

burden on the people has not been increased but has been made actually lighter, since the Federal Government was enabled to exchange the high interest-bearing bonds of the provinces for its own bonds at a lower rate.

1415. The following are particulars of the provincial debts, assumed by the Dominion at Confederation :—

Canada . . . . .	\$ 62,500,000
Nova Scotia . . . . .	8,000,000
New Brunswick . . . . .	7,000,000
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	\$ 77,500,000
Debts subsequently assumed or allowed :	
Nova Scotia (1869) . . . . .	1,186,756
The old Province of Canada (1873) . . . . .	10,506,089
Province of Ontario . . . . .	2,848,289
“ Quebec . . . . .	2,549,214
“ Nova Scotia . . . . .	2,343,059
“ New Brunswick . . . . .	1,807,720
“ Manitoba . . . . .	3,775,606
“ British Columbia . . . . .	2,029,392
“ Prince Edward Island . . . . .	4,884,023
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Total provincial debts assumed . . . . .	\$109,430,148

1416. Inquiries for further particulars having been made respecting these assumed debts, the following statement is given :—

Sections 111-120 of the British North America Act, 1867, deal with the financial arrangements between the Federal and the several Provincial Governments.

In consequence of the protest by Nova Scotia against the financial arrangement made for that province an “Act relating to Nova Scotia” was passed. It is to be found in Chap. 2, Acts of 1869.

In consequence of the creation of Manitoba and the admission of other provinces, other Acts were passed as under :—

(a.) Manitoba Act, 1870, Chap. 3 (consult sections 24 and 25).

(b.) British Columbia, Order-in-Council, page 84, Statutes of Canada, 1872.

(c.) Prince Edward Island, Order-in-Council, page 14, Acts of 1873.

Agitation having sprung up in the Provinces of Ontario and Quebec against payment of interest on the sum of 10½ million dollars (by which amount the actual debt of the old Province of Canada exceeded its allowed debt under the Union Act, 1867), an Act was passed to readjust the amounts payable to and chargeable against the several provinces. That Act is to be found in Canadian Acts, 1873, Chap. 30.

These Acts and Orders-in-Council contain the authority under which the sums mentioned in paragraph 1415 were assumed or allowed by the Dominion, and by such allowance became part of the Federal debt.

A question behind these Acts, viz., how to reconcile them with Section 118, Union Act, 1867, was discussed fully in the session of 1869. A careful presentation of the case by Sir Alexander Campbell is in the Senate Documents. Mr. Blake took the opposite view.

1417. On the (1) Canadian Pacific Railway has been expended \$62,604,535, on the (2) Intercolonial and connecting railways, \$44,966,425, on the (3) Prince Edward Island Railway, \$635,830, and on (4) canals, \$41,709,038, making a total of \$149,915,828. Not only, therefore, is the whole debt