

MEMORANDUM RESPECTING A LOAN OF £ 150,000  
PROPOSED TO BE MADE TO BRITISH COLUMBIA, FOR PURPOSES  
OF CROFTER COLONISATION.

---

The Select Committee of 1891 on Colonisation reported to the following effect:—

“The proposals of the Government of British Columbia have much to recommend them. Under an order of the Lieutenant Governor in Council in 1888, Mr. Begg was appointed a Commissioner to submit to Her Majesty’s Government a scheme under which, experimentally, an advance of £.150,000 would be made by the Treasury, to bear interest at the rate of 2½ per cent. (but the interest for the first five years to be added to the capital sums) until repayment by the Government of British Columbia, who would guarantee the repayment of principal and interest. With the funds, &c. provided it is proposed to take out gradually 1,250 families, and to settle them on locations variously suited for agriculture, fruit culture, sea fishing, and other industries. Mr. Begg’s negotiation advanced so far that in 1888 the Treasury were apparently willing to grant the sum asked, but on more onerous conditions, which the Colonial Government did not see its way to accept. The appointment of the Committee of 1889 threw this and other schemes into abeyance, and the Commissioner has been ever since in a state of expectancy of its judgment on his project.

“That project presents the rare recommendation that it demands from the public purse or from local funds no assistance beyond the Imperial Loan, the repayment of which is guaranteed by a solvent and promising Province, which seems to possess ample resources for the settlement of a large population. In the respects of climate and seaboard it is well suited for the reception of a class accustomed both to land and sea pursuits. In many particulars the requisite machinery is incomplete, but your Committee see no reason to doubt that the enterprise of the Colonial Government would soon supply what is deficient, aware, as they would be, that the success of their undertaking would depend upon their very first shipments of emigrants being well selected and well provided for in every way. Your Committee think that in no way could the object recognised as necessary be obtained with less outlay or risk to the national exchequer, and they can conceive of many considerations in which the colonization of British Columbia by a maritime population would appear to be desirable in the interests of the British Empire. They do not think that by any one scheme the adequate relief of the congested districts can be attained; and they recommend the offer of the Government of British Columbia to the early and favourable consideration of Her Majesty’s Government and Parliament.”

On the 18th March 1891 Mr. Begg wrote to the Scottish Office, enclosing copy of an Order in Council of the British Columbia Government of 30th October 1888, which had been passed in view of Her Majesty’s Government’s previous stipulations, and in which the following modified Schemes were submitted as alternatives:—

A. £150,000 to be advanced by Her Majesty’s Government, redeemable in 30 years, on the following conditions:—

(1.) The whole sum to be free of interest during the first five years, and afterwards to bear interest at 3½ per cent.

(2.) After providing for the expenses of negotiation and of an experimental settlement of 50 families, the balance to be handed over to the Government of British Columbia, for investment as a Colonisation Fund.

(3.) Colony to have power during first five years to repay the whole £. 150,000 without interest, if the trial proves unsatisfactory, retaining any profit from investment to recoup outlay.

(4.) On acceptance of above terms by Her Majesty’s Government, the Government of British Columbia to obtain statutory authority to carry out the scheme and provide for sinking fund and interest.