

and disbursements in connection with the matter have greatly exceeded said sum.

It was perfectly understood that I was not to receive any portion of the remaining \$4,500 for my personal benefit, but that it would be a payment by the town in aid of the construction of the work. I had no idea of going to the government for assistance in the undertaking nor did I ever apply to the government for aid in the prosecution of the work. My efforts were directed solely to the enlisting of capital from private individuals or companies, as it was perfectly well understood in the negotiations that they would be. The reference to the meeting of 'January 8th, published in the weekly 'Courier,' and a portion of which only the hon. member for Lincoln read, contains the following remarks :

The acting mayor said he would make a brief statement before putting the resolution. It was supposed he said, when the ratepayers voted for the expenditure of this money that they were sincere ; it now appears that some, at least, of them were insincere. It seems they have been willing to vilify their own conduct in the endeavour to make some political capital, and that they have anything but the welfare of the town and surrounding country at heart. But it is better the agreement should be cancelled, than that it should be misrepresented, and an entirely false construction put on it throughout the length and breadth of the land, merely to gratify the spite of the few insignificant would-be politicians.

I have made this plain statement of the facts for the information of the House, not merely for the purpose of justifying myself in the matter, but to remove the imputation which the remarks of the hon. member for East Simcoe and the hon. member for Lincoln were calculated to cast upon my constituents, the town council and the citizens of Digby, who unanimously endorsed the whole transaction. The said town council consisted of three Conservatives and three Liberals and was presided over by a Liberal mayor. The said meeting of the citizens of Digby, as already stated, was composed of Liberals and Conservatives in about equal numbers. The whole transaction was placed before these two bodies and if it were capable of bearing the construction placed upon it by the hon. members for East Simcoe and Lincoln, they would be as deeply involved in the impropriety as myself. No such construction was intended nor can such facts and circumstances, which I am prepared to prove in the usual way before the hon. Privileges and Elections Committee if any hon. gentleman should desire to challenge my statement.

PROVINCIAL SUBSIDIES.

Mr. R. L. BORDEN (Halifax). Before the Orders of the Day are called, I would like

to call the attention of the government to a report—an official report, I believe—of the proceedings in the New Brunswick legislature on the 15th of March, according to which the Hon. Mr. Pugsley, the Attorney General of New Brunswick, is said to have made the following statement :

The Quebec resolutions had expressed the opinion that the Dominion government should bear the expense of administering the criminal law, and our government had deferred coming to a decision until the Dominion government had dealt with the subjects mentioned in the Quebec conference. He was glad to be able to say that he had brought from Ottawa a message from the leader of the government to the leader of the provincial government which had given them the strongest possible assurance that the resolutions of the Quebec conference in regard to additional subsidies for the provinces would be carried into effect.

Might I ask the right hon. gentleman whether or not this statement is correct, and whether he has any information to give us on the subject.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). The premiers of the several provinces have applied to the government for a reconsideration of the terms, which reconsideration would involve a readjustment of the financial arrangements between the Dominion and the provinces. The matter has never been taken up officially yet by the government, but speaking for myself personally, I said to Mr. Pugsley that I was of opinion this matter should be taken up at an early date, without stating at all in what direction.

SUPPLY.

The Hon. W. S. FIELDING (Minister of Finance) moved that the House go into Committee of Supply.

Mr. R. L. BORDEN. Has the Auditor General's Report been brought down yet ?

Hon. Mr. FIELDING. Not yet, but my hon. colleague, the Secretary of State, expects it will be ready on Monday.

Mr. R. L. BORDEN. It is somewhat awkward to go on with the estimates to any extent without having the Auditor General's Report before us. That was recognized last year by my hon. friend in a similar condition of affairs.

Hon. Mr. FIELDING. I quite admit that it is quite proper for my hon. friend to urge that we should not proceed until we have the Auditor General's Report, but if he has no objection we might take up non-contentious items and begin with civil government.

Mr. R. L. BORDEN. I have no objection to our going on with the items of civil government, but it must be well understood that, according to a well-known rule laid down in the past, this shall not be regarded as a precedent.