

the United States. It is the high taxation in that country which is bringing the bulk of American settlers to our Northwest, and consequently it would be very injurious to us to have to resort to direct taxation. But that will be the result, I believe, under this Bill.

Mr. P. TALBOT. I would like to draw attention to a source of revenue which has attracted little notice, and that is our school lands. According to estimate, we have at least eleven million or twelve million acres of school lands which in time will be sold and the money held in trust by the Dominion government and on that money we will be paid three per cent. yearly, every half year. The policy has been to hold these lands until they are worth \$7 to \$10 an acre. We will have, therefore, ten million acres which will be eventually sold at \$10 an acre, or \$100,000,000, on which we will receive an annual income of three per cent, or three million dollars per year. That amount, along with what is arranged in this Bill would be sufficient for the new provinces.

Mr. HERRON. The hon. gentleman has given one of the best reasons to prove why this government is not treating the Northwest properly in the matter of lands. If ten million acres of school lands are going to give the amount of revenue the hon. member mentions, viz.: three million dollars per year, and that almost immediately, what about the hundreds of millions of acres of land which this government is keeping from us, and in return for which it is giving but a million dollars a year?

Mr. SPROULE. I doubt whether these school lands will realize very much more than we got from the old school land grant of Ontario. In Ontario, when we add to the revenues from school lands what is required to meet the expenditure on education, education becomes a pretty expensive burden on the people. In Manitoba they have been trying from time to time to get the use of the capital of the school lands fund and have frequently expressed great dissatisfaction because the Dominion government would not give more than the interest I think the Dominion government are right because they hold these lands in trust. But I am merely pointing out that the interest on the sales of these lands is very much too small for the needs of that province for educational purposes. It is quite possible that there will be a similar experience in the new provinces.

Mr. LAKE. My hon. friend the Minister of the Interior (Mr. Oliver) said that the draft Bill presented by the Territories fixed the limit of population upon which the capitation allowance would be given, at 400,000 souls. I think he is mistaken. The clause of the draft Bill is as follows:

Section 22,

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: A census of the province shall be taken in every fifth year reckoning from the general decennial census of 1901 and an approximate estimate of the population shall be made at equal intervals of time between such quinquennial census and such decennial census; and whenever the population by any such census or estimate exceeds 250,000, which shall be the minimum on which the said allowance shall be calculated, the amount of the said allowance shall be increased in accordance therewith until the population reaches 1,396,091, after which there shall be no further increase.

In the explanation that follows, it is stated that taking into consideration the extraordinary rate of increase in the population, it would be manifestly unfair to limit this grant to a population of 400,000.

Mr. OLIVER. The hon. member (Mr. Lake) has corrected me in the statement I made as to the figures contained in the draft Bill. I find, on reference to a copy of the Bill which is before me that there is some ground for the correction, and that still there is some ground for the statement I made. The Bill in the form in which it was received at Ottawa specifically states the limit of population at 400,000 on which the payment of 80 cents per head is made. But I find in one of the later pages of the return, page 30, is a copy of a telegram dated December 16, 1900, which is as follows:

Right Hon. Sir Wilfrid Laurier,
Ottawa.

Have just noticed that seven words at end of paragraph 22, draft Bill, were inserted through clerical error. Kindly strike them out and substitute one million, three hundred and ninety-six thousand and ninety-one, after which there shall be no further increase.

That is to say, the statement I made as to the terms of the Bill, which, I presume, was absolutely assented to by the Northwest Assembly, was a limit of 400,000. But we will admit that was a clerical error which was amended afterwards, as stated by the telegram sent to Ottawa. Therefore, we are bound to consider that that was the intention in the first place. I would merely point out again that, even accepting the correction suggested as being what was in the mind of the assembly at the time the Bill was passed, there is still a difference to the Northwest Territories in favour of the present arrangement as between 1,396,091 and 1,600,000. We are getting an advantage of \$160,000 a year under the arrangement by the Autonomy Bills, as compared with even the amended provision of the Northwest government's draft Bill.

Mr. SPROULE. That will not be a very wonderful difference if you have to keep up two governments instead of one.