

and are consequently, for all practical purposes, in the same condition as were these in 1867. Whenever a province enters confederation, that very day it surrenders its right to collect excise and customs and places itself in the same condition as that in which were the older provinces. Suppose you were to say to-day to the provinces of Saskatchewan and Alberta: Will you agree to come into confederation without compensation or subsidy at all? They would reply no. Of that there can be no doubt, and the gentlemen who represent these provinces to-day will agree in what I say. What is to be done under such circumstances? We are not introducing a new principle but simply applying that which was accepted in 1867.

Mr. SPROULE. And which has been found a failure for the object in view.

Sir WILFRID LAURIER. I will not discuss that now. But suppose it were a failure, where would you apply the remedy? Would it not be where the failure had taken place? That failure has not taken place in the new provinces, but in the provinces that exist to-day. If you are to introduce the principle of reform, you ought to introduce it, not where there has been no failure, but in all the provinces generally. I agree with my hon. friend (Mr. Sproule) that it may be that the question of principle may have to be taken up at some future day. For my part, I think we shall have to revise the subsidy question. If I propose the present plan, it is not because I am satisfied that it is the best that could be. It is not the ideal. But we have to conform to the measure the people will accept, no more. But the day may come, probably at no distant time, when the whole subject of the provincial subsidies will have to be taken up in a more radical way than any in which we can deal with it to-day. But, as a matter of fact, it is not possible to take it up to-day. We have to legislate within the four corners of the constitution, not only within the good elements, but within the blemishes also. Even though there may be a blemish, we must accept it and carry it out loyally. I have to repeat what I had occasion to say on introducing this Bill, that confederation was, above all things, a compromise. It was almost a superhuman effort to get the several provinces of Nova Scotia, New Brunswick, Quebec and Ontario to agree to surrender their identity and merge it in a common whole. And those who wanted that conclusion had to sacrifice a good deal to gain it.

Mr. BERGERON. I may not quite understand it, but it seems to me that the entry of the original provinces into confederation and the entry of the Northwest Territories into confederation are not the same thing.

Sir WILFRID LAURIER.

at all. Confederation was a union of sovereign provinces who made a compact. They existed before confederation, and they had their sources of revenue, and, before they gave these up, they exacted something from the common government, demanding so much per head of their population. It was fixed at 80 cents per head. I do not know why it was fixed at that figure, but it was the consideration agreed upon. But the Northwest Territories are not, in the proper sense, provinces coming into confederation. They are Territories, they are lands we have bought. We, the Dominion of Canada, the province who form confederation are the buyers, or the owners, if I may use that word, of these provinces which were for a long time Territories. Those Territories are peopled by some who were formerly inhabitants of the older provinces and also by many immigrants who have come in from all over the world. We are deciding to-day to erect them into provinces and to give them autonomy. But we are not in the same position with regard to them as we were with regard to the older provinces. So, it has struck me, as it has struck my hon. friend from Halton (Mr. Henderson) that we do not owe these new provinces 80 cents per head on their population for the same consideration that we owed that money to the older provinces. I would not say that I am opposed to giving it, because I can imagine that some strong consideration must have actuated the government in deciding upon this proposal. But it seems to me that the argument of the hon. member for Halton is a very strong one. As to any change in the allowances to the provinces generally, we have heard of that for many years. I should have thought that my hon. friend the Minister of Finance would have been able to give something of the reasons for the demands made upon the Dominion government to increase the allowance, he having taken part in the conference of some years ago. I think the allowance proposed was to be \$1 per head.

Mr. FIELDING. My hon. friend (Mr. Bergeron) may be right. It was a good many years ago.

Mr. BERGERON. The reason why I think it was \$1 per head was that I recollect it being stated that \$1 at the time of the conference was about the same as 80 cents at the time of confederation. There must have been an answer from the Dominion government to the demand made by the conference. What was the answer? I think that was in 1888 or 1887.

Mr. FIELDING. It was in 1887.

Mr. BERGERON. The right hon. leader of the government (Sir Wilfrid Laurier) at that time was sitting on this side of the House. Since he has been in power I can