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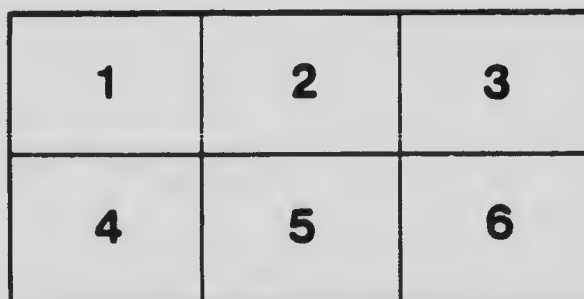
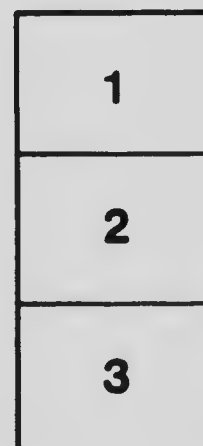
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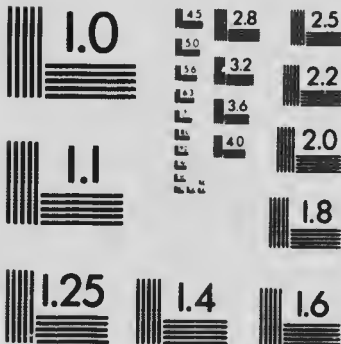
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PROVINCE OF NOVA SCOTIA

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House of Assembly  
Debates, 1920

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PRINTED BY ORDER OF THE LEGISLATIVE  
COUNCIL OF HIS EXCELLENCY THE GOVERNOR

The Claims of Nova Scotia Royalty  
William Lloyd

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PROVINCE OF NOVA SCOTIA.

House of Assembly Debates, 1920

HALIFAX, N. S.

April 14th, 1920.

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MR. TORY:—Some few days ago I gave notice that on a future day I would move the following Resolution, and I now rise for the purpose of so doing, and of making some remarks in connection therewith:

RESOLVED, that in the opinion of this House, a Conference should be immediately called of representatives of the Governments of New Brunswick, Prince Edward Island and Nova Scotia, in order that a plan may be formulated for joint action to press for a settlement of the just claims of these Provinces against the Federal Government in respect to the following matters:

1. Compensation as an equivalent for lands reserved for school purposes for the Provinces of Manitoba, Saskatchewan and Alberta.
2. Compensation as an equivalent for cash subsidies paid to the Provinces of Manitoba, Saskatchewan and Alberta, purporting to be in lieu of lands.
3. Compensation as an equivalent for land granted to the Provinces of Ontario and Quebec in which the people of the Maritime Provinces had a proprietary interest in common with the people of the other Provinces of Canada.
4. Compensation for the nonfulfillment of certain obligations respecting the Maritime Provinces, clearly set forth or implied under the terms of the British North America Act.

With reierence to that part of the Resolution, or rather the substance thereof, which refers to a Conference, I would say that since the notice of motion was given, I have had a com-

munication from the Premier of New Brunswick, and also one from the Premier of Prince Edward Island, both agreeing with the Resolution and the idea of the Conference, and advising me that they would be very glad to co-operate with the Government of Nova Scotia in order to effect the purpose of the Resolution. With that in view, therefore, and feeling that the view of this House will no doubt be to concur in the idea of a Conference, I intend to direct my remarks more in support of the claims against the Federal Government in order that the facts given may be of some service to the Conference, rather than to a discussion or presentation of an argument in favor of such a Conference.

I regret to say, in the first instance, that no progress has been made by the Government since the discussion which took place in this House last year on the same subject. Now that the settlement of the war obligations is pretty well at an end, it seems to me that the time has come when serious action should be taken with a view to consummating the purpose of the Resolution.

In passing I wish to say that, so far as party politics are concerned, I have no political motive in moving the Resolution. I want that to be clearly understood. It is not a question of party politics, and I feel that just in proportion as party politics enter into the question will our co-operation be weakened, and the success of our effort nullified. It is a question of the co-ordination of the Provinces, of the Maritime Provinces particularly, in such a way as to direct the attention of the Federal Government to the justice of the claims of these Provinces in respect to the matters under consideration. I wish to say also, that I regard the subject—so far as it affects the Maritime Provinces—as one of the most important that is likely to be discussed in this House for some time. In my judgment, our success in obtaining proper fair play and justice in regard to this matter will have much bearing on the efficiency of the various services under the jurisdiction of the Maritime Provinces in the future. I am also perfectly satisfied that the question is going to be settled, and settled adversely to these Provinces, unless we are keenly awake to our own interests and to the general interests of the people involved.

It will be seen as we proceed that the claim involves a very large amount of money, and it becomes of the greatest possible importance that a just settlement be effected in view of the continually enlarging demands of the various services for which the Provinces are responsible. Take, for example, the question of our own road policy, our educational system, our health



service, and our many other services, the demands for the support of these services are so increasing that unless some relief is obtained in the direction indicated, it will be impossible to render to our people the service they deserve, or that the taxes which they pay to the Federal and Provincial Governments warrant. I say again, the question will be settled, and settled adversely to the Maritime Provinces unless we are awake, and that is my particular object in again calling the attention of this House to the matter.

### **Both Parties Pledged to Settlement.**

In 1911, a pronouncement was made by Sir Robert Borden in Winnipeg, declaring that the question of the return of the natural resources to the Western Provinces was a matter that should engage the attention of the Government. He said on that occasion: "Before discussing a subject of great public interest now under consideration before Parliament, I desire to touch certain questions of paramount importance to the people of the West. Today in Canada six Provinces enjoy the right to control and administer the public lands, mines, minerals, and other natural resources within their boundaries. That right is not enjoyed by the three Prairie Provinces. The Liberal-Conservative Party since 1902 has firmly asserted and maintains the rights of the three Prairie Provinces to their public domain. We stand for that right today, and we will maintain it. The public lands and natural resources are vested in the Crown, to be administered for the benefit of the people. In six Provinces the Crown, in dealing with the public domain, acts upon the advice of the Provincial Ministers and under laws enacted by the Provincial Legislatures. In the three Prairie Provinces the Crown, in dealing with such lands, acts upon the advice of the Federal Ministers and under laws enacted by the Federal Parliament. Why should there be any such discrimination against the people of these three Provinces? The day is not far distant when Manitoba, Saskatchewan and Alberta will receive from a Liberal-Conservative Government at Ottawa the just recognition of their undoubted rights to their public lands and natural resources."

Also, in connection with the Liberal Convention which took place in Ottawa last year, the following Resolution was adopted:—

"Resolved, that the Provinces of Manitoba, Saskatchewan and Alberta should be granted the ownership and control of the natural resources within their respective boundaries on terms that are fair and equitable, with reference to all other Provinces of the Dominion.

In addition, in the Speech from the Throne, brought down a few days ago in New Brunswick, this declaration was made:

"No decision has yet been given respecting the claims of the several Provinces upon the Dominion Government. New Brunswick, as one of the four original partners in Confederation, will insist that there be no division of the lands or natural resources until all the Provinces which formed the Confederation are given the fairest consideration."

By the declaration of Sir Robert Borden and the foregoing Resolutions, the issue is clearly set forth, and it is up to us to give such support as may be in our power in order that a just settlement of the matter may be effected. I may say, in view of these facts, in the argument I wish to make, I am proceeding on the assumption that the lands are to be granted to the Western Provinces, and that any settlement or suggested settlement which I may offer, is offered with that in view. If I went on the assumption that these lands, or the natural resources as they are more aptly called, were not to be granted to the Western Provinces, the argument would be somewhat different.

### **The Principles Involved.**

I also wish to say a word or two in regard to the principles involved in the matter, and I think I should say in respect to the British North America Act, that it is out of that Act the difficulty arises. The principle involved in the Confederation agreement was not that of subjugating one Province to another, or of these Provinces to the Federal Government, but rather the distribution of governmental functions in such a way that the exercise of these functions should inure as equally as possible to the benefit of each Province, and of each individual in those Provinces.

In corroboration of that statement, I am going to quote Lord Watson, speaking for the Privy Council in the Liquidator case, so that we may get a clear idea of what is meant: Lord Watson said:

"The object of the Act was neither to weld the Provinces into one, nor to subordinate Provincial Governments to a central authority, but to create a Federal Government in which they should all be represented, entrusted with the exclusive administration of affairs in which they had a common interest, each Province retaining its independence and autonomy. That

object was accomplished by distributing between the Dominion and the Provinces all powers, Executive and Legislative, and all public property and revenues which had previously belonged to the Provinces, so that the Dominion should be vested with such of these powers, property and revenues as were necessary for the due performance of its constitutional functions, and that the remainder should be retained by the Provinces for the purposes of Provincial Government."

That, in my judgment, puts clearly the joint interest which we might have in all matters which come under the Federal jurisdiction. There is one other remark I should like to make in this connection, namely, that the claims set forth in the Resolution cannot be said to be based specifically on any existing law, for the British North America Act did not contemplate conditions such as have arisen, nor make provision therefor. A very eminent authority, writing on this subject says:

"A Federal Union, as has been well said, has the defects of its qualities. There are some things perhaps that cannot be done at all; at all events, there are things that cannot be done in the way and shape in which they could be done by the Legislature of one Legislative Union. The Crown's proprietary rights in Canada, as they exist under the British North America Act cannot be altered, except by conjoint action, and disputes between Governments in Canada can be submitted to judicial determination only by agreement. But apart from the relations inter se of the various Governments, there are cases in which the interest of the public cannot be fully conserved, in which great evils may flourish, unless by concerted action on the part of the Federal and Provincial authorities the situation is met and the evil suppressed."

Now, my opinion is that the question under consideration comes under that category of events or conditions or questions which have arisen and which must lead to joint consideration, not based upon law in the ordinary sense of the term, but based upon reasonable justice and fair play growing out of the partnership which was created for the purpose of serving all the people as equally as possible and taxing them as equally as possible. The doing of a glaring injustice between the partners of a partnership because of the absence of a special law or agreement, contrary to the spirit of the partnership, is vicious and should not be contemplated. And equally, the enforcement of a law or the terms of an agreement, which works a glaring injustice at variance with the spirit of the agreement is also vicious and immoral. If it can be shown that injustice or unfairness has characterised or grown out of the action of the Federal

Government in relation to the Provinces, and especially the Maritime Provinces, I cannot think for a moment that that injustice will be continued after the matter has been brought forcibly and properly to the attention of the authorities.

### Origin of the Canadian Land Policy.

I shall now proceed to discuss more closely the question of the lands themselves, or the claims involved. In order that we may have the antecedent facts, or the facts that will help us to understand the matter more fully, it is necessary to know something of the origin of the Canadian land policy. I think it is not generally known, and it has a very important bearing on the question at issue, as I understand it, that the Canadian land policy is partially copied from the land policy of the United States. I am of the opinion that we in Canada did not grasp the significance of certain principles upon which the actions of the United States Government were based, and that therefore we failed in carrying out those principles or in bringing about that justice to other parts of Canada which would otherwise have been effected.

After the Revolutionary War, and I will just call your attention to this for a moment, the thirteen States of the Union found themselves in possession of the vast territory which extended from the Atlantic to the Mississippi, and north to the Great Lakes. A contention as between the various States in regard to the ownership of this land, some of the States even claiming that their boundaries extended to the Pacific Ocean. A controversy arose as to who should own the land, especially as the idea prevailed in certain States that tremendous wealth was involved in the ownership of this land. After much discussion the States involved came together and decided it would be wise—provided the Federal Government or Congress of the United States would undertake the administration of the land in the interests of all the people—to cede the lands to the Federal Government for that purpose, and therefore, in 1782, or thereabouts, all the land lying outside the strip of land along the Eastern border was ceded to the United States Congress, and they became the administrators of the public domain outside the particular sections which were owned by the original States and whose boundaries were already established. Later on as opportunity offered, the Congress of the United States proceeded to purchase the lands lying to the West. In 1803 they purchased the section lying between the Mississippi River and the Rocky Mountains known as the Louisiana Purchase. In 1819, Florida was purchased, and in 1848 California was purchased from Mexico. Texas, having seceded from

Mexico and established an independent republic, became a State of the Union in 1836, and finally an agreement was reached with Great Britain by which the Oregon territory became part of the public domain of the United States, and consequently all lands in the whole United States, west of the little strip on the Atlantic coast, approximately two billions of acres, came into possession of the United States Congress, and it became necessary for them to create a land policy, or a policy governing the public domain. I recite these facts because you will observe later what was done in Canada, and how early we copied the land policy of the United States.

Practically the first thing that was done after the ceding of the land, was to set aside certain sections for the purposes of education. The first grants were made under the ordinance of 1786, which set aside one section in each township for public schools, and two townships in each State for Universities. It had been proposed to set aside one section in each township six miles square for religious purposes, but that was not adopted. However, in 1845, the Ordinance was amended, providing for the setting aside of an additional section in each township for public schools, so that growing out of the original ordinance, two sections in each township were set aside for public schools, and two townships in each State for Universities. That was the first law and related particularly to new territories, and from it we got the idea for our Dominion Lands Act. This Ordinance did not extend the advantages of the public domain to those States which had retained the ownership of their lands.

By the year 1836, due largely to the sale of these western lands, a large surplus had accumulated in the Treasury of the United States, which surplus, by an act of Congress of that year, was divided among all the States of the Union, based upon their representation in Congress, and was largely used to create an endowment fund for educational purposes. This step was an acknowledgement of the interests of all the States in the monies derived from the land, regardless of whether they were States in which the land was situated or otherwise. The United States Congress administered these lands, and continues to administer all Federal lands except the lands that are sold to individuals.

The next important Act of Congress bearing on the subject is the Act of 1862, known as the Morrill Act, with various amendments which have been made from time to time since its enactment. This Act was a direct acknowledgement on the part of the Federal Government of the United States of the

partnership interest of all the States of the Union in the public domain, and that is the point I want you to understand clearly in respect to the matter. Under this Act there was granted to each State 30,000 acres of public land for each Senator and Representative in Congress to which the State was entitled by the apportionment under the census of 1860; all money derived from the sale of these lands was to be invested by the State in securities bearing interest at not less than 5%, except that the Legislatures of the States might authorize the use of not more than ten per cent of the capital for the purchase of sites for the College or experimental farms. The interest was to be used for the endowment, support and maintenance of at least one college where the leading object should be to teach such branches of learning as are related to agriculture and the mechanic arts, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life. The distribution of land was made in two ways. Those States that had public lands within their borders could locate and take up the actual acres. If the State had no lands within its borders subject to entry, then land scrip was issued to it; the land represented by such scrip could not be located by the State receiving it, but the Act provided that the scrip might be sold and that the individual purchaser might locate the lands in any State that had public land subject to entry.

Under the Preemption Law of the United States in 1841, individual holdings were limited, and legal recognition was given to the fact that 160 acres is the ideal size for a farm, being sufficient land to occupy the energy and attention of a single family. It therefore became necessary to establish some system of scientific agricultural education on a broad and comprehensive scale, as a man situated on 160 acres could never develop the science of agriculture on a broad basis. This seems to have been the basic idea in respect to the Morrill Act of 1862, which indicates the method adopted by the United States with regard to the public domain, and which had in view the giving to all the States a share in the domain in which their interest was acknowledged. Out of this conception has grown up in every State in the Union, Colleges of agriculture and mechanic arts, which in turn have formed the foundation of the great industrial development of that country.

#### **Situation in Canada at Confederation.**

We now come to where we stood in 1867. As you are aware, under the British North America Act, four of the Provinces of Canada were formed into a Federal Union: later on in 1871,

British Columbia was brought in, and in 1873, Prince Edward Island. At this latter date, the Provinces had under their jurisdiction 529,000,000 acres of land out of a total of 2,386,000,000 acres which constituted the whole of British North America outside of Newfoundland. The question then arose as to what was to be done with this vast territory outside the Provinces, which then constituted less than one quarter of Canada. In the British North America Act, provision was made by which the other Provinces—the two I have mentioned and Prince Rupert's Land and the Northwest Territory—might become a part of Canada. In 1870 an Imperial Order-in-Council was passed effecting an agreement by which Canada undertook (the four Provinces are all that entered into the undertaking) to purchase this vast territory.

### **Purchase of Prince Rupert's Land.**

It is necessary to a proper understanding of the situation to know something about Prince Rupert's Land. In 1670, Prince Rupert and seventeen other adventurous spirits had been granted a charter by the Imperial Government of that time to establish a colony in Hudson's Bay under the name of "The Governor and Company of Adventurers of England trading into Hudson Bay." If you read the address given by the Hon. the Attorney-General in August, 1918, you will find he has given a very clear statement of what happened in respect to the charter. Suffice to say that these eighteen adventurers were given a vast territory to establish a colony, and from the description it was to embrace all "those seas, straits, bays, rivers, lakes, creeks and sounds in whatsoever latitude they should be that lay within the entrance of the straits commonly called Hudson Straits, together with all the lands and territories upon the countries, coasts and confines of the seas, bays, lakes, rivers, creeks and sounds aforesaid, together with rights of Government and other rights, privileges, liberties, franchises, powers and authorities." The Company made certain surveys of the territory, issued maps, and claimed practically the whole of the land outside the six original Provinces, a territory of between 1,500 million and 1,800 million acres. Such a grant was probably never before made to a number of men to exploit a country in the history of the world, nor was such a territory ever subsequently purchased for so small a price.

The principal terms of the purchase of Prince Rupert's Land were set forth in Sections (1), (5) and (6) of the Order-in-Council of June 23, 1870, and are as follows:

Sec. 1. Canada is to pay to the Company £300,000 when Rupert's Land is transferred to the Dominion of Canada.

Sec. 5. The Company may, for fifty years after the surrender claim in any township or district within the Fertile Belt in which land is set out for settlement, grants of land not exceeding one-twentieth part of the land so set out.

Sec. 6. For the purpose of the last Article, the Fertile Belt is to be bounded as follows: on the south by the United States boundary; on the west by the Rocky Mountains; on the north by the northern branch of the Saskatchewan; on the east by Lake Winnipeg, the Lake of the Woods and the waters connecting them.

This Fertile Belt referred to embraced approximately seven or eight million acres of probably the richest soil on the face of the globe.

As the title to Prince Rupert's Land was not quite clear as to territory, and in order that the Federal Government might have complete control of all the land lying outside the boundaries of the Provinces, another Order-in-Council, or Imperial Act was passed in 1878, by which all the balance of the land, if there was any outside this area, was ceded to the Federal Government of Canada.

The next step that occurred was the formation of the Province of Manitoba out of that territory purchased in 1870. I am not going to discuss the terms granted to Manitoba, for the reason that these terms were abrogated in 1912, and that Province was then brought under the same terms as the other two Western Provinces. For the purposes of our discussion we should understand the three Western Provinces are now on the same basis, the terms in respect to one are the same as those in respect to the others, because in 1912 the matter was adjusted equitably taking all the facts into consideration.

#### **Dominion Lands Act.**

In 1872 the Dominion Lands Act was passed, the purpose of which was to make provision for the administration and management of all these lands that had come into the possession of the Federal Government. Under the heading of "Educational Endowment," this Act recites:

"And whereas it is expedient to make provision in aid of education in Manitoba and the North-West Territories, therefore sections eleven and twenty-nine in each and every surveyed township throughout the extent of the Dominion Lands, shall be and are hereby set apart as an endowment for purposes of education."



A later amendment to this Act further states:

"All moneys, from time to time realized from the sale of school lands shall be invested in securities of Canada, to form a school fund, and the interest arising therefrom, after deducting the cost of management, shall be paid annually to the Government of the Province or Territory within which such lands are situated, toward the support of public schools therein; and the moneys so paid shall be distributed for that purpose by such Government in such manner as it deems expedient."

To that extent we copied the original ordinance of the United States in setting aside lands for public schools, but there we stop practically.

The next important thing which occurred was the organization of Alberta and Saskatchewan in 1905. In the original terms of Confederation, and this point has a vital bearing on the issue, certain conditions were set forth with respect to lands, which were not set forth or were changed in respect to lands in the Western Provinces. In connection with the six original Provinces, the lands and minerals having already been in possession of the colonies, were left in their possession. In these Western Provinces, however, the ownership and administration of the lands, minerals, etc., were reserved by the Federal Government, and so the question arose as to what would be granted to these Provinces. As you are aware, they came under the provision of the Dominion Lands Act in respect to school lands. "But," they said, "we have not our lands. It is true we have our school lands, but the other Provinces have their lands and minerals, and therefore we should get some other thing in addition to the provision made for schools." On the surface, that seemed to be reasonable, and the result was that Acts were framed granting a special subsidy in lieu of lands, the Section referring to which reads as follows:

"Inasmuch as the said Province will not have the public land as a source of revenue, there shall be paid by Canada to the Province by half-yearly payments in advance, an annual sum based upon the population of the Province as from time to time ascertained by the quinquennial census thereof as follows: The population of the said Province being assumed to be at present 250,000 the sum payable until such population reaches 400,000 shall be \$375,000.; Thereafter until such population reaches 800,000 the sum payable shall be \$562,500; Thereafter until such population reaches 1,200,000, the sum payable shall be \$750,000; and thereafter the sum payable shall be \$1,125,000."

### Compensation for School Lands.

Having set forth the historical facts which bear on the question, I now come to the first section of the Resolution, that is, compensation for school lands. The first point to be determined is what this amounts to, how it affects the other Provinces in relation to the Maritime Provinces, and what form of settlement might be effected which would be just and fair. In order that the information given might be correct beyond a doubt, I had certain questions asked of the Federal Government, and under date of March 26th, 1919, Order Paper 17412, these questions were answered. This gives us absolutely authentic information on the amount and value of these lands. The questions are not set forth here in the order in which they were answered, but in the order which places them in more logical sequence.

"1. How many acres of land have been set aside by the Federal Government for school purposes in each of the Provinces of Canada?

A. (Including unsurveyed territory).

Manitoba, approximately.....	7,993,600 acres.
Saskatchewan, approximately.....	8,421,000 "
Alberta, approximately.....	7,798,600 "
Total.....	\$24,213,200"

"2. What were the conditions under which the land was set aside? Under the provisions of Chapter 23, Sec. 22, of the Dominion Lands Act of 1872, which reads:

"And whereas, it is expedient to make provision in aid of education in Manitoba and the North-West Territories, therefore sections eleven and twenty-nine in each and every surveyed township throughout the extent of the Dominion Lands shall be and are hereby set apart as an endowment for the purposes of education.

1. The Sections so dedicated shall be thereafter dealt with in such manner as may be prescribed by law, and the same are hereby withdrawn from the operation of the clauses in this Act relating to purchase by private entry, and to homestead right, and it is declared that no such right of purchase by private entry or homestead right shall be recognized in connection with the said Sections or any part or parts thereof:

2. Provided, that a township being surveyed, should such Sections or either of them or any part of either, be found to have been settled on and improved, then and in such case the occupant or occupants, conforming to the requirements of this Act shall be confirmed in such possession, and the Secretary of State shall select a quantity equal to that found to have been so settled on from the unclaimed lands in such township and shall withdraw the land so selected from sale and settlement, and shall set apart and publish the same as school lands by notice in the Canada Gazette.

The Act has been amended from time to time to meet existing conditions, and these lands are now administered as provided for in Sec. 39, 40, 41, and 42 of the Act as amended in 1918.

"3. What amount has been paid by the Federal Government to each of the Provinces to date on account of school lands?

A. To March 31st, 1918:—

Manitoba.....	\$2,576,568.52
Saskatchewan.....	2,397,978.45
Alberta.....	2,108,440.35
Total.....	<u>\$7,082,987.32"</u>

In the answer to this question, I wish to call your attention to the fact that only the interest on the capital of the land sold is paid to the Provinces; the principal is funded with the Federal Government and earns 5% in exactly the same way as the credit for debt allowance which was made to the Provinces under the British North America Act. The total amount paid as interest on the capital or funded sums amounts in these three Provinces to \$7,082,987.32. That is the amount that has been paid in cash.

"4. What is the amount to the credit of each Province on account of school lands with the Federal Government?

A. To March 1st, 1919:

Manitoba.....	\$4,786,982.40.
Saskatchewan.....	7,478,298.49.
Alberta.....	4,732,052.72.
Total.....	<u>\$16,997,333.61"</u>

In other words, there was at that date to the credit of these Provinces for school purposes, nearly seventeen million dollars upon which the Federal Government was paying to the Provinces interest at the rate of 5%.

"5. What is the average amount received per acre in each Province on account of school lands-

A. Manitoba.....	\$ 9.72	per acre
Saskatchewan.....	17.92	"
Alberta.....	13.54	"

"6. What is the approximate value of the school lands unsold in each Province?

A. Including the unsurveyed territory, and estimated at		
Manitoba.....	7.00	per acre
Saskatchewan.....	10.00	"
Alberta.....	9.00	"

which is considered a fair valuation, the approximate value of unsold school lands in each Province is as follows:

Manitoba.....	\$49,778,000.00
Saskatchewan.....	69,672,000.00
Alberta.....	55,408,000.00"

This last question was asked with a view to determining the future payments which would be made on account of these lands so as to get a summary of the whole value of the school lands held by these Provinces. You will observe that the estimate for the territory not sold is at a much lower rate than the actual average sale of the lands that have already been sold. In statements issued by the governments of the Western Provinces the amounts included in their assets as school lands, are very much greater than the figures supplied by the Federal Government, so I am assuming that these statements are on a conservative basis, and the amount of money which will be paid to the Provinces by the Federal Government as the lands are sold will be at least equal to the figures quoted.

To summarize the foregoing figures:

Manitoba received 7,993,600 acres.

Amount paid by the Federal Government.....	\$ 2,576,568.52
Amount credited by Federal Government.....	4,786,982.40
Value of lands unsold @ \$7.00.....	49,778,000.00
Total.....	\$ 57,141,550.92

Saskatchewan received 8,421,000 acres.

Amount paid by Federal Government.....	\$ 2,397,978.45
Amount credited by Federal Government.....	7,478,298.40
Value of lands unsold @ \$10.00.....	69,672,000.00
Total.....	<u>\$ 79,548,276.85</u>

Alberta received 7,798,600 acres.

Amount paid by the Federal Government.....	\$ 2,108,440.38
Amount credited by Federal Government.....	4,732,052.72
Value of unsold lands @ \$9.00.....	55,408,000.00
Total.....	<u>\$62,248,493.10</u>

The totals for the three Provinces are:

Total acreage 24,213,200 acres.

Amount paid to March 31, 1918.....	\$ 7,082,987.35
Amount credited to Provinces.....	16,997,333.52
Total Value of unsold lands.....	174,858,000.00
Grand Total.....	<u>\$198,938,320.17</u>

Of course, there might be deducted from that amount the interest I have included, which amounts to between eight and nine million dollars, but that leaves over \$190,000,000, and at 5% this will yield to those Provinces, increasing as the years go by almost \$10,000,000 for their common schools.

Whatever prompted the arrangement in the first instance, and whatever led to a lack of consideration for the other Provinces or other parts of the country, it will be seen on the face of it that as Nova Scotia had no Crown Lands of any great value,—because the total net returns from Crown Lands from Confederation to the present time have been little more than enough to pay our school grant to the teachers of the Province for one year—so far as being on any kind of equality with the Western Provinces, assuming they will get their lands, we are not and we cannot possibly compete with them under the circumstances. If they have a fund of \$10,000,000 for common schools, while we have no fund, what is there to prevent the West from getting up a system of schools which will so out-distance these Provinces that a large portion of our population will be attracted and induced to leave these Provinces and go to the country where such abundance prevails. Take the question of teacher's

salaries alone how is it possible for the Maritime Provinces to compete with a condition in education such as will be brought about by the development of the school land funds. I call your particular attention to this point, and I wish with your permission to suggest one or two methods of settlement.

#### Methods of Settlement.

What should be done, taking into account the conditions even assuming we were following the United States in its method? The United States did not stop by granting lands only to those territories in which the lands were situated. They carried out the principle of securing a comprehensive educational system, and they used the public domain in a general way for that purpose. As I have said, under the Morrill Act they specifically provided for scientific education. We could do exactly the same thing, I presume, were it not for the fact that such a long time has gone by and a large portion of these lands are now unavailable, but there might be sufficient lands available out of which grants might be made to the various Provinces of certain sections of the ungranted territory. These have certain might be set aside for the Provinces, which cannot supply, out of their income derived from lands, means for the proper education of their people. But I do not think that is the best way, although it is a reasonable way, and could perhaps be followed with success, as in the United States. I think the better method would be to adopt the principle adopted at Confederation in respect to equalizing the debts of the various Provinces. Under this principle, the Maritime Provinces, having received no extension of their boundaries, should be credited with an amount equal to the cash already paid and the amount now standing at the credit of the Western Provinces with the Federal Government the interest on this amount to be applied to the schools of the Maritime Provinces in the same way as the interest on the amount to the credit of the Western Provinces is applied. In addition to this, a contingent credit should be given to the Maritime Provinces in the same proportion as credits accrue to the Western Provinces from the future sale of lands.

Taking the census of 1911 as a basis, the following table shows the percentage of the population, the amount paid and credited to the Western Provinces, and the lands remaining unsold to March, 1919:

	% of Popula tion.	Total Paid and Credited.	Value of Unsold Lands.
Manitoba.....	6.3%	\$ 7,363,550.92	\$ 49,778,000.00
Saskatchewan.....	6.8%	9,876,276.85	69,672,000.00
Alberta.....	5.2%	6,840,493.10	55,408,000.00
	18.3%	\$ 24,080,320.87	\$ 174,858,000.00

From this it will be seen that 18.3% of the population of Canada has been paid or credited with over \$24,000,000, and have over \$174,000,000. of lands yet unsold. Applying the same principle, the Maritime Provinces should receive the following actual and contingent credits:

	% of Popula- tion.	Actual Credits.	Contingent Credits.
Nova Scotia.....	6.8%	\$ 8,917,878.80	\$ 65,004,557.40
New Brunswick....	4.9%	6,447,736.20	46,819,901.65
P. E. I.....	1.3%	1,710,623.90	12,421,606.55
	13. %	\$ 17,076,238.90	\$ 124,246,065.60

The actual cash available, therefore, as interest on the amount that should be placed to the credit of the various Provinces would be as follows:

	Amount at the Credit of the Province.	Annual Interest %
Nova Scotia.....	\$ 8,917,878.80	\$ 893.90
New Brunswick.....	6,447,736.20	322,386.80
Prince Edward Island....	1,710,623.90	85,531.90
	\$ 17,076,238.90	\$ 853,811.90

These amounts would increase in proper proportion as credits would accrue to the Maritime Provinces on the basis already indicated. As only the interest upon the equivalent credits would be paid to the Maritime Provinces, the drain upon the Federal Treasury would not be immediately great, and as the war obligations will gradually be liquidated and these payments would only gradually increase, a settlement upon this basis would involve no unusual drain upon the resources of the Dominion, and would meet both the needs and the justice of the case.

MR. RALSTON. Does the scheme which the Hon. Member suggests simply involve the adding of three more Provinces to the sharing in the proceeds of the Dominion Lands, is that the essence?

MR. TORY: The essence of my argument is that I am talking of the Maritime Provinces and have dealt only with those, but I am not going to say that British Columbia should not also participate. I am leaving British Columbia to look

after itself, or the reason that this Province, as you know, has a tremendous area. Although she was not originally a partner to the Confederation, she has contributed to the purchase of the land and its administration costs. I am leaving Ontario and Quebec out for the moment. They have received tremendous grants of land which to I will refer in a few minutes after dealing with the question of subsidy, and that will involve another discussion of the interests of these two Provinces, who have had added to their boundaries over 440,000,000 acres since Confederation.

MR. RALSTON: The Hon. Member gave certain figures and says the Maritime Provinces have 13. % of the population.

MR. TORY: I am talking the whole population of Canada.

MR. RALSTON: And therefore the available Dominion Lands as divisible among the whole population of Canada?

MR. TORY: Yes.

MR. RALSTON: In that case my Hon. Friend is not talking for the Maritime Provinces alone, but will allow the same to the others—

MR. TORY: Except that I am not at present making an argument for the others.

#### Subsidy in Lieu of Lands.

I now come to the next Section of the Resolution, subsidy in lieu of lands. I need not read the terms again under which this subsidy was granted. As I intimated before, when these Provinces were formed, they were not granted the land, and they said we must have something in lieu of the land. The Federal Government, and I note for your information that this was a Liberal Government and therefore all the blame does not fall upon the Conservative Governmen' although they had not admitted the principle in connection with Manitoba, when they came to consider the question in connection with Alberta and Saskatchewan, granted them in lieu of lands an additional subsidy based on population, which as I have already stated ran up from 250,000 population with a grant of \$375,000 yearly, up to 1,200,000 population with a grant of \$1,125,000 yearly. These Provinces, the population being between 400,000 and 800,000, receive a grant of \$562,500 each. They are all on the same basis, but Manitoba is only



receiving \$409,000, because there are certain deductions from her subsidy in view of certain payments made before the 1912 settlement. Up to 1918, there had already been paid in cash to these Provinces, the following amounts:

Manitoba.....	\$ 7,549,123.96
Saskatchewan.....	6,187,500.00
Alberta.....	5,718,750.00
Total.....	<u>\$19,455,373.96</u>

and adding the subsidy for 1919, which has since been paid and which amounts to \$1,534,000 additional, they have been paid in lieu of lands over twenty million dollars in cash.

It is now necessary to enquire from what source the money came to pay these amounts. It is true the Federal Government retained control of these lands, and it would naturally be assumed that monies paid as compensation in lieu of lands would have been paid out of the sale of lands which were to be administered by the Federal Government. The fact is, a statement furnished by the Deputy Minister of the Interior, bringing the data up to September 30th, 1918, shows:

Total amount expended on Dominion Lands...	\$86,441,807.60
Total gross revenue from Dominion Lands....	46,914,171.71
Net loss.....	<u>\$39,527,635.89</u>

Including the net loss for 1919, the total loss would be over forty million dollars.

The summary of the facts is as follows; We purchased the land at a cost of about \$1,500,000.00; it has been administered at a loss of over \$40,000,000.00; and we have paid as subsidy in lieu of lands, \$20,989,381.14, or in connection with these very lands for which we are paying a subsidy to the other provinces for the right of administration by the Federal Government we have paid out approximately \$62,489,381.14. This money was of course derived from the people of the various provinces roughly in proportion to their population, including Nova Scotia, New Brunswick and Prince Edward Island, and for which these provinces have received absolutely no compensation.

#### Method of Settlement.

Leaving aside the original purchase price of the land, and also the large amounts expended in the administration of same,

and taking into account only the subsidy now being paid to the three Western Provinces in lieu of lands, the equivalent annual subsidy for the Maritime Provinces on the basis of population would be as follows:

Nova Scotia.....	\$562,500.00
New Brunswick.....	375,000.00
Prince Edward Island.....	150,000.00

This would increase with the increase in population according to the following table, which forms the basis of increase for the Western provinces:

Population.	Subsidy.
250,000—400,000	\$375,000.00 yearly
400,000—800,000	562,500.00 "
800,000—1,200,000	750,000.00 "
1,200,000—and upwards	1,125,000.00 "

That is, paying the Maritime Provinces on the same basis as the other provinces, assuming they were entitled to and were granted the same terms. This subsidy would increase as the population increases according to the table given. British Columbia should also have consideration. Quebec and Ontario, however, should be considered in the light of the tremendous land grants which have been given them, and which I shall deal with later. That is the claim and basis of settlement I would suggest. There can be absolutely no doubt that if we paid these Western provinces large sums of money purporting to be in lieu of their not having something which was of value, and so far as the revenue is concerned they were of absolutely no value under present conditions, we are taking the money out of our small resources and paying it over to the other provinces that have money, and we are getting nothing. In my judgment it is an iniquitous proceeding, and there surely cannot be any justification by any principle of justice, common sense or reason, by which this condition should continue, and if some redress cannot be given under such circumstances, if such injustice can be perpetuated, a situation is being created that will not make for the peace and happiness of Canada.

### **Compensation for Lands Granted Ontario and Quebec.**

We now come to the third question, and that is the compensation in lieu of the extension of boundaries to Quebec and Ontario. This is a much more difficult matter to deal with. As I said before, Ontario and Quebec were two of the four original parties to Confederation. The original area of Quebec

was 123,875,200 acres, and that of Ontario, 144,961,636 acres. Later on, in 1898, the people of Quebec apparently began to flow over the high land which formed the Northern boundary of that province, and the Dominion Government, apparently with the assent of the provinces,—I have not looked up the matter to see if any protest was made—granted to Quebec in 1898, 101,323,361 acres; and in 1912, that province was handed over another 227,375,000 acres, or an additional amount practically equivalent to the total area of British Columbia, so that she came into possession of a territory amounting to 452,573,561 acres of land, or about one-fifth of the whole of Canada. That is, Quebec received 328,698,361 acres of land as a free gift, and the question arises, shall she get more by way of subsidy or school lands, or be called upon to pay something to the other provinces. That is the most difficult part of the problem. Ontario is in a like situation. Her original area was 144,961,636 acres. In 1888, she was given an extension, called the Manitoba Extension, of 22,000,000 acres, and in 1912, she was granted 93,696,000 acres, so that she now has 115,696,000 acres more than she had at Confederation, or a total area of 260,657,636 acres. The same principle applies to Ontario as to Quebec. These lands were all purchased by the four original provinces, and these provinces paid their money the same as the others, but these two great provinces have received all this tremendous territory, over 444,000,000 acres, from the Dominion of Canada, for which they paid nothing more than we did in proportion to their population, and the Maritime Provinces get nothing in the way of land grant extensions, subsidies, or any other consideration, except the privilege of continuing to pay.

I admit that to determine the value of these lands granted to Ontario and Quebec is difficult. In dealing with the western lands, it is easy to determine their value, because we have the average sales as shown by the Federal Government, but in the case of Ontario and Quebec, these lands passed immediately under local administration, and you cannot ask Quebec or Ontario to tell you what these lands are worth, but in view of the tremendous increase in land values, and the tremendous development in minerals in Northern Ontario and other sections of that Province, these lands have added great material wealth to those Provinces in the soil, the forest, and the possibility of population coming to them. This is a most crucial point because it gives them a weight of influence and control in the affairs of the Dominion, which pushes us aside, diminishes our ratio of population, and consequently, our representation, until we will finally reach a state of insignificance which is serious to be contemplated, all growing out of the fact that being

small, we are not able to withstand the pressure brought against us in Federal affairs. The testimony of History is that the strong invariably oppress the weak. Our only hope is, and it is a small one, that some organization in the form of a league of the Maritime Provinces may be formed, so that we may present with a solid front the claims which we have against the Federal Government. If we continue—and I say it advisedly—if we continue to play a simple game of party politics in the Maritime Provinces, while we are quarrelling over the shadow, the substance will be gone. Solidarity of thought and action must be exercised, or the Maritime Provinces will be virtually wiped off the map, viewing the matter by the way things are done at Ottawa.

### Method of Settlement.

What settlement can be effected? I have already admitted that in this case it is a most difficult matter to determine. What interest have we in these lands? That also is difficult to answer, because the value of those lands to the North are not determined and the area is tremendous. In connection with the Western school lands, we have a reasonable and accurate criterion of the value of the lands by the sale price, as they were practically all lands suitable for agricultural purposes. But in connection with the lands granted to Ontario and Quebec, there is no such criterion. The wealth of these territories is yet to a great extent to be determined. That they are rich in minerals and have great forest wealth is undoubted. As we have no access to the records of the sales of these lands, the only criterion available for the moment is that set forth in Section 100, Dominion Lands Act, which prohibits the sale of the land at a price less than \$1.00 per acre. The value of these lands at that price would be \$444,394,361.00, and if this were distributed among the six Provinces in proportion to the population of the last census, the proportion for each of the Provinces would be as follows:

	% of Population of the six Provinces.	
Ontario.....	43. %	\$ 191,089,575.23
Quebec.....	34.1 %	151,538,477.11
Nova Scotia.....	8.5 %	37,773,520.68
British Columbia.....	6.7 %	29,774,422.18
New Brunswick.....	6.0 %	26,663,661.67
Prince Edward Is.....	1.7 %	7,554,704.13
		<hr/>
		\$444,394,361.00

The Hon. Member for Cumberland (Mr. Ralston) will note

that I change the method of calculation here, because in dealing with the six Provinces that have an interest in these lands, I have taken the population of those Provinces only, instead of taking the population of Canada as a whole.

It will be seen that the land received by Ontario is 75,393,-575 acres less than would belong to that Province on the basis of distribution set forth, while the lands received by Quebec were 177,159,884 acres in excess of her proportion. All the other Provinces are short the total amount in each case. Two methods of settlement might be adopted:

(a) Scrip or cash might be granted to these Provinces that have received no lands for the proportion due them;

or (b) Part of these grants of land might be allowed to Quebec and Ontario as their compensation for school lands and subsidy in lieu of lands, while the Maritime Provinces would be compensated for school lands and receive the additional subsidy.

#### **Compensation for Unfulfilled Obligations.**

I come now to the last point, namely compensation for unfulfilled obligations, and before proceeding further, I would like to call your attention to one or two things. In the first place, when Confederation was brought about, the functions of Government were distributed between the Provinces and the Federal Government, certain important functions being handed over to the Provinces to be dealt with, and certain others to the Federal Government. We had to deal with such matters as education—at most important function—and in view of the enlarging of our educational programme, we cannot say what the cost of that service will be in future. I am safe in saying that in 1866 nobody contemplated the possibility of the extension of the educational systems throughout the various Provinces of Canada, such as are in contemplation to day. We had also to deal with transportation, and especially highways, and the money involved in the proper carrying out of that service is an enormous amount, as is shown by the programme for Nova Scotia which has been placed before this House by the Minister of Highways, a programme which, in order to meet the present needs of the Province, will require an expenditure never dreamed of at the time of Confederation.

And then take the question of Public Health. We in Nova Scotia are only beginning to deal with that question in a comprehensive way. If you talk for a few minutes with Dr. Hație,

our Provincial Health Officer, you will get an idea of the needs of this Province, the cost of which when related to our Provincial income, is most distressing and discouraging. The same might be said of other services, such as hospitals, and other relief institutions, civil government, agriculture, water transportation, immigration, etc., etc.

The functions of the Federal Government were also important, and especially that of defence, but as defence has been so far practically carried on on Capital Account, it need not be taken into consideration for the moment in the statement I propose to make in respect to revenue and taxation. From 1867 to 1918, the amount of money received by the Federal Government on Consolidated Revenue Account was \$3,143,586-544, and taking the population of Nova Scotia as it related to the whole population at the various census enumerations, the proportionate amount contributed by Nova Scotia would be \$240,412,961. The approximate proportionate amount from New Brunswick would be \$176,750,000, and from Prince Edward Island, \$46,000,000., making a total contributed by the Maritime Provinces toward the Federal revenues of \$463,162,961.

During that same period, the total revenue of the Province of Nova Scotia has been \$52,786,865. I have not before me the income of the other two Maritime Provinces, but I presume it would be relatively in proportion to that of Nova Scotia. During that period, Nova Scotia received from the Dominion Government by way of subsidy \$24,527,711, which formed part of the revenue of Nova Scotia already referred to.

Now what I wish to emphasize is this: The Maritime Provinces have had to carry on or administer the functions assigned them with a revenue out of all proportion to that received from these Provinces by the Federal Government by way of taxation.

MR. ARMSTRONG: On what basis do you come to the conclusion that we have paid that much?

MR. TORY: On the basis of population.

MR. ARMSTRONG: The accounts are not kept as between Province and Province.

MR. TORY: I get at it in the only partial way it can be got at, and that is by taking the population and dividing the taxation pro rata. The figures would of course vary if a greater quantity of imported commodities were used in one Province

than in another Province, or if the commodities used in any one Province were taxed heavier than those used in another Province. In an address presented to the Governor General of Canada on the subject of better terms, passed by the members of the Legislative Council and the House of Assembly of Nova Scotia in 1884, it was claimed:

"That a notable inequality exists in the customs duties collected in Nova Scotia, as compared with the customs duties collected in Ontario and Quebec. That Nova Scotia paid in 1882 on her importations of \$6,889,508.00 of dutiable goods \$197,728.00 more than the two Provinces of Canada (Ontario and Quebec) did on the same amount of these dutiable goods in that year, and has also paid on her importations of \$6,550,887.00 of dutiable goods in 1883, \$213,000.00 more than the above two Provinces paid on the same amount of their importations of dutiable goods for the same year."

The figures, of course, can only be an approximation, but it is an approximation of great value.

MR. ARMSTRONG: If the same percentage were carried out in the other Provinces, how would that compare?

MR. TORY: In proportion as one Province paid more than it should have paid, some other Province must necessarily have paid less.

So much with respect to taxation. Now if you will turn for a moment to the question of expenditure on Consolidated Fund, or Revenue Account, you will find that the expenditure on this account between 1867 and 1918 amounted to \$4,354,364,741. After deducting from this the amount of the expenditure on account of the War, there remains \$3,477,100,893, of expenditure on ordinary services. The amount due the Maritime Provinces on the basis of population would be approximately as follows:

Nova Scotia.....	\$279,930,187.00
New Brunswick.....	205,600,000.00
Prince Edward Island.....	53,600,000.00
Total.....	<u>\$539,030,187.00</u>

The total expenditure on revenue account for Nova Scotia during the same period was \$53,656,514.53, and while I have not the figures for the other Maritime Provinces, they would no

doubt be relatively on the same basis. The disparity between the expenditures of the Federal Government and the services performed is so great as to lead us to the conclusion that either the money went to the other Provinces, or the administration was characterised by the most flagrant waste and extravagance,

As I said before, under the British North America Act, certain functions were assigned to the Federal Government, and I wish to touch on four, namely Transportation, Agriculture (joint), Immigration (joint) and Fisheries.

### **Transportation.**

One of the fundamental terms of Confederation was that the Intercolonial Railway was to be built as part of the agreement, first in order to unite the Provinces, and second, for military purposes so that facilities might be had for moving troops and war material to the interior from the coast, and vice versa, and the late war has demonstrated the wisdom of this point of view. It was not understood, as I read the history of the matter, that the road was intended to be regarded as a charge against the Maritime Provinces, or that it should be run on a strictly commercial basis, and for years after Confederation that view was followed. I understand, however, from representatives of the Canadian Manufacturers Association, that the tendency for the moment is to treat the road as a purely commercial proposition, leaving out of consideration the original conception in relation thereto.

But there is another aspect of the matter which has been of greater importance to the Maritime Provinces, and from this standpoint the road may be said to have been a detriment rather than an advantage. The aspect to which I refer is that when the road was built as a trunk line the obligation of the Federal Government in respect thereto ceased, but the building of a trunk line and stopping when that is accomplished precludes in many instances the possibility of the development of any comprehensive and rational system of transportation, because the building of a trunk line may preclude the possibility of securing the construction of branch lines because of the separate ownership of the trunk line.

Many branches should have been built in New Brunswick and Nova Scotia. Take as an example that country between here and Louisburg; that shore is not touched by a railway at a single point except at Mulgrave, and we have been blocked in the matter of railway extension because the Federal Government conceived that they had carried out the terms of Confeder-



ation with the building of the trunk line, and that their obligations in the matter of transportation were fulfilled, so far as the Maritime Provinces were concerned. In the House of Commons there is ever recurring talk about expenditure on the Intercolonial Railway, but very seldom is anything said about the \$100,000,000 which has been spent on the canals of Ontario, which canals as a means of transportation, I understand, are absolutely free.

### Federal Railway Obligations.

In order that the position of the Maritime Provinces in relation to Federal Government railway obligations in Canada may be understood, I wish to put on record the following facts:

Exclusive of the construction of the Intercolonial Railway, which was built as part of the terms of Confederation, the following is a summarised statement, showing the Dominion aid that has been given in each of the Provinces of the Dominion by way of railway subsidies, which includes the construction of the National Transcontinental Railway, the purchase of the Canadian Northern Railway, the assumption of the liabilities of the Grand Trunk Pacific, and aid to the Canadian Pacific, but does not include the purchase of the Grand Trunk Railway which is now being consummated:

Ontario.....	\$ 288,279,669.00
Quebec.....	158,756,458.00
British Columbia.....	167,260,771.00
Manitoba.....	138,404,876.00
Alberta.....	123,649,462.00
Saskatchewan.....	163,165,316.00
Nova Scotia.....	21,130,717.00
New Brunswick.....	28,604,772.00
Prince Edward Island.....	8,336,239.00
	\$1,102,588,430.00

If this amount had been fairly divided among the various Provinces, the amount due the Maritime Provinces for such undertakings, on the basis of present population, would have been as follows:

Nova Scotia.....	6.8%	\$ 74,976,013.00
New Brunswick.....	4.9%	54,026,833.00
Prince Edward Island..	1.3%	14,333,649.00
		\$143,336,495.00

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\* This compilation was furnished by Mr. R. R. Hall of Peterborough Ont.

The method of taking the present population is not fair to the Maritime Provinces, as the population has been relatively higher in past years.

The above figures do not include \$20,794,445.00 spent on the Hudson Bay Railway, nor the deficits now being caused by Government operation of railways.

The total railway expenditure for the Western Provinces, including British Columbia, is \$597,480,425.00 while the amount due them on the basis of their 1911 population is \$263,424,504.00 They have, therefore, received \$334,055,921.00 in excess of the amount to which they would be entitled on the basis of population. I am not saying that these Provinces should not be treated fairly, but it should be taken into consideration that we, in the Maritime Provinces, have paid heavily, at least in credit if not in money for the development of railways in the past, and have received little in return.

#### Agriculture.

The next question, that of Agriculture, is one involving joint expenditure. Agriculture is a joint expenditure between the Provinces the Dominion, and yet up until within recent years practically the whole burden of agricultural development in the Maritime Provinces was left to the Provinces with their small revenues. It is true that in recent years an appropriation has been made which has been of great service, and to the extent that it has carried out the purpose of the contract between the Province and the Dominion, I have nothing to say, but I do say that in proportion to her revenue, the effort put forth by the Province of Nova Scotia in the development of scientific agriculture has been altogether out of proportion to the amount spent by the Federal Government for the same service in this Province, which expenditure is absolutely essential when you are dealing with a country that has small individual ownership of land. There must be some other method of development than that which is left to individual initiative and cost. When you take into account what Nova Scotia has done in connection with agriculture in the last fifteen or twenty years as compared with all the previous Federal Governments had done—as up until a few years ago practically all we had was a small experimental farm at Nappan—what comparison is there in the effort put forth—

#### Immigration.

Immigration is a joint expenditure also, and there has been

expended by the Federal Government since 1900, over \$20,000,000 on this service, and from 1900 to 1918 there was brought into the country 3,253,796 people; but out of this number all that were assigned to the three Maritime Provinces were 154,052 people. Almost the whole course of immigration, so far as Canada is concerned, has been attracted west of the Maritime Provinces, and we have had to pay, and pay, and pay for the services for which we got practically nothing.

### **Fisheries.**

I come now to the last of the four functions mentioned as coming under the administration of the Federal Government, and so far as the Maritime Provinces are concerned, it is one of the most vital of the functions which came under the jurisdiction of that Government, and that is the administration of our Fisheries. The Province has nothing to do with this matter, it comes solely under the jurisdiction of the Federal Government. It is the duty, and in my humble judgment, an imperative obligation of the Federal Government to develop this industry. If it is necessary to spend millions of dollars in order to develop the wheat fields of the West, surely some recognition should be given to this, the greatest industry of the Maritime Provinces. If you search the industrial history of Canada from Confederation to the present time, what do you find in respect to this great industry of the Maritime Provinces? You will find the most lackadaisical, inefficient, incomprehensible fishery programme that was ever formulated by any intelligent Government since the days of Noah. If there is a crying necessity today, it is for a Department of Fisheries, with somebody at its head who knows something about fisheries, and who will undertake the solution of the fishery problem of the Maritime Provinces. There is much to learn, much that science and co-ordinated intelligent effort can do, but nothing of an effective character has been done, and yet this is one of the functions undertaken by the Federal Government. I hope the time is not far distant when the fishermen will be awakened, and that those people who know something about the matter will bring to bear such influence on the Federal Government as to make them consider it necessary to have a Minister of Fisheries who knows something of the business.

### **Conclusion.**

Finally, I shall give a brief summary of my conclusions in respect to the whole matter.

1. Provided the adjustments between the Federal Govern-

ment and the Maritime Provinces are made as I shall state in a moment:

(a) The natural resources of the three Western Provinces including lands and minerals, should be granted them in the same manner as granted to the Provinces at Confederation;

(b) The subsidy on the basis set forth in the several Acts purporting to be in lieu of lands should be continued to the Western Provinces, in view of the continually expanding cost of Provincial services.

2. In lieu of school lands, the Maritime Provinces should be credited by the Federal Government with an amount on a proportionate basis of population corresponding to that already paid and credited to the three Western Provinces, which would be as follows:

Nova Scotia.....	\$8,917,878.80
New Brunswick.....	6,447,736.20
Prince Edward Island.....	1,710,623.90

The annual interest only on which should be paid to the Provinces to be used for school purposes—calculated at 5%.

3. As school lands are sold and amounts credited to the Western Provinces the credit for the Maritime Provinces with the Federal Government should be increased proportionately. This contingent credit on the basis of population and value of lands being approximately as follows:

Nova Scotia.....	\$65,004,557.40
New Brunswick.....	46,819,901.65
Prince Edward Island.....	12,421,606.55

4. As compensation for continuing the subsidy paid to the Western Provinces in lieu of lands, the Maritime Provinces should be granted an equivalent subsidy based upon population which according to the population of the last census, would be as follows:

Nova Scotia.....	\$562,500.00	yearly
New Brunswick.....	375,000.00	"
Prince Edward Island.....	150,000.00	"

This subsidy would increase with the increase in population according to the following table which is the basis set forth in the Alberta and Saskatchewan Acts of 1905, and the Manitoba Act of 1912:

Population.	Subsidy.
250,000— 400,000	375,000.00 yearly
400,000— 800,000	562,500.00 "
800,000—1,200,000	750,000.00 "
1,200,000—and upwards	1,125,000.00 "

5. The large grants of land to Ontario and Quebec respectively, namely,

Quebec.....	328,698,361	acres
Ontario.....	115,696,000	"

should be used to offset any claim of these Provinces for compensation in lieu of school land grants and in lieu of increased subsidy to the other Provinces. Or, scrip or cash might be granted to the Provinces that have received no lands for the proper proportion due them. Allowing part of these grants of land to Quebec and Ontario to stand would be compensation for the Maritime Provinces in a negative form by preventing an increase in the demands upon the Federal Treasury, which would have to be made up by general taxation upon the people of the various Provinces.

6. In settlement for part of the unfulfilled obligations to the Maritime Provinces, the Federal Government should assume responsibility for the construction of all branch lines feeding the Intercolonial Railway, thus carrying out the logical interpretation of the British North America Act in respect to transportation.

7. The Federal Government should at once create an efficient Department of Fisheries in the Maritime Provinces, and inaugurate a sane and progressive policy with regard to fisheries, looking toward:

- (a) Increased production of the fisheries.
- (b) Enlargement of Home and Foreign Markets.
- (c) Proper conservation of the fisheries.
- (d) Encouragement of the construction of a modern fishing fleet.

8. The Immigration policy of the Federal and Provincial Governments should be co-ordinated with a view to assisting more effectively immigration into the Maritime Provinces, so as to avoid the hopeless disparity between these Provinces and

other parts of Canada, such as has characterised the past efforts of this Department.

9. An agricultural policy should be formulated which would have in view the development of agriculture throughout the whole of the Dominion on reasonably equal terms, avoiding concentration of effort in other Provinces as has been largely the case in the past.

10. Finally, the Federal Government should be forced to realize that the administration of Federal affairs should be according to the principle of a partnership arrangement; that the interests concerned are those of the whole people; that taxation should be equally distributed and services equally rendered, thus carrying out the spirit and intent of the Act of Confederation.

I have much pleasure in moving the Resolution which I read at the beginning of my remarks, and which I understand will be seconded by the Hon. Member for Antigonish, Mr. Chisholm.



