

the North-West. The large expenditure due to the increased price of goods will diminish the settler's narrow and limited purchasing power; and will in effect render him subject to a rate of taxation so high as to interfere with his comfort and advancement. The hon. gentleman talks of a large return to the coffers of the Dominion after paying the expenses of Local Government. To talk to the men who are to settle—to whom you are going to sell lands—to talk to them of the large taxes you expect them to pay is a new way to encourage them to go there. What cold water have we thrown, as it is alleged, upon the settlement of the North-West, that can be equal to that? I maintain that for the early years the taxpaying power of the persons who migrate from the east to the west will not be anything like what the hon. gentleman states, and that, in fact we can expect no net returns of any material amount from that country during the early years of its settlement. For the first year or so but little local or municipal Government may be needed, and with the country in that disorganised state, you may, of course, take a small net revenue out of it; but after Local Governments are established the cost will more than equal the return. Nor must you forget that the country is now costing you far more than a million a year.

SIR SAMUEL L. TILLEY: British Columbia and Manitoba pay largely into the Dominion Treasury.

MR. BLAKE: I propose to show, before I sit down, the net result in those very Provinces. The conclusion is that the resident of old Canada moving to the North-West does not at first increase, but, rather diminishes the aggregate taxpaying power of the Dominion. But, besides that practical reduction in the taxpaying power, there is another reduction involved in the transfer of population. Nobody can deny that there has been a serious depreciation in the value of real estate in the Dominion.

MR. BUNSTER: Except in British Columbia.

MR. BLAKE: Well, if the hon. gentleman's exception be true, I can give no better proof of the monstrous character of the operations which are now proposed—operations for which the whole of the vast Dominion, with its overburdened

exchequer, is to be taxed to benefit a Province with 12,000 white people, which is the only Province in which real estate is on the rise; and I venture to hope that the Province which is prospering so greatly will not insist on the less prosperous Provinces further depressing their resources by raising \$30,000,000 or \$40,000,000 for the benefit of their fortunate little sister, but that she will wait a little longer for her railway. I have said there is a serious depreciation in the value of real estate. That is true in regard to Ontario, whatever it may be in regard to British Columbia; it is true as to New Brunswick; and I believe, as to the other Provinces. A chief reason is that the demand is not so great as it was formerly. Formerly our farmers, young and old, the natural increase of our population, created a demand which led to enhanced prices—now large numbers of them are going West. The supply is greater relatively than the demand, and that is one and a very potent reason why there is a depreciation in the value of our lands. Thus I attribute to the emigration this result that our property in the East is not so valuable, and not so likely to appreciate, and we ourselves will not be so well off if the people continue to migrate to the North-West; and that also shows that in the early years the migration to that country will not help us, but, in fact, will lower our tax-paying power for a time. When the settlers begin to thrive—when they pay off the \$71,000,000 which, it is alleged, they are to pay into the Exchequer, when the North-West becomes largely productive, affairs will probably change and the strength of the Dominion, as a whole, will be increased by the larger measure of prosperity enjoyed in the new settlement; but that result cannot be looked for in the immediate future, and it does not in the least alter the argument that in the near future our tax-paying power will be rather diminished than increased by the domestic migration.

SIR RICHARD J. CARTWRIGHT said he understood his hon. friend intended to speak for some time yet. He had been on his feet for a long time, and it was now late. He (Sir Richard J. Cartwright) therefore suggested that there should be an adjournment, and allow his hon. friend to continue to-morrow.

MR. BLAKE.