

selves by residence and investigation with the conditions—physical and political—and the resources of the Province. This proposal, which, I may add parenthetically, was made without reference to other members of the Government, I regard not only as eminently fair, but as an earnest of our faith in the bona fides of the Provincial contentions. It removes the question from all considerations of a partizan nature that might interfere with unprejudiced treatment by both governments concerned. It would, in fact, be a judicial and not a political review of our case, in which would undoubtedly be considered most carefully the constitutional difficulties that have been suggested, and the relations of the other provinces to the dispute.

THE PHYSICAL CONDITIONS AFFECTING COST OF ADMINISTRATION.

It can only be understood by careful investigation, involving a protracted visit to the Province and the examination of a great volume of evidence, afforded by personal observation, of physical and industrial conditions. These conditions are such that, even if it were true that British Columbia did not contribute so largely out of proportion to the other Provinces to the Dominion treasury as she does—even if she did not contribute her share—her claims to increased subsidy would still hold good.

THE BENEFITS ACCRUE TO THE DOMINION.

The benefits of all such development accrue much more largely and directly to the Dominion in immensely increased customs and excise imposts, than to the Province. To the Province comes, with development, increased responsibilities in the way of roads, bridges, educational facilities, the administration of justice, etc., which in this Province—owing to the physical configuration and long distances between settlements—involve expenditures quite out of proportion to the revenue reasonably to be anticipated and possible to be easily obtained. It is on such grounds that we ask largely increased subsidies from the Dominion, in addition to any assistance to railway or other development that may come from the Dominion, in order that the Province may be able to amply maintain the responsibility of administration and development imposed by the Terms of Union, towards which the present local sources of revenue are insufficient.

There are also other matters quite apart from the question of Better Terms which have been before you. These include the control of our fisheries and the right of the Province to share the fisheries revenue in a definitely fixed ratio; assistance to the bridge over the Fraser river at New Westminster; the read-

justment of Indian reserves in the province; and the participation of the province in the revenues arising out of the Chinese Restriction Act.

SIR WILFRID'S REPLY.

The following are extracts from Sir Wilfrid Laurier's letter in reply:

I may observe that, as you are aware, and as you represent in your letter, a demand for a readjustment of the financial conditions now existing between the Dominion and the Provinces has been presented to us by the premiers of the seven Provinces of the Confederation in the course of the last year, and that whilst British Columbia has put in a separate claim for itself, it has also joined the collective demand presented by all the others.

I would see very great difficulties in having separate arrangements for each of the Provinces, and it seems much more natural that, if the subject is to be taken up, it should be so taken up with the view of laying down a uniform, systematic and final basis, which should work and apply mechanically to all the component elements of our Federative Union.

The subject of the fisheries is very much involved, and the position taken by British Columbia makes it absolutely indispensable that the Minister of Marine and Fisheries should, at as early a day as possible, visit your Province, with the view of having a better understanding, by actual inspection, of the peculiar conditions which you allege in support of your claim.

The assistance asked for out of the Dominion treasury, by the Province, for the construction of a bridge over the Fraser river, was discussed with Mr. Dunsmuir when he was Premier. I see no reason to change the views which were then pressed upon his consideration.

The matter of the Indian reserve is a purely departmental one, as to which there should not be any serious difficulties. (But nothing was done to settle it.)

I am sorry to hear that the increased amount which we are giving British Columbia out of the revenue arising from the Chinese Restriction Act is not accepted by your Government as final.

PREMIER M'BRIDE TO SIR WILFRID.

Coming now to the crux of the matter, I, of course, regret very much that your reply must be accepted as wholly a negative one. I had hoped that your Government would have accepted the proposal to refer our claims for readjustment of financial relations to a commission of investigation. I do not think that this Government could possibly have offered a stronger proof of good faith of its contention than the willingness it has shown to accept the responsibility of proving its case before an independent, non-partizan and wholly disinterested tribunal, and I am unable to