

That the Senate adheres to its seventh amendment, for the following, among other reasons:

1. Because section 6 of the Bill empowers the Minister to undertake the construction or improvement of highways in any province, which would be a contravention of the letter and spirit of The British North America Act, 1867, and of the uniform practice under that Act, for which contravention no sufficient cause has been shown.

2. Because the said amendment affirms in effect that it is undesirable that the Minister or the Dominion Government should usurp the rights and functions of the provincial administrations in the building and maintenance of highways and bridges.

3. Because the said amendment will not unduly hamper the administration in carrying out its policy and in applying the funds placed in the estimates for that object; sufficient provision being made in earlier clauses of the Bill for co-operation between the federal and provincial governments.

Hon. Sir RICHARD SCOTT—Is the hon. gentleman aware that on two former occasions we made annual grants; in 1887, some \$20,000 was added and in 1901 the sum of \$30,000 was added to the annual grant. So that we have violated the Act on two occasions before.

Rt. Hon. Sir RICHARD CARTWRIGHT—This is before the special Act of 1907.

Hon. Sir RICHARD SCOTT—But this declaration was just as solemn as the other.

Rt. Hon. Sir RICHARD CARTWRIGHT—One of these grants, to my certain knowledge, was given in consideration of certain claims for services.

Hon. Mr. McMULLEN—I think it exceedingly unfortunate that the government should have permitted themselves to be coaxed into bringing in a Bill of this kind. As I said when the Bill was introduced, before that island could claim any consideration at the hands of the federal government they should be in a position to show that, per capita, they pay as much taxes into their treasury as is paid by the people of other provinces. Until that is shown, and they are found face to face with a provincial deficit, then, and not till then, they should be granted relief. In Prince Edward Island they have prohibition; who is paying the cost of prohibition? They collect no money from licenses, yet I understand that whiskey is free in the province and that there is more of it now than there

ever was before. Should the other provinces be called upon to make up any loss that Prince Edward Island has sustained by adopting prohibition, cutting off hotel licenses and all revenue formerly derived from the liquor traffic? Are the other provinces to make up what Prince Edward Island should collect from property-owners in the way of municipal taxes and income taxes? Are the people of Prince Edward Island leaving the whole burden, even to the payment of their school teachers, improvement of their roads, the building of their bridges and everything else, to be borne by the provincial treasury? Are the people who have the advantage of those local works to have them paid for by the provincial treasury, when in other provinces they are paid by the municipality? I do not know whether the people of Prince Edward Island do statute labour, my impression is they do not. They appear to be free niggers from top to bottom—no statute labour, no school tax, no municipal tax, no revenue from hotel licenses—all these are cut out and the burden is borne by the other provinces. Yet in the face of that, to make up what these things would produce in the way of revenue, they come to the federal treasury and ask for an increased subsidy. I look upon it as the most unfortunate Bill introduced in this House this session, and I entirely agree with the remark that it is opening the door, in violation of the compact entered into at confederation, and still further pointing out the method by which other provinces may make similar demands.

What would you say to a province that comes now and asks an increase? Will you be able to reply that they should pay into their own provincial treasury by taxation more than they are paying? If you do, their answer will be: 'You did not talk to Prince Edward Island in that way, you did not measure the justness of their claim by taxation per capita. Why do you raise it in our case?' You are doing something by this Act that will place other provinces in the position of being able to come along and say to whatever government is in power 'We want an increased subsidy.' They will ask for increased subsidies year after year so long as there is abundance