

of 400,000 population. This rule was applied also to Manitoba and British Columbia. The reason why the maximum was fixed at 400,000 population is not very apparent, but I imagine that it was supposed at that time that the population of these provinces was not likely to reach a very much higher figure than 400,000. And this calculation has proven true. It took years for Nova Scotia to reach that maximum; New Brunswick has not reached it yet, nor has Manitoba nor British Columbia. But it would be manifestly unfair to these new provinces to limit their maximum to 400,000. Already the population is about 250,000. Therefore, instead of fixing the maximum at 400,000 population, we have fixed it at 800,000.

A more important allowance is the allowance for debt. And this is what we propose:

Inasmuch as the province is not in debt, the said province should be entitled to be paid and to receive from the government of Canada by half-yearly instalments, interest at the rate of 5 per cent on the sum of \$8,107,500.

The reason of this is familiar to everybody, but perhaps, it is not unimportant that I should review it here, and present it again to the House. In 1867, when confederation was established the debts of the provinces were assumed by the Dominion—the debts of Ontario, Quebec, Nova Scotia and New Brunswick. Now, the debt at that time of Old Canada, that is the provinces of Ontario and Quebec, amounted to \$67,000,000 in round numbers. The debt of New Brunswick was about \$7,000,000 and that of Nova Scotia about \$8,000,000. It so happened that the debt of New Brunswick represented an average of about \$25 per head of the population, and the debt of Nova Scotia of about \$8,000,000 was nearly the same per head of her population. The debt of Old Canada was a little greater per head. Therefore, when allowance was made for the debts of the provinces, the debt of Ontario and Quebec was taken not at \$67,000,000, but at \$62,000,000. That is, Ontario and Quebec were each relieved of about \$31,000,000, Nova Scotia of \$8,000,000, and New Brunswick of \$7,000,000. The provinces of Nova Scotia and New Brunswick entered confederation without debt, while Ontario and Quebec had between them a debt of about \$5,000,000. Later on, new arrangements were made, new debts of the provinces were assumed by the Dominion, and the provinces were freed from such liabilities. By this means the capitation allowance for debt was increased from \$25 to \$32.43 per head. This is the last allowance that was made for debt, and, if I remember well this was made by statute passed in 1884 or 1885. Therefore, we make this allowance of \$34.43 per head to these new provinces. They have a population of 250,000 souls each. This makes a total of \$8,107,500.

Mr. FOSTER. On the basis of \$32.43 ?

Sir WILFRID LAURIER. On the basis of \$32.43, \$8,107,500. Upon this we allow the large rate of interest which has been given to all the provinces of 5 per cent. We now come to the allowance for land.

Mr. R. L. BORDEN. Before the right hon. gentleman touches the land—he has spoken of the population of the Territories as amounting, at the present time, to 500,000 souls, and the allowance both for debt and subsidies based on that; would he be good enough to give us any information in his possession as to that question ?

Sir WILFRID LAURIER. As I stated a moment ago, by the last census the population of the Northwest Territories was 165,555 souls. Since that time increases have been made, and the population now amounts, according to the last returns placed in my hands, to 417,956 souls. The population is increasing rapidly.

Mr. FOSTER. What was the basis of the estimate ?

Sir WILFRID LAURIER. The returns mostly of immigration, but I will give the exact basis as we have it correctly from the Interior Department. Total population as per census of 1901, 165,555 souls; increase of population by homesteaders since the census of 1901, 221,251 souls.

Mr. FOSTER. Entries or actual settlers ?

Sir WILFRID LAURIER. I do not know that they are actual entries, but we calculate the population upon entries for homesteads. I will read the figures :

Population at present of Northwest Territories (estimated)	417,956
Total population as per census of 1901..	165,555
Increase of population of homesteaders since the census of 1901..	221,251
Increase of population other than homesteaders since census, 1901, say..	16,000
(Estimated from Waghorn's Guide.)	
Estimated natural increase of the population at 1901 to date is..	9,900
Estimated natural increase of the increase of population in 1902 to date is	1,935
Estimated natural increase of the increase of population in 1903 to date is	2,370
Estimated natural increase of the increase of population in 1904 to date is	945
	417,956

Now, this Act is not to come into force until the 1st of July, and we estimate that by the 1st of July the population will have increased to 500,000 souls. This is the basis of our calculation. Now, I said a moment ago, and the House seemed to agree with me, that as we retain the lands in our own hands, it is natural and to be expected that government and parliament would be liberal in their allowance to the new provinces for compensation in that respect. Manitoba, which has an area of 73,000 square miles, received as compensation for her lands some fifteen or twenty years ago an annual grant of \$100,000. Apart from that, Manitoba has