

our view with regard to the case of Ontario. Whether we should use other words to make it clear that this is an annuity and not a capitalized sum is worthy of consideration, and before the Bill is finally disposed of I will return to the matter again.

Mr. HENDERSON. I do not wish to prolong the discussion, but there may not be another opportunity for some days to take this matter up. I never could agree with the Minister of Finance that that was a capital sum. It is a simple matter of bookkeeping. I know that in the Act of 1884 it is stated as capital, but the Act says that the interest at five per cent will be paid to the province as an annual subsidy. The sum of \$4,848,000 was never owing by the Dominion to the province. It was practically a scheme to provide a basis on which a new subsidy could be calculated. It was no more a capital sum than the assessment of a town or village; it was simply used for the purpose of determining what the subsidy should be, just as we use an assessment and an assessment roll in order to fix the rate of taxation. I believe that was the opinion of the judges of the Supreme Court when they had that matter under consideration. My recollection is that they decided that when the subsidy had been ascertained as \$142,414, the capital sum dropped out of sight and was no more to be regarded as capital. But, as the Finance Minister has told us that he is prepared to modify, if necessary, the language in this resolution to make plain what the intention of parliament is, I am quite satisfied. All we want is to have it definitely understood, so that it will not be said in future years that we made a mistake in our legislation or left it an open question as to whether the province should call on us for \$400,000 a year in perpetuity, or come down on us at once for \$8,000,000. Perhaps if they got the \$8,000,000, they might use it extravagantly. I do not say that they would, but I think it is better to give them an annuity in perpetuity. It will be better for them, because it will be equivalent to an investment at 5 per cent. But as the Finance Minister has promised to make the matter clear, I am satisfied.

Mr. INGRAM. Up to the time of the introduction of this Bill I understand that the government of the Northwest Territories acknowledged that they were in debt to the Dominion. I notice in a speech delivered by the premier of the Northwest Territories in 1900, that he admitted \$3,000,000 odd, made up of several items. This resolution reads, 'inasmuch as the said province is not in debt.' This would appear rather conflicting with the fact. I would like some explanation with respect to that.

Mr. FIELDING. In our detailed statement in the Public Accounts of expenditures on various public works and services through-

out the Dominion there is a column headed 'Northwest Territories,' in which these expenditures for a long series of years are totalled up; but the amount does not represent a debt due by the Northwest government, and we do not claim it as such.

Mr. HENDERSON. How does the hon. gentleman propose to get rid of that in the public accounts?

Mr. FIELDING. It is not a debt and does not appear as a debt. It is only a statement of public services on which we have spent so much money. These are the items of expenditure in detail, but they do not represent debts, and they are not so claimed in the public accounts.

Mr. INGRAM. My object simply was to find out why it was charged to the Territories.

Mr. FIELDING. It is an item for expenditure in the Territories but not a debt due by the Northwest government.

Mr. R. L. BORDEN. There may be one or two little matters that have not been explained in this connection. I am willing this should pass on the understanding that we may ask the explanations on the next item.

Mr. FIELDING. I would like to propose an amendment to the next clause. It does not change the substance of these resolutions but only their form. Resolution 3 deals with the allowances for land. In the form as it is drafted, we have not only given the amounts we propose to allow but the arguments on which the allowance is founded. That seems unnecessary and I propose to amend the clause as follows:

19. Inasmuch as the said province will not have the lands as a source of revenue, there shall be paid by Canada to the provinces annually a sum based upon the population of the province as from time to time ascertained by the quinquennial census thereof, as follows:

The population of the said province being assumed to be at present 250,000, the sum payable until such population reaches 400,000 shall be \$375,000;

Thereafter until such population reaches 800,000, the sum payable shall be \$562,500;

Thereafter until such population reaches 1,200,000, the sum payable shall be \$750,000;

And thereafter the sum payable shall be \$1,112,500.

2. As an additional allowance in lieu of public lands there shall be paid by Canada to the province annually for five years from the time this Act comes into force, to provide for the construction of necessary public buildings the sum of \$93,750.

Mr. U. WILSON. In the original you say twenty-five million acres.

Mr. FIELDING. We leave out both the quantity and the value of the lands and give the population, and the result is the same to the province.