

of the payment of that subsidy from the census of 1861, to the decennial census was a fair one, and this House should adhere to it.

Hon. Mr. LOUGHEED—Will my hon. friend say that Prince Edward Island profited in any way by the re-arrangement of subsidies to which he refers?

Rt. Hon. Sir RICHARD CARTWRIGHT—It did.

Hon. Mr. DANDURAND—I have not examined closely into the working of the arrangement of 1907. The only thing I say is, that whatever its diminution in population, it will not receive less than it was receiving then.

Hon. Mr. CLORAN—Did it not receive \$100,000?

Hon. Mr. DANDURAND—If the hon. gentleman will compare the old Subsidy Act with the one which now prevails under the arrangement of 1907, he will find Prince Edward Island has benefited, but this is not the question I desire to discuss, and I do not want to discuss the value of the claims of Prince Edward Island. The claims of Prince Edward Island may be just, partially or in toto, but what I complain of is that the federal government in voting \$100,000 to Prince Edward Island as an annual increase has not taken the precaution to give the reasons of the increase in a preamble which would have shown that this subsidy was given as a compensation of a special claim and was not purely and simply a violation of the pact entered into by Prince Edward Island and the other provinces at the time of confederation nor of the imperial Act sanctioning the agreements.

Hon. Mr. BEIQUE—Is it not in direct violation of the imperial Act?

Hon. Mr. DANDURAND—I have tried to make clear that the imperial Act which embodied the agreement between the Dominion government and Prince Edward Island is violated by this Act. I am speaking of the imperial Act which sanctioned the entry of Prince Edward Island and which has been modified by the imperial

Act of 1907. If Prince Edward Island had just or equitable claims to formulate against the federal government, the federal government could perhaps have come to parliament, and asked that they be settled by an annuity of so much instead of a capital sum to be paid outright to that province. Perhaps by looking closely at the arrangement we could still have found that this was a variation of the terms of the compact. Yet the principle on the face of the Act would at all events here be safeguarded. All that we have before us is a Bill increasing the subsidy to Prince Edward Island. That province may be absolutely entitled to this sum in the settlement of its claims against the Dominion government, but there does not appear on the face of the Act anything to justify this payment, and for this reason I move, seconded by the hon. gentleman for Toronto (Hon. Mr. Kerr), that this Bill be not now read a third time, for the following reasons:

1. Because the right of the Senate to amend a Bill is not impaired by the proceedings which may have taken place during the progress of the Bill through the Commons.
2. Because the amendments made by the Senate to the third clause of the Bill and accepted by the House of Commons provide that the grant in aid of highways shall be paid to the several provinces of the Dominion, instead of to any province as was provided by the clause in its original form; and the sub-clause 2, proposed by the Senate, indicates the reasonable principle upon which such payments should be made.
3. Because the method of distribution provided for by the fourth amendment is that announced by members of the administration in the Senate and House of Commons as contemplated and has been actually adopted in the supplementary estimates for the ensuing year.
4. Because the Bill undertakes to make certain permanent provisions as to the aid to be given to the construction and improvement of highways in the several provinces; and it is only that the principle of equal distribution in proportion to population recognized by the present administration should be permanently secured by enactment in the Bill, as otherwise, if this principle were abandoned, in future the Senate would have no other recourse than to reject the Supply Bill.
5. Because, if the principle upon which the apportionment of such grant is to be made is fixed by a permanent enactment, the task of deciding upon the items to be inserted in the Supply Bill will be simplified; and
6. Because the Administration of the day, by adopting the principle of the said fourth amendment for the ensuing fiscal year, have indicated that it is neither unnecessary nor undesirable.