

works there than it does in the eastern provinces, and also because the cost of living and the rate of wages are much higher than they are in the east. We should not be unmindful, in dealing with these two new provinces, of two considerations, one of which is that probably it will cost more there to carry out public works—as it does now in British Columbia—than it costs in the eastern provinces; in addition to that, we have to remember the sparse population and the necessity of spreading out public works over a large area. These are considerations which we ought to take into account. But what I want to come down to is, after all, the practical question, that is, the entire absence of any principle which, apparently, has been found to guide the government in fixing the subsidies for these provinces. Along what lines have they proceeded, upon what principle have they acted in selecting the figures of 800,000 of a population as the limit upon which they fix the allowance? There may possibly have been considerations which would have induced them to fix that at a larger amount, such as the higher cost of public works and the sparse population spread over a great area. They have departed from the limit of population fixed for the maritime provinces, and they have departed also from the limit of the population fixed for Ontario and Quebec, and they have adopted a somewhat middle course. But I cannot see upon what principle they fix that particular limit of 800,000 population for the new provinces. Is it based on any principle whatever, or is it simply arbitrary, as was the limit fixed for Nova Scotia, New Brunswick, Quebec and Ontario, in the first instance? How is it arrived at? Is it simply a guess at the amount which should be considered proper, or is it fixed as a sort of half-way house between the 400,000 for Nova Scotia and New Brunswick and the 1,400,000 for Quebec?

Sir WILFRID LAURIER. That is a fair question. When we came to discuss this clause we would have been glad to know what principle the population limit had been fixed for Nova Scotia and New Brunswick at 400,000, and for Manitoba at 400,000. The record shows us nothing at all about that. But looking at the history of the case, we found that this sum was given, as has been stated already, to start the provinces with, to give them some compensation for what they were losing in entering confederation. The first thought evidently of those who framed the Quebec resolutions was to take the basis of the population as it was in the census of 1861. They did that for Quebec and Ontario. But at that time the population of the maritime provinces, Nova Scotia and New Brunswick, was very small, if I remember right about 100,000 each.

Mr. R. L. BORDEN.

Mr. FIELDING. 330,000 for Nova Scotia and 250,000 for New Brunswick.

Sir WILFRID LAURIER. Well, the limit of population was fixed for them at 400,000, beyond which their subsidies could not be increased. Therefore it did not seem unreasonable that we should fix a limit double that amount for these new provinces, which have so much larger an area, so much more territory, and which already start with an estimated population of 250,000 each. With regard to Manitoba, the case is absolutely hopeless. Everything with regard to Manitoba seems to have been done in a purely arbitrary manner, without any principle which we can discover. Therefore the best thing we could do was to say that we will give these new provinces subsidies on an estimated population double that which has been fixed as the limit for Nova Scotia and New Brunswick. Can the hon. gentleman suggest anything better than that?

Mr. R. L. BORDEN. We do not claim on this side to have given the matter the same consideration which the government have given it in framing this Bill. Only by way of criticism can we endeavour to arrive at some better conclusion, if any can be found. But it would seem to me that the reason which the right hon. gentleman advanced is not so much one which would lead us to fix their limit at 800,000 as it is one which would lead us to give them a larger per capita allowance in the first instance, when the population is sparse and the territory very great. I do not see that you will logically reach the result claimed by the hon. gentleman, if you follow the statement of the case which he has made. In the commonwealth of Australia there is an appropriation for customs and excise by the federal legislature, but if I recollect rightly, the provinces receive, not an arbitrary sum, but a proportionate part.

It may be impossible—I am not suggesting it would be possible—to carry that out here because goods to a very large amount, entered in one province, are eventually consumed and indirect taxation upon them is possibly paid, to some extent, at least, in another province. I do not know that you could get a great deal of comfort out of that, perhaps, but still the basis of proportion, would naturally appeal to one as a somewhat more logical basis than the arbitrary basis which was adopted by the fathers of confederation and which has been followed ever since. The difficulty, of course, is to suggest what we would substitute, but that only brings me back once more to what I pointed out in the few remarks that I made a moment ago, and that is the extreme importance of dealing with the whole question as far as all the provinces are concerned, if it is really proposed to deal with that question, at