

parliament granting new subsidies, or practically new subsidies, on the basis of five per cent on \$2,848,000 to the province of Ontario, and the other provinces all got what we commonly call a quid pro quo. No man in this House at that time assumed that that \$2,848,000 was a debt to be paid over to the province of Ontario in a bulk sum at any time, but the province of Ontario, in 1894, when their surplus practically disappeared, and being desirous of placing a good financial showing before the electors of the province, adopted the principle of capitalizing this sum of \$142,414 and said: The Dominion of Canada owes us \$2,848,000 in cash. Year after year the matter was discussed in the province of Ontario, some holding one thing and some the other. I always thought that that \$2,848,000 was not a debt owing by this Dominion to the province of Ontario. I was led to believe that from the fact that the Act that created that subsidy in 1884 declared that the \$142,414 should be paid in half-yearly payments to the province of Ontario as an additional subsidy. It was so declared in the Act and as it was subsidy and not interest there was no authority for capitalizing it. With other questions in dispute between the old provinces and the Dominion of Canada this same matter was referred to arbitrators, and they declared that the settlement of 1884 should be held intact and that this subsidy should continue to be paid half-yearly to the provinces of Ontario and Quebec. But, this is the point that I wish to draw attention to. At a later period the province of Ontario, still setting up the contention that this was capital owing to them, applied to the hon. Minister of Finance (Mr. Fielding) for an interpretation of the statute and I think we have it on record that the hon. Minister of Finance has given his opinion that the province of Ontario is entitled to call for that sum of \$2,848,000, subject to certain conditions, but those conditions were conditions that could very readily be got over. If I recollect aright, the simple conditions were that they could be used in the construction of public works; so that the conditions were of such a minor character that they would not constitute a defence for the Dominion of Canada in resisting payment of that money. Now what I fear here is that probably these new provinces may make a demand in the same way, and that some day, when the Minister of Finance finds himself a little short of funds, when his surplus may not be quite so large, he will find each of these provinces coming down and asking him for the sum of \$8,000,000 in solid cash. I desire to call attention to this matter because I think we should be most explicit in the language and I have never intended to find fault and I am not finding fault with the allowance. I am not

finding any fault with the province of Alberta, or the province of Saskatchewan getting a yearly allowance, on account of having no debt, of \$400,000. I am finding no fault with that, but when we are enacting this law I think we should be very particular to see that the law is framed so that these provinces will not come down at a later period and make a demand on the Dominion of Canada for something that we never intended to give them, as has been done in the case of the province of Ontario. I have no doubt that the draughtsman will be able to put that language in such definite and explicit form that there will be no danger of uncertainty, but I always thought that the language of the Act of 1884 was extremely definite and very explicit indeed. It declared that the sum to be granted to the province of Ontario at this time, the \$142,414 was to be paid as a subsidy and not as interest. Here we find that the resolution declares that there is a sum of interest to be paid half-yearly to this province. I fancy we will find as shrewd men in the Northwest Territories as we find in Ottawa and those men will come down to us and say: You are paying us half-yearly interest at the rate of five per cent on \$8,000,000; and if there is interest there must be principal, there cannot be interest without principal, and therefore without accepting your little sum of \$200,000 a year we believe we are able to manage our own affairs and we want you to pay over the \$8,000,000 at once. Now let there be no uncertainty about this. I would ask the Finance Minister before I sit down what the real meaning of the clause is. Is it to be left open, is it to be left in uncertainty, or is the government of the same mind as the Minister of Finance was of some two or three years ago, and is he of that opinion still, that under the wording of this resolution, the province of Alberta, or the province of Saskatchewan could at any time call upon the Dominion for the capital sum of \$8,000,000 instead of getting the allowance of \$200,000 per half year in perpetuity? I make no objection to the grant of money or to the allowance only I say, do not let us fall into the mistake of 1884, if a mistake was made in 1884, and leave it in uncertainty. There is certainly more room for the contention in this case that the province would have a right to call for the capital sum than in the case of 1884, because the Act of 1884 said that \$142,414 should be paid as subsidy; here it is paid as interest and as I said before if there is interest, the people there will say there is principal behind it. I submit this to the Minister of Finance and I hope he will make the matter clear, and if the language of the draughtsman is not sufficiently clear to protect us in the opinion which we desire to express, then I think the clause might be so amended as to place it beyond doubt and not leave us with a con-