

my right hon. friend the First Minister (Sir Wilfrid Laurier) has referred to undoubtedly had a great effect on some public men. They said: Each of these provinces levies excise and customs duties, and if you take away from us our excise and customs duties you must give us some portion back. I do not think that was an unreasonable thing.

Mr. BERGERON. Not for the old provinces.

Mr. FIELDING. If we admit that it was a reasonable thing for the old provinces, what position are we in to-day? Shall we say to the new provinces: We gave a portion of the excise and customs back to the old provinces but we will not give it to you? We collect customs and excise from the old provinces and we give them some back; we will collect the excise and customs from the new provinces and we will in the same way give some back. This is the uniform practice to-day. My hon. friend (Mr. Sproule) wanted to know if any other plan has been suggested, and I am frank enough to say, that, notwithstanding that there is something to be said in favour of some other plan, I have no expectation that you can arrange the finances on any other basis. There is no province which is willing to give up its subsidy. The system is a part of our constitution. It is provided for by the British North America Act wholly beyond change by ourselves and we would be obliged to go to the imperial parliament to change it. I believe that the provinces would be rivalling each other to get their delegates on the other side in opposition to the proposal if we asked for anything of the sort. I fully anticipate that if any revision is made it will have to be on the lines of the present system. We may devise some system, which, while adopting the present principle, will work the details out in some other way.

Mr. SPROULE. The hon. gentleman said that originally, at the time of confederation, we dealt with provinces that were sovereignties having the power to levy taxation. Or, in other words, there were two parties to the contract. Then the one party might offer, but the other party might not accept, and it would be for the other party to make a counter offer and, between them, try to reach an agreement; that is to say, one would accept what the other would be willing to give; but in this case there is only one party to the contract. There is only one party, because the federal parliament is the owner of the Territories, and they are only establishing an outlying portion of those Territories which they may call provinces, and they are giving these provinces certain powers. They have scarcely consulted the representatives of those Territories in regard to other features of these Bills, although those gentlemen have been hanging around this parliament for three months. They did not even deign to take them into

Mr. FIELDING.

consultation in regard to many other features, and why should they do so with regard to the financial feature? I asked if any correspondence has been received that would indicate that they had foreseen some trouble in regard to this feature, or that they were satisfied with the government's proposals. I understood the minister to say that there was no conference.

Mr. FIELDING. There was no correspondence.

Mr. SPROULE. Well, correspondence. I take it that if there were conferences, there would be some correspondence leading up to them.

Sir WILFRID LAURIER. There is correspondence, including the Haultain Bill, which has been brought down.

Mr. SPROULE. If there is correspondence with regard to it, they must have set out the various features of what would be satisfactory to them; the financial question is one of the important ones, and therefore I assume that if there is any correspondence with regard to the introduction of the Bill, there would be correspondence in reference to that aspect of it. Therefore, I say that that justifies what I have said, that there is no similarity between what we are doing to-day and confederation, because at confederation there were two contracting parties, but to-day only one party has the power and can withhold everything from the provinces that are being created. We have been carrying on an experiment for thirty years in this matter, and I say that the experience of time has shown that the experiment is not a good one. Am I not justified in supposing that a wise and intelligent government, having to deal with the same question with regard to the new provinces, would endeavour to settle on some sound principle that would not require to be changed from time to time? It seems to me that would be the part of wisdom and what you would expect from very astute business men. Experience must teach us something, and our experience with our system of division of revenues for thirty years should enable us to judge whether it is a success or a failure. The Minister of Finance admits it is a failure.

Mr. FIELDING. No.

Mr. SPROULE. I understood him to admit it was a failure, because the provinces are always coming back for a readjustment, notwithstanding it was declared a finality ten years ago. They have come back in the past time after time, and are coming back now, and are likely to come back in the future, and does not this suggest that the part of wisdom would be to adopt some new and sound system which would avoid the necessity of readjusting these subsidies from time to time, as we have been obliged to do in the past?