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Governments without consulting them, and this was for the purpose of giving them time to secure their acquiescence. That acquiescence was given by the Governments of both Provinces when reported to them, and the words "without prejudice" ceased then to have effect so far as the Provinces were concerned. Had the Dominion Government come to the conclusion when the accounts were in preparation, or when submitted to them before being sent to the Provinces, that this mode of computing the interest could not be agreed to, it might then have been open to them to say, we cannot agree to this principle, but when these accounts were submitted to them for their approval before being sent out; when they were transmitted to the Provinces with their approval, and without a word to indicate any objection to the interest shewn; when for six years they have without raising this question, permitted correspondence to go on as to all other disputed points; when they have themselves made two subsequent editions or re-casts of these same accounts on the same lines, and submitted them to Parliament; when they have met in conference (the Treasurers) and discussed all points of difference suggested, without raising this question; when, I say, they have by these repeated and continuous acts, given tacit and active acquiescence in the agreement of 1882, without making a hint of objection, it is too late in the day to say now, Oh! this was all done without prejudice, and we are not legally bound.

As to there being no precedent for allowing compound interest, when this plea was urged by Mr. Foster, I from memory was able to quote to him at the time a few cases in which the Dominion Public Accounts shewed compound interest allowed, and a search in the Public Accounts has enabled me to quote to him several more. Let me give the House some of the cases in which compound interest has been allowed by the Province of Canada accounts and by the Dominion.

1. In the account with the Law Society of Upper Canada, interest was charged quarterly by the Dominion on the balances at debit of the account and included in the balance next year, on which interest is again charged, which is compounding.

2. The Upper Canada Building Fund was credited with compound interest on the balances at its credit, the interest carried into the account quarterly.