

CONFIDENTIAL.

RESOLVED,—

That the following principles shall be adopted in forming the basis upon which the Debts and Assets of the several Provinces are to be assumed by the Confederation :

1. No Province shall entail a heavier charge upon the Confederation than the others.
2. Any Province not so largely indebted as the others is entitled to benefit thereby.
3. A common rate of charge shall therefore be settled, and all beyond such rate shall be borne by the Province indebted, and deducted from its subsidy.
4. All Assets arising from sources not transferred by the Local Legislatures shall belong to the Provinces respectively.

In conformity with the foregoing principles—

RESOLVED,—1. That the Confederation shall be vested at the time of the Union with all Cash, Bankers' Balances, and other Cash Securities of each Province ; a Schedule of the same being prepared by the Auditor General, and the amounts thereof placed at the credit of each Province respectively.

2. That the Confederation shall be vested with the Public Works and Property of each Province—to wit :

- Canals ;
- Public Harbours ;
- Light Houses ;
- Steamboats, Dredges and Public Vessels ;
- River and Lake Improvements ;
- Railroads, Mortgages and other Debts due by Railroad Companies ;
- Military Roads ;
- Public Buildings, Custom Houses and Post Offices, except such as may be set aside for the use of the Local Legislatures ;
- Property transferred by the Imperial Government and known as Ordnance Property ;
- Armories, Drill Sheds, Military Clothing and Munitions of War ;
- Lands set apart for Public purposes.

3. The several Provinces shall remain each vested with all Public Property therein, except such as is heretofore vested in the Confederation, subject to the right of the Confederation to assume any Lands or Public Property required for Fortifications or the Defence of the Country.

4. The Confederation shall assume all the Debts and Liabilities of each Province—A schedule thereof shall be prepared by the Auditor General and the amount entered as a charge against each Province respectively—Interest at the rate of _____ per cent. shall be chargeable thereon, and deducted from any moneys payable by the Confederation to such Province.

5. Canada shall undertake to subdivide her entire Liabilities between the Provinces of Upper and Lower Canada—so that the whole burden connected therewith, to be borne by the Confederation shall be chargeable to the said Provinces.

6. In consideration of the Public Property vested in the Confederation, and to establish an uniform and equal rate of contribution as against the actual Public Debt of each Province, the Confederation shall place at the credit of their respective accounts an amount equal to \$25 per head of the Population by the Census of 1861. Newfoundland being considered as having at that date 130,000 inhabitants. And the interest at five per cent on such sum shall be placed at their credit, as against the annual charge incurred on their respective accounts.

7. In consideration of the transfer to the General Legislature of the powers of Taxation, a grant in aid of each Province shall be made, equal to an amount of _____ per head of the Population as established by the Census of 1861. Newfoundland being estimated at 130,000 inhabitants. Such aid to be placed half yearly in advance to the credit of each Province.

8. The Balance due to each Province shall be established semi-annually, and paid to the Local Governments.

9. All engagements that may be entered into by Canada with the Imperial Government for the Defence of the Country shall be assumed by the Confederation.

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