

years, he found that the manner in which the Dominion had treated the Province in this matter, would entail a loss on the Province of British Columbia of \$272,500. In other words, that was the cost to the Province of British Columbia, of having this Federal Government engage in what he might regard as the unholy work of embarrassing a Provincial Government. And not only did they entail a loss of \$272,500 on the Province, but the Dominion also, actually and absolutely, lost the sum of \$30,302 odd. Allow him to explain:—When this advance was agreed to by the late Government, the Finance Minister had just returned from England where he had sold his bonds. He believed they were five per cent. bonds and commanded a premium of five per cent. Now, paying off the difference between the actual and the allowed debt of the Province, the Dominion Government, by floating its own five per cent. bonds at five per cent. premium, would have made \$47,264.

MR. CARTWRIGHT: I may remark to my hon. friend that they were not five per cent. bonds, but bonds raised on the Imperial Government guarantee at four per cent.

MR. DECOSMOS said the hon. gentleman would have his opportunity for replying further on. He, however, thought that the hon. gentleman, if he referred to the money which was obtained on Imperial guarantees and Government guarantees, would find that both went off together. He only spoke from memory on this point and was subject to correction. This Government under pressure had advanced, as he had previously stated, two sums, \$189,233 and \$150,000; and the money saved by floating the Dominion bonds at five per cent. premium on the amount of money which was advanced by the hon. the Minister of Finance—the profit really made by the Dominion Government in this regard was \$16,961. By refusing to advance the further sum of \$606,055, the Dominion Government lost the five per cent. premium on that sum, and that was a loss of \$30,302. The aggregate loss, therefore, of the Dominion Government and the Provincial Government by the refusal to carry out the

agreement made with the Province of British Columbia by the Dominion Government was \$302,802; and he again repeated that this loss was made in the face of a surplus in the Treasury of the Dominion, of \$3,311,834. And the loss to the Province of British Columbia on the sum of \$272,500, would be six per cent. per annum besides the whole amount for ever. Probably his honourable friend the Finance Minister would be able, with his actuary, to find out what the total loss to the Province of British Columbia would be on that \$272,500 for ever. The interest on the sum lost by the Province of British Columbia for ever by the refusal of this Government to carry out its contract would be equal to even one-twelfth of the total annual subsidy received to-day by the Province. He appealed to the House if some explanation—if a full explanation was not required and ought to be given to the country to show how this Government could justify the taking away, by its own deliberate act, one-twelfth of the subsidies guaranteed by the Act of Union. He had only one other word to say; and this was that, if there was justice, if the equities of this case were heard by dispassionate gentlemen, and if the case of British Columbia in this matter was heard and understood, the Dominion Government owed a debt—as indemnity—to the Province of British Columbia approximating, in round numbers, to nearly \$300,000; and it would be for the present Government, or their successors, in due course of time, to pay over to the Province the penalty of their deliberate violation of the agreement, that was in the interest of both the Province and the Dominion.

MR. CARTWRIGHT said there could be, of course, no objection whatever, to the hon. gentleman obtaining the information he required. The facts connected with it, so far as his memory served him, were briefly these: he believed the hon. gentleman had correctly enough stated that, some time in the Session of October, 1873, he (Mr. DeCosmos) made application to the late Government to have an advance made in the form of which he spoke; and he had no doubt, that the hon.

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