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Nov. 11, 1875.
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violated the agreement; and at last this clause was struck out. It might be well for him to read the exact words, so that the House might clearly see what it was. The first part of the Bill, as introduced, read in this way:—

"1. In lieu of the guarantee of interest at the rate of five per centum per annum for ten years from the completion of the works, on such sum as not exceeding £100,000 sterling, as may be required for the construction of a first-class Graving Dock at Esquimalt, as provided by the terms of the Order of the Queen in Council for the admission of British Columbia into the Union, advances may be made from time to time, by the Governor in Council, out of the Consolidated Revenue Fund, for the construction of such Graving Dock, upon certificates of the progress of the work; such advances not to exceed, in the whole, \$250,000, and to be considered as part of the indebtedness of the Province in calculating the subsidy payable to it."

After making his remonstrance, and after hon. members of British Columbia had also remonstrated against it, the clause: "And be considered part of the indebtedness of the Province in calculating the subsidy payable to it," was struck out, and the Bill was finally passed. But the hon. the Premier had said to the hon. members for British Columbia that he was prepared to carry out what Mr. Tilley had agreed to do. The hon. the Premier stated that Mr. Langton, the Auditor-General, had told him that it was only to be an advance, and not a bonus. He (Mr. DeCosmos) denied the correctness of Mr. Langton's assertion, and it was left to be settled on the basis of what the late Government had agreed to do. Finding that the hon. the Premier was unwilling to do anything in the shape of granting that money as a bonus to the Province, he wrote to the hon. member for Charlevoix (Mr. Langevin), the ex-Minister of Public Works, and also to Governor Tilley, of New Brunswick, who was the ex-Finance Minister, with whom he had negotiated, with the full and firm belief that, if those gentlemen stated the facts to the present Ministry of the agreement, with respect to the Graving-dock, made with the late Government, no objection whatever would be taken to the payment of this money from time to time as the dock progressed. He would draw the attention of the House to the reply of Mr. Tilley:—

"GOVERNMENT HOUSE,
"FREDERICTON, 28th May, 1874.

"DEAR SIR,—In reply to your communication of the 23rd inst, I beg to state that the £50,000 sterling agreed to be advanced to the Government of British Columbia towards the Graving Dock, was in lieu of the facilities secured for that purpose under the Terms of Union. I cannot see how there could be any misunderstanding in the matter, as my letter of the 3rd November, 1873, appears sufficiently definite, and the Act just past cites the conditions in the first section

"I have the honour to be, dear Sir,
"Yours faithfully,

"S. L. TILLEY.

"To Hon. A. DeCosmos, M.P."

In order to give additional evidence to the present Government that the meaning of the evidence, and the intention of the late Government was to grant the money as a bonus, he sent the following telegram:—

"OTTAWA, 2nd June, 1874.

"Your letter of May 28th and telegram of May 29th, received, and I understand them to mean that the £50,000 sterling, promised to be advanced in aid of the construction of a Graving Dock at Esquimalt, was to be a gift to British Columbia in lieu of Section 12 of the Terms of Union. Is that your meaning?

(Signed,) "A. DeCosmos.

"To His Excellency Governor S. L. TILLEY,
Fredericton, N.B."

Here was the reply:

"ST. ANDREWS, 3rd June, 1874.

"£50,000 sterling was not to be charged to debt, but given in lieu of guarantee Graving Dock. Thought my letter explicit.

(Signed,) "S. L. TILLEY.

"To Hon. A. DeCosmos."

This settled the point that so far as the action of the late Government, through the ex-Finance Minister, was concerned, the intention was that this \$250,000 should be paid to the Province as a gift, and was not to be charged against the debt of the Province. The next letter he would read, confirming this position, was a letter addressed to himself by the hon. the ex-Minister of Public Works—the member who was now on the floor of this House—the hon. member for Charlevoix:—

"QUEBEC, 1st June, 1874.

"MY DEAR MR. DeCOSMOS,—Your letter of the 29th of May has just reached me. In answer, I have no hesitation to say that the Government to which I belonged promised to grant to British Columbia, as a bonus, the sum of £50,000 sterling in lieu of the guarantee contained in the 12th Section of the Terms