalties which are derivable from the mines and minerals in the Province of Nova Scotia. This is an increasing quantity. It is only \$100,000 at the present time, of course, but our coal mines are practically inexhaustible, and if, as we hope, there is an increased demand from year to year, the Government may very early be recouped for any such expenditure which they might make on such a basis, and I think the suggestion of the Government of which my hon. friend was a member, that some such settlement should be made on such a basis, should be considered by the Government, looking to the position which Nova Scotia occupies at this day. When this question comes up again, I may, perhaps, dwell on it at greater length, but I know it would weary the House to go into the figures now. I have only selected the prominent points at issue between the two Governments, and I think those gentlemen who are called upon to deal with the question will admit that I have placed it fairly before the House, as it was placed by both the Liberal and Conservative Governments in Nova Scotia. I trust that the Administration may find some way to satisfy the people of Nova Scotia without departing from the principles of the British North America Act, and that they may adopt some such methods as they have adopted in the Province of New Brunswick, so that our own Province may have sufficient funds for our own wants.

It being six o'clock, the Speaker left the Chair.

After Recess.

Mr. FLYNN. I desire to say a few words on the subject of the motion introduced this afternoon by the senior member for Halifax (Mr. Jones). I may say that I do not approach the discussion of the motion in any party spirit. It is a question that cannot be approached in that spirit, for it is one in which every representative from Nova Scotia on both sides of this House must feel a deep interest. If, Sir, the financial condition of Nova Scotia is such as has been represented by memorials, and the addresses sent by both Houses of the Provincial Legislature, and if that financial condition is calculated to produce discontent in Nova Scotia, I hold it is the imperative duty of the Government to examine carefully the matter set forth in the memorials, and, if possible, to adopt some remedy in order to remove that discontent. Now, among the different points raised in opposition to the Union in 1867-68 there was none more prominent than the financial terms of the Union. It was considered then by the anti-union party that the financial terms were unfair and unjust to the people of that Province. I am not now going to advert to the action taken by the Local Government, or to the correspondence that took place between the Local Government and