

der entirely different conditions, I think there ought to be some other way of getting out of the difficulty and that a splendid opportunity presents itself for adopting another principle and possibly one that by-and-by might be applied to the older provinces when the whole matter is brought under review by the government. We propose to take away the lands, or rather retain the lands. I should prefer myself to use the expression 'take away the lands,' because we are taking the lands which belong to the provinces and giving them a consideration in return. When we do this can we not, on some broad principle, come to an arrangement by which this plan of handing over in a bulk sum eighty cents a head to these people would be got rid of? I do not say for a moment that we should be niggardly in starting out these provinces in their new sphere. I think it would never do to adopt any plan which would not give these people sufficient revenue, but we must admit the principle that where one government is collecting the revenue and another government is spending it, there is not the same inducement to the spending government to act with economy as if they were collecting it and directly responsible to the people from whom they took it. If we can in some way hold those people responsible to those who contribute the money, we would be making a radical change which might be taken advantage of at some future day possibly with regard to the other provinces. At any rate I think we would be starting out on a basis that would conduce more to economy than the principle we are adopting at present. I do not think that in the province to which I belong, the province of Ontario, it was ever conducive to economy in the administration of that province to have simply one million or one and a half million dollars taken out of the pockets of the people generally, chiefly through customs revenue, handed in a bulk sum over to its local government. The local government of Ontario are not responsible to the people of that province for the taxation by means of which that money was raised, and consequently could not be called to task, as they should be, for any extravagance in the expenditure of it. I would hope that the right hon. gentleman, who no doubt has given great consideration to this question, could by some means or other devise some other plan which would be in advance of that which the fathers of confederation felt compelled to take, and more especially as we are now told that the conditions in those new provinces are quite different from those which prevailed in the older provinces in 1867. I must confess however, that although I have thought over the matter a good deal, I am not prepared to make any suggestion. Neither should I be called upon to make one because I am not one of the governing party in the country. We are in a minority of eighty-one

and look to the other side to provide a policy. I would be glad however, to make a suggestion, and I submit this suggestion to the right hon. gentleman for what it is worth. We are starting out these new provinces under new conditions, and I believe we can devise some plan under these new conditions, which would be more acceptable and perhaps more profitable in the end to the people in that new country as it would throw them upon their own resources entirely. If they were permitted to know now just what their revenues will be and had to work out their own destiny with what we give them now for all time, and if they were not in a position to come back time after time and ask for more, the new local administrations about to be established would naturally be more economical in the administration of their affairs, and that of course would inure largely to the benefit of that great country.

Sir WILFRID LAURIER. For my part I agree very largely in everything said by my hon. friend from Halton (Mr. Henderson). If we had a condition of things with which we could deal ourselves on the line he believes to be right and I believe to be right, I would agree at once to his suggestion; but unfortunately we are confronted with the same difficulty as confronted the fathers of confederation in 1867. The principle he has laid down that those who have the spending of the revenue should also have the responsibility of collecting it, is so obvious and true that it is a matter of surprise to those who look through the debates of 1865 and the Act of confederation as it is, that the fathers of confederation should have consented to depart from a principle so true and obvious. Why then did they depart from it? Simply because it would have been impossible to get any one of the provinces to enter confederation unless it was given a subsidy to meet its own expenses. The people of this country are afraid of taxation, and especially of direct taxation, and it was the spectre of direct taxation which forced those who were responsible for framing the Act of confederation to agree to the plan adopted. Some forty years have elapsed, and since then I do not think that the people of any of the provinces would be disposed to part from the principle there laid down, and agree to release the federal treasury of the subsidy they receive every year. The conditions are exactly the same in the new provinces of Alberta and Saskatchewan as they were in the older provinces. It is true that these new provinces have not to surrender their excise and customs to-day; but if they were not in confederation, they would be free to collect their own excise and customs. Therefore when they came into confederation they surrendered, as did the provinces of Quebec, Nova Scotia and New Brunswick, the right to collect excise and customs duties,