

provinces holding the lands should conduct their own immigration operations at their own expense.

And so against the contention of my hon. friend (Mr. R. L. Borden) to-day that it is a wise policy to surrender these lands to the local authorities we have the deliberate conclusion of the Dominion government of earlier days, the government of that distinguished statesman, whose name is always so warmly honoured by hon. gentlemen on the other side, we have the decision of Sir John Macdonald at the time of the creation of the province of Manitoba and afterwards when the question was revived by the provincial government, we have the decision of that eminent statesman that in the true interests of this Dominion the lands of Manitoba and the Northwest should remain under the control of the Dominion government.

Next, Sir, we may come briefly to the question of the financial arrangements. At the time of confederation it was agreed that the various provinces which form the union should surrender their customs and excise duties to the common treasury at Ottawa. But they required as a condition of confederation that some portion of these moneys should be returned to the provinces to assist in the maintenance of the provincial government, and thus there was established the system of provincial subsidies. The principles governing the distribution of money to the provinces are pretty well laid down. As the first step we give a certain fixed sum, having due regard to the responsibilities of the various provinces, in the way of allowance for government. Then there is a sum of 80 cents per head on the population, and finally there is an adjustment of the debt account whereby in some cases an allowance is made to the province in the form of interest on a public debt which that province might owe but which in the particular case does not happen to exist. So far the principles under which these subsidies and aids to provinces may be granted are pretty well understood, and they are applied in this case to the new provinces to be created, taking an estimated population which is probably a fair and liberal one upon which they shall receive the sums set down in the Bill.

One other financial question remains and it is one which arises out of the retention of the lands by the Dominion government. Since we have allowed the other provinces to retain the lands, and since they have them as a source of revenue, and since in the case of the Northwest Provinces we withhold the lands from them and they are deprived of that source of revenue, it follows that we must make some allowance to them, and it will be admitted that we should make a reasonable and generous allowance. I have seen comparisons made in criticism of this measure between the sums which

will be received by these provinces in the west from the Dominion treasury and the sums which are received by some of the other provinces. I have seen a comparison made in the case of my own province particularly. Comparisons of that nature are very unfair and may easily be misleading. If I turn to the latest returns which I have at hand I find that in the case of Ontario the province receives about \$1,500,000 a year of revenue from its lands. The Northwest Provinces will receive nothing to correspond with that and therefore we must make a liberal allowance to them. Quebec receives about \$1,300,000 per annum, according to a recent report, in the way of revenue from lands, forests and minerals. My own province, Nova Scotia, received last year over \$600,000 from its lands, mines and minerals. We deprive the new provinces in the west of these sources of revenue, and of course we should make up the sum to them by liberal allowances. I do not think that, on the whole, we can complain much of the financial terms. It may be that when we come to deal with the Bill in committee some questions may arise that may require further consideration, but speaking generally I think the most that can be said about the financial terms is that they are liberal—and I am sure that on both sides of the House we would desire to be liberal as respects these two provinces which will have a large territory and will begin with a comparatively sparse population. We all realize that a population scattered over a wide territory requires man for man more money for the expenses of government than a population which is closely settled together. I think therefore on the whole, reserving any discussion of details until we go into committee on the Bill, that the terms are liberal to these two provinces, they are generous, but not more generous than hon. gentlemen on both sides would desire we should make them.

But I know that all these questions, important though they may be, are overshadowed in the public mind by this great question of education. I believe that to-day most of the people of Canada are not thinking very much about the financial terms, the lands or anything of that sort, but they are very much disturbed in many quarters in consequence of reports that have gone abroad as to the nature and effect of the resolutions proposed in relation to the public schools. Now this belongs to a class of questions that at any time should be approached with all possible deliberation, especially in a country like Canada, with our diversity of race and creed. He would be a rash man who would plunge into a discussion of this question without a disposition to be considerate with regard not only to the opinions and convictions, but possibly even to the prejudices of his fellow men. It is in that spirit that we should approach the question.