

Mr. LAKE. I think the Minister of the Interior forgets that the autonomy draft Bill was not passed by the assembly before being submitted to this government. This was drawn up on the responsibility of the Prime Minister of the Northwest Territories and his colleagues. And his telegram, I think, followed immediately after his letter forwarding the Bill. His letter forwarding the Bill was dated 7th December, and his telegram followed immediately. So it is evident that this was a clerical error. I appreciate the statement of the Minister of the Interior that the population upon which the Territories as a whole will get the capitation allowance will, in view of the fact that there will be two provinces under this Bill, be larger than it would otherwise have been. But, after all, it must be taken into consideration that it will mean that two separate local governments will have to be carried on with a great deal of expensive machinery; and this, in my opinion, does not compensate for the increased expenditure which will be necessary.

Mr. OLIVER. It is not required to compensate for the increased expenditure which will be necessary, because provision is made to the amount of \$50,000 a year for each province, as compared with \$50,000 a year for one province provided for in Mr. Haultain's draft Bill.

On section 18,

Inasmuch as the said province is not in debt, it shall be entitled to be paid and to receive from the government of Canada, by half-yearly payments in advance, an annual sum of \$405,375, being the equivalent of interest at the rate of five per cent per annum on the sum of \$8,107,500.

Mr. HENDERSON. On a former occasion I made a reference to this clause 18, which clause I will read:

18. Inasmuch as he said province is not in debt, it shall be entitled to be paid and to receive from the government of Canada, by half-yearly payments in advance, interest at the rate of five per cent per annum on the sum of eight million one hundred and seven thousand five hundred dollars.

What I fear is that in after years—

Mr. FIELDING. The hon. gentleman has not the clause in its present form. Having regard to my hon. friend's suggestion, we changed that so that we pay an annual sum, 'being the equivalent of' the interest, which, lawyers tell me, means the same amount of money, but on a different condition.

Mr. HENDERSON. I understand the Minister of Finance to say that he made the change in this clause with a view to meeting the opinion of his legal adviser, who, I presume, is the Minister of Justice in this case. Now, we in the province of Ontario have had a good deal of experience in the interpretation of a clause of this kind; and it is owing to the very great difference of

Mr. SPROULE.

opinion that exists there among legal men as to the meaning of such a clause that I draw attention to the matter now. I am very much inclined to think, notwithstanding what the Minister of Finance has said, that with his own interpretation given in a similar matter in the province of Ontario, the difficulty which I apprehended would arise, and which I think the Minister of Finance did not intend should arise, may still come up. If I understand the minister, he has no intention to go further than to pay over to the province of Alberta each year the sum of \$405,375 as an allowance on account of the province having had no debt. I assume that it is not his intention at any time to pay any part of the principle sum on which this interest is calculated. I believe that is the hon. minister's intention; at any rate, I think that is the intention of parliament.

Mr. FIELDING. Yes.

Mr. HENDERSON. Now, are we sure in the light of the experience we have had in the past that that will be the interpretation in after years put upon this clause? A favourite argument in the province of Ontario, under a very similar condition, in fact a case not nearly so strong, was that where there was interest there must be principal behind it; and if the Dominion was entitled to pay to the province of Ontario a fixed amount of interest yearly, certainly there was a capital which the province was entitled to call for. That was the case in reference to the subsidy granted to the province of Ontario in the year 1884 of \$142,414, being the equivalent of 5 per cent interest on \$2,848,000. Now, to put the matter plainly, I will read a letter written by the Minister of Finance, and we will ascertain whether his opinion is the same to-day as it was in the year 1900; if it is, then I think we should make some further change in this clause. The letter is somewhat lengthy, but I can read it in a very few minutes. I think it is well that hon. members should hear this letter, because it reviews the whole matter. The letter is written to the provincial treasurer of the province of Ontario, dated, Ottawa, January 12, 1900, in answer to a communication sent by the Hon. Mr. Ross to the Minister of Finance. The Minister of Finance, the Hon. Mr. Fielding, writes as follows:

Ottawa, January 12, 1900.

My Dear Mr. Ross,—I have the honour to acknowledge receipt of your letter of the 29th ultimo on the subject of certain moneys placed to the credit of the province and the accounts of the Dominion.

The advantage to the province in permitting these moneys to remain to the credit of the province in the Dominion, where they yield to the province five per cent interest, are so obvious that I do not suppose you are contemplating their withdrawal. As a pure matter of