

As to the Bills respecting Government railways, and the mode of trial of claims against the Crown, we can say nothing until we see them. As they are Departmental measures which I presume have been found necessary, they will probably be such as will meet with our approval.

With respect to the new canal at Sault Ste. Marie, I do not venture to say much after what has been said by the hon. gentleman from Ottawa. He is familiar with the ground and I am not. I concur in what he said as to the Senate having been to a certain extent slighted in not being asked to give its concurrence to this measure. I believe that the Senate is to a certain extent responsible for that slight, because this House has almost always accepted and endorsed every Government measure; and the Government have probably felt that they need not bother much about our dignity—that we would do what they wanted at any rate. I have learned from a gentleman who is in a position to know—an hon. member of this House—that this canal would be a most expensive one—most difficult of construction; and I think it would not be wise to undertake the construction of this canal until we had first heard the result of the negotiations which are spoken of so hopefully in the earlier part of the Speech. If the negotiations turn out satisfactorily, then there will be no necessity whatever for constructing the canal; and, having the Pacific Railway in operation for military purposes, it will be time enough for us to talk about building the canal after we find that we shall not be allowed to utilize the existing canal. A canal such as the one proposed would cost a great deal more than would be saved to our commerce by its construction.

The last paragraph tells the gentlemen of the House of Commons that the accounts of the last year will be laid before them as well as the estimates of the ensuing year. That does not come within our province, but I cannot help adverting to one feature of those accounts. They show a largely increased expenditure, amounting to about \$39,000,000, a falling revenue, and a deficit of nearly \$6,000,000, a deficit which taken with that of the year before, is larger than all Mr. Mackenzie's deficits

taken together; and hon. gentlemen will remember how very eloquent some hon. members were on the subject of deficits during Mr. Mackenzie's time. I hope those hon. gentlemen realize now that deficits may happen even under Conservative Administration—a thing which they deemed impossible three or four years ago.

HON. MR. KAULBACH—I was in hope that the same course would be taken in this House as was adopted in the other branch of the legislature, and that the debate would close with the remarks of the mover and seconder of the Address and the leader of the Opposition on this side of the House. But my hon. friend from Halifax who sits near me, and whose views on some questions I approve of, when he rises, as he generally does on all questions, and speaks disparagingly of the province from which I come, he induces me to speak when I would otherwise feel disposed to be silent. When he refers to the general prosperity of Canada and states that it does not apply to Nova Scotia it evidently shows that he shuts his eyes, or that he knows very little about his own province generally. The position of Nova Scotia is not that of Halifax or the little pessimist circle in which my hon. friend moves. We have expanded our trade and commerce all over Nova Scotia. If we look at the Nova Scotia of fifteen years ago and compare it with the Nova Scotia of to-day and the development of trade and commerce in every county and town we will find that business is largely increased beyond what the most hopeful contemplated. We find that traders who formerly purchased their stocks in Halifax are now direct importers from foreign countries in every little town, and that probably the general prosperity of Nova Scotia may be somewhat of a disadvantage to the City of Halifax because of that city continuing in the old groove.

HON. MR. BOTSFORD—That is so.

HON. MR. KAULBACH—They allow their competitors in the Upper Provinces to import goods across the Atlantic and then assort and send them down to be sold throughout Nova Scotia and compete