

1. Total Deficit or Excess of Expenditure over Receipts as per Financial Inspector's Statement	\$1,823,051.00
2. Total Deficit or Excess of Expenditure over Receipts, as per Statement compiled from those made in Auditor General's Department	1,115,149.03
3. Difference between the Two Statements as to Excess of Expenditure over Receipts	\$707,901.97

It may here be remarked that Statements made, by request, in the Auditor-General's Department, which, by Statute is independent of the Ministry, may be fairly ranked as equal in weight with those "prepared by the Financial Inspector;" and that the difference between the two statements as to the Excess of Expenditure over Receipts, is so very large that the Statement of the Financial Inspector may with no impropriety be questioned as to correctness of data and clerical accuracy.

(7.) It has been remarked that Section 10 made no allusion to the fact that British Columbia had paid double the amount of taxes per head, that were paid per capita by the average of the whole Dominion. The proof of that fact is apparent in the following Statement:—

1. Statement No. 5, Column 10, hereto annexed, shows that the Total Taxes paid by B. C. from July 20, 1871, to July 1st, 1880, amounted to	\$3,844,419.19
2. Statement No. 5, col. 7, shows that the Total Taxes that B. C. would have paid at the average rate of the Dominion from July 20, 1871, to July 1, 1880, is	1,897,875.00
3. Making the Total Excess of Taxes paid by B. C. over the average rate per capita of Dominion to be	\$1,946,544.19

It may be further remarked, that British Columbia with an estimated population of 50,000, equal to one eighty-eighth (1/88) of the total estimated population of Canada, paid more than one forty-fourth ( $\frac{1}{44}$ ) of the entire Taxes of the Dominion.

(8.) That Canada can have no reasonable cause to complain about the Excess of Expenditure over Receipts "irrespective of disbursements on account of the Railway," is still further apparent from the fact that the Receipts in British Columbia for the whole period, were nearly \$1,000,000 more on July 1st, 1880, than they would have been had there been no increase in the Receipts above the amount collected in the first Fiscal Year after Union. For instance:—

1. The Total Receipts, July 20, 1871, to July 1st, 1880, were (See Statement No. 3, Column 6)	\$4,233,745.63
2. The Total Receipts in B. C. for the Fiscal Year, 1871-2, No. 3, Statement, col. 7, were \$363,298.08, which at that annual rate would have amounted in nine years, July 20, 1871, to July 1st, 1880, to	3,269,688.12
3. Total Increase of Receipts in Nine years over the Total Receipts, at the rate of \$363,298.08, for 1871-2 is	\$964,057.51

This makes the Annual Average Increase in Receipts in British Columbia, over the Total Receipts for 1871-2 to be about \$100,000 a year; and this is a very important fact, as it will be shown hereafter that the Expenditure is decreasing, whilst the Revenue is increasing.

(9.) The Statement "as prepared by the Financial Inspector," shows that during the five years of commercial depression throughout Canada, that is the five fiscal years, 1875-6 to 1879-80 inclusive, in which there was an Annual Deficit, (See "No. 7 Statement" hereto annexed) that the Receipts in the Province were increasing, the Expenditure decreasing, and rapidly tending to balance each other. For instance:—

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