

repaired that year, and tenders were asked for and the contract let to a certain party. That party was to do the work that same fall, but he failed to do so. He did no preparatory work and I had to insist upon the cancellation of the contract by the government so that the work might be done by day labour in November and December. The work was done to the entire satisfaction of the government in spite of very bad weather conditions. Under those circumstances I would like the Minister of Public Works to continue to have the work done by day labour by the people who have already given full and entire satisfaction to the department.

In conclusion I wish again to congratulate the Minister of Public Works upon paving the way to improve the conditions of labour throughout the country. Does the act apply also to people who do not work under contract?

Mr. HEENAN: Yes.

Mr. POULIOT: This is a decided step in advance and the effect will be felt throughout the whole country.

Motion agreed to, and bill read the third time and passed.

NATURAL RESOURCES

AGREEMENT WITH ALBERTA

The house resumed from Tuesday, April 29, consideration of the motion of Mr. Stewart (Edmonton) for the second reading of Bill No. 17, respecting the transfer of the natural resources of Alberta.

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, attendance yesterday afternoon at a special committee prevented my being present in the house during the debate on the bill for the restoration of the natural resources to Alberta. It was that portion of the debate which especially interested me and I had hoped then to have taken part in the discussion. I quite agree that the restoration of the natural resources to Alberta and to the other prairie provinces is a wise and advantageous procedure. The principle has been received favourably by the house generally and I trust the people of the west understand that parliament has looked with favour upon the proposal. I leave the matter there.

I wish to deal with this question from a different standpoint. I would refer hon. members to what has occurred since confederation, especially as applying to the handing over of lands to different provinces. At various periods large tracts of land have been handed

[Mr. Pouliot.]

over to five provinces, namely, Quebec, Ontario, Manitoba, Saskatchewan and Alberta and it is estimated that the total area of the public domain which has been so transferred to those five provinces amounts to a million square miles. The three provinces in the east, the maritime provinces, are geographically restricted and as a result of that it happens that not one acre of additional expansion has been possible for the maritime provinces. This has given rise to the interest and the claim about which we have heard for so many years. It is a striking example of disparity, inequality, between five provinces and those provinces which have not been able to participate in the expansion.

I had an opportunity of glancing over what was said yesterday by my maritime colleagues or, as I call them, the wise men from the east, and I also heard from my leader who has a most comprehensive knowledge of the whole situation. I feel that my views were adequately put forward yesterday, but at the same time I wish to reaffirm what I stated in the House of Commons last year, namely, that as regards the provinces by the sea, in consequence of the transfer of such large areas as I have mentioned and the conditions which have arisen therefrom, there has been created an interest, a claim, which should be allowed to be presented in some suitable form and adequately dealt with.

This is a long standing claim. It goes back probably before Sir Robert Borden made a definite pronouncement in the house. The Duncan report states that while it was not instructed and while it did not propose to deal with an exact decision on the matter, it commended for further consideration this question of what is often termed compensation for the maritime provinces in consequence of the transfer of these various lands of great area. We are aware that this has been spoken of in the house on many occasions and outside of the house by countless people on innumerable occasions. I see the Minister of National Defence (Mr. Ralston) in his seat and I am sure these are familiar words to him.

The cases should and will be presented by the provinces themselves. Whether it be on the ground of compensation or on that of property rights or on both grounds, or on other grounds for claims that might be stated, that lies in the discretion and good judgment of the provinces. It is for them to make their claims and I do not venture to suggest how their claims should be presented. An opportunity, however, should be granted to them to present their claims. A few years ago in the house there was a popular saying—I have

not heard it this year and so I venture to repeat it: "What are you going to do about it?" I ask the government: What are they going to do about the claim for compensation which the people of the maritime provinces believe they have good grounds for making? Personally I think that there is substantial merit in their claim regarding western lands, and when I say western lands that does not comprise the whole of the public domain that has been granted to the five provinces stretching from Quebec to Alberta. I have mentioned that one million square miles has been given to those five provinces, and not one acre to the maritime provinces. On the face of that general statement it would seem that upon the general principles underlying the confederation there is ample ground for this claim being most carefully considered. The maritime provinces have suffered no doubt by reason of their geographical position. We are looking now to the Prime Minister (Mr. Mackenzie King) to make some statement to the house on the matter, and to let the house and country know what is in their minds; and what time could be more opportune and appropriate than now when the three prairie provinces are about to receive their natural resources? Contemporaneously with this legislation passing through the house, or at all events following it, it seems to me that an announcement should be made by the government with respect to this claim which hinges to a very considerable extent on the transfer of the natural resources.

Hon. LUCIEN CANNON (Solicitor General): Mr. Speaker, I have listened with great attention to the remarks of my hon. friend from St. John-Albert (Mr. MacLaren), but he will excuse me, I hope, if I address my remarks chiefly in answer to some of the legal aspects of this question which were raised in the speech of the hon. leader of the opposition (Mr. Bennett) yesterday. Later in the debate I understand that the Prime Minister (Mr. Mackenzie King) will take part, and I have no doubt that he will deal with the questions which have been raised by the hon. gentleman who has just preceded me and by others representing the maritime provinces.

In the course of his remarks yesterday the Minister of Finance (Mr. Dunning) stated, and rightly so, that this was somewhat of a historic occasion, that we were, so to speak, rounding out to a certain extent the work which had been begun by the fathers of confederation in 1867. We are completing the work which was then started, and the members of the house, no doubt realizing the import-

ance of the legislation which is now before them, have shown in this debate a spirit of high public duty. The tone of the discussion throughout has indicated that we all realize the importance of the task that we are called upon to perform.

Before entering into a discussion of the legal angles of the speech of the hon. leader of the opposition, may I say one word, and one word only, with reference to the speech made by my hon. friend from St. Lawrence-St. George (Mr. Cahan). Let me preface what I have to say in that regard by standing in all sincerity that I have the greatest respect, admiration and deference for the hon. gentleman, but notwithstanding that, I was somewhat surprised at the speech which he delivered yesterday afternoon, a speech which did not add anything to the constructiveness of the debate by reviving certain past issues which might well remain undisturbed in the annals of our history. But I think that from that speech and from the discussion which ensued we can conclude that, fortunately for Canada, the spirit which prevailed in 1905 has considerably changed, and that now in 1930 we can discuss this very important question of western lands and of additional provincial legislative authority without listening, as the members of 1905 had to do, to debates in this house which on many occasions were beclouded by prejudices and narrow-mindedness. The spirit which exists in Canada in 1930 is better by far, and it gives to those who have at heart the unity of our country great hope for future improvement.

One word more, and I shall conclude this part of my speech. I may say to my hon. friend from St. Lawrence-St. George that if he has to complain of prejudices which are raised against him in his constituency, we also, not only in the province of Quebec, but in other provinces, have the same complaint to make. But as the hon. Minister of Justice stated yesterday afternoon, tolerance is the offspring of education. It is a mental attitude, and it is not by legislating in this parliament coercively or otherwise that we can create a better public spirit. Let us educate our people. Let the people of the various provinces get to know one another better, and then we shall have that spirit of tolerance for which the hon. member for St. Lawrence-St. George is pleading and towards which he is apparently directing his best efforts and endeavours.

The leader of the opposition in this debate has offered certain criticisms, and they have been made in a spirit of true statesmanship. May I say that his speech yesterday was very constructive in character? But, on the other hand, I have noticed that if the hon. and

learned gentleman could address the house solely as a lawyer and forget at times that he is also, unfortunately for him, the leader of a political party, the legal suggestions which he offers to the House of Commons would sometimes be the sounder for it. But yesterday the leader of the opposition brought to the attention of the house and of the government certain aspects of the agreement which is now under discussion, and I will in the same spirit which inspired him try to offer, if not answers, at least certain considerations which have been reached not only by myself but also by my hon. friend the Minister of Justice.

The first point raised by my hon. friend was rather an historical point. He stated the stand taken either by the Dominion or the provinces in years gone by as to the title to the lands in the west, whether the Dominion had exclusive control as such, or whether the Dominion was a trustee, or whether the Dominion had simply what I might call a usufructuary interest. These matters are very interesting, they offer a considerable field for discussion, but I will not weary the house by going into a detailed discussion of them because, as has been stated by the hon. gentleman, they are now before the court for determination, and I would not like to prejudice the case by offering any argument on one side or the other.

The second criticism was as to procedure. The leader of the opposition recalled that in all cases when amendments to the British North America Act were sought from the imperial parliament, the usual procedure followed was an address by both houses of parliament, and that in accordance with and under the provisions of that address imperial legislation was passed. I may say to the house that we are dealing in this particular case with a matter which is not altogether on all fours with the precedents which have been cited by my hon. friend. We do not wish to amend the British North America Act only; we wish to establish a new relationship as between the Dominion government and the provincial governments of the western provinces with respect to the administration of their lands.

As a preliminary to the remarks which I shall offer on this point, I wish to say that there is evidently some misunderstanding and misconception in the matter. Very often we talk about the ownership of lands, the proprietary interest in lands. All lands in Canada—I am talking now of public lands—are owned and are the property, not of the Dominion as such, not of the provincial governments as such, but of the crown. The crown is indivisible. There are not two

crowns, one Dominion and the other provincial, there is only one crown, and where this differentiation between the Dominion and the provincial government comes in is not as to ownership or property rights, but as to legislative control over the lands.

Up to 1905 the two western provinces were included in the Northwest Territories, and the public lands in that vast expanse were administered by the Dominion of Canada. Through its parliament the Dominion exercised legislative authority. In 1905, when the provinces of Alberta and Saskatchewan were constituted, the legislative control over the public lands in these two new provinces was retained by the Dominion. I do not propose to enter into a discussion as to the motives and reasons which might have prompted parliament to adopt that method. But the only thing retained was not the ownership, was not the property which vested and remained vested in the crown, but was the legislative authority; and to-day we wish to turn over the legislative authority and control over the lands in question to the provincial governments of Saskatchewan and Alberta, as we have done in respect to Manitoba in the Manitoba bill which has been read a third time.

So that it is not an amendment only to the British North America Act, but it is the establishment, as I said before, of a new legislative basis between this Dominion and the provinces. Therefore we had to face a situation somewhat similar to the situation which had to be faced by the statesmen who represented the four original provinces which afterwards became part of the Dominion. In those days we had Canada, New Brunswick and Nova Scotia. The people who then represented the governments of these three colonies, desirous of changing the legislative relationship between them, met first of all in conferences at Charlottetown and then at Quebec and reached an agreement. That agreement was discussed in their several legislatures, and when the imperial parliament had the evidence before it that the agreement represented the will of the parties thereto, imperial legislation was passed.

In this particular case we have met the people who represent the province of Manitoba, the province of Saskatchewan, and the province of Alberta; we have drafted agreements setting forth the will and intention of both the Dominion and the three several provinces; these agreements are now before parliament, and if parliament adopts and ratifies them, as they have already been ratified by the provincial legislatures, then the imperial parliament will see the views and desires of the parties as expressed in those agree-

ments, being the will of the Dominion and the provinces, and will pass the necessary legislation. I do not think, Mr. Speaker, that the criticism offered by the leader of the opposition as to the procedure followed is well directed.

Now the next point made by my hon. friend, a point upon which he laid considerable stress, was that in the agreement concerning the province of Alberta the words "from its entrance into confederation in 1905" are used. My hon. friend asked the Minister of the Interior (Mr. Stewart) what sinister significance was to be attached to these words. I do not think my hon. friend was very serious when he put that question. I do not think there is anything in his point. The agreement states that the province of Alberta is to be put on a footing of equality with the other provinces since Alberta became a province in 1905, and as such became a member and a part of confederation. That is all it means.

I may say that when considering these questions there is one general idea which must not be lost sight of—that Canada must be considered first as a geographical entity, and, secondly, as a political entity. The answer is obvious as to whether the Northwest Territories were considered as a geographical entity in the Dominion of Canada. The Northwest Territories were always part of Canada since they were turned over by order in council in 1870 and became part of the Dominion. This is obvious and plain; I do not think it is debatable. But because the Northwest Territories were part of the territorial or geographical entity of Canada, can we go further and say that even in 1870 they were part of the confederation of the provinces? The answer is that we cannot, because the province did not exist. We cannot say that any more than we can say that the territory of Ungava which was added to the province of Quebec in 1912 was part of confederation from the time Quebec became part of the Dominion in 1867. So I may say, Mr. Speaker, that there is no sinister significance in these words. The preamble simply indicates that at the time Alberta became a province in 1905 it was placed on a footing of equality with every other province of the Dominion.

Mr. CAMPBELL: What about Saskatchewan? Do the same conditions apply there?

Mr. CANNON: Yes, the same conditions. These matters are to be referred to a royal commission and certain points are to be referred to the courts; in view of these facts I do not think I should go into any detailed discussion.

Mr. ADSHEAD: If the land always belonged to the Dominion of Canada and all that was turned over was legislative authority, what was it that was turned over by the British government? Was it only legislative authority?

Mr. CANNON: The Hudson's Bay Company by an act of surrender abandoned and relinquished all the privileges which had been granted under the old charter given by Charles II.

Mr. ADSHEAD: Did they own the land?

Mr. CANNON: Yes, they owned the land, certainly. A point, however, which is not to be forgotten and which is fundamental in these discussions is that Canada did not acquire the Northwest Territories from the Hudson's Bay Company.

Mr. BENNETT: Hear, hear.

Mr. CANNON: The Hudson's Bay Company, however, surrendered its charter to Her Majesty the Queen.

Mr. BENNETT: No, it did not surrender its charter; it surrendered an interest in the land.

Mr. CANNON: I mean all the privileges given to the Hudson's Bay Company under that charter which concerns the lands and privileges enumerated, subject to certain conditions. These conditions are the only rights which now remain in the Hudson's Bay Company. However, that territory reverted to the crown and the crown passed an order in council which made it part of the Dominion of Canada. The crown is the same in all sections of the British Empire; we have the same king and at that time we had the same queen. The owner of these public lands at that time was Her Majesty the Queen, and when Her Majesty said that the territory became part of the Dominion of Canada it simply meant that the government of Canada had legislative authority and control over the territory. The ownership of the property, however, remained in the crown.

Mr. ADSHEAD: So that that meant that the government of the Dominion did not transfer lands or property to Canada but simply gave legislative authority.

Mr. CANNON: Yes. This principle is well recognized in the British North America Act. Section 9 of that act is as follows:

The executive government and authority of and over Canada is hereby declared to continue and be vested in the queen.

That refers to the whole of Canada. Sections 91 and 92 apply to distribution of legislative authority and control.

Mr. ADSHEAD: I want to have it clear, as I never understood it that way. Has all legislative authority, no matter what kind, which is transferred from the Dominion to the provinces to be ratified by the Imperial parliament?

Mr. CANNON: Yes, because the legislative autonomy of our constitution is contained in sections 91 and 92. Those sections are part of the British North America Act and we cannot amend that act without the consent of the Imperial parliament.

Mr. BENNETT: Even then we cannot do so.

Mr. CANNON: My hon. friend raised a point in connection with clause 1 of the agreement. He has said that this is a conveying clause and he raises certain doubts as to whether the clause was really operative as regards water power. I may say that this is a point of considerable importance and that my hon. friend has made a very strong argument in connection therewith. I would not say the hon. gentleman is wrong but I wish to call the attention of the house to some further points. The opening words of that section are to the effect that the intention of the contracting parties is to place the provinces of Manitoba and Saskatchewan in the same position that the other provinces hold under section 109 of the British North America Act. Section 109 of that act is as follows:

All lands, mines, minerals and royalties belonging to the several provinces of Canada, Nova Scotia and New Brunswick at the union, and all sums then due or payable for such lands, mines, minerals or royalties shall belong to the several provinces of Ontario, Quebec—

And so on.

Mr. ADSHEAD: The words are "belong to."

Mr. CANNON: I do not think the wording of the section is good. It does not mean that it shall belong in the sense of separate ownership; it simply means that they shall have legislative control because the ownership is in the crown.

Mr. ERNST: In the right of the provinces.

Mr. CANNON: Yes, in the right of the provinces. I would call my hon. friend's attention to the fact that although the provinces of New Brunswick, Nova Scotia, Quebec and Ontario have dealt with their water powers and there has been absolutely no doubt that the water powers were part of their natural resources, there is nothing in the British North America Act which mentions

[Mr. Cannon.]

water powers. So that when the agreement was drafted and when the words were inserted they were inserted with the object and for the purpose of placing these provinces of the west in exactly the same position under section 109 as regards water power as that in which the older provinces are placed. I may say to my hon. friend that his argument in connection with the Irrigation Act and in connection with the Dominion Water Power Act deserves every possible consideration. Section 6 of the Irrigation Act, which is an act applying solely to the three western provinces, vests the ownership of the water powers in the Dominion. I have no doubt in my mind—though I always express simply my personal opinion—that by an agreement of this kind we cannot repeal existing legislation and that the Irrigation Act, which gives to the Dominion a certain proprietary interest in the water powers of the west, will have to be dealt with either by way of a special repeal or in some other way if this agreement is to become effective and if the intention of the parties is to be carried out. I entirely agree with my hon. friend the leader of the opposition when he says that we will have to make certain changes in our existing legislation. My hon. friend put the question whether the law officers of the crown considered that the mere mention in one of the sections of the agreement that such and such an act is repealed meant that the repeal became effective. My answer to my hon. friend is that it does not. These acts cannot be repealed by agreements of this kind, but as my hon. friend suggested yesterday I think ways and means can be found whereby all these acts which may be in opposition to the intention expressed in the agreement may be altered or amended in order to meet the new conditions.

Just here I should like to pay high tribute to counsel, both for the Dominion government and for the provinces, who performed a tremendous amount of work in connection with these agreements. These gentlemen were breaking new ground, so to speak, facing new problems and often unforeseen difficulties. We have before us the results of their work over a period of many months, and if we find that certain things should be done either by legislation or by additional agreements in order to realize the intentions of the different governments I am quite sure that everything necessary will be done without hesitation.

Then, Mr. Speaker, the hon. gentleman referred briefly, and some other hon. gentlemen referred at greater length, to the section which deals with the school lands and the school funds. I do not wish to discuss this question except to say that section 17 of both

the Alberta and Saskatchewan Acts has been declared constitutional by the Supreme Court of Canada, and that therefore in any legal discussions, until and unless this judgment is altered, we must take as our basis for argument the fact that this section was within the powers of the Dominion parliament, that it is constitutional and is the law of the land to-day.

With regard to the Dominion Lands Act, under which the school lands and the school endowment funds are to be administered, the question has been raised as to whether or not section 40 is included. I regret that this question was introduced in the debate and that doubts were expressed as to the effect of that section as we find it in the agreement, but I have no hesitation in supporting the opinion expressed by my hon. friend the Minister of Justice. The ordinary rules of construction must apply in this matter, and it is not a question of hair-splitting and quibbling. The first rule which is to be applied to the construction of an agreement, as to the construction of a statute, is to assume that the people who were parties to the agreement meant to do something practical and to give effect to an agreement which they signed. Starting from that basis is it possible to think for one moment that gentlemen would come all the way from the west to meet other gentlemen in Ottawa in order to draft a section which, if the contention of the hon. member for St. Lawrence-St. George were to be upheld, would have absolutely no practical application of any kind? When we mention these sections in the agreement we are not simply picking out sections which are separated in different statutes of Canada; we are dealing with a special section of the Dominion Lands Act with a separate heading, and unless the last section of that special chapter is included it would simply mean that these gentlemen have taken all this time in order to provide for some kind of system in the west which on the very face of it would not be workable. I do not think any court would put such a construction on any provision contained in this agreement.

My hon. friend from Cape Breton South (Mr. MacDonald) advanced the argument that section 40 could not apply because that section provides that the school funds must be invested in Dominion securities, and he contended that the provinces would not do that. I do not believe his argument is very strong, but I refer to it for one particular purpose. Let me repeat that in connection with all these matters there are general ideas which must be remembered. We must not lose ourselves in details; we must concentrate

on the main points of the agreement, and the main point of this section is that the principle which has been followed ever since the lands in the west were administered by the Dominion is to be upheld. In other words, the school lands and the school endowment funds are to constitute a trust, and instead of that trust being administered by the Dominion it will be administered by the provinces. There may be certain minor changes necessary as to investments; I do not know as to that, but such changes are covered by the Latin words included in that section, *mutatis mutandis*, which means that changes are to be made where changes are necessary in order to make of a Dominion administration a provincial administration, always keeping in mind the principle of trusteeship.

My hon. friend commented upon the sections covering the parks, and he stated that we were setting up, so to speak, a new state within the province of Alberta and that we were erecting an administration of our own to face the administration of the province. With his great facility, he gave to the house an idea of the probable conflicts in administration, jurisdiction and otherwise. These parks are for the Canadian people generally, they have been constituted for Canada as a whole. The expenditures made by this country in order to maintain these parks are made in the interests of the Dominion as a whole and not only of a province. It would be absolutely ridiculous for a dominion which has had, has now and will have to-morrow exclusive legislative jurisdiction within these parks, to depart from that jurisdiction unless at the same time it turned over the whole areas to the provincial governments and secured from those governments an announcement of their willingness to bear the burden of expenditure. Unless this Dominion has a right to legislate in connection with its parks, why should it spend the money? Would any hon. member of this house entertain for one moment the proposition that millions of dollars should be voted by this parliament and that that money should be spent under laws about which we know nothing and over which we have no control?

Mr. ADSHEAD: That would be a vicious principle.

Mr. CANNON: It is the very vicious principle of one body collecting money and giving it to another body which spends it, without the first having any control over the second. The viciousness conflicts with the very fundamentals of the British constitution.

In so far as the governments themselves are concerned, they are satisfied. From the

newspapers in that section of the country it would appear that they are satisfied with the agreement. I have before me an article which appeared in the Winnipeg Free Press. I do not intend to read it, but it states that the policy adopted by the Dominion government is in the interests of the west at large, and the hope is expressed that that policy will not be disturbed.

In his concluding remarks my hon. friend raised a very interesting point regarding section 24 of the agreement, which says that when the imperial parliament has confirmed the agreement, the parties to it will have authority to vary by agreement the provisions thereof. My hon. friend went on to say that section 24 introduced into Canada, as far as the western provinces were concerned, a new principle whereby we would have the right to amend the British North America Act without the British parliament being a party thereto. As my time has elapsed, I can only say that this section applies only to the provisions of the agreement.

Hon. W. A. BLACK (Halifax): Mr. Speaker, may I ask the indulgence of the house for a few minutes in order to place my views before it regarding the bills which are now being considered in connection with the natural resources of the provinces of Alberta, Saskatchewan and Manitoba. At the outset I desire to say that I am not in any way opposed to these bills. They give to these provinces what is their due and I am glad to see that done. The question which is now before us has been before this country for some time. It was under the consideration of the Conservative government in 1914 when war broke out, and the attention of the government had to be given to the defence of our country and other matters were brushed aside among which was this question of natural resources. As I said before, I do not for one moment oppose the treatment which is being meted out to these provinces.

My object in rising is to state my position on behalf of the province of Nova Scotia. As has been stated previously, the Dominion of Canada originally consisted of the four provinces of Nova Scotia, New Brunswick, Quebec and Ontario. Those provinces entered into what might be termed a business partnership. That business was carried on and in the course of time the provinces of Quebec and Ontario each received a large share of the profits. As was stated by the hon. member for St. John-Albert (Mr. MacLaren), those provinces received about a million square miles of new territory. We are now dealing with the western provinces which are receiving what is due to them, and the question natur-

[Mr. Cannon.]

ally arises: where do the smaller provinces stand? Additional lands could not be added to their territory, they being isolated as they were, and the question now arises: where do they come in with regard to their interests in the partnership? They helped to pay for the lands. What return are they to receive?

On behalf of the province of Nova Scotia I hold myself free to press the claims of that province. Those claims were clearly and fairly set out in the Duncan report which contained recommendations which have not yet been carried out, although the Prime Minister (Mr. Mackenzie King) has stated on the floor of this house that those recommendations would be implemented to the full.

I do not propose taking up the time of the house in repeating the different arguments, as the situation of the maritime provinces has been brought fully and clearly before the house.

I do not admit that the passing of the legislation now before the house closes the matter. The maritime provinces will not forego their claim in this connection but will press it to a legitimate conclusion.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, several hon. members who have recently spoken have made special reference to the position of the maritime provinces and to possible claims which those provinces may wish to have considered. They have, I think, very appropriately indicated in their remarks that whatever affects one part of the Dominion with respect to the voting of additional subsidies or to the alteration of any other terms as existing between the provinces and the Dominion, must necessarily have a bearing upon other provinces of the Dominion. Indeed, that fact is the one which above all others accounts for the circumstance that only to-day we are bringing as near to a termination as may be possible, a controversy which has existed for fully half a century.

When the province of Manitoba was created in 1870, the government of the day withheld from that province lands similar to those which the older provinces had come into possession of at the time they came into the control of their own affairs. Manitoba had, however, not been constituted very long before it began an agitation for the return, or rather control of the lands within its borders. The position of the federal government is, I think, well stated in an order in council which was passed while Sir John Macdonald was in office and which I would like to read as it more clearly than anything else indicates the reasons which actuated not only the government of Sir John Macdonald but subsequently also the

government of Sir Wilfrid Laurier in retaining the lands of the western provinces at the time they came into confederation. These lands were retained not out of any spirit of distrust, but rather because of national obligations which the federal government felt it was bound to meet.

In an order in council of the 30th May, 1884, the following appears:

The success of the undertakings—

And this is in reference, of course, to the claim put forward at that time by the province of Manitoba for the return of its lands.

The success of the undertakings by the Dominion government in and for the northwest, depends largely upon the settlement of the lands. Combined with the great expenditure in organizing and maintaining an immigration service abroad and at home, parliament pledged its faith to the world that a large portion of those lands should be set apart for free homesteads to all coming settlers, and another portion to be held in trust for the education of their children. No transfer could, therefore, be made, without exacting from the province the most ample securities that this pledged policy shall be maintained; hence in so far as the free land extends there would be no monetary advantage to the province, whilst a transfer would most assuredly seriously embarrass all the costly immigration operations which the Dominion government is maintaining mainly in behalf of Manitoba and the Territories.

The great attraction which the Canadian government now offers, the impressive fact to the mind of the men contemplating immigration is that a well known and recognized government holds unfettered in its own hand the lands which it offers free, and that that government has its agencies and organizations for directing, receiving, transporting and placing the immigrant upon the homestead which he may select. And if the immigration operations of the Dominion, which involve so large a cost, are to have continued success and to be of advantage to Manitoba and the Northwest Territories, your sub-committee deem it to be of the utmost importance that the Dominion government shall reclaim and control the lands which it has proclaimed free to all comers.

Were there other considerations of sufficient force to induce them to recommend their transfer to Manitoba, and as a consequence and by precedent the surrender to the provinces to be created from the Northwest Territory, all the lands within their boundaries, then they would advise that the provinces holding the lands should conduct their own immigration operations at their own expense.

That order was passed in 1884 and was cited by Sir Wilfrid Laurier at the time the provinces of Alberta and Saskatchewan were being created as setting forth the policy upon which his government was acting, as the government of Sir John A. Macdonald had acted, in holding the lands and giving to those provinces in lieu of the lands certain subsidy payments.

Mr. ADSHEAD: Was the ownership of the land transferred, or just the legislative authority?

Mr. MACKENZIE KING: I should assume the ownership of the lands remained in the Dominion. The point that I wish to make clear is that both political parties in this country have been actuated by like motives in dealing with this question at the outset and, I believe, through the greater part of the controversy. The government of Sir John A. Macdonald believed it was serving best the future interests of Manitoba and of the Dominion in withholding the lands and conducting immigration policies of its own just as the government of Sir Wilfrid Laurier did.

Within the last few months we have had in parliament a discussion in respect to immigration policies and I believe we have come pretty generally to the conclusion that the time has now arrived when the provinces themselves should have a larger voice in determining the policy with respect to immigration within their own boundaries. The fact that this is true indicates the change that has come about in conditions in Canada in the period to which I have been referring. At the time of the creation of those provinces no one would have thought of suggesting that they themselves at that stage would be best qualified to determine what immigration policy should govern with respect to the area that has been generally known as the Northwest Territories and to carry out that policy. But to-day they very rightly feel that they have reached a point in their own development and that Canada has reached a point in its development as a whole, necessitating more attention being paid to the purely provincial point of view than has hitherto been the case.

Mr. BENNETT: Was it not far more important when the homestead lands were available to settlers that the province should determine the character of the settlers than when those homesteads are not now available? That was one of the difficulties I was discussing the other day.

Mr. MACKENZIE KING: I doubt whether the provinces as constituted were able to make selections as effectively as the federal government, having regard to the necessity of recruiting immigration overseas. That, however, is a very large question and I am quite prepared to admit that it is one which is open to controversy.

Once the provinces of Saskatchewan and Alberta were created, the desire to have their lands returned to them, the wish to have con-

trol of their own natural resources, became almost immediately a matter of great concern to them as it had continued to be to the older province of Manitoba. Their representations were made to the governments of the day at Ottawa; representations first of all to the government of Sir Wilfrid Laurier, later to the government of the Right Hon. Sir Robert Borden, and subsequently to the government of the Right Hon. Arthur Meighen. When these representations were made it was usually by the three provinces acting together. As far as I have been able to discover, in the matter of their representations, they always combined their forces. Their respective premiers came from the three provinces to Ottawa and met here the government of the day. The reply they invariably received was that the government was prepared to return the natural resources, but was not prepared to continue the subsidy which was being paid to them in lieu of the resources. The reason for that reply it seems to me was related in large part to the point which has just been raised by my hon. friends from the maritime provinces. It was the question of the interest which other provinces in the Dominion would naturally have in all questions of financial arrangements between any of the provinces and the federal government. The governments of those days saw considerable difficulty in the return of the resources and at the same time effecting agreements to continue the subsidies. On the other hand, so far as the western provinces were concerned, they were unwilling, having once received subsidies, to forego them. There was an additional circumstance which was of real concern to them, namely, the amount that they felt should be allowed in payment of lands that had been alienated while under the control of the Dominion government. How to assess the amount that might be owing to them, how to effect an accounting was an additional complicated aspect of the question.

When the present administration came into office in December, 1921, it found several problems awaiting solution. There were amongst others problems which bore upon conditions in the maritime provinces; there was this all important question of the transfer of their resources to the western provinces. We undertook to cope with these problems as best we could, recognizing always, however, that it would be impossible to settle a problem affecting any one province without having continuous regard for the interests and concern of the other provinces as well.

We lost no time. In February, 1922, on behalf of the government, I sent a letter to

[Mr. Mackenzie King.]

the premiers of the three western provinces intimating that we were anxious to work out, if possible, a solution of the natural resources question and stating that we were prepared to transfer the resources immediately if the provinces were willing to forego the subsidy, or that we were prepared to grant an accounting, if they felt that money was due them from the federal treasury. This accounting, of course, would have reference to lands that had been alienated.

The western premiers visited Ottawa early in 1922, and as a result of our conference I gave to parliament on April 21, 1922, a statement of the position as it existed at that time. This particular statement related to the situation as between the government of Manitoba and the Dominion government. The other two provincial governments remained in conference with the Dominion government, but the premier of Manitoba was obliged to leave to attend to important political matters in his own province. The statement will be found on Hansard of April 21, 1922, at page 1018. I might as well read it. It is brief:

As between the government of Manitoba and the Dominion government it has been agreed,—

(1) That it is desirable and just that such adjustments be made between the Dominion of Canada and the prairie provinces with respect to their natural resources as will give full recognition to the principle that in this respect they are entitled to be placed in a position of equality with the other provinces of confederation.

(2) That the government of Canada will negotiate an agreement with the prairie provinces with the above object in view, such agreement to be subject to ratification by parliament and the respective legislatures.

(3) That failing agreement on any point as between the Dominion and the province of Manitoba all such items so in dispute shall be referred to arbitration.

(4) That any awards made by such arbitrators shall be subject to ratification by parliament and the legislature of Manitoba.

I wish to direct attention to those words, "as will give full recognition to the principle that in this respect they are entitled to be placed in a position of equality with the other provinces of confederation." That, I believe, was the first time a basic principle had been laid down as the one which should guide in the matter of the transfer of the natural resources. Prior to that time the position of federal governments that had dealt with the matter had been that the resources would be returned and the subsidies discontinued, but nothing was said as to the western provinces being put in a position of equality with the other provinces of the Dominion. I stress that particular feature because I believe it was the laying down of that principle, and adhering to

all its implications that has brought us to the point we have reached to-day. The prairie provinces were to be placed in a position of equality with the other provinces of confederation.

In connection with the endeavour to place the prairie provinces in a position of equality with the other provinces, it was hoped that an agreement might be reached as the result of negotiations. Failing negotiations some other method had to be adopted, and the method suggested was arbitration. Subsequent to that time several conferences were held with the western provinces and the same method was proposed with respect to all of them, but whenever arbitration was suggested, difficulties immediately arose as to the terms of the arbitration, the particular subjects to be arbitrated, the powers to be given to the arbitrators, how the arbitrators were to be chosen and the like, and above all, as to the method of accounting. Without knowing the ramifications of the work of the Department of the Interior it is impossible for anyone to conceive how involved any attempt at accounting in this matter was likely to be. When one reflects upon the values of land at one time, and their subsequent values, one soon discovers the difficulties that lie in the way of a settlement by arbitration based on an accounting. It was for that reason that there was some delay in reaching the next step. This was on April 21, 1922. At that time I gave a statement to parliament with respect to the position of the other provinces in any settlement which might be reached. It was in the following words:

If, however, apart from the land subsidy question the eastern provinces feel that they have any claim, that claim would have to be considered on its merits and it should not be an obstacle to the settlement of matters between the Dominion and the prairie provinces.

That was quoted from a communication which had been previously placed on record. I added subsequently in a statement to the Commons:

The position of the government is the same to-day. If the maritime provinces feel that they have any claim that claim should be considered on its merits.

I am quoting now a statement that I repeated later to my hon. friend from St. John-Albert (Mr. MacLaren).

Mr. MacLAREN: That was last year.

Mr. MACKENZIE KING: Yes, I might just as well make that clear at the moment. Last year I repeated to my hon. friend from St. John-Albert a statement which I made in this house in 1922, the statement being the

one which I have just put on record. I concluded with these words:

The position of the government is the same to-day. If the maritime provinces feel that they have any claim, that claim should be considered on its merits.

In other words, the second stage in reaching a solution of this matter was having it clearly understood that none of the other provinces should feel that its position would be prejudiced because of any settlement that might be made with the western provinces. It was essential at the outset to have it understood that the only way in which this involved and complicated problem could be settled was for the government to proceed with each province concerned individually and make the settlement that seemed most in the public interest, and that when a settlement was made, if other provinces felt that they had claims either arising out of the settlement or existing in other ways, they might assume that these would be taken into consideration in the same way, namely on their merits. That is the position to-day. I want to make clear that to reach a solution it became necessary to deal with the western provinces individually, and it became necessary also to have it understood that as regards the other provinces their position would not be prejudiced as a result of any settlement that might be reached.

After negotiating with the province of Manitoba, the government took up more actively negotiations with the province of Alberta. Alberta had reason to feel that her great resources were of immense value, and she was more anxious, I believe, than any of the other provinces to come immediately into possession of them.

Mr. BENNETT: It had already received its swamp and other lands.

Mr. DUNNING: Not Alberta.

Mr. BENNETT: I thought the right hon. gentleman was speaking of Manitoba.

Mr. MACKENZIE KING: I am speaking now of Alberta. We were able in negotiating with Alberta by herself to reach an agreement. The Alberta administration held out strongly for the return of the lands and also for a continuation of the subsidy. We modified the position that we had originally taken, that it would not be possible to continue the subsidy at all, to the extent of expressing willingness to continue the subsidy for a few years, not so much by way of continuation of the subsidy as by way of an allowance to meet the costs to which the province would be put in taking over the resources. On that basis an agreement

Natural Resources—Alberta

was reached with Alberta on January 9, 1926. As hon. members know, the agreement was presented to this house in legislation which was submitted to parliament, and also submitted to the legislature of Alberta.

As hon. members know, while the agreement with Alberta was before the legislature of that province a question was raised with respect to the validity of section 17 of the Alberta Act, and it was thought advisable to have a reference made of that question to the Supreme Court of Canada. I need not go into the circumstances which occasioned that reference. Suffice it to say that the decision of the court was to the effect that the constitutionality of section 17 of the Alberta Act could not be questioned.

Mr. ADSHEAD: That is the school proposition.

Mr. MACKENZIE KING: About this time the government began to give more active and careful consideration to conditions in the maritimes. I find it necessary to pass from one to the other because only by considering as they have arisen questions affecting the relations of each province to the Dominion has it been found possible to work out the present solution. We had as indicated been negotiating prior to 1926 with the western provinces for the return of their natural resources. Whether for this or other reasons, the east began to press us more strongly with respect to conditions in the maritimes. We then appointed the royal commission on maritime claims of which Sir Andrew Rae Duncan was the chairman. In the order in council referring to the appointment of the commission the following amongst other representations which had been made to this government by the maritimes were referred to as follows:

These representations have also been directed to the effects of the customs, immigration and other economic policies adopted by successive governments, of certain financial measures, and of the disposition or allotment to provinces of public lands of Canada, and it is alleged that at the time of the consummation of the confederation certain pledges were given that such measures would be undertaken and such policies pursued as would ensure for the future a satisfactory economic position for these provinces and that these pledges have been disregarded as a result of which the maritime provinces have not shared in equal measure the prosperity enjoyed by the Dominion as a whole.

It will be observed that this reference included a mention of financial measures and of the disposition or allotment to provinces of public lands. In communicating with the commission I gave amongst others, the following instructions to the chairman:

[Mr. Mackenzie King.]

The government of Canada is asking you to undertake a task of national importance in inquiring into maritime province grievances. The scope of the inquiry is indicated in the order in council constituting the commission. My colleagues and I desire to emphasize our conviction that the commission should not interpret its instructions or its duties in any narrow or technical sense, but should take every opportunity for the fullest and frankest discussion of the economic difficulties facing this part of the Dominion, the endeavours which have been made to overcome them, the causes of any shortcoming in these endeavours, and the most effective and practicable remedies.

I quote this paragraph as indicating the attitude in which the government has approached all these problems which affect the relations between the Dominion and the different provinces of the Dominion. We have sought to avoid dealing with them in a narrow or technical way. Whether we have proceeded through the agency of a commission or by direct action on the part of the government, we have endeavoured to take a generous and liberal attitude in seeking a solution of these provincial questions. The commission on maritime claims in its report touched upon the claims of the maritime provinces with respect to Dominion lands and with respect to the necessity for financial readjustments. The commission stated that in its opinion there should be a more comprehensive investigation into the claims of the maritimes than was within the power of the commission itself. The commission gave it as its opinion that in the interval, lump-sum-subsidies should be granted to the maritime provinces to afford them the amounts to which the commission believed they were entitled. The government accepted the report of the commission in that particular, and as a result parliament was asked to vote, and did vote, to Nova Scotia an additional subsidy of \$875,000 per year, to New Brunswick an additional amount of \$600,000, and to Prince Edward Island an additional amount of \$125,000. With a view to a readjustment, the government undertook also to have an investigation made into the financial arrangements existing between the Dominion and these provinces. This readjustment was to be carried out by means of an assessment. That work has been placed in the hands of the audit board.

Subsequent to the presentation to parliament of the report of the Duncan commission a Dominion-provincial conference was held at Ottawa. The maritime claims investigation took place in 1926, and the Dominion-provincial conference was held in 1927. It is necessary to refer to that conference because in my opinion it was an essential step towards the ultimate solution of this question. When

the conference met there was before its members the record of what had been done by the government with respect to the appointment of the royal commission on maritime claims and its recommendation as to action which should be taken by the government as to voting additional subsidies to the maritime provinces. Before that conference there was also the position of the western provinces in the matter of their claim to the return of their resources. The western provinces had asserted that the time had come not merely when they should be given back their resources but that they should be permitted to receive as well the subsidies which at the outset had been given in lieu of resources. The situations of both the maritime and the western provinces were as a consequence considered at that conference, and the attitude towards the western provinces taken by those representing the maritime provinces and the provinces of Ontario and Quebec was that the Dominion government in dealing with these western provinces should do so in a generous and liberal manner. That was the treatment accorded western Canada by the eastern part of Canada in return for the attitude the western provinces through its representatives in this parliament had taken in regard to the maritime situation. There was cordial reciprocation. As a consequence the government felt that it was free to reopen negotiations with the western provinces on a basis more liberal than it had theretofore found possible to adopt. When the next conference was held with the western provinces the government kept in mind the attitude of the Dominion-provincial conference and to a considerable degree governed itself accordingly.

At a conference which was held during the month of August 1928 between the Dominion government and the province of Manitoba, the question of the transfer of the resources of Manitoba was taken up anew. At that conference one more very important step was taken towards reaching a definite agreement between the two parties. Prior to that conference, the basis upon which we had been considering the transfer was to place these provinces in the same position as that held by the other provinces of the Dominion. Manitoba contended, as it had contended before, that such action was not sufficient. Manitoba asserted the attitude that merely to place it in the same position as the other provinces of the Dominion was to ignore altogether the position of that province from the time it entered confederation up to the time at which we were then negotiating. As a result of this contention, a strong plea was made to the federal government for recogni-

tion of the position of the province from the time it came into confederation. That particular request by Manitoba was met by the present administration, and it was agreed that Manitoba should be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources as from its entry into confederation. In my opinion that step was the most important of all factors in enabling a settlement to be reached with that province.

What means were to be adopted to place Manitoba in that position? That was the next matter which the conference had to consider. Bearing in mind previous experience respecting difficulties of arbitration, the conference adopted a method whereby it was thought the public interests could best be safeguarded. It was decided to appoint a commission with power to determine not only what were the relevant factors to be considered but also to decide what in its opinion should be done in order to effect the end I have just described. As a result it was agreed that the government of Canada, with the concurrence of the government of Manitoba, should appoint a commission of three persons to inquire and report as to what financial readjustments should be made to effect that end; the financial readjustment necessary to place Manitoba in the position that she would have been in with respect to the administration and control of her natural resources as from her entrance into confederation in 1870; the commission to be empowered to decide what financial or other considerations were relevant to its inquiry; the findings of the commission to be submitted to the parliament of Canada and to the legislature of Manitoba; and upon agreement on the financial terms, following consideration of the report of the commission, the respective governments to introduce the necessary legislation to give effect to the financial terms as agreed upon and to effect the transfer to the province of the unalienated natural resources within its boundaries subject to any trust existing in respect thereof and without prejudice to any interest other than that of the crown in the same.

The commission under this agreement was appointed on April 1, 1928; it set about its work immediately and presented its report in due course. That report was accepted by the federal government and by the government of Manitoba; an agreement based upon the report was drafted and signed, and is the agreement which was presented to this parliament this year, and which already has been approved by this House of Commons.

Having made this settlement with Manitoba in the manner described and in connection with this settlement having agreed to terms more liberal than would have been agreed to had not the Dominion-provincial conference been held, and had not the claims of the maritime provinces been investigated and dealt with as they were, the government then was in a position to deal with Alberta and Saskatchewan on terms also more generous than any which had been proposed theretofore. I will read what is contained in the agreement in connection with the financial terms as respects Manitoba. This is important, because it bears on the whole question of federal subsidies to the provinces.

20. In lieu of the provision made by section five of the statute two George the Fifth chapter thirty-two above referred to, Canada will, from and after the date of the coming into force of this agreement, pay to the province by half-yearly payments in advance, on the first days of January and July in each year, an annual sum based upon the population of the province as from time to time ascertained by the quinquennial census thereof, as follows:—

The sum payable until the population of the said province reaches eight hundred thousand shall be five hundred and sixty-two thousand five hundred dollars;

Thereafter, until such population reaches one million two hundred thousand, the sum payable shall be seven hundred and fifty thousand dollars;

And thereafter the sum payable shall be one million one hundred and twenty-five thousand dollars.

21. If at the date of the coming into force of this agreement any payment has been made under the provisions of section five of the statute two George the Fifth chapter thirty-two above referred to in respect of any half-year commencing before but terminating, after the said date, a proportionate part of the payment so made shall be taken as having been made under the provisions hereof.

Hon. members will see that the first proposal to Manitoba was simply to return her resources, and place her in the position with respect to the ownership of these resources that she would have been in without taking into consideration any alienations of land between 1870 and the time at which the agreement was reached. Manitoba, however, claimed that she was entitled to some payment on account of lands which had been alienated, and the commission which dealt with the problem was authorized to fix an amount which, in its opinion, would cover what was due on account of alienations. The following is the finding of the commission, as embodied in the agreement:

22. In order to provide an adequate financial readjustment in favour of the province for the period intervening between its entrance into confederation in 1870 and the first day of July,

[Mr. Mackenzie King.]

1908, before which date it received either no subsidy in lieu of public lands or a smaller subsidy than it should have received in order to put it on an equality with the other provinces, Canada, forthwith after the coming into force of this agreement, will, in accordance with the report of the hereinbefore recited commission, pay to the said province the sum of four million, five hundred and eighty-four thousand two hundred and twelve dollars and forty-nine cents with interest thereon at the rate of five per cent per annum from the first day of July, 1929.

When agreement with Manitoba was reached on this basis I immediately issued to the press a public statement, which was made known to the provinces of Alberta and Saskatchewan, to the effect that having come to an agreement on certain terms with Manitoba, the government was prepared to make settlements on similar terms with Saskatchewan and Alberta. In other words, we were prepared to say at once to the province of Alberta that in consequence of the agreement we had reached with Manitoba we were prepared to go further than we had gone in the agreement which had been previously signed and executed; as I have said, we felt justified in that course, from what had transpired in the interval. The statement, which appeared in the press on June 26, 1929, was as follows:

Upon the conclusion of the conference with the representatives of the government of Manitoba, it was stated by the Prime Minister that the Dominion government, having in mind negotiations now pending with the provinces of Alberta and Saskatchewan, and the representations of the governments of these provinces with respect to the continuance of the payment of subsidies in accordance with the terms of existing legislation, is now prepared to accord to Alberta and Saskatchewan, in the settlement of the resources question, treatment similar to that granted to Manitoba with respect to the continuance of Dominion subsidies.

I transmitted that public statement to Mr. Brownlee, the Premier of Alberta, in a letter dated October 5, 1929, and shortly after receipt of that communication negotiations were resumed between the province of Alberta and the Dominion government, and an agreement was reached with Alberta on terms similar to those granted Manitoba.

My hon. friend the leader of the opposition inquired the other day—and this was referred to this afternoon by the Solicitor General—as to the sinister meaning attached to the words “as from its entrance into confederation in 1905” in the Alberta and Saskatchewan agreements. The reason for the insertion of those words was that in all these agreements the government in so far as might be possible was seeking to follow identical lines. The province of Manitoba had raised no question about the insertion of the words “as from its

entrance into confederation in 1870"; indeed, their insertion was regarded by the province of Manitoba as a great gain on its part. It was in order to place Alberta and Saskatchewan in exactly the same position as Manitoba had been placed in that the government used the identical language in the orders in council and the agreements dealing with these matters.

Mr. EVANS: Did not Manitoba have an adjustment years previously to that.

Mr. MACKENZIE KING: There have been other adjustments, but the commission which inquired into the Manitoba situation took all those adjustments into account.

Now, in connection with Alberta, as I have said, the agreement is similar to that made with Manitoba. I should like to place the financial terms on record, because they are important from the point of view of the subsidies which this parliament will be paying hereafter:

20. In lieu of the provision made by subsection one of section twenty of The Alberta Act, Canada will, from and after the date of the coming into force of this agreement, pay to the province by half-yearly payments in advance, on the first days of January and July in each year, an annual sum based upon the population of the province as from time to time ascertained by the quinquennial census thereof, as follows:

The sum payable until the population of the said province reaches eight hundred thousand shall be five hundred and sixty-two thousand five hundred dollars;

Thereafter, until such population reaches one million two hundred thousand, the sum payable shall be seven hundred and fifty thousand dollars;

There was one feature in the agreement with Alberta in addition to that to be found in the agreement with Manitoba. It is as follows: It will be observed that its purpose is to ensure Alberta being placed in a position identical with Manitoba as respects what may be due that province to ensure it being placed in a position with the other provinces as from the date of its entry into confederation.

22. It is agreed that the Hon. W. F. A. Turgeon, a judge of the court of appeal of Saskatchewan, Charles M. Bowman, of the town of Waterloo, in the province of Ontario, Esquire, chairman of the board of directors of the Mutual Life Assurance Company of Canada, and Fred E. Osborne, Esquire, mayor of the city of Calgary—

This personnel is the same as that of the Manitoba commission except that Mr. Osborne takes the place of Mr. Crerar.

—or, if any of the foregoing cannot act, then such other person or persons as may be agreed upon, will be appointed commissioners under part one of the Inquiries Act to inquire and report whether any, and, if any, what consideration, in addition to the sums provided in

paragraph twenty hereof, should be paid to the province in order that the province may be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources as from its entrance into confederation in 1905, such commissioners to be empowered to decide what financial or other considerations are relevant to the inquiry, and the report to be submitted to the parliament of Canada and to the legislature of Alberta; and if by the said report, the payment of any additional consideration is recommended, then, upon agreement between the governments of Canada and of the province following the submission of such report, the said governments will respectively introduce the legislation necessary to give effect to such agreement.

Having concluded the agreement with the province of Alberta, the government was then in the happy position of being able to make like overtures to the province of Saskatchewan. As hon. members know, an agreement similar to the agreement made with Alberta has been made with the province of Saskatchewan. There is an additional feature in the agreement with Saskatchewan over and above that of the agreement with Alberta, just as there is one feature in the Alberta agreement which does not appear in the Manitoba agreement. That additional feature appears as a result of certain representations made to us by the province, and it refers to certain questions which the province of Saskatchewan felt it would wish to have referred to the courts. Section 23 of the Saskatchewan agreement shows just what those questions are. That clause was not inserted in the Alberta agreement because that province did not raise any questions of the character which were raised by the province of Saskatchewan. In explanation of the attitude taken by the federal government in accepting the questions there raised, I may say that throughout the entire transactions we have sought in our relations with the different governments to be as conciliatory as it was possible for one government to be toward another. We did not desire to restrict our actions of dealing with the provinces in any rigid manner. If there was a feeling in the minds of the governments of any of the provinces that they had rights which should be granted, that there were grievances which should be removed, or that there was something additional which in fairness and justice they believed they should receive, we sought to have them feel that we were quite prepared, as in fact we were, to go to any length that they might be left without any grievance or cause of complaint. That is the reason why an additional feature has been added to the Saskatchewan agreement.

Having added that feature to the Saskatchewan agreement, we felt in accordance with our policy of treating all the Western provinces alike, that it was at least right to see that Alberta was placed in a similar position, regardless of whether we believed its position would thereby be improved in the least, and that is being done by the amendment which is proposed to the bill now before the house.

Mr. CAMPBELL: Section 23 of the Saskatchewan agreement does not contain those particular questions. I would like to know where we can find them.

Mr. CANNON: An order in council has been passed.

Mr. BENNETT: They were framed before the agreement was signed.

Mr. MACKENZIE KING: The questions were framed and have been agreed upon, and I presume they will be made public in due course, as soon as the order in council which orders the reference is passed.

Mr. CAMPBELL: We will not have an opportunity to consider them before the agreement is passed.

Mr. MACKENZIE KING: The questions themselves do not affect the agreement. I will read the clause in the agreement so that my hon. friend will see that what the questions are does not affect, and will not likely affect one way or the other, the action of any one in approving of the agreement. The section reads:

23. Provision will be made pursuant to section fifty-five of the Supreme Court Act, being chapter thirty-five of the revised statutes of Canada, 1927, to submit for the consideration of the Supreme Court of Canada questions agreed upon between the parties hereto as being appropriate to obtain the judgment of the said court, subject to appeal to His Majesty in Council in accordance with the usual practice, as to the rights of Canada and the province respectively, before the first day of September, 1905, in or to the lands, mines or minerals (precious or base), now lying within the boundaries of the province, and as to any alienation by Canada before the said date of any of the said lands, mines or minerals or royalties incident thereto.

As my hon. friend knows, the questions have been agreed to by both governments.

Mr. BENNETT: And before the agreement was signed.

Mr. MACKENZIE KING: Moreover, the questions were agreed to by this government in the form in which they were suggested by the government of Saskatchewan

[Mr. Mackenzie King.]

The financial terms with respect to Saskatchewan also should be placed on record. They are as follows:

21. In lieu of the provision made by subsection one of section twenty of the Saskatchewan Act, Canada will, from and after the date of the coming into force of this agreement, pay to the province by half-yearly payments in advance, on the first days of January and July in each year, an annual sum based upon the population of the province as from time to time ascertained by the quinquennial census thereof, as follows:

The sum payable until such population reaches one million two hundred thousand shall be seven hundred and fifty thousand dollars; And thereafter the sum payable shall be one million one hundred and twenty-five thousand dollars.

Before concluding, I should say that in dealing with the three prairie provinces and the maritime provinces, the government had placed before it as well certain claims made by the province of British Columbia. Those claims related to lands in what are known as the Peace River block and the railway belt. Having dealt with the maritime claims by means of a royal commission, having dealt with the Manitoba resources in the same way, a similar method was adopted in dealing with the claims made by the province of British Columbia. In other words, the government for its guidance in this matter sought to place in the hands of impartial experts the determining of essential factors. The commission reported that although there were no legal claims, there were certain claims in equity. We might have left the matter there, but having before us the same spirit in dealing with British Columbia that we had in our dealings with the provinces already referred to, we took a broad and liberal attitude towards that province and reached an agreement with the province of British Columbia whereby these lands will be returned to that province and a subsidy of a considerable amount will also be paid hereafter to that province.

I mention this agreement with British Columbia in order that hon. members may see in its entirety what the government has had in mind during the recent past and what is being accomplished at the moment. We have sought to discover the grievances of the different provinces where they arose out of any relationship as between the Dominion and the provinces and remove those grievances by effecting settlements in a broad and liberal way. By taking that attitude towards one part of the Dominion and then towards another, we have, I believe, succeeded in bringing all into one accord. We have suc-

ceeded in obtaining common consent in the enactment of the measures which this House of Commons has before it at the present time. In a word, we have to some extent, I believe, strengthened the superstructure of confederation by the agreements made with Manitoba, Alberta, Saskatchewan and British Columbia and we have also reinforced the foundations of confederation by an equitable readjustment of financial relations between the Dominion and the provinces in the matter of subsidies in a manner which will give to the several provinces from now on a much more liberal contribution by way of subsidy from the federal treasury. The same is true with respect to what we have accomplished as regards the maritime provinces. We have acknowledged to the full the principle of provincial autonomy. We have given practical recognition in our policies to the axiom that the prosperity and well-being of Canada must be based upon the most cordial cooperation between the Dominion and the provincial governments. I should point out that in these matters our dealings have been not with Liberal but with Conservative or Progressive governments. We have taken an attitude far above that of party. We believe that thereby we have established a firm bond for mutual confidence and effective cooperation between the Dominion and the provinces in years to come.

May I say this word in conclusion? When I have been discussing in this house on previous occasions the questions of contributions from the federal treasury to the provinces for highways, technical education, unemployment and other matters, I have had very much in mind these extended contributions which hereafter will be made from the Dominion to the provinces, not by way of special grants for particular purposes but by way of general subsidies which the provinces will be free to use in whatever manner they deem to be most advisable. That was the method of dealing as between the Dominion and the provinces which was adopted when confederation came into being. The provinces were given control of certain resources; they were assigned certain fields of legislation and they were granted certain subsidies in addition to what they might raise by taxation to enable them to meet the obligations which came within their particular jurisdiction. I believe it is in the interest alike of the provinces and of the Dominion and certainly of the taxpayers of the country that we should adhere as closely as possible to that original method. If our subsidies are not in fairness what they should be to any or all of the provinces, there

should be a general readjustment of the subsidies themselves. In these measures we have gone a long way towards effecting that readjustment. If in dealing with the western provinces in the liberal manner in which we have, it should appear to our friends in the maritimes, after we have concluded the implementing of the many recommendations of the Royal Commission on Maritime Claims, that they still have other claims which they feel should be considered, whether these claims arise in Nova Scotia, New Brunswick or in Prince Edward Island, from which provinces we already have had claims presented to us which claims are in part before the audit board at the present time, then those claims should be investigated and should be decided on their merits. That at least is the policy of the present administration, a policy which in having regard for all has regard for each and which equally in having regard for each needs to have a due regard for the rights and wellbeing of all.

Mr. Marcell moved the adjournment of the debate.

Mr. C. H. CAHAN (St. Lawrence-St. George): Before the debate is adjourned might I make a short personal explanation, as I will not be in the house for several days?

Mr. MACKENZIE KING: All right.

Mr. SPEAKER: If it is a personal explanation.

Mr. CAHAN: It is not my intention to make any lengthy statement. I would like to call the attention of the Minister of Justice (Mr. Lapointe) to the fact that in making a quotation from my address of February 18, 1929, he inadvertently read a portion only of a statement which I made. I was discussing the motion on natural resources made by the late member for Frontenac-Addington, the Hon. Doctor Edwards. I may say I played a considerable part in drafting that resolution at the Winnipeg convention. One part of that read:

And that the claims of these provinces—that is the provinces of the middle west,—to compensation for loss for lands and resources alienated, and the claims of any other provinces in connection with this subject should be investigated with a view to satisfactory and equitable adjustment.

I helped to draft that resolution originally and I voted in favour of it when it came before the house. This is what I said in the house as reported on page 224 of Hansard of last year:

I look with considerable doubt upon the claim of the three western provinces for compensation for lands already alienated, but I am not sufficiently acquainted with the bases of those claims to assert whether they are valid

or not. But I do assert that it is not only inopportune, but it would be inadvisable for the members of this house to deny to these three western provinces the right to present their claim before a competent tribunal. I take the position that the amendment should not be passed by this house.

That was an amendment to preclude the right of these provinces to compensation, an amendment which was moved by Mr. Speakman and seconded by Mr. Lucas and which was subsequently withdrawn. It was that amendment I was discussing.

I take the position that the amendment should not be passed by this house. We should not deny to the maritime provinces the right to have their claims investigated and, on the other hand, we should not deny to the three western provinces the right to present their claims and any authentic evidence or legal argument which they can present in support of those claims, in order that they may be adjudicated by a competent tribunal.

The Minister of Justice quoted only a part of that statement as if it applied to the matter which I had under discussion in that part of my address of yesterday afternoon to which he made reference. That address of yesterday afternoon was intended in that part of it to apply only to section 17 of the Alberta Constitutional Act and section 17 of the Constitutional Act of Saskatchewan. I am as well aware as the Minister of Justice that every person who has a grievance has a right to go into court to contest the validity of any statute passed by this parliament or any legislature. I was not contending that that right should be in any way infringed upon. I merely made a suggestion and the suggestion which I made was that it would have been far better, in effecting the settlements with the western provinces, if these provinces had frankly admitted the validity of the various judgments by the Supreme Court of Canada and had for all time settled, taken out of controversy, these which I regard as very meagre rights, which have been reserved to the minorities in those provinces, and which have not detracted from their equality with other provinces, because the rights reserved to them under section 17 of those acts are very meagre compared with the rights of the Protestant minority in the province of Quebec or with those rights reserved to the Catholic minority in the province of Ontario. I meant nothing more than that. I had no intention of precluding any aggrieved person from contesting what he regarded as an unconstitutional act.

Motion agreed to and debate adjourned.

On motion of Mr. Mackenzie King the house adjourned at 5.55 p.m.

[Mr. Cahon.]

Thursday, May 1, 1930.

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMMIGRATION DURING LAST CALENDAR YEAR

Mr. MANION:

1. How many immigrants were admitted into Canada during the calendar year 1929?
2. From what countries did they come and the number from each country?
3. How many Mennonites were admitted into Canada in 1929?

Mr. STEWART (Edmonton):

1. 164,993.
2. The answer to this question can be given only by racial origin, which does not in every case indicate the country of birth. By origins admissions during the calendar year 1929 were as follows:—

British—	
English..	33,541
Irish..	10,515
Scotch..	19,498
Welsh..	3,247
Total..	66,801
From the United States..	
	31,852
Northern European Races—	
Belgian..	862
Dutch..	1,252
Finnish..	4,614
French..	775
German..	13,473
Scandinavian—	
Danish..	2,852
Icelandic..	8
Norwegian..	2,549
Swedish..	3,073
Swiss..	510
Total..	29,968
Other Racial Origins—	
Albanian..	21
Arabian..	4
Other Racial Origins—	
Armenian..	16
Austrian..	434
Bohemian..	20
Bulgarian..	301
Coration..	739
Czech..	434
Dalmatian..	7