

Government to change them even if it wished to do so. A condition had been created which was satisfactory to all parties concerned. It might have been considered that the incident was closed. But it was not closed, because of the action of the then leader of the Opposition, now leader of the Government. You, Mr. Speaker, and the House will remember that when the financial arrangement with the two western provinces was made, a part of that arrangement was based upon land; a part of the subsidy was in lieu of land. It is not necessary to go into details as to how the calculation was made, but, as a matter of fact, a large proportion of the subsidy given to the western provinces was given in lieu of their right to the lands, which were to be administered by this Government. In making that arrangement it was deemed that the land had a certain value. I find, on reference to the report of the Department of the Interior, that in the year 1903 the sales of western lands made by the railway companies and the Hudson Bay Company had averaged a little less than \$3.50 an acre, and in 1905, when the financial arrangement was made, the average price had increased to \$5.09 an acre. It was on that condition of land values in the West that the financial arrangements were made.

The new provincial governments assumed their responsibilities, and there followed the most rapid agricultural expansion in those two provinces that ever occurred in any country in the world. That meant that the burdens of provincial government were increased far beyond the expectations that existed when the governments were formed. With every additional settler came a demand for advantages to be conferred through provincial expenditure. Not only in the matter of roads, bridges and public institutions, but it is a matter well known to the House that these two prairie provinces have been compelled to incur indirect indebtedness to the amount of many millions of dollars in order to secure railway facilities to meet even in a measurable degree, the influx of population that followed their organization. They have had to assume burdens of responsibility because of the rapid development of the country far beyond what was expected when these two provinces were formed. Naturally, with that increase of population, with that requirement of railroad building and road construction, came an increase in the value of the land. I

[Mr. Oliver.]

find that, whereas, in 1905 the average price of land sold in the prairie provinces was \$5.09 an acre, in the year 1911 the average price was \$12.16 an acre, and while five millions of acres were sold in 1905, nearly twenty millions of acres were sold in 1911.

It was not wonderful at all that, in view of the unexpected burdens that were laid upon the provincial administrations, and with the marvellous and equally unexpected increase in the values of the lands of those provinces in the years between 1905 and 1911, the sympathizers, the friends and even the emissaries of the then leader of the Opposition and present leader of the Government, found it easy throughout these provinces to explain that they had made a bad bargain with the Grit Government in regard to their subsidies and natural resources, and that the remedy would be to put in power the man who, when these subsidies were being arranged, had insisted on the provinces being given their natural resources. Circumstances—to borrow a word from my hon. friend the Minister of Finance (Mr. White)—synchronized, so that it was possible for a political campaign to be organized in those provinces dangerous to the provincial governments and correspondingly politically advantageous to the party then in Opposition in this House.

It was not without knowing what he was doing that the then leader of the Opposition made the proclamation at Halifax that one of the principal planks in his somewhat lengthy platform was the giving of their natural resources to the prairie provinces. In view of his explanation here to-night as to why he cannot give these natural resources now, it is notable that he made the announcement right in the capital of the Maritime provinces. If the wishes of the Maritime provinces are dominant in this matter, it might have been supposed that the right hon. gentleman would have taken cognizance of that fact at the time, representing a Maritime constituency and being present in the Maritime provinces, and knowing as well as he does now, what position those provinces occupied in this Confederation.

The position, then, was this: A foundation had been carefully laid for a campaign that would secure the adhesion of the people of the prairie provinces to the leader of the Opposition on a pledge distinctly made by him that on accession to power he would transfer the natural resources to these provinces. Mr. Speaker, we have heard of corruption in elections, we have heard of brib-