

but it remained in the Dominion government. True it is that Manitoba made several efforts to acquire the ownership of the lands within her boundaries. She applied more than once to the successive governments of the Dominion, but her application was always met in the same way. It was always met by the statement that it was impossible to grant her request. The matter was finally closed in 1884 when the government of Sir John Macdonald, which had been approached on the subject, gave very forcibly and clearly the reasons why the prayer of that province could not be entertained. I may be allowed to quote to the House the language used by the government of Sir John Macdonald on the occasion. It will be found in an Order in Council of the 30th May, 1884:—

The success of the undertakings by the Dominion government in and for the Northwest, depends largely upon the settlement of the lands. Combined with a great expenditure in organizing and maintaining an immigration service abroad and at home, parliament pledged its faith to the world that a large portion of those lands should be set apart for free homesteads to all coming settlers, and another portion to be held in trust for the education of their children. No transfer could, therefore, be made, without exacting from the province the most ample securities that this pledged policy shall be maintained; hence in so far as the free lands extend there would be no monetary advantage to the province, whilst a transfer would most assuredly seriously embarrass all the costly immigration operations which the Dominion government is making mainly in behalf of Manitoba and the Territories.

The great attraction which the Canadian government now offers, the impressive fact to the mind of the men contemplating immigration is that a well known and recognized government holds unfettered in its own hand the lands which it offers free, and that that government has its agencies and organizations for directing, receiving, transporting and placing the immigrant upon the homestead which he may select. And if the immigration operations of the Dominion, which involve so large a cost, are to have continued success and to be of advantage to Manitoba and the Northwest Territories, your sub-committee deem it to be of the utmost importance that the Dominion government shall retain and control the lands which it has proclaimed free to all comers. Were there other considerations of sufficient force to induce them to recommend their transfer to Manitoba, and as a consequence and by precedent the surrender to the provinces to be created from the Northwest Territory, all the lands within their boundaries, then they would advise that the provinces holding the lands should conduct their own immigration operations at their own expense.

These reasons, strong and forcible as they were in 1884, are even stronger and more forcible in 1905, because the current of immigration is now flowing into these Territories in an unprecedented volume, and we are therefore compelled to say to the new provinces that we must continue the policy of retaining the ownership and control of the lands in our own hands. It is

conceivable that if these lands were given to the new provinces, the policy of either one of them might differ from ours and clash with our efforts to increase immigration. It might possibly render these efforts nugatory. For instance, if either of the new provinces, under the strain of financial difficulty, were to abolish the free homesteads, which have proved so beneficial and so great an inducement to immigration, one can readily understand what a great blow that would be to our immigration policy. Or if the price of government lands for sale were to be increased over the present very moderate rate, that would also be another blow to that policy. But I frankly admit, and we must all recognize, that the provinces in the west, in being deprived of the public lands, are deprived of a valuable source of income. And in that way they complain that they are put on a footing of inequality as compared with the older provinces of the Dominion. Realizing that fact, it is the duty of parliament to make ample, even generous, provision which will compensate the provinces for the retention of the lands by the Federal government, and I believe that in making this provision we shall have the full support of hon. members whether on one side or on the other.

Now I come to the financial terms which should be given to the new provinces. Our constitution, which is to be found in the British North America Act, contains a very remarkable provision. It contains the provision that out of the Federal treasury there shall be paid to the provinces a large amount of money in the shape of subsidies to assist them in carrying on their business. This, I say, is a very extraordinary provision. It is, I believe, unique. At all events, so far as my information goes, I do not know that any similar provision is to be found in the constitution of any other federal government. It is a sound principle of finance, and a still sounder principle of government, that those who have the duty of expending the revenue of a country should also be saddled with the responsibility of levying and providing it. That principle has been departed from in our case, and no doubt was departed from with some object. What can have been the reasons which induced the fathers of confederation in 1867 to depart from so obvious a principle of finance and government. The reasons are simply these. Confederation was the result of several compromises. It would have been impossible to establish it if there had not been a policy of give and take adopted among all the constituent bodies. And I am quite sure, I am speaking absolute historical truth when I say that neither Nova Scotia, New Brunswick, Ontario nor Quebec would ever have consented to part with their revenues, to give up their powers of taxation in customs and excise, if they had not been promised that out of the federal revenues they would be