

Kingston; and a third to go from thence to Toronto. "Soon after the return of A. [Hincks] from England, the President and Vice-President of the Montreal and Kingston section informed Government that they had deposited their 10 per cent., some 60,000*l.* and only waited for the Government's assent to proceed. They stated that they had contracted with responsible parties, for the entire line at 5,000*l.* a mile that is, to construct and furnish the line with plant for working it just as B, C, D, and E now propose to do.

"One might naturally ask if this offer so advantageous to the colony was not accepted at once, and expect of course for answer "that it was." Must the truth be told? Then, extraordinary and astounding as it may appear, it was not accepted, but the line was incorporated with the Grand Trunk and let at a cost of 8,000*l.* or more a mile, thus saddling upon the state a capital cost of 3,000*l.* or more a mile for no visible purpose, that is something like 600,000*l.* for a small part only, of the Grand Trunk scheme. What renders this affair still more astounding, is that the parties who offered to have it constructed at 5,000*l.* a mile, that is the President and Vice-President of the Montreal and Kingston Railway, [Holton, Galt & Co.] had then a contract to construct 173 miles of railway, from Toronto to Sarnia, and equip it with plant, for 5,000*l.* a mile.

"Incredible as it may appear, this contract too, out of which a good profit might have been obtained, was subsequently cancelled, and the line absorbed in the Grand Trunk at a cost of 8,000*l.* a mile, but the contract, as we understand it, was given to the aforesaid President and Vice-President, [Galt and Holton] who had before contracted to execute it at 5,000*l.* a mile. These gentlemen were besides put into the Grand Trunk direction. They are therefore contractors for a 173 miles of line at 516,000*l.* more than their original contract, and have been placed [by Elgin Hincks, & Co.] in the situation of trustees over the property on which they are to make this enormous profit.

"We now ask the Canadian Government:—1st. What and who induced them to come to these wonderful agreements? Was it any member of their body, and if so, who? 2nd. Had that member any private agreement with B. [Jackson] on the behalf of C, D, and E [Peto & Co.]? If so, of what nature was it? 3rd. Was the agreement concocted before the 10 per cent. was deposited to construct the Montreal and Kingston Railway, at 5,000*l.* a mile, or after? 4th. If before, what influence had the said agreement in getting the 5,000*l.* rejected? 5th. Why was the Toronto and Sarnia contract for 172 miles at 5,000*l.* a mile cancelled, and recontracted for with same parties at 8,000*l.* a mile? 6th. Who is A? [Hincks]. Is he a member of the Government? Has he any beneficial interest in those contracts, [His friends Holton and Galt could tell,] or has his part been disinterested and purely patriotic to get 8,000*l.* a mile for works which might have been profitably executed for 5,000*l.* a mile, thus putting into the pockets of some parties at the expense of the colony, over and above a good profit, between 3 and 4 millions sterling? Nay, is it not true that B, C, D, and E, [Peto, Jackson & Co.] have sublet these contracts under 5,000*l.* a mile? Is it not true that the lands for the line, or very great portions of it, are given free of expense? Is it not equally true that other lines [in America] equally difficult to construct, have been made at some 4,000*l.* a mile? 7th. More surprising still, has not the Montreal and Portland line, nearly finished and partly supplied with working stock, been bought by B, C, D, and E, [Peto & Co.] at 5,000*l.* a mile, and been made part of the contract with Government at 8,000*l.* a mile? [with deductions]. Lastly. Have not these transactions been commented on by several parties, some of whom [such as Galt and Holton] have been silenced by being put in the direction, just as George

the 3rd proposed to silence a troublesome preacher, by making him a bishop?

### THE PUBLIC DEBT.

Three-fifths of the national revenue of England are engulphed in the vortex of her debt, merely for interest. France is plunging deeper into debt. Yet in France and England the creditors are in the midst of the people. Labour and property are pawned for debt, but the pawn-brokers expend their wealth where they acquire it. Blackstone earnestly entreats the gentlemen of England against a national debt, and the heavy executive influence and numerous offices thence arising.

Edmund Burke, shrewd and far seeing, says in page 229 of his French Revolution,

"Nations are wading deeper and deeper into "an ocean of boundless debt. Public debts, "which at first were a security to governments, "by interesting many in the public tranquillity, "are likely in their excess to become the means "of their subversion. If government provide "for those debts by heavy impositions, they perish by becoming odious to the people. If "they do not provide for them they will be undone by the most dangerous of all parties; I mean an extensive discontented monied interest, "injured and not destroyed."

The English, French, Turkish, Prussian, Russian, Austrian, and Sardinian loans, arising out of their few months of war, already exceed 800 million dollars. England owed 773 million pounds before the contest, and has added 51 millions since. France owes 1200 million dollars.

Last 23rd of March the United States owed 38½ million dollars, and had \$22,372,228 in their treasury. To oppress the people with debt would be to split the Union into fragments. In the war of 1812, the United States had to borrow in irredeemable bank papers not worth 45 cents of specie to the dollar, and to pay in specie, principal and interest. Few are satisfied with enough. The British Lord Chancellor, could live on \$7,000, but he thinks he could not live on less than \$70,000, and takes that. This is the way all round. Five-sixths of the United States are now out of debt or reducing their debts. Van Buren, in his last opening message to Congress, 5 Dec. 1840, thus ably warned his countrymen:

"The policy of the Federal Government, in extinguishing as rapidly as possible the national debt, and, subsequently, in resisting every temptation to create a new one, deserves to be regarded in a favorable light. Among the many objections to a national debt, the certain tendency of public securities to concentrate ultimately in the coffers of foreign stockholders, is one which is every day gathering strength. Already have the resources of many of the States, and the future industry of their citizens, been indefinitely mortgaged to the subjects of European Governments, to the amount of twelve millions annually, to pay the constantly accruing interest on borrowed money—a sum exceeding half the ordinary revenues of the whole United States."

To prevent these selfish importunities, the State of New York checks by the conservative power of its Constitution the borrowing power, nor can the State credit be lent to any company or individual for private purposes, without the governor's sanction and a two-third vote of two elective houses.

So, too, in New York, Ohio, Indiana, &c. cities, towns, counties, &c are prevented from