

required, for local improvements in the Province, and not exceeding, in the whole, the amount by which the debt of the Province for which Canada is responsible then falls short of the debt with which the Province was allowed to enter the Union—such advances to be deemed additions to the debt of the Province, with permission to the Province to repay them to Canada, on such notice, in such sums and on such other conditions as the Dominion Government and that of the Province may agree upon; any amount so repaid being deducted from the debt of the province in calculating the subsidy payable to it."

That section was intended not merely to include the Province of British Columbia, but every Province in the Dominion. When he opened these negotiations with the present Dominion Government, for the purpose of taking over the difference between the actual and allowed debt of that Province, the proposal seemed to be a novelty, but on passing it under consideration it was discovered that it might be an advantage, not merely to the Dominion Government, to extend its influence in that manner through the Provinces, but a great advantage to the Provinces themselves. The point to be observed in that matter was this: that, owing to the negotiations between the two Governments, the Dominion and British Columbian, it was agreed that, when the Province applied for the money, it was to be paid over to the Provincial Government, and that without qualification. On enquiry, so far as he was able to gather, the amount paid to the Province of British Columbia, amounted to \$189,258 in 1874-5, and a further sum of \$150,000 was paid in 1875-6, and charged subsequently against the debt of the Province. When the Provincial Government applied for the money, they were not properly met by the Dominion Government, and there was no prompt fulfilment of the bargain which he (Mr. DeCosmos) had made with the present Government and its predecessor. The first application to the present Government was for the sum of \$439,150. \$189,000 out of that amount had been expended, and the Province wanted \$250,000 more, to meet the additional expenditure on its public works. The Dominion Government refused to advance that amount. Stated briefly,

the Province received from the present Government \$189,000, and was refused \$250,000. The question would naturally arise as to why the Dominion Government, whose word ought to be a word of honour, refused to carry out their agreement. If there were good and sufficient reasons why they should not carry it out, he believed the House and the country would be prepared to endorse their refusal. But, as far as he had examined the facts of the case, he found there was no good and sufficient reason why they should have refused, and particularly so as the Government of British Columbia was engaged in opening up that vast country, and in doing so was opening up a part of the territory of Canada over which it had jurisdiction. But, if they traced the matter to the bottom, he believed the true reason for refusing to honour their pledge would be found to be a desire on the part of the Dominion Government to check-mate the then Government of British Columbia, led by Mr. Walkem; in other words, to embarrass the Provincial Government financially, in order, if possible, to bring them under the influence of the Federal Government. It was open to the Government to explain that statement, and if they could by any possible means explain away the reasons which were popularly given in that Province for the refusal, no one would be happier to accord them full credit and release them from the charge of having attempted to embarrass the Government of that Province than he would be. It must be remembered that the demand for \$439,150 was made in April, May or June, 1875. If the Dominion Government had been without funds, or had had large claims coming due which would prevent it from fulfilling that agreement, there might have been some excuse; but, when he turned to the Sessional papers and to the statement of the assets and liabilities of the Dominion in the Public Accounts, he found that, at the end of June, 1875, which was the end of the financial year, there was to the credit of the Dominion, in British and Canadian banks, and other places \$10,462,586; in other words, a month or two after the \$400,000 and odd were asked for by the Provincial Govern-