

ment, it was found, by a return laid before the House, that \$10,462,586 was set down by the Minister of Finance as the money assets of this Dominion. Against that they found liabilities due to other banks amounting to nearly \$2,150,752, leaving a surplus to the credit of the Dominion Government, at the banks, of \$8,311,834. He put it to the House whether the Government could be justified, from what they knew at present, in refusing to fulfil its obligation to the Province of British Columbia, when the Dominion had nearly nine million dollars to its credit at its bankers? He had called the attention of the House to the fact that the money was to be paid to British Columbia, when applied for. It was to be observed that the money was to be paid from time to time. There was no question that the negotiations which had taken place between himself, on behalf of British Columbia, and the present and the late Governments in regard to the advance of the difference between its actual and allowed debt constituted a *bond fide* agreement between the parties. Remembering that there had been a *bond fide* agreement entered into—for that amount of money had been contracted by the Dominion Government to be paid to the Province, what did they next find? The report of the Committee of the Privy Council, approved on 20th May, 1875, showed the following:

"Upon the application of the Government of British Columbia for the sum of \$439,150, whereof \$250,000 is asked for on account of the Graving Dock, the remainder for local improvements, the whole to be advanced in accordance with the provisions of Vict. 37, cap. 17.

"The Hon. the Minister of Finance, to whom this application has been referred, observes, in a Report dated 19th May, 1875, that, with respect to the sum asked for the construction of the Graving Dock, certificates of progress of work are required by the Terms of the Act, and that such certificates have not, so far as he is aware, been furnished by the Government of British Columbia.

"With respect to the remaining advances, he further observes that it is entirely optional with the Government of the Dominion to advance any sums on said account; and, inasmuch as inconvenience may arise if expenditure should be undertaken in any of the Provinces, under the impression that the Local Governments or Legislatures are at liberty to draw at pleasure for the balance of debt referred to in said Act, he suggests that the Secretary of State be directed to notify the local authorities of the several Provinces that the consent of

the Government of Canada must be expressly obtained before any advance on account of local improvements, as specified in the above Act, is authorized; but that the sum of \$189,150 having been spent by the Columbia Government, it is recommended that this sum be paid.

"The Committee concur in the foregoing Report, and submit the same for Your Excellency's approval."

He might remark, with reference to the closing portion of the second section of the report of the Committee of the Privy Council, that the \$250,000 referred to was not asked for in aid of the construction of the Graving Dock, but for an entirely different object. From that document they discovered that the present Dominion Government refused to carry out the obligation they had entered into with the Province of British Columbia, and they endeavoured to make British Columbia, when it had entered into a special agreement under two Governments, occupy a similar position to a Province that had made no agreement whatever. In the next place, they found that, on the 4th February, 1876, Mr. Langton, the Auditor-General, wrote as follows:

"I am directed to advise you that the \$150,000 was distinctly refused as an advance against debt, but it is granted as an advance against subsidies."

From this they discovered a second refusal on the part of the Government a year later, to do what they agreed to do in the autumn of 1873. Now he presumed that the House might gather some fair information of the state of this case. In the first place, the Provincial Government had agreed with the Dominion Government for an advance equal to the amount between the actual and the allowed debt; that the Provincial Government applied for \$439,150 to the Dominion Government, which was refused, and that the Dominion Government had the sum of \$3,000,000 or \$9,000,000 in its Treasury at its command, some of which was drawing interest and some of which was not drawing interest, and yet they refused to carry out a solemn agreement with that Province. Before he proceeded further to show the loss of money entailed upon that Province by the violation and, as he took it, the deliberate violation of the agreement with that Province by the Dominion Government, he would again call the

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