

amount to settle it. They justify their action on the ground of the award made by arbitrators appointed to investigate these two points to which I have called attention, but in referring the matter to the arbitrators, they took the precaution to waive all their legal rights in connection with the settlement at confederation and after the union. Ergo, the judge, and those who investigated the matter, said 'If your contention is right and the legal rights of the Dominion are not enforced, then you have spent so much money and you are entitled to so much money.' It is just like a man claiming from another a sum of money to which he has no legal right, and the claim being referred to arbitrators they say 'We think you ought to give him so much money,' and he gets it. A claimant in another case had no legal right to the sum he got, but the late government referred the claim to Walter Shanley, who awarded a certain amount as having been spent by the contractor upon a road, over and above his contract. The late government refused to pay it. The present government have paid him a certain sum. If they recognize that as an equitable claim, they should pay the interest upon it and the balance of the principal. He is just as much entitled to the balance of the award as he was to the amount he got, unless he made an agreement with the government to wipe out his claim for that sum. There is another matter in connection with this Nova Scotia claim. There is a claim for interest upon this \$681,000. If the government of Nova Scotia was entitled to the \$681,000, which was awarded them by the arbitrators, the Dominion government having set aside their legal defence, then I say in equity, and from every other consideration, they are entitled to interest for the last twenty years, and you may depend upon it there will be another claim for interest in the future. Other claims for interest, after having been in existence for years, have been settled. The government has yielded. Whenever the government of Nova Scotia gets into a financial difficulty, and there is a political issue before the people, and it is necessary to sway the votes of that province, I venture the prediction that a claim for interest will be brought up and they will get it. If the government

Hon. Sir MACKENZIE BOWELL.

is to continue this kind of raking up of old claims, for which there are no legal rights, and they are to increase the annual amount paid to the provinces, there is no telling where it is going to end. We have had this "finally final" settlement three or four times. The indebtedness on which they were allowed to draw interest in all the provinces was readjusted some years ago, and that was a finally final settlement, and so is this, and so I suppose will be the next. It is exceedingly unfortunate that we are continually opening up those old claims. I have never, in my experience, found where a contractor took a job and made half a million dollars out of it, that he was ever patriotic enough to say 'I have made too much and I will pay some of it back.' But the contractor who thinks he has lost some money or claims that he has, comes to the government and says 'You are rich, I think you should pay me and not allow a poor unfortunate fellow to suffer.' If we are acting as a charitable institution it is all right enough. I am not laying this charge exclusively to this government. I merely say they have gone further than other governments in this direction, but it is a principle which should be abandoned, otherwise having work done by contract becomes a farce. If you can only have a friend to go to the government and get them to accede to your claim, there is no end to the demands that may be made, nor is there any use in advertising for tenders. It would be better to adopt the principle on which some of the ministers work, and give out jobs to your friends without tender. Notwithstanding the able defence of the Finance Minister of the extraordinary expenditure to which this country is being put, the people will begin to look askance and wonder where this is going to stop. When we reached an expenditure of thirty millions of dollars it was looked upon as an extravagant expenditure. I admit the country is growing, but this sixty millions is not all of the expenditure. I have called attention to six or seven million dollars added to the perceptible debt of the country, because it does not appear in the report of the Auditor General, nor in the Finance Minister's statement of the gross debt of the country. I instance it as a fact that the interest upon that amount has to be