

from Canada, that her Customs and Excise produced \$2.75 per head of her population; at the same rate, \$2.75 per head, our Customs represent the same present revenue as a population of 120,000 Canadians produce. This estimate of 120,000, therefore, though nominal, is really just and fair; hence 120,000 population has been adopted as the basis of our financial calculations. The \$35,000 in paragraph 3, allowance for the general support of the Government, is an arbitrary sum adopted by Canada in negotiating with Newfoundland and New Brunswick. The allowance of 5 per cent. interest on the difference between our public debt and that of Canada is arrived at in this way: We have it officially from Canada that her debt on February 9th—say 1st March if you like—amounted to \$22 per head of her population. This would entitle us, with 120,000 people, to come in with a much larger debt than our own, which at the time of Union would be, say, \$1,000,000. The interest at five per cent. on the difference of these amounts would give us the annual allowance of \$82,000 named in the papers before the House. The 80 cents a head on our population of 120,000 is the usual allowance prescribed by the Organic Act of Confederation.

Hon. CHIEF COMMISSIONER—Mr. Chairman, I think that on these two clauses depends the whole stability of our scheme; and as I believe them to be of very vital importance ["Hear, hear," from Mr. DeCosmos], I trust I shall be excused if I offer a few remarks upon them, although it is possible I may travel over the same ground as the Hon. Attorney-General has taken up in introducing these clauses. I say, Sir, that 120,000 may appear extravagant at first sight. The basis of the population of 1861 is taken as the basis on which other schemes rest; but that would not do for this Colony. It would not give us an equal advantage with other Provinces. It has, therefore, been found necessary to take some other basis. And here, Sir, I desire to say that I am permitted to inform this House that the Executive are very much indebted to the Hon. Member for Victoria City, who is also a Member of the Executive Council (Dr. Helmcken), for his able assistance and suggestions in preparing this scheme. I trust that this Council will find that the Hon. Member has been most practical and ardent in his endeavours to obtain good terms, if he has not been an enthusiastic advocate of Confederation. With regard to the reasons for adopting the number of 120,000 as the basis of population, we ask something for undeveloped resources. The expenses of living in this Colony are much higher than on the Atlantic Coast; there is more per head paid for taxes here than in any other part of the Dominion. One dollar here is in reality worth no more, that is to say it goes no further, than one shilling in the Eastern Provinces; and one man here pays as much to the Revenue as four on the other side. The basis is in fact the basis of Customs paid by each individual in this Colony, compared with the Customs Revenue paid per individual in Canada. Taking the estimate of the present year, the Canadian Customs and Excise yield \$2.75 per head on the present population; and our Customs being \$330,000, is equal to \$2.75 per head on a population of 120,000, upon comparison with Canada. Practically and equitably, I believe this to be a fair basis. It may be open to some logical objection, but I believe it is equitable. The estimate which we propose to hand over yields at that rate, as we now farm it. We turn it over into the hands of those who are to manage it. It is not for us to consider how. If they reduce the Customs, it is nothing to us; we must have a basis as favourable as this. ["Perhaps more so"—Hon. Mr. Helmcken.] Perhaps more so, as the Hon. Member says. The debt of Canada amounts to \$22 per head on the population, and this on a population of 120,000 gives a debt of \$2,640,000. We may claim to have our debt taken over on the same basis as other Colonies, as before Union can be consummated we may expect our debt to be reduced to \$1,000,000, leaving a balance of \$1,640,000, on which we will have a right to claim interest at 5 per cent., that is to say: \$82,000, as stated in the printed particulars now before the Committee. The subsidy of \$35,000 is equal to that given to Newfoundland. Referring again to the printed figures, you will find that the amount of Revenue retained by British Columbia is \$151,050. Add this to the subsidies, including the interest on the difference of the debt, amounting to \$213,000, and we have a total Revenue of \$364,050. As we shall be relieved of all expenses but \$212,009.75, we shall have left a clear balance of \$152,040.25 to be spent in local works. This constitutes the Financial Scheme, and although it is open to argument, it is about what we are entitled to receive, and what we must receive to place us in a fair position under Union.

Hon. Mr. DECOSMOS, after asking the Hon. Mr. Helmcken if he wished to speak before him, and receiving a negative reply, rose and said:—Mr. Chairman, in rising to speak to the