

allowed a certain sum every year to defray the expenses of their own local governments and administrations. This is the reason why this provision is to be found in the British North America Act. It is there. I do not think it is sound, but though in my judgment unsound, it is the duty of everybody in this House and in this country to take confederation as we find it, with its good points and its blemishes, and carry it to the end on the principle upon which it was established. Therefore upon this point I believe it is the duty of the Canadian parliament to continue that policy in this instance and make a liberal provision for these two new provinces which we are about to admit into the Canadian family.

But before I come to the revenue to be given these provinces, it will perhaps be preferable that I should give an idea of their present requirements. Last year there was expended out of appropriations by this parliament for the use of the local legislature and by the local legislature itself.

Civil government	\$101,540
Legislation	21,375
Administration of Justice .. .	29,000
Public Works	680,000
Education	345,125
Agriculture and Statistics .. .	47,680
Hospitals, charities and public health	20,000
Miscellaneous	68,175

To these must be added sums which were spent by this government on services which in the future will have to be carried on by the governments of the provinces:

Public Works	\$100,000
Justice	100,000
Miscellaneous	124,310

And this item of 'miscellaneous' was composed as follows:

Lieutenant-Governor's office .. .	\$ 3,880
Incidental Justice	32,000
Insane patients	70,000
Schools in unorganized districts ..	6,500

So that, last year there was provided for and expended by the Northwest Territories a total sum of \$1,636,000.

Mr. FOSTER. Was that provided by this government?

Sir WILFRID LAURIER. Yes.

Mr. FOSTER. Does the right hon. gentleman know what was raised by the government itself?

Sir WILFRID LAURIER. Included in this was what was raised by the local government, which, was I believe in the neighbourhood of \$150,000. So, this year, if the conditions were to remain as they are, without any increased demands, we should have to provide about \$1,633,000, or an average of \$818,000 for each province. Of course, there are some items of this expenditure

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which, under the new conditions, must be duplicated, because there will be two governments instead of one. Besides, as every one knows immigration is flowing rapidly into the Territories, and it is no wonder if the present requirements of the Territories are not sufficiently represented by these figures. More liberal provision must be made for their expenses.

So, I come to the terms which we have made with the provinces—the terms we propose to give them. As the House knows, we are guided in this by the terms of the British North America Act. Section 118 of that Act reads as follows:

The following sums shall be paid yearly by Canada to the several provinces for the support of their governments and legislatures:

Ontario	\$80,000
Quebec	70,000
Nova Scotia	60,000
New Brunswick	50,000

Two hundred and sixty thousand,—and an annual grant in aid of each province shall be made, equal to eighty cents per head of the population as ascertained by the census of one thousand eight hundred and sixty-one, and in case of Nova Scotia and New Brunswick, by subsequent decennial census until the population of each of those two provinces amount to four hundred thousand souls, at which rate such grant shall thereafter remain. Such grants shall be in full settlement of all future demands on Canada, and shall be paid half-yearly in advance to each province; but the government of Canada shall deduct from such grants, as against any province, all sums chargeable as interest on the public debt of that province in excess of the several amounts stipulated in this Act.

Now, we propose to make the following terms, keeping as close as possible to the British North America Act. I cite from the Bill:

The following amounts shall be allowed as an annual subsidy to the province of Alberta and shall be paid by the government of Canada by half-yearly instalments in advance: Support of government and legislature, \$50,000,—

That is the sum paid to New Brunswick, when the population of that province was about the same as that of Alberta.

—on an estimated population of 250,000 at eighty cents per head \$200,000, subject to be increased as hereinafter mentioned, that is to say: The census of the province shall be taken every fifth year, reckoning from the general census of 1901, and an approximate estimate of population shall be made at equal intervals between each quinquennial and decennial census, and, whenever the population, by any such census or estimate should exceed 250,000, the allowance shall be increased accordingly until the population has reached 800,000.

Now, the House has observed that in clause 118 of the British North America Act, which I have just read, the capitation allowance of the provinces of Nova Scotia and New Brunswick was fixed at a maximum