

lation has reached eight hundred thousand souls.

Mr. SPROULE. I think we ought to have an explanation from the right hon. First Minister (Sir Wilfrid Laurier).

Sir WILFRID LAURIER. Resolution (a) provides, for the support of the government and the legislature, \$50,000. That is based upon the figures of the British North America Act. It is the same as Manitoba. Then, in regard to the proposed subsidy of 80 cents per head of the population, I may say that by the British North America Act it is enacted that Ontario should be paid 80 cents per head of the population of 1861, which was then in round numbers 1,400,000 souls, or 1,396,000 souls. It is distributed equally. Quebec received 80 cents per head of the population upon the census of 1861, which showed a population of a little over 1,110,000. Then, all the other provinces, that is to say, Nova Scotia, New Brunswick, Manitoba, and so on, were paid 80 cents per head until they reached the maximum of 400,000 souls. It was obviously impossible to accept this maximum for the provinces of Saskatchewan and Alberta, because already the two together have a population which exceeds the minimum limit of 400,000 souls, so we have suggested that the gradation should go on until they have reached in each province a population of 800,000. You have to fix some arbitrary figure, but it seems to me that the figure that has been arrived at is as near justice as can be expected.

Mr. R. L. BORDEN. It seems to be a very arbitrary arrangement after all. Do hon. gentlemen know on what it is really based? If I remember aright in Nova Scotia at the time of confederation when the people were very much opposed to entering confederation, the cry was that we were being sold for 80 cents a head.

Mr. FIELDING. The price of a sheep-skin.

Mr. R. L. BORDEN. Yes, for the price of a sheep skin. How is this 80 cents a head arrived at? Why is it that the allowance now is so much smaller in this instance?

Mr. FIELDING. Eighty cents a head was simply an arbitrary rate reached in order to allow what was thought to be a reasonable sum on the population to assist in the maintenance of the local government. There has never been any particular question about that because it was 80 cents all around; the real difficulty that has from time to time arisen with the provincial governments is with respect to the limitation on population.

Mr. R. L. BORDEN. That is what I was asking about.

Sir WILFRID LAURIER.

Mr. FIELDING. That is the real difficulty, and I confess I have never been able to understand the precise reason why these limitations were put on the provinces. It would seem reasonable that if the provinces were to receive a proportion of their income from the federal treasury, their needs would increase with their population, and that whatever that population might be in the future, they should be paid an allowance per capita, although not necessarily the same allowance, because one can conceive that if the population increased very largely a proportionately smaller rate per head might serve as well for the purposes of government as a larger rate would in a thinly populated country. The reason for the limit of 400,000 souls in Nova Scotia and 800,000 as we are now making it in these provinces in order that it may correspond with the general principle of the Act, has never been made very clear, and I do not know if any of my hon. friends have ever heard a reason given. It is the cause at this moment of very considerable dissatisfaction in all the provinces and it has been proposed from time to time that that limitation should be removed, and that as the provinces increased in population the amount of their allowance should also increase. But inasmuch as in the past there has been a fixed limitation in the provinces we are making this analogous to it, making a liberal allowance for the growth of the provinces.

Mr. SPROULE. There have been many applications from Quebec and the other provinces for a readjustment of their subsidies and we know that from the maritime provinces in the last few years there have been representations of this kind. In the first instance, as I understand, they all received 80 cents a head and they were to receive that up to a limit of population; that was regarded as a fixed and proper sum which each should have. In view of these repeated applications from the different provinces does the government think that they are justified in fixing the new provinces at the same sum now? If the experience of the past has proven that that is not enough, would this not be the proper time for them to consider what is a proper amount and fix it at that sum for the new provinces at the present time, rather than have to go over the whole question when applications are received from the various provinces for an increase of their subsidy? If you consider applications from Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Ontario and Manitoba, you would have to consider the case of the Northwest Territories as well, and this may occur next year. It seems to me that our experience ought to enable us to determine very well whether this is the correct sum or not, and if it is not a large enough sum we should strike the present rate for the