had belonged to that Province up to the date of Union; and that Canada is as firmly bound to respect and fulfil those obligations as she is to pay the Interest and Principal due to the Bondholders of her Public Debt.

(6.) The Statement of alleged Expenditure and Receipts in British Columbia "as prepared by the Financial Inspectors," is not qualified as being "approximate," but is assumed to be exact. That assumption is very questionable, as will be shewn hereafter. The Total alleged Expenditure and Receipts "as prepared by the Financial Inspector" for the fiscal years 1871-2 to 1879-80, inclusive, are respectively, Expenditure \$5,996,289 and Receipts \$4,173,238. By reference to "No. 10 Approximate Statement," hereto annexed, caref i.y compiled from Statements made at Ottawa, in the Auditor-General's Department from the Public Accounts, it will be perceived that the Total Expenditure by Canada in British Columbia for the period, extending from July 20th, 1871 to July 1st, 1880, is \$5 338,894.66; and by reference to "No. 3 Statement" (column sixth) hereto annexed, compiled from Statements made in the Auditor General's Department, that the Receipts in British Columbia, from July 20, 1871 to July 1, 1880, are put down at \$4,223,745.63. It is, however, very apparent that there is a material difference between the two Statements of Expenditure and Receipts, as the following comparison will more fully show:—

EXPENDITURE.

1. 2.	Expenditure "as prepared by Financial Inspector" Expenditure as compiled from Statements made in Auditor General's	\$5,996,289.00
4.	Department	5,388,894.66
8.	Difference in Expenditure between the two Statements	\$657,394.34
	RECEIPTS.	
1. 2.	Receipts as compiled from Statements made in Auditor General's Department Receipts "as prepared by Financial Inspector"	\$4,223,745.63 4,173,238.00
3.	Difference in Receipts between the two Statements	\$50,507.63
Fo	FINANCIAL INSPECTOR'S STATEMENT.	
	ry material difference in the Total Deficit from July 20, 1871, to	July 1, 1880.
1.	Expenditure in B. C., July 20, 1871, to July 1st, 1880	\$5,996,289
2.	Receipts ,, ,, ,, ,,	4,173,238
3.	Total Deficit or Excess of Expenditure over Receipts from July 20, 1871, to July 1, 1880, as per Financial Inspector's Statement	\$1,823,051
S	TATEMENT COMPILED FROM STATEMENTS OF AUDITOR- DEPARTMENT.	GENERAL'S
1. 2.	Expenditure in B. C., July 20, 1871 to July 1st, 1880 Receipts ,, ,,	\$5,388,894.66 4,223,745.63
3.	Total Deficit or Excess of Expenditure over Receipts between July 20, 1871, and July 1, 1880	\$1,115,149.08
	The Difference between the Third D. C. in D. C.	4-,-10,120,00

The Difference between the Total Deficit or Excess of Expenditure over Receipts, as given in the Financial Inspector's Statement above, and that compiled from Statements made in Auditor General's Office, is best shown by the following Statement:—

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