

Mr. R. L. BORDEN. As I make it, the probable revenue for the new provinces would be \$1,124,125 for the first year.

Mr. FIELDING. \$1,123,125, substantially the same as the hon. gentleman's figures.

Mr. HENDERSON. When the population reaches 800,000, I make the revenue for each province \$1,652, 000.

Mr. FIELDING. But at that time the revenue which will come to the Dominion will be a very large sum, and we can well afford to pay them an increased subsidy.

Mr. HENDERSON. If the member for Assiniboia (Mr. Scott) is correct, it will reach \$10,000,000. But I think that is a mere guess because the population would have to increase very rapidly indeed to bring the revenue to \$10,000,000. It would have to increase more than twice as rapidly as it does now; because if we take the revenue per capita of the whole Dominion, which is \$8.87, and apply it to a population of 5,000,000, for each of those two provinces, it would not produce quite \$5,000,000, which is a long way from \$10,000,000, which the hon. gentleman said would be the revenue, possibly, when they reached the 800,000. An increase of 300,000 over 500,000 would not make up the other \$5,000,000. So I think we must not bank too much on this enormous increase of revenue to meet the very large expenditure. We will have to make a more careful calculation than was made by the member for Assiniboia.

Mr. INGRAM. As I understand it, the proposition of the Territories was \$1,396,000. So there is that difference between the government's proposition and that which the Northwest Territories submitted in their draft Bill.

Mr. FITZPATRICK. They asked altogether for \$1,909,485, to include all the services that they are now responsible for, and the services that are provided for by the Dominion government directly. That was their request, \$1,909,485. Now when we examine the details of the figures, we find that in that sum they include a sum of \$3,000 in connection with the administration of justice, which they wanted added on, though it is already provided for. They included the sum of \$8,000 for the Edmonton jail. That sum of \$8,000 for the Edmonton jail will not be a charge on them at all, it will remain with us, because the Edmonton jail is to be treated as a penitentiary for the Territories. Therefore the financial obligations connected with that penitentiary will be upon us, and that sum is deducted from the amount they claim, as the jail will not pass over. Then in connection with the police service, they charged \$100,000, which they wanted us to give them in order that they may provide for their police service. We did not think, in view of the fact that the Northwest Mounted Police is to be main-

tained by the Dominion government, that we ought to maintain the police, and at the same time give them \$100,000 for the same service; because there is a provision in the Northwest Mounted Police Act that if they require the services of the police they can apply for them, and each municipality of the province can pay for such service as they require from the police. Therefore that sum is also to be deducted. Then they charged, in connection with public works, a sum of \$13,000, which we did not think ought to be admitted. They claimed in connection with colonization roads, the sum of \$25,000, which we did not think ought to be admitted, because it is the intention of the government, so far as these colonization roads are necessary, to continue to make the expenditure ourselves, in view of the fact that a part of the Territories will still remain under our control.

Mr. HENDERSON. Do you continue the construction of these colonization roads in the new provinces as a Dominion work?

Mr. FITZPATRICK. In so far as it may be necessary to make colonization roads, it is our intention to make them, both in the new provinces and outside—if we deem it necessary to make any. Then in addition, they asked for \$100,000 for the construction of a fence along the international boundary. We did not think that was necessary, and if it was necessary to construct it, we should do it ourselves. So we deducted that amount. Then there is another amount of \$50,000 to be deducted, which they charged as the result, they claimed, of an examination of the Auditor General's Report of 1902-3. They seemed to think they were entitled to \$50,000 more, which we also deducted. So that from this sum of \$1,909,485 these deductions have to be made, and if these are taken into account, it will be found that the amount we have given to them to be derived from the different sources of revenue mentioned in the resolution, will practically meet all their requirements, of course, always bearing in mind that they have from their local sources a revenue of \$143,000.

2. Resolved, That inasmuch as the said province is not in debt, it shall be entitled to be paid and receive from the government of Canada, by half-yearly payments in advance, interest at the rate of five per cent per annum on the sum of eight million one hundred and seven thousand five hundred dollars.

Mr. HENDERSON. To my mind that is one of the most interesting resolutions in the schedule. I desire to ask the Finance Minister whether, if parliament should grant this allowance to each of the new provinces, that is an allowance of five per cent on the sum here mentioned, he would still hold to the view that he holds in the case of Ontario, that the province could at any time call on this Dominion to pay over that \$8,000,000? Now if it is not the intention of the govern-