

*Unopposed Motions for Papers*HALIFAX-WINDSOR JUNCTION OPERATING  
AGREEMENT

Mr. ERNST:

For a copy of the agreement between the Canadian National Railways and the Canadian Pacific Railway, respecting the operation of the railway line between Halifax and Windsor Junction in the province of Nova Scotia.

Mr. DUNNING: Mr. Speaker, might I point out to my hon. friend who moves this motion that orders of the house usually have to do with information which is in the possession of the government. This information relates to an agreement between the Canadian National and the Canadian Pacific railways. I am not familiar with the agreement, but certainly the information is not in the possession of the government. I shall be very glad, however, to forward the inquiry to the headquarters of the Canadian National Railways, and they of course will answer it if it is not against the interests of the railways so to do.

Mr. BENNETT: Under the Railway Act copies are filed here.

Mr. DUNNING: The Canadian Pacific themselves might object.

Mr. BENNETT: A copy of the agreement is filed here.

Motion stands.

## SLAUGHTER OF TUBERCULOUS CATTLE, DAYSPRING

Mr. ERNST:

For a copy of all correspondence, telegrams and other documents whatsoever, passing between the Department of Agriculture and the Department of Natural Resources of the province of Nova Scotia and/or any other person or persons, respecting the slaughter of cattle reacting to the bovine tuberculosis test on the municipal poor farm at Dayspring in the county of Lunenburg.

## TANCOOK PUBLIC WORKS

Mr. ERNST:

For a copy of all pay-rolls, time sheets and other documents relating to the expenditure of moneys by the Department of Public Works at Tancook in the county of Lunenburg during the calendar year 1928.

## BRITISH COLUMBIA CANNERY LICENSES

Mr. NEILL:

For a copy of all letters, telegrams and correspondence generally, exchanged during the last six months between the government of the province of British Columbia or any minister or official thereof, and the government of the Dominion of Canada, or any minister or official thereof, relative to the issuing of cannery licenses in the province of British Columbia.

[Mr. Spencer.]

## MCPHERSON'S COVE WHARF, P.E.I.

Mr. MACDONALD (Kings):

For a copy of all pay-rolls and accounts in connection with repairs made to the wharf at McPherson's Cove, Prince Edward Island, during the summer of 1928. Also a return showing the names of all parties employed, the number of days of employment, the rate per day, and the total amount paid to each, along with the quantities of stone, lumber and other materials purchased, showing the rate per ton, yard or foot, etc., paid for such material, the total cost of same and the names of parties from whom purchased, and the amount paid to each.

## GRAHAMS POND HARBOUR, P.E.I.

Mr. MACDONALD (Kings):

For a copy of all pay-rolls and accounts in connection with repairs made to the boat harbour at Grahams Pond, Prince Edward Island, during the summer of 1928. Also a return showing the names of all parties employed, the number of days of employment, the rate per day, and the total amount paid to each, along with the quantities of stone, lumber and other materials purchased, showing the rate per ton, yard or foot, etc., paid for such material, the total cost of same, the names of parties from whom purchased and the amount paid to each.

NATURAL RESOURCES—PRAIRIE  
PROVINCES

Hon. J. W. EDWARDS (Frontenac-Addington) moved:

That, in the opinion of this house, in the best interests of confederation, and the economic development of western Canada, the provinces of Manitoba, Saskatchewan, and Alberta should be granted their natural resources free from restrictions within the legislative competence of parliament of Canada with provisions for the maintenance and administration of school lands and school land endowment funds for educational purposes according to the laws of the respective provinces, but in compliance with the letter and spirit of the constitution, and that the claims of these provinces 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.

He said: Mr. Speaker, the subject matter of this resolution has been of general interest throughout the Dominion for many years. In relation to it articles have been written, resolutions adopted and petitions signed by tens of thousands of citizens in the various provinces. The petitions have been placed upon the table of this house. The return of the natural resources of the prairie provinces has been the subject of discussion in the press and on the platform; but in this parliament, the place above all others where it should be discussed, it has not been, for the reason that the government by devious methods has prevented

debate. That, in my judgment, has been a mistake. I believe the members of this house have given a great deal of thought to this question, and I am confident that a candid exchange of views in relation thereto will go far towards removing misunderstandings, and will be for the general benefit of all concerned.

In the session of 1922—the first session after the advent to power of the government led by the right hon. the Prime Minister (Mr. Mackenzie King)—the government in the speech from the throne indicated its intention of dealing with this matter and of transferring to the prairie provinces their natural resources. Nothing was done, however, to implement that promise contained in the speech from the throne, and I am sure no person will attach any blame to the Conservative party for lack of action on the part of the government, inasmuch as the Conservative party at that time, unfortunately for the best interests of Canada, numbered only some 50 members. But the question was brought up again in the session of 1926. That session opened on January 7th, I believe, and the last paragraph in the speech from the throne reads:

Your attention will be invited, among other measures, to a bill to provide for the transfer to the province of Alberta of its natural resources.

As I said, the matter had been discussed and studied at very great length, and intensively; and a day or so after the house opened an agreement, a copy of which I have in my hand, was placed on the table of the house. That agreement was dated January 9, 1926. It was an agreement entered into, after a careful study of the matter, between the province of Alberta and the federal government. That agreement was signed on January 9, 1926, by the Minister of Justice (Mr. Lapointe) and the Minister of the Interior (Mr. Stewart), representing the federal government, and by Premier Brownlee and the Hon. Vernon Smith, representing the province of Alberta. The agreement was to be the basis of concurrent legislation to be passed by this house and by the Alberta legislature, and after such legislation should have been passed by the two houses concerned the agreement, according to its last clause, 26, which I will read, was to be confirmed by the Imperial parliament. That clause reads:

This agreement is made subject to its being approved by the parliament of Canada and by the legislature of the province of Alberta, and shall take effect on the first day of the calendar month beginning next after the day upon which His Majesty gives his assent to an act of the Imperial parliament of Great Britain and Ireland confirming the same.

For nearly three weeks that agreement had been in the hands of members of the house and available to the press, and so far as I know it had not been commented upon adversely by any newspaper nor by any person in Canada. No individual, no newspaper attacked the agreement on the ground that it was unjust in any particular to either of the contracting parties, and all of us who were in the house at that time rejoiced at the apparent fact that this matter was going to be settled, and settled to the satisfaction of all concerned. That was the situation until January 29, 1926, when the hon. member for Labelle (Mr. Bourassa) rose in his place and spoke as follows—I quote from Hansard of that year, page 556:

As regards the last paragraph in the speech from the throne, "natural resources of Alberta", I put to the government this question, to which they need not reply to-day: Why Alberta alone? Why not Manitoba and Saskatchewan? The same principle, the same policy, apply there. The right hon. gentleman stated the other day that it had been a great mistake not to hand those natural resources to the provinces of the west when they were formed. This opens up a very complex aspect of the question. I am not going to dwell upon it to-night; but I am in duty bound to tell the members of the government that when, in 1905, the provinces of Alberta and Saskatchewan received their provincial charters at the hands of this parliament. . . . the matter was discussed at length in private as well as in public. I stand here, with one exception, I think, the only living witness of one of those conferences in which it was agreed that these natural resources should remain in the hands of the federal government for various reasons, one of which was that they should serve as a guarantee of the maintenance of what remained of the school rights of the Catholic and French minorities of those provinces. I do not want to take the house by surprise, nor do I relish the idea of having to resuscitate these old questions in the house. But, sir, I should be remiss in my duty, I should be disregarding the honour of my solemn word pledged at the time, that if any change was ever made in the material terms of the contract, I would stand as a witness to that contract—I say, I should fail in my duty if I did not on this occasion demand that the moral obligations then undertaken be strictly fulfilled. Indeed, I will not see—

Here comes the threat.

—a shred of those promises broken without stating what I know to be the truth of the matter and indicating what part I myself played in the undertaking, and with what object. Before this question is settled, there must be a frank, a clear and an honest understanding as to what shall be done in respect of the solemn moral obligations entered into when that reservation was made. I shall let it go at that for the present.

Now it must occur to anyone who heard the hon. member for Labelle on that occasion, and to others who have read his remarks since, that there are two outstanding features in the

statement he made that day. One is that while the people of Alberta and Saskatchewan, and generally the people of the Dominion, thought that all the cards had been laid on the table and that everything was open and above board, there was a cabal or secret conference being held with the government of the day, in which conference a certain agreement was entered into which was to be held as a club over the heads of the people of the west to force them to submit to the dictatorial whims of the hon. member for Labelle and of those who were associated with him. Putting it mildly, I say that these words of the hon. member for Labelle contain a reflection upon the then leader of the government and Prime Minister of Canada. They leave an unpleasant taste in the mouth, because they certainly imply that the then leader of the government was a party to something which would not bear the light of day, or that he did not choose to let the people of Canada know what was going on.

Personally, I am not disposed to take seriously or to value at 100 per cent many of the statements made by the hon. member for Labelle. I have noticed in recent years this very significant tendency on the part of the hon. gentleman; he has shown a disposition nearly always to quote those who are dead and consequently are not in a position to defend themselves. He speaks, here, learnedly of his intimate relations with all the distinguished men, from Julius Caesar and Napoleon, from Gladstone and Disraeli down to the present time. He tells us how, in their eagerness to open the door to him when he calls upon them, they slip down in their dressing gowns or in their pajamas; they are so eager to meet him. But they are dead and have no opportunity of defending themselves against the charge. However, when I caught the reflection—as I construe it—upon the late Sir Wilfrid Laurier, contained in these remarks of the hon. member for Labelle, I looked to see the members of the government as well as many hon. members on the other side of the house show their resentment.

Mr. FORKE: I did show my resentment at the time.

An hon. MEMBER: That is another matter.

Mr. EDWARDS (Frontenac): You are just a few years late in that, as in many other things. Somehow or other my eye fell first upon the face of the Solicitor General, and it gave me some pleasure to note "dark lightnings flash from Lucien's eye and his hand go to his sword." When I looked at the members of the cabinet sitting in the

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front rows I saw very different expressions; there was visible moisture in the eyes of the Minister of the Interior as he glanced at the drawn and sorrowful features of the Minister of Justice; the smile which usually adorns the handsome countenance of the Minister of Railways was replaced by a look of incredulous amazement, or amazed incredulity, as he contemplated the airy castles of his vaulting ambition crumbling into dust around him. The lights and shadows of conflicting emotions scintillated over the polished dome of the Minister of Agriculture, as though the aurora borealis had changed the scene of its activities from the frozen north to his frozen countenance. Words fail to describe the expression which appeared on the face of the Prime Minister, but he did lean towards the Minister of Justice and I thought I caught these words:

Let me have men about me that are fat;  
Sleek-headed men, and such as sleep o' nights.

Then, with a look towards the hon. member for Labelle, I thought I heard him say:

Yond Cassius has a lean and hungry look.  
He thinks too much; such men are dangerous.  
Such men as he be never at heart's ease  
Whiles they behold a greater than themselves  
And therefore are they very dangerous.

To all of this, of course, the Minister of Justice gave his assent.

Ah! then and there was hurrying to and fro—  
And gathering tears, and tremblings of  
distress,  
And Grits grew pale, who but an hour ago  
Were flushed with self praise of their own  
cleverness—  
And there were dire forbodings, such as press  
The life from faltering hearts, and choking  
sighs  
Were many times repeated; who could guess  
What cruel fate might meet their tear filled  
eyes,  
Since upon hopes so sweet such awful threat  
could rise!

Undoubtedly there was a hurrying to and fro; there was a hurried meeting of the cabinet to discuss the matter; there was a hurried conference with the miniature Mussolini and a hurried compliance with his demands; there was a hurried trip by the chief electoral officer to the west to influence Premier Brownlee, and there was an acceptance by Premier Brownlee of the amendment dictated by the hon. member for Labelle which he later repudiated after more mature consideration, to his credit be it said. On April 7, 1926, Premier Brownlee wired the Prime Minister that he would have to change his bill and re-submit it to the legislature; the Prime Minister wired back that he must not make any changes, that it was the exclusive prerogative of his government to make

changes, and they could not countenance any infringement of their patent rights. In addition, the right hon. gentleman had peaveys and cant-hooks and other necessary appliances for log rolling, and his government had had a good deal of experience along that line. However, on May 25 Premier Brownlee wired the Prime Minister that the provincial legislature had passed the natural resources bill with an amendment to section 2 (a) substituting the following words:

For the support of schools organized and carried on therein in accordance with the law of the province.

On May 27 the Prime Minister wired Premier Brownlee as follows:

The amendment you have passed suggests that the laws of the province might differ from or be in conflict with the Alberta Act of 1905. Surely the laws of the province must be within the four corners of the constitution which is the source of her legislative powers.

It seems to me Premier Brownlee might have replied, "Surely the laws passed by you and your government at Ottawa must be within the four corners of the British North America Act, which is the constitution of Canada." However, on June 1 the government said that the legislation promised in the speech from the throne would not be proceeded with during that session, and the Minister of Justice stated that his department was preparing to submit the matter to the Supreme Court. I desire to direct attention to the fact that this was on June 1. When the government declared that it was not their intention to proceed with that resolution why did they not wipe it off the order paper? The resolution was kept on the order paper for one reason only; as long as it appeared there no member of this house could discuss the matter.

Now I want to refer to another matter of interest. On June 28, 1926, the government headed by the present Prime Minister resigned; his party came across to this side of the house while the Conservative party took over the reigns of government with Sir Henry Drayton acting as leader. I impress upon your attention the fact that up to June 28 the heart of the Prime Minister was adamant; he would do nothing. He had hardly assumed his seat on this side of the house on June 29 before he brought up this matter; the conversation which took place appears at page 5158 of Hansard, and is as follows:

Mr. Mackenzie King: In connection with the legislation, does my hon. friend include the bill for the transfer of the natural resources to Alberta, which appears on the order paper as a resolution?

Sir Henry Drayton: We have not as yet had time to go into what has been done by my hon.

friend in that connection, but it has been noted. We do not propose to take any action one way or the other in the dying days of this session in connection with that legislation.

Mr. Mackenzie King: That means no action?

Sir Henry Drayton: No action this session.

Mr. Mackenzie King: That will be gratifying, I am sure, to our friends from Alberta.

Sir Henry Drayton: I am quite sure, Mr. Speaker, they will not be shocked, because they have been gently prepared by no action at all on the part of gentlemen opposite, who have had lots of time to act, which we have not had.

Note the difference made by a few yards. The Prime Minister was without compassion for the people of Alberta when he sat to your right, Mr. Speaker, but as soon as he crossed to this side of the house his heart was touched and he thought Alberta should have her resources returned immediately. Without any desire to speak disrespectfully—and I am sure hon. members will not take me up in that way—the action of the Prime Minister in this connection reminds me of a general belief that crocodiles are supposed to shed tears while devouring their victims. It also reminds me of an old proverb to the effect that the bellowing cow soonest forgets her calf. That was almost three years ago, and as yet these resources have not been returned.

Now I wish to refer to another statement made by the Minister of Justice on that occasion, which will be found in Hansard for June 1, 1926. He referred to the Dominion Lands Act of 1872 which, as you know, set apart sections 11 and 29 in every surveyed township as an endowment for educational purposes. He drew attention to the act of 1879 which placed under the Minister of the Interior the administration of school lands, and he called attention to the fact that the act had been consolidated in 1906, 1908, 1914, 1916, 1919, 1920, 1921, 1923 and 1924. As the Minister of Justice (Mr. Lapointe) has referred to that act, permit me to quote section 23, chapter 31, as follows:

All moneys realized from the sale of school lands shall be invested in Dominion securities and the interest arising therefrom . . . paid to the province or territory . . . towards the support of public schools therein, the moneys so paid to be distributed with such view by the government of such province or territory in such manner as may be deemed most expedient.

That is the act of 1879. If you will take the trouble, Mr. Speaker, to look at the act of 1906, referred to by the Minister of Justice, you will find the wording of the clause exactly word for word and comma for comma with the act of 1879. This money was to be appropriated and used for public schools. This act was passed the year after the autonomy bills were passed by the same government.

In the act of 1908 the clause was changed by the elimination of the word "public," but in every other respect it was the same. It covers the support of schools carried on in accordance with the laws of the province. The clause is the same when the acts were consolidated under the Borden and Meighen and King governments.

I ask you to note the objection raised by the Minister of Justice when discussing this matter on June 1, 1926. Referring to the amendment proposed by Premier Brownlee, he said:

The amendment made by the legislature of Alberta without our consent suggests that the laws of the province might differ from or be in conflict with section 17 of the Constitutional Act of Alberta.

If the Minister of Justice was on sound ground when he made that statement in the session of 1926, then I say the Dominion lands act passed by the Laurier government in 1906-8, by the Borden and Meighen governments, and by the government of the right hon. the Prime Minister in 1923-24 are open to the same objection the Minister of Justice raised to the amendment proposed by Premier Brownlee of Alberta.

May I direct your attention to another matter in connection with this transfer of natural resources. Twenty-two million acres of land were added to the province of Ontario in 1888, and in 1912 an additional 93,696,000 acres were added, making a total of 115,696,000 acres. In 1898 there were added to the province of Quebec 101,323,361 acres and 227,375,000 acres in 1912, or a total addition since confederation of 328,698,361 acres. Since confederation there has been added to Quebec an area much larger than the combined area of Alberta and Saskatchewan, and larger than the combined area of the first four provinces which entered confederation. I ask the hon. gentleman if it is reasonable or fair or just when 114,000,000 acres of land were added to the boundaries of Manitoba to say that in so far as that territory is concerned the people of that province should be restricted in their rights, while there were no restrictions with regard to the 115,000,000 acres added to the province of Ontario and the 328,000,000 acres added to the province of Quebec. Imagine what would have happened if some person in this house had got up at the time these acres were added to the province of Ontario and said, "You can only have this extension of territory if you people of Ontario will agree to submit to the kind of laws some people think you should have in regard to education." What would

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have happened? Could any person in this house visualize the facial contortions, the physical and hysterical antics of the hon. member for Labelle (Mr. Bourassa) and the outpouring of vituperative language which would have flown from his lips if anyone had attempted to place such restrictions upon the 328,000,000 acres added to the province of Quebec? Notwithstanding the generous treatment accorded his own province, he has the audacity to get up in this house and say to the people of Alberta, Saskatchewan and Manitoba, "Under the constitution it is true you are entitled to these resources, but I do not think you should have them, and you will not have them unless you agree to my dictatorial whims." How long do you think the people of the province of Alberta are going to submit to that sort of thing?

At the Quebec conference in 1864 the fathers of confederation agreed that the system of government best adapted to the needs of this country was a central government and a government for each province. The Hon. Edward Blake, speaking in this house in 1869, said:

It is perfectly clear on great and obvious principles, that the basis of union settled by the British North America Act is not capable of alteration by this parliament.

What was the basis of union? Subject to the special provisions affecting Ontario and Quebec, and voluntarily agreed to by these provinces, the provinces were to have equality of status and right. That should appeal to the right hon. the Prime Minister if to anyone, and to the Minister of Justice. The provinces were to possess their natural resources and have complete control of their educational and other local affairs.

I charge that these conditions were violated in 1870, and have been violated many times since. As soon as the province of Manitoba was constituted, then the sovereignty of Manitoba in its public lands began and the federal trusteeship ended. The same is true with regard to the provinces of Alberta and Saskatchewan. The Dominion was only a trustee for this territory because the federal government is a landless entity, as is explained and set forth very clearly in section 117 of the British North America Act. Every foot of land, with the exception of Indian reservations, and such lands as may be required for fortifications and purposes of defence, is in the right of the province in which the land is situated.

Section 2 of the British North America Act of 1871 authorizes the Dominion parliament to delimit the boundaries of new provinces,

provide them with legislatures to make laws and free to exercise those law-making functions within their legislative competence, untrammelled by vexatious and unwarranted federal restrictions. There has never been any power in the constitution which enables this parliament to create a new kind of province inferior in status and rights to those which originally entered confederation. In planning for a federal union "whose dominion would extend from sea to sea," that was never contemplated. Will any person argue that the fathers of confederation intended a certain kind of province from the Atlantic ocean to the eastern boundary of Manitoba, a different kind of province from there to the Rocky mountains, and then a province on the Pacific coast similar to those in the east? The thing is ridiculous on the face of it.

I would like to call attention to one or two sections of the British North America Act of 1867. Section 133 is as follows:

Either the English or the French language may be used by any person in the debates of the houses of parliament of Canada and of the houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this act and in or from all or any of the courts of Quebec. The acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

As regards language rights and school rights, I repeat the words used by Sir Robert Borden in this house in 1905, and I say with all the emphasis of which I am capable: this is not a school issue; this is not a language issue; the issue in this matter is that of provincial rights, of local, provincial self-government, of provincial home rule. But on the section which I have quoted may I quote the words uttered by the late Sir Wilfrid Laurier in this house in 1905:

The fathers of confederation did not pretend to authorize the French language in any part of the Dominion except in this parliament and the province of Quebec. Everywhere else the people were left free to deal with the matter as they saw fit.

As reported in Hansard of 1905, page 1448, the late Sir Wilfrid Laurier said:

Then on the subject of education the legislatures of New Brunswick and Nova Scotia can do as they please. But when we come to Ontario and Quebec, we find that the powers of these two provinces are limited as regards education.

Then as reported on page 1451 he said:

But I shall be told that this exception applies only to Ontario and Quebec and not to the other provinces. Sir, that is true.

I do not want any misapprehension as to where I stand in regard to these matters, and I hope that hon. gentlemen in discussing the question will discuss it as fairly as I think I have and not subject me to misrepresentation. I want to make my position perfectly clear. I do not believe in separate schools, but there are just as good men as I am, and probably better, who do believe in them, and they are just as much entitled to their opinion as I am to mine. But what I want to impress upon the house is that if any hon. member had risen when those autonomy bills were going through and declared that Alberta and Saskatchewan should receive their natural resources only on condition that they should not establish separate schools, I would have been one of the first to oppose any such move, not because I personally believe in separate schools, but because I do not believe it is any of my business to interfere in the educational laws of Alberta, Saskatchewan or any other province. Holding that opinion with regard to my duty I resent and I feel I have a right to resent the hon. member for Labelle (Mr. Bourassa) dictating to this government, as he did, in regard to the conditions under which the western provinces should receive their resources. I say: Trust the people of those provinces. As was mentioned by the hon. member for Camrose (Mr. Lucas), they have got along very well for over twenty years. Surely the people living out in the west know better what kind of laws they should have in that rapidly filling country than we, sitting in this house at Ottawa. I say that the only safe course to take is to trust the people of the west and allow them to settle these matters for themselves as they see fit.

If time would permit I should like to quote, in support of the position that I take in this matter, some of the greatest men who ever lived in Canada. I have already quoted Edward Blake and his opinion is worth while. Let me quote just a word from the Hon. George Brown, a very distinguished Liberal. He said:

Nothing is more clear than that each province should have absolute control over education.

I quote just a few words from the Hon. David Mills, for time will not permit me to go into these quotations extensively. Speaking in the house he said:

When the people of the Territories are sufficiently numerous to constitute a province, when in fact they attain their majority in regard to local matters and when they propose to set up for themselves, this parliament has no right to exercise control over them, no right to exercise any authority; it can give good advice but it has no right to give commands.

I quote another very distinguished Liberal, Sir Louis Davies, along the same lines. His words are practically the same. He said:

I have no hesitation in expressing respectfully that the people of those new provinces should have the right to determine what system of education they shall have.

I quote another authority, a man who, I believe, is generally regarded in the Dominion of Canada as one of the best authorities on constitutional history that Canada has ever produced. I refer to Sir Robert Borden. These are the words used by him on the 22nd of March, 1905:

Analyze the British North America Act so far as analysis is necessary for the purpose of considering this question, and what do you find? . . . You find the establishment of a federal parliament and a federal executive; in the next place you find the establishment of provincial legislatures and provincial executives; in the next place you find the distribution of executive power between the federal executive and the provincial executive, and lastly you find the distribution of legislative power between the Dominion parliament and the provincial legislatures. I submit, Sir, that the basis established by this distribution of legislative and executive power cannot be altered either under section 146 of the British North America Act or under section 2 of the British North America Act of 1871.

In establishing a new province can this parliament wholly or partially alter the basis of confederation; can it change the distribution of legislative power? That I submit can only be done by the imperial parliament. Surely it cannot be contended that in giving to a new province the constitutional rights conferred by the British North America Act, we can reverse the scheme framed by the fathers of confederation and embodied in an imperial statute. . . . In creating a new province under the British North America Act can this parliament so amend section 92 as to transfer to federal jurisdiction nine-tenths of the powers which by express terms of that section are to be exercised exclusively by the provinces? Can this parliament transfer to such a province any of the powers which under the provisions of section 91 come within the exclusive jurisdiction of the federal parliament? If we can transfer any, why not all and thus completely transpose and reverse the entire scheme and compact of confederation? I submit that we have no duty, nay, we have no right or power to shatter the foundations then laid or to rewrite the compact into which we then entered.

That is the ground which I take. As I have a minute or two more I might refer to the attitude of the Winnipeg Free Press and the Edmonton Journal. The Winnipeg Free Press on May 13, 1926, said:

Dominion government says the amendment—

That is the amendment dictated by the hon. member for Labelle.

—adds nothing not already in Alberta Act of 1905. Then why put it in? If it limits in any measure the constitutional rights of the

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province to control its educational policies it is improper. It is undesirable that the government should seek to tie strings to the natural resources before turning them over.

The Edmonton Journal on May 25, 1926, takes exactly the same position.

If I would add anything to what I have already said, I might very pertinently refer to the remarks of the Prime Minister and his Minister of Justice (Mr. Lapointe) in regard to equality of status. Mr. Speaker, if equality of status is a good and proper thing amongst the units comprising the British Empire, surely it is an equally good thing for the units comprising the Dominion of Canada. When the Prime Minister and his Minister of Justice came back from overseas they said that they had brought a great boon to this country in that they had obtained recognition of the fact that no unit of the British Empire was inferior to any other. In that case I would say: Let them apply the same principle to the provinces.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, we have heard a good deal from the member for Frontenac-Addington (Mr. Edwards) with respect to the history of the act of Confederation, and in a somewhat meagre way with respect to its application to the present resolution moved by himself. I for one have no particular quarrel with this resolution, but I do think that a few facts might as well be stated which will throw some light, if light be needed, upon this question.

May I say to my hon. friend that it always takes two to make a bargain? The federal government of itself cannot make a bargain with the provincial governments with respect to any matter, and particularly with respect to the transfer of the natural resources. I shall not go further back into history than 1912, because if I were to refer to an earlier period it might be said by some hon. gentlemen that they had always been in favour of the western provinces receiving their natural resources, even back to the time when autonomy was granted to the two prairie provinces. We all know the history of the difficulties in the settlement of the Manitoba question, how it stirred the passions of men both in this house and outside of it; and if one were to express a hope I think it might well be that all such passions, if at all possible, be eliminated from any discussion of this matter. It might well be said, too, that most of us who are vitally interested in this matter are perfectly content to go on as we were. We have had some experience with the act of 1905—I am speaking now purely

and simply of educational matters—and in the province from which I come we have had no difficulty, none whatever. I had the honour for some years to have something to do with the administration of affairs in the province of Alberta, and never, except on one or two occasions, and then only on very trivial matters, did any question ever arise. So I think I am safe in making the assertion that the citizens of that province are perfectly content.

In 1912 I was a member of the government of the province of Alberta, and at that time the premiers of the three prairie provinces decided that they should make a request of the federal government for the return of the natural resources, or, to be more specific, for the return of the unalienated resources and a continuance of the subsidy in its entirety. That condition prevailed until about 1920, and every time that request was made it was resisted by the federal government. I am not going into details as to why we were refused consideration in that matter. We were told that we might have the resources, but we must forego the subsidy; and therefore no settlement was made.

At a later period, without going into too much detail, it was decided that each province should make representations on its own behalf, and from that moment forward, so far as this government and the three prairie provinces are concerned, that has been the method pursued.

In 1926 we were successful in coming to an agreement, a copy of which I hold in my hand, with the province of Alberta. That agreement, which was reached only after a great deal of negotiation and consultation, has been submitted to the house, so I shall not go into its details. I had the honour on that occasion to submit that agreement as well as to sign it on behalf of the federal government. It provided for the return of the natural resources, with some reservations with respect to parks, forest reserves, and other matters that were felt to be important and which were embodied in the agreement itself.

My hon. friend laid a great deal of stress upon the fact, as he says, that one member of this house was responsible for an amendment that was proposed to that agreement, which, he has rightly stated, was submitted to the Prime Minister of the province of Alberta and was accepted by both parties. After its acceptance the amendment was submitted as an amendment to the agreement which had been previously presented to the house. My hon. friend takes strong exception to that, and states that in his opinion and in the opinion of some of his friends

that was an infringement upon provincial rights. He has, however, been fair in his statement. That agreement and the suggested amendment was made, so far at least as we were concerned, without any interference with provincial rights. That was the assurance I had. I am not a lawyer, but undoubtedly there are members in this house of the legal profession who might argue about that. I have discovered, and I think my hon. friend will agree, that lawyers will find occasion to argue about a great many things. The gentleman who was in control and who is now in control in the government of Alberta is himself a lawyer, and he had his legal advisers examine that document. He was satisfied with it until a discussion arose in the house and certain objections were taken to it on the ground that it might in some way affect provincial rights. May I say this to my hon. friend? I had this assurance at the time, and I think I am safe in saying that I still get the same advice, that there was no intention in the world to interfere to the extent of one iota, by that suggested amendment, with any provincial right. As one who is intensely interested in seeing the western provinces, and Alberta particularly, receive their natural resources, may I say that I personally was willing to accept any agreement so long as it did not take away from the province any of the rights which it possessed under the act of autonomy or under the act of Confederation. So long as we were getting the transfer of our resources, and getting the offer, as we did then, of a continuance of the subsidy for three years, I felt, as one of the citizens of the province, that I could recommend and heartily support an agreement of that kind. But as my hon. friend has pointed out, the matter was viewed otherwise, and an amendment was made to the agreement during a discussion in the legislature of Alberta. Naturally this began to arouse a conflict of opinion about the whole matter, and the Prime Minister, rightly I think, said that the matter should stand for further consideration.

So far as the people of Alberta are concerned, they have lost nothing by the delay. Rather they have gained by it, because, although my hon. friend did not mention it, he is well aware of the fact that they have an offer, and we are still in communication with the government of Alberta with respect to the matter, for a continuation of their subsidy, granting them \$625,000 a year in perpetuity. So, from an economic standpoint, it is a very much better offer than they were getting under the agreement we are now discussing.

Mention was also made by the Prime Minister in the letter he sent to the Premier of Alberta—and with this I think my hon. friend from Frontenac-Addington will not quarrel—of the school lands and the school lands trust fund, which it was proposed should pass to the administration of the province.

Mr. EDWARDS (Frontenac): Would an amendment to the agreement have been introduced by the government had it not been for the statement made by the hon. member for Labelle (Mr. Bourassa) on January 29?

Mr. STEWART (Edmonton): So far as I am concerned, I cannot see that the hon. member for Labelle had any more to do with it than any other member of this house. Many hon. members perhaps had differences of opinion with respect to this matter. My hon. friend, I am sure, would not expect me to agree with the sentiments of the hon. member for Labelle upon every question. He had only such influence as any individual member possessed—no less and no more. I think that is the position we must all take, and at this stage of the proceedings at all events, when all of this is past history, and when we are endeavouring to make an agreement with the provinces for the transfer of their natural resources—somewhat different, I will admit, with each one, but with a common endeavour to reach a settlement—I do think a fairly large majority of the house will agree with the proposals made by the government to that end.

Now, Mr. Speaker, I submit that the criticism of my hon. friend and his reflections upon the physical appearance and mental equipment of the government are scarcely warranted. I would say to him or to any other hon. member who sometimes indulges in such facetious remarks, that to see an exhibition of real distress, terror and despair they should have been sitting over there during the three days that members of their party were sitting on the treasury benches. I venture to think that if a photograph had been taken on that occasion, never again would we have heard anything from the hon. member for Frontenac or any of his friends about a distressed administration. I sat to your left, Mr. Speaker, and watched the countenances of those hon. gentlemen, and it was an inspiring sight. On that occasion just such remarks as my hon. friend has made use of this afternoon were passing, and the members of that short-lived government did not receive them with a very good grace.

Mr. EDWARDS (Frontenac): I was not here.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): I am sorry my hon. friend was not, but he was a member of that party.

Mr. EDWARDS (Frontenac): Yes, and proud of it.

Mr. STEWART (Edmonton): Had he been here I am satisfied that he would have looked just as disturbed as any of those who occupied these benches on that occasion.

Personally, I am deeply interested in this matter, and I am hopeful that the government of the province of Alberta will see their way clear to accept the proposal made by the federal government, and that the transfer of the resources to that province will be begun almost immediately.

Mr. R. K. SMITH (Cumberland): Mr. Speaker, the latter part of this resolution brings up a matter of interest to Nova Scotia in respect to long standing claims relating to the partition of federal lands. I refer to the last three lines of the resolution:

—and the claims of any other provinces in connection with this subject should be investigated with a view to satisfactory and equitable adjustment.

That brings up a pertinent question of long standing namely, that the federal government should make a settlement with Nova Scotia and New Brunswick on account of their proprietary interests in the lands owned by the four original provinces of confederation, namely, Quebec, Ontario, Nova Scotia and New Brunswick.

Mr. HEAPS: If my hon. friend will permit a question, will he explain how the maritime provinces have any proprietary right in the lands of the three prairie provinces?

Mr. SMITH (Cumberland): The provinces of Nova Scotia and New Brunswick, together with the provinces of Quebec and Ontario, owned all of Canada as it was at the time of confederation. That is, they were partnership owners, and the area occupied by them constituted about one-fourth or one-fifth of the territory known as the Dominion of Canada. The province of Manitoba was the first to be carved out of the territory acquired from the Hudson's Bay Company, and subsequently the provinces of Alberta and of Saskatchewan were brought into being from the territory remaining. We are claiming a proprietary interest in that land so acquired and into which these provinces were formed. We urge the government to give us some consideration, and we are pretty well backed up by the recommendations contained in the Duncan report.

Mr. HEAPS: If my hon. friend will permit another question? Why did not the maritime provinces put forward their claim at the time the Duncan commission was functioning?

Mr. SMITH (Cumberland): The maritime provinces have pressed their claims on several occasions. The province of Nova Scotia presented a brief to the Duncan commission urging consideration of the matter a copy of which I have on my desk.

Mr. HEAPS: Why did they not go right ahead before that commission and settle it?

Mr. SMITH (Cumberland): The only body that can settle this matter is this parliament, and that is why I am now addressing the house. Our claim is involved in the resolution submitted by the hon. member for Frontenac. Now, the claim of the maritime provinces is based on two major considerations. One is that the extra-provincial lands which came into the possession of the Dominion government were acquired by purchase, developed and given value almost exclusively at the expense of the four original parties to the confederation pact. The other is that this territory, comprising as it does four-fifths of the entire area of the Dominion and containing natural resources of incalculable value, is being steadily allotted to other provinces, thus enlarging their wealth and swelling their provincial revenues, while Nova Scotia, New Brunswick and Prince Edward Island, which have an undoubted proprietary interest in every acre of this domain, have received no part of it whatever and no financial consideration in respect to its partition.

This matter was brought up in 1912 when the Borden administration was in power on the question of extending the boundaries of Manitoba, and in Hansard of February 27, 1912, volume II, column 3896, will be found the following remarks by Sir Robert Borden:

This question of extending the boundaries of Manitoba has been before parliament for a very long time and therefore it seemed to the government, whether rightly or wrongly, that the best course now was to put the province of Manitoba as nearly as might be in the position of the provinces of Alberta and Saskatchewan and then take up after due consideration, and upon proper inquiry, the question of restoring to all these three provinces their natural resources upon terms that would be just and reasonable. I would like to point out to my hon. friend (Mr. Oliver) that one of his own colleagues on that side of the house has raised an important question this afternoon, and has expressed views with which perhaps my hon. friend (Mr. Oliver) may not be inclined to concur; namely, that when this question does come to be considered, some regard will have to be given to the claims of some other provinces in Canada and especially the three maritime provinces, whose boundaries

have not been increased, whose boundaries cannot very well be increased, on account of their natural situation. That is a matter that will have to be taken up in connection with the handing over of their natural resources to the three prairie provinces. I would like my hon. friends from the maritime provinces to understand that that is a matter which has not escaped the attention of the government.

So that no consideration has ever been given to the maritime provinces in connection with these western lands and although in his report Sir Andrew Rae Duncan did not feel that the commission was empowered to deal directly with this phase of the matter, he at least went this far:

We do feel it right to say that it is a subject-matter upon which—proprietary right—consideration should be given to the maritime provinces.

I do not know, Mr. Speaker, that I need labour this particular point. We wish to make a protest on this occasion when the matter is up for discussion as it is pertinent to our claim. In conclusion I will merely state what the basis of the compensation is in our opinion, as stated by the Nova Scotia government in its brief to the Duncan commission:

1. A credit as against the Dominion government, equivalent on a per capita basis of calculation, to that extended to Manitoba, Saskatchewan and Alberta, on account of school lands.

2. A credit as against the Dominion government of such an amount as will fairly represent, on a per capita basis of calculation, Nova Scotia's proprietary interest in the public lands of Manitoba, Saskatchewan and Alberta, if and when the said lands are transferred to the government of these provinces.

3. A credit as against the Dominion government as compensation to this province for non-participation in the federal lands transferred to Quebec and Ontario, under the legislation of 1888, 1898, and 1912. When these credits have been arbitrated and established, the interest thereon should be paid annually to Nova Scotia, according to the methods followed with respect to the debt allowances to the several provinces at confederation.

Mr. JOHN EVANS (Rosetown): We are now dealing with a question which vitally affects the unity of the Dominion and which has been too long shelved by all governments concerned, provincial and Dominion alike. I had hoped for a definite pronouncement on this question by the Premier of Saskatchewan before the close of the session this year, but such has not been made. I was led to mention this by the fact that our own Prime Minister (Mr. Mackenzie King) last year promised that directly after the close of that session a conference would be held with the different provinces to settle this vexed question. This will be observed at page 3199 of Hansard of last year.

The western provinces now demand their proper status as sovereign entities of this Dominion, and that includes their right, and freedom in their own domain in the administration of their own internal affairs. These provinces must now receive their own without any restrictions, as the resolution calls for, in compliance with section 117 of the British North America Act, which reserves to the Dominion only such lands as are needed for the general welfare of Canada in the matter of fortification and defence. Surely nothing is of such vital moment to the peace and unity of any country as the equality of status which each constituent part thereof should enjoy; and this is true so far as the provinces in this Dominion are concerned as well as with respect to the different classes and individuals therein. The welfare of any nation certainly depends upon equality before the law. The British North America Act provided for this without any exception, and this act is always, I think, regarded by men of legal standing as the constitution of Canada. It is time now that the Dominion government—whom I regard as having been the offender in this respect in the last sixty years—restored to every part of Canada its freedom under that constitution. The Dominion government in 1872 shot through and through the British North America Act when it enacted what is known to-day as the Dominion Lands Act. A constitutional question was raised in 1926, when parliament broke up practically in disorder, and each party accused the other of attempts to frustrate the constitution; but they overlooked the fact that in times past they had both violated the constitution which they were then accusing each other of breaking. Surely if the constitution is of such vital moment in one case it ought to be in the other.

The Dominion of Canada was created in 1867 from the federation of the old colonies of Upper and Lower Canada and Nova Scotia and New Brunswick. It does seem to me that the claim that the maritime provinces have an inherent right in the public domain of western Canada to-day is most absurd. If they are entitled to any hinterland at all, the natural hinterland and extension, so far as these provinces are concerned, is to-day what is known as Ungava. When we come to think that the bargain or contract or charter of the Hudson's Bay Company included the right to trade on all streams running into Hudson bay, with their terri-

[Mr. Evans.]

tories beginning as far east as Cape Chidley and going all the round, through Quebec and Ontario, surely the western provinces will not now be asked to bear the whole burden of the desires of other provinces as well as any financial burden, small as it must have been at the time, which was placed on this Dominion when Rupert's Land and the Northwest Territories came into the union. The whole plan of confederation was embodied in the British North America Act; the rights and powers of the federal body and the corresponding rights and powers of the provinces are found fairly and plainly stated therein. The Dominion of Canada was established under the British North America Act of 1867, and in this respect I wish to quote from Bram Thompson, who, I believe, is the greatest constitutional lawyer touching this question at any rate, in Canada to-day. I wish to read one paragraph from his writings. He states:

Inevitably this scheme left no land for the united body or Dominion to own; and none was allotted to it except "the public works and property of each province," set out in section 108, namely, canals, harbours, lighthouses, piers, rivers, etc. Nor is there any provision in the act, or in any of its subsequent amendments, empowering the Dominion to own or acquire land or property except for fortifications or the defence of the country, under section 117. In saying this I am not ignoring the administrative control of the Dominion over Indian reserves. But that does not affect the provincial right of property in the land once a reserve ceases to be occupied by Indian people.

With the exceptions stated, the title of all land in Canada is in the crown in right of the individual provinces under the British North America Act, 1867.

This would also apply to those portions which have been taken over by the Dominion government from the western provinces; not only the land but all minerals therein must belong to the provinces in which they are situated.

Section 116 of the British North America Act provided for expansion through the power given to admit into this confederation the provinces of Newfoundland, Prince Edward Island and British Columbia and further, on address from the houses of parliament of Canada, Rupert's Land and the Northwest Territories. So we see that under this section the admission into confederation of Rupert's Land and the Northwest Territories was first sought by an address to Her Majesty Queen Victoria presented by the two houses of parliament of Canada at their first sitting in

December, 1867. At that time these areas were almost unpeopled, and I quote again from Thompson:

... the address postulated the immediate objects to be achieved by the premature admission thus:

1. The extension of the Dominion constituted under the British North America Act, 1867, westward to the Pacific ocean.
2. The colonization of the new country.
3. The extension of commercial intercourse from the Atlantic to the Pacific.
4. The establishment of a stable government; and of political institutions analogous to those existing in the then provinces of Canada.

A part of the address contained this overture or offer:

We (the parliament of Canada) most humbly beg to express to Your Majesty that we are willing to assume the duties and obligations of government and legislation as regards these territories.

It will be seen that throughout all this the Dominion government was itself a landless creation except for certain purposes for which it could acquire certain property for the general good of Canada, such as defence and fortification. On November 19, 1869, the surrender of the Hudson's Bay charter was made, and so Rupert's Land and the Northwest Territories became a part of the Dominion subject to the British North America Act, with the Dominion government assuming the duty of providing for peace, order and good government until such time as the increase of population would warrant this responsibility being taken over by these new members of the confederation.

Instead of the Dominion government carrying out its trust and obligation according to its own offer and the conditions under which Rupert's Land and the Northwest Territories were handed over to the Canadian government by the British government, in 1872 an act was passed called the Dominion Lands Act, by which this parliament appropriated to the Dominion government the lands of the new members of the union, ousting them from their rightful position in the federal union which they attained through their admission under the imperial order in council of June 23, 1870. In order that this house may get a proper perspective of the action of the government at that time and acquire some conception of the seriousness of the situation, I again quote from Thompson:

The Land Act of 1872 was not only a violation of a trust, but an act of plunder. It was, moreover, a vicious and radical distortion or defiance of the British North America Act, 1867; and the parliament of Canada had absolutely no authority to enact it either under the British North America Act, 1867, or under the legislative powers, conferred by the Rupert's

Land Act, 1868, and the imperial order of June 23, 1870. This, however, is the way in which the parliament of Canada carried out the design of "extending the Dominion as constituted under the British North America Act westward." By this twist of the constitution, the Dominion "as constituted" was not extended, but it was installed as the absolute owner and sovereign of half of the whole territorial area of Canada, in utter defiance of the most fundamental principle of the federal scheme.

Nothing more vile, defiant, and audacious was ever done even by rebel hordes.

There the situation stands, and in connection with this serious condition I blame all governments concerned, provincial and dominion alike, for having played with the rights of the people of these provinces for so many years. We have been given a bogus title to lands we have settled in western Canada; we have title only to the depth of a furrow, and nothing below the surface of the land belongs to those who have acquired ownership of the surface. I submit, sir, that if that land, with all it contains, rightfully belongs to anyone to-day, it belongs to the men and women who went out there, braved the hardships of pioneer life and made their homes on the prairie.

Not only have they been denied title to their possessions but it has been sought to impose restrictions on their liberty of action with regard to education and taxation, destroying their authority in these matters. Section 93 of the constitution absolutely establishes our right to make laws with respect to education, with the exception that nothing enacted should prejudicially affect any right or privilege in respect to denominational schools in the province at the time of union. That stipulation was peculiarly pertinent to the old colonies. Alberta and Saskatchewan never entered the union as provinces; they were carved out of the area known as Rupert's Land and the Northwest Territories, which came into the union in 1870. Their rights in regard to the questions of education and taxation are determined by the British North America Act as of that date, and in 1870 no denominational rights existed as to schools in all that territory. Ever since that time the western provinces have been subject to party expediency, notwithstanding all that the Minister of the Interior has said; in 1926 the bargain was struck by both parties. It was initialled by both parties, and was awaiting ratification by both the government of Alberta and of the Dominion.

But the member for Labelle upset that agreement in perhaps the most impassioned speech I have ever heard made in this house regarding the right to separate schools for the French

Roman Catholic minority in Alberta. The government of Alberta deleted that part of the clause dealing with school lands which stated they were to be administered in accordance with sections 39 to 42 of the Dominion Lands Act, and inserted "in accordance with the laws of the province." I take it that that is why Alberta is not enjoying to-day the possession of her natural resources. From what I have seen in this house, the French Roman Catholics have always seemed to be very jealous regarding the rights of the minorities of those provinces to separate schools. The member for Labelle spoke of the trust they had to keep and the duty they owed the minorities in those provinces. This is something I have failed so far to understand. Neither this nor any other government in Canada has ever interfered with the language of any class of people or their right to use that language in the home, in the church or in the market place. I hope the day is not far distant when we shall be able to reach some kind of unity between the two races and where one will not be jealous of the rights of the other. I would like to ask: What is a minority as far as Canadian citizenship is concerned, and what is the meaning of a separate school system? I answer this question, and I do it without any bitterness, by saying that a separate school system means only the teaching of idealism and loyalty and patriotism to some power outside the state. I cannot interpret it in any other way. There is absolute freedom here in the teaching of religion to all classes, to all nationalities and races. Let us hope that in future, no matter to what race we belong or what language we prefer, we may work hand in hand for the general welfare and the building-up of what I hope will soon come to be known as a Canadian race.

I hope our Quebec friends will cease to dictate to this government any restrictions on the natural rights of these provinces, and trust to the people inhabiting the western provinces as the rest of Canada is trusting Quebec, for fair and honourable legislation.

I would like to touch upon the matter of the alienation of the property of these provinces. There has been given to the Canadian Pacific Railway for its main line in Saskatchewan an area of 6,216,278 acres, and an area of 3,648,546 acres for their branch lines, or a total of 9,864,824. There has been a total area in Saskatchewan of 15,086,456 acres alienated for all railway lines. I am quoting from the figures furnished by the Department of the Interior, in response to an order for return dated March 2, 1928, at the last session of parliament. Putting a value of \$20 per acre

[Mr. Evans.]

upon this land we arrive at a sum of \$301,729,120. From all provinces there has been alienated in one way or another an area equal to 203,599,000 acres. But this does not give an adequate idea of the injustice done to these provinces. The Canadian Pacific Railway was given their land free of taxation for twenty years, and the settlers had to shoulder this burden. Roads were needed to get their produce to the sidings, and schools were also needed for the children of the settlers. In the end the commencement of that twenty-year period had to be decided by the privy council. It seems to me that the worth of that land given to the Canadian Pacific Railway has been equal at all times to the total capital of the company. This exemption was an autocratic act of the Dominion government and has yet to be accounted for, as well as the alienation of the lands. The injustice heaped upon the western provinces has been a good deal more than what is represented by the alienation of their lands. Take the matter of freight rates along with the question of natural resources and you have a problem which is calculated possibly to sever the west from the rest of Canada unless justice is done immediately. I am not making this as a threat, but I say it in accordance with what has been taught us by history. "All parts and all subjects must stand equal before the law." The Dominion has ceased to be an entity and through the acts of the Dominion government respecting the ownership of these lands in western Canada the ideal of confederation has been vitiated. If we are to restore confederation to the idea the fathers of confederation had in their minds, I say again, Mr. Speaker, that no time must be lost in restoring justice to that part of the country.

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, I rise to support the resolution proposed by the hon. member for Frontenac-Addington (Mr. Edwards). This is a subject of many years' standing and I believe it will be much to the satisfaction of all of us when the matter has been finally and satisfactorily disposed of. There are two sections in the resolution: first, the question of the restoration of their natural resources to the three prairie provinces; second, the question of claims which might arise at the same time as affecting other provinces of the Dominion. The question of the restoration of their natural resources to the three provinces of Manitoba, Saskatchewan and Alberta is, I believe, generally approved, and I have not met the man who says that they should not be restored.

The hon. member for Frontenac-Addington and the Minister of the Interior (Mr. Stewart) have both addressed themselves to the first portion of the resolution only, and therefore it is all the more necessary that something should be said in regard to that very small but very important little section at the end of the resolution regarding the claims of other provinces. The subject of the claims of other provinces has as ancient a history as that of the restoration of the natural resources. When one arose, the other arose, and therefore both questions should now be considered and dealt with *pari passu*. That is, when the resources are restored to the provinces, as I hope they will be, the question of the claims of the other provinces should be considered at the same time and dealt with.

What are those claims? That is a difficult subject to answer; men of high legal attainments will be required in order to determine the exact designation. Some may say it is a question of proprietary rights; others may say it is a claim for compensation. Whichever it is, is immaterial to me for the moment; the fact is that a claim is being made and the resolution does not say that it is a question of proprietary rights or a claim for compensation. The resolution asks that the claim, such as it is, be investigated at the time of dealing with the restoration of the natural resources, and I think that is a fair proposition.

We have heard a little of the history of the claims. The most notable statement was that of Sir Robert Borden when, as Prime Minister, he made, in 1912, the public declaration in parliament that this matter was not escaping the attention of the government. Is it too much to ask to-day that the Prime Minister, whom I am pleased to see in his seat, will venture some such remark as that, indicating how the government regard the second section of the resolution? Sir Robert Borden, so long ago as 1912, guarded himself, took care, as hon. members will see, when he rather elaborated that the matter had not escaped the attention of the government.

The next well-known pronouncement is, of course, in the Duncan report, where the commission carefully did not discuss or decide the question whether it was a matter of proprietary rights or compensation or what it might be. The statement made is that there is good ground for the maritime provinces receiving consideration on this point. Therefore I would urge that while the question of the restoration of the natural resources to

the provinces is being dealt with, the claims of other provinces should be considered. I do not think it is too much to ask the Prime Minister to give us some indication how the government stands in the matter.

Mr. MACKENZIE KING: Would my hon. friend like me to reply to him at the moment? The correspondence will indicate that when the matter was first dealt with the position of the maritime provinces had been carefully considered by the government. The first letter was a communication dated February 20, 1922, addressed to the Premier of Saskatchewan, and it has this paragraph which is pertinent to what my hon. friend has just said:

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.

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.

Mr. MacLAREN: The view as put forward by the Prime Minister is not, as it happens, quite in accord with my own view. I do not think necessarily the subject of the restoration of lands should be considered on the one hand and the claims on the other. They should be considered concurrently; they are dealing with the same matter. While it is true, as the Prime Minister has pointed out, there is a reference to it, it is not quite the reference I should like to read or hear. The view I would wish to put forward is that when the question of the restoration of the natural resources to the western provinces is being considered—and mark you, there is no objection to it; there is approval of it—at the same time in the same act consideration should be given to the claims that are being put forward by other provinces. Why? In consequence of the restoration.

I should like to draw attention—and I think this is in order—to the commission that has recently been sitting and which has not yet completed its labours in reference to Manitoba. It is well that these matters of claims should be spoken of in view especially of what Mr. R. W. Craig, K.C., of Winnipeg is reported by the Canadian Press to have stated on the twelfth February. According to the Canadian Press he said:

“The concession to Manitoba of the status in respect of its natural resources, always enjoyed by all the provinces of Canada, except the prairie provinces, has been denied in some

quarters," Mr. Craig said, "Upon the contention that Rupert's Land and Northwest Territories were 'purchased' from the Hudson's Bay Company and thus became the property of Canada, to be administered for the purposes of the Dominion."

The maritime provinces had advanced such a claim before the Duncan Royal Commission, Mr. Craig continued. This was based partly on the grounds of proprietary right and partly on grounds of equitable consideration. Manitoba, however, was bound to deny such rights, he said.

If he is correctly reported, this is very extraordinary reading. There is no inclination to deny the restoration of the natural resources, and all that is asked is that the claims, such as they may be, be investigated at the same time and dealt with in arriving at the restoration of their resources to the three provinces. It seems unfortunate that Mr. Craig should present such an extreme, exaggerated, and incorrect opinion to the commission which is now holding its sessions. There is the best of feeling in the matter of returning the natural resources; there is no inclination to deny the claims of the western provinces. Some say that as the original provinces purchased these lands they have proprietary rights. By others—and this is more general—it is argued that some of the provinces cannot expand, that they are restricted in their area. By virtue of the expansion of the other provinces, which have gained enormously in value and gained greatly in parliamentary representation, it is urged that these matters should receive consideration by compensation. I ask that the two, restoration and compensation, be coupled together. Do not allow the question of the natural resources to be finally disposed of, and then trust to time for all these other matters to be dealt with. That would be unfortunate. I would make this suggestion to the Prime Minister, that before this question of the return of the natural resources is finally dealt with, he call a conference of the premiers of the various provinces of this Dominion, and have their views put forward.

Mr. MACKENZIE KING: May I just say to my hon. friend, in reply to his last suggestion, that that is precisely what took place during the year 1927. We then had a conference of the premiers of the provinces with the members of the government, and it is as a result of that conference that the Dominion has felt it might proceed to deal more liberally with the western provinces than it formerly was prepared to do.

Mr. MacLAREN: Yes, but was it not at the same time suggested that an opportunity

[Mr. MacLaren.]

should be given to certain of the provinces to put forward their claims for compensation?

Mr. MACKENZIE KING: No one is denying that opportunity.

Mr. MacLAREN: But so far only the western provinces are being dealt with. Why not the other provinces?

Mr. MACKENZIE KING: My hon. friend said a moment ago that he was not in a position to present their claims.

Mr. MacLAREN: I am sorry the Prime Minister misunderstood me. I said that I would not for a moment attempt to speak for the provinces and put forward their claims; I am not entitled to. But I do say this: whether it is a proprietary interest or a claim for compensation is immaterial for my purpose. The fact remains that there is a claim, and I ask an opportunity for that claim to be presented. It is true that these claims were referred to in the conference of two years ago, but the matter has never come up to be dealt with as the claims of the western provinces are now coming up. I believe that the Prime Minister would cause great contentment, and be only dealing fairly and doing justice, if he would call another conference to deal specifically with the claims of the maritime provinces.

Mr. A. E. MacLEAN (Prince): I do not very often find myself in accord with hon. members on the other side, but upon this occasion I do find myself in hearty accord with the hon. member for Cumberland (Mr. Smith) and with the hon. member for St. John-Albert (Mr. MacLaren) in the views they have presented in connection with this matter. I do not know whether this is the proper occasion, upon this resolution, to discuss the claims of the maritime provinces. I may say at once that at the present moment I am not prepared to discuss them as fully as I should like to do upon a later occasion. However, as the debate has developed into a rather broad one, and the question of the claims of the maritime provinces has come up, I feel that it is only proper that I should make a few observations upon that question at this time.

I want to take this opportunity of thanking the present government very heartily, and past governments too, for that matter, for the splendid manner in which they have treated some of our claims. A former government helped us out greatly in our transportation service between the province of Prince Edward island and the mainland, and the present government is now further implementing that services, with the result that we hope to have

a very much improved service in the future over what we have had in the past, by the magnificent vote in the estimates tabled today for which we are indeed grateful.

The question of subsidies was dealt with by the Duncan commission, but not in a permanent way. They recommended that interim subsidies be granted to the three maritime provinces until such time as the matter was thoroughly looked into and a final adjustment made. I think that is practically what my hon. friend from St. John-Albert and my hon. friend from Cumberland have been asking, that before any final arrangement regarding subsidies is made, the matter be looked into further with a view to seeing whether the subsidies granted are adequate under present conditions. The government has dealt very fairly with us not only in connection with subsidies, but also in the matter of freight rates, and taking everything into consideration, I believe they have made an honest effort to carry out the recommendations of the Duncan report. But apart from that, the maritime provinces feel that they have an interest in this question of the return of the natural resources to the western provinces; indeed, they have always felt that they have a right in connection with that matter which should be brought forward at the time when the natural resources are being returned to the western provinces. We have no objection to the return of the natural resources to the three western provinces. Personally I think those resources should be returned at as early a date as is possible, but if they are worth as much to the provinces as we are led to believe they are, I would almost think that the western provinces would be able to forego a large part of the subsidies that they are receiving at the present time. However, I understand that under the present arrangement the natural resources are to be turned over to the western provinces, and that they are still to retain the subsidies they are now receiving. We have been assured that Alberta will continue to receive for all time to come the subsidy which she is now receiving. We have no objection to that. But there are a few things in connection with the province of Prince Edward Island that I wish to point out.

The province of Prince Edward Island is possibly in a class by itself, having no natural resources and no crown lands, and we are greatly handicapped, by conditions over which we have no control, in carrying on the government of the province. I do not wish to weary the house by reciting the conditions upon which we entered confederation, be-

cause I know that the government is in possession of all the facts, and that at a conference of the premiers of the three provinces representations and briefs were submitted to the government from the three provinces setting forth all the facts in connection with that matter. At the time it entered confederation, the people of the province of Prince Edward Island had just about completed their railway, which cost them around \$3,250,000. That railway was taken over by the federal government. Its cost was deducted from our debt allowance, and on that amount we have lost five per cent per annum ever since. I do not say that the railway was an asset to the Dominion, I am not stressing that point of view, but I do say that if British Columbia is to be returned its railway lands, then there is no reason in the world why our claim of three million dollars should not be entertained.

Now let me deal with another phase of the question—debt allowance on the basis of population. When Prince Edward Island entered confederation our debt allowance was based on our actual population of 94,000 as shown by the census of 1871. When the western provinces came in their debt allowance was based on an estimated population of possibly twice the number that they had at that time. So in that connection alone they received a great deal in excess of what they were actually entitled to.

Mr. EVANS: I think the hon. gentleman is very much misinformed on that point. There was a graduated scale according to population.

Mr. MacLEAN (Prince): I wish to tell my hon. friend that the debt allowance was fixed on an assumed population in the future. Let me give the different subsidies that were arranged at that time: Nova Scotia \$52,000; New Brunswick, \$26,000; Prince Edward Island, \$38,000; Manitoba, \$381,000; Alberta, \$405,000; and Saskatchewan, \$405,000 also. It is apparent that the three western provinces did not at that time have a population to warrant those subsidies.

Mr. EVANS: Does my hon. friend know what the population was at that time?

Mr. MacLEAN (Prince): I cannot give exact figures, but I know the premiers at the provincial conference, when this matter was thoroughly looked into, agreed that we had a very strong claim in this respect, and the premiers of the western provinces admitted that their debt allowance was based on an assumed population.

Mr. EVANS: No.

Mr. MacLEAN (Prince): I am rather surprised at the attitude taken by our friends from the west. If the maritime provinces are given a square deal in this matter it will not detract from the value of the natural resources of the western provinces. We do not wish to diminish either their natural resources or their subsidies, we want them to get all they possibly can, but we do ask in all fairness to the older provinces—they are suffering now and scarcely able to bear their financial burdens—that they be given the same consideration as the western provinces are entitled to.

Mr. SPENCER: Does the hon. gentleman wish the return to the western provinces of their natural resources to remain in abeyance until the maritimes are satisfied?

Mr. MacLEAN (Prince): Not necessarily, if we have the assurance of the government that the subsidies of all the nine provinces will be examined and adjusted. If this is done as suggested by the Duncan report, that is all we are asking for. As I say, the government have dealt fairly with us up to the present time, and we are willing to trust them for the future, but I think it is only right that we should put forward our claims at this time while this subject is under discussion.

It has often been said that Prince Edward Island is depending entirely on the Dominion subsidies. The Duncan report states that this is not so, and that we pay three per cent, while the average for the whole Dominion is 2.5 per cent.

Mr. HEAPS: Three per cent on what?

Mr. MacLEAN (Prince): The Duncan report, on the basis of "unit of production" was referring to the average rate of taxation for provincial purposes throughout the whole Dominion. Now, taking the three maritimes, our average is three per cent, while that of the whole Dominion is 2.5. In the brief prepared by the premier of the province for submission to the Duncan commission those facts are set out. When we entered confederation our customs revenue of \$304,377 was handed over to the Dominion. This one item alone was sufficient to carry on the provincial government at that time, and the province had practically no debt. Since confederation our expenditures have increased to a greater extent than our subsidies. In 1873 our expenditures amounted to \$237,686; by 1926 they had mounted to \$871,354. In 1873 we received in subsidies \$191,052, as against \$372,181 in 1926. In 1926 our expenditures was \$871,354; we received by way of subsidy \$372,181, and we

[Mr. Evans.]

raised by direct taxation \$500,000 in round figures. I think that successfully contradicts the statement that the province of Prince Edward Island has been living off the subsidies received from the Dominion government.

This matter may be further discussed when the bill for the transfer of the natural resources of the western provinces is before the house, but at this time I do want to say that Prince Edward Island cannot really carry on much longer with her present revenues. We have not one mile of permanent road in the whole province. Every yard of gravel, every yard of stone must be imported, and the cost is almost prohibitive. Ordinary gravel costs \$3.75 a ton laid down on our roads. The provincial government is asked for large expenditures in connection with health—for instance, a sanitarium for the treatment of tuberculosis is urgently needed; then the teachers are asking for increased salaries, and there are other demands upon the provincial treasury. It will be seen that it is simply impossible for the provincial government to meet those requisitions out of their present revenue. We may be told to resort to direct taxation. But the very fact that we have already resorted to direct taxation to the tune of \$500,000 is one of the reasons why our people have been forced away from the island.

I respectfully submit to the government that this matter of an increased subsidy to the three maritime provinces be looked into very carefully. We are grateful for what they have already done for us, and we sincerely trust that they will deal fairly with us in the future as they have done in the past.

Mr. THOMAS CANTLEY (Pictou): As a representative from Nova Scotia I wish to join with the hon. member for St. John-Albert (Mr. MacLaren) and the hon. member for Cumberland (Mr. Smith) in what has been said in regard to this question. I desire to record my emphatic protest with respect to the way in which this matter has been treated in the past and the treatment which apparently it is going to receive in the future. The claims of Nova Scotia for consideration have been ignored.

Some three years ago, speaking on this question, I made the assertion that the province of Nova Scotia, as one of the four original partners in confederation, had paid its share of the cost of acquiring the Hudson bay lands or, in other words, the Prince Rupert country. The position I took at that time was challenged by some members in the house, including the hon. member for Lisgar (Mr. Brown). I then held that the province in question, as one of the original partners

in confederation, had paid its share of the sum of three hundred thousand pounds paid by two drafts made on our London bankers at that time. We evidently had a considerable amount of money at our credit in London, and Lord Lisgar, who was then Governor General, issued two warrants, one on the firm of Glenn, Mills & Company and the other on Baring Brothers, our other banking friends of that day, for the amount to be paid to the Hudson's Bay Company. That sum of three hundred thousand pounds was divided in two amounts and drafts were so issued—I had copies of them in my hand at the time I referred to the matter in 1926. The hon. member for Lisgar later stated that these two sums were included in a loan to which he referred and which he said was paid off in 1904. That loan was paid off, however, not as the hon. member had stated but by the operation of the sinking fund attached to the loan. This loan to which the hon. member refers as having been paid off in 1904 did not include the sum I have mentioned as having been paid to the Hudson's Bay Company; but was made up of various odds and ends voted by the house at different dates prior to that time, and was made four years after the acquisition of the Hudson bay lands; those lands were acquired in 1870 and the loan was made four years later.

I fancy the vote which misled my hon. friend from Lisgar was the one which I am about to quote. I quote from Hansard of April 12, 1926, page 2327, setting out the vote in question:

For opening communication with, establishing government in, and providing for settlement of such territories, including expedition to Red River. (This vote to be in lieu of that for same amount granted on credit of guaranteed loan by Act 32, Vic. c. 1 and hereby cancelled, and to cover the amounts already expended; and the unexpended balance on 30th June to be applicable to service of 1870-71) \$1,460,000.

That is an entirely different vote, made up of half a dozen different items here referred to, and there is absolutely no connection between it and the payment for the Prince Rupert land.

I have listened with a good deal of interest to what has been said by other hon. gentlemen. I have not the slightest objection, nor has anyone I know of in the maritime provinces, to the western provinces obtaining their natural resources at this time. All we claim is what has already been claimed by the hon. member for St. John-Albert: That before the question is settled the fact should be admitted that the maritime provinces have

a proprietary or other valid interest in those lands and should receive some consideration therefor. I will admit quite frankly that British Columbia and Prince Edward Island have also a proprietary interest, but on totally different grounds. We have a claim, in Nova Scotia and New Brunswick, which the two provinces to which I now refer have not, inasmuch as we, ourselves, paid the money to acquire the lands in question. The other two provinces which came in later are in a different category. We had a prior interest in those lands from which enormous blocks were alienated from the lands of the Dominion and, to some extent, we and the other eastern provinces are the poorer by reason of that fact. We should, therefore, receive some compensation.

The other point referred to by the hon. member for St. John-Albert has reference to the enormous growth of these territories and the effect this has had and to even a greater extent in the future will have upon our representation in parliament. But there is also this fact to be noted—that the growth of the western country has to a large extent depopulated the eastern provinces where thousands of our brightest young men have gone during the past forty years. That has been to the advantage of the west and we do not begrudge it to them. But it has been at the same time to our disadvantage, and it is a disadvantage which we are not overcoming and indeed cannot overcome. All we ask, but what we now demand, is that we should receive a fair recompense for our interest and expenditures in connection with those lands which are now so valuable and which will prove exceedingly more valuable as time goes on.

Mr. J. L. BROWN (Lisgar): I had not intended taking part in the debate, but I feel I must say something after what has been said by the hon. member for Pictou (Mr. Cantley). First, however, let me congratulate the hon. member for Frontenac-Addington (Mr. Edwards) upon the moderate tone in which he moved the resolution, and the very sound principles which underlay his argument in behalf of provincial rights. I regret, myself, that the last clause of the resolution has been attached to it, because it seems that on that point there will be difference of opinion in the house. I regret that the hon. member himself did not discuss that phase of the resolution; I am quite satisfied that, had he discussed it, in order to be consistent with the very sound principles on which his argu-

ment was based he would have had to oppose any idea of proprietary rights on the part of the eastern provinces in the western provinces.

The hon. member for Pictou has seen fit again to emphasize the point he brought up during the session of 1926 and to which I made answer on that occasion. I have not at hand at the moment the facts and figures I then placed before the house. I believe, however, that the argument I then made was sound, and I think it is still sound, namely, that nothing in the nature of a sale can be contemplated. We cannot admit for a moment that the eastern provinces have any proprietary right whatever in the natural resources of western Canada. I do not understand how exception can be taken to the statement of the Prime Minister that each case must be dealt with on its merits; do hon. gentlemen opposite dispute the soundness of the principle of dealing with each case on its merits as it arises? They may say, "We have no objection to the western provinces receiving their resources" but consciously or otherwise they tie a string to it and say that at the same time the claims of the maritime provinces must be investigated. I think we in this house from western Canada have shown sympathy with the claims of the maritime provinces; when we agreed to accept the Duncan report we did so feeling that we were making very large concessions, but if there are any other reasonable claims to be advanced we are quite willing to consider them. This, however, is a question of principle, and the principle underlying these matters as far as the British Empire is concerned is that when a new territory is established and given the powers of self government, along with those powers shall go the natural resources. While it may not affect the situation in the future whether or not these two matters are considered together, there are such things as principles and when we assert that the claims of the western provinces to their natural resources must be considered by themselves we are asserting only the principle which always has been held throughout the British Empire in regard to these matters, that when self government is set up, along with it shall go the natural resources.

I regret that these two matters have been tied together in the one resolution; I would like to move an amendment eliminating the latter part of the resolution. I do not know that I propose to do so at present, but in answer to the hon. member for Pictou (Mr. Cantley), who referred to the controversy in [Mr. Brown.]

regard to this matter two or three years ago, I wish to assert once more that the transaction made at that time by which the rights of the Hudson's Bay Company were extinguished did not in any way give the eastern provinces proprietary rights in western natural resources.

Mr. FINLAY MacDONALD (Cape Breton South): Mr. Speaker, I think possibly we should be grateful to the hon. member for Lisgar (Mr. Brown) for one thing at least; he has told us distinctly his position with regard to this matter. We recognize the fact that he and the other western members did sympathize with us in our efforts to have the Duncan report implemented in this house; we appreciate what the western members did for us then, and we feel sure that when these hon. members understand clearly the contentions of the maritime provinces with regard to these western lands we will have their assistance again.

The hon. member who has just taken his seat suggests that the last part of the resolution should be eliminated, but we from the maritime provinces feel that the last section is equal in importance to any other part of the resolution. We think further that no agreement should be made with the western provinces for the return of their natural resources until the claims of the maritime provinces, if they have any claims, have been adjusted. These claims always have been asserted by the members of this house from the maritime provinces whenever opportunity offered; without consideration for party the members of this house from the maritime provinces have supported the rights of those provinces.

Mr. DUNNING: What rights? Do you mean proprietary rights?

Mr. MacDONALD (Cape Breton South): I am not talking about proprietary rights now. I do not know that I could contend that legally whatever claims we have could be classed as proprietary rights; legally we might have considerable difficulty in proving that we have any such rights. If we have any rights at all we must class them as the rights of beneficiaries; if our rights exist at all they are based on the ground that the Dominion government held these lands as a trustee for all the different parts of the Dominion; if you can class those as proprietary rights you should do so, but I have grave doubts as to whether that could be done legally. Some of my friends about me suggest that we may have partnership rights.

Mr. DUNNING: That is a new one.

Mr. MacDONALD (Cape Breton South): I am not advancing that contention; I do not want to be placed in a wrong position. When we consider the position of the various parties at that time we find five different entities, the four provinces and the federal government. The federal government took over these lands, and we contend that they did so as trustees for the different provinces. That is our contention; I hardly think you can call ours partnership rights and I doubt if they could be classed as proprietary rights, but I do claim that they come under the classification of equity and fair play. However, I will come to that question a little later.

In 1912, in this house, Hon. William Pugsley asserted the rights of the maritime provinces in replying to the then Minister of Finance, Mr. White, and at page 3856 of Hansard for that year I find the following:

He has forgotten that there are other provinces, besides the three provinces named, in Canada, and when we come to consider as to what should be a readjustment of the terms with respect to one province, we have to look to the question as to what is just and fair to all the other provinces of Canada, which as I have said constitute the family of provinces composing confederation.

The house will understand that at that time they were not discussing the transfer of natural resources, but were considering the extension of the boundaries of Manitoba. A little further on in the debate the Hon. Mr. White said:

My hon. friend said that no province is entitled to an acre of land without the consent of all the other provinces.

And the debate continues:

Mr. Pugsley: To an acre of Dominion land.

Mr. White: And he was speaking of the extension of the boundaries at the time and I am not sure whether he meant the transfer of lands to the provinces or the extension of their boundaries. I understood him to mean that the extension of boundaries could not take place without—

Mr. Pugsley: What I said was that the Dominion lands belonged to the whole Dominion.

Mr. White: Which Dominion lands?

Mr. Pugsley: Wherever they are in the territory. The lands north of British Columbia belong to the Dominion, the lands north of Ontario belong to the Dominion, and the lands north of Quebec belong to the Dominion and the lands in the prairie west all belong to the Dominion.

Mr. White: Do I understand my hon. friend to object to the transfer to Quebec of the added territory which is proposed, or was he referring to Manitoba?

Mr. Pugsley: Yes, and Ontario too without treating the other provinces fairly and justly.

The following appears in the same debate at page 3870, where Mr. Turriff interjects the following:

78594—14

Is it the intention of the government of which the Hon. Minister of Finance is a member to hand over the lands to the provinces, as was promised by the right hon. leader of the government in the last campaign? If it is, it seems to me that this would be a good time to start doing that instead of giving an increased subsidy.

The Hon. Mr. White replied to that by saying that the matter could be referred to the courts, and at page 3895 the Right Hon. Mr. Borden replied as follows:

I would say one word in answer to my hon. friend from Edmonton (Mr. Oliver) with regard to the restoration of their lands to the prairie provinces. I understand perfectly the promise I made in that regard and I want to assure my hon. friend that that promise will be carried out.

He then continued with the reference quoted by the hon. member for Cumberland (Mr. Smith), as follows:

I would like to point out to my hon. friend (Mr. Oliver) that one of his own colleagues on that side of the house has raised an important question this afternoon, and has expressed views with which perhaps my hon. friend (Mr. Oliver) may not be inclined to concur; namely, that when this question does come to be considered, some regard will have to be given to the claims of some other provinces in Canada and especially the three maritime provinces whose boundaries have not been increased, whose boundaries cannot very well be increased on account of their natural situation. That is a matter that will have to be taken up in connection with the handing over of their natural resources to the three prairie provinces. I would like my hon. friends from the maritime provinces to understand that that is a matter which has not escaped the attention of the government.

We ask at this stage that this matter will not escape the attention of the government. I am not a prophet and do not pretend to be one, but I believe if these lands are handed over to the prairie provinces that the maritime provinces will never receive any consideration nor will their needs ever be taken care of.

Mr. CAMPBELL: I would like to ask the hon. member if he considers the claims of the maritime provinces as being against the natural resources or against the federal government.

Mr. MacDONALD (Cape Breton South): Undoubtedly it is a claim on those resources. My argument is directed entirely to the view that the federal government is a trustee for all provinces in these lands. If you look at it in that way you will understand just what my argument amounts to.

Mr. CAMPBELL: Large areas were added to the provinces of Ontario and Quebec. Why did not the maritimes make a claim at that time?

Mr. MacDONALD (Cape Breton South): They did, and their claim is just as strong with regard to Ontario and Quebec as it is with regard to the other provinces.

Mr. CAMPBELL: That bears out my contention that their claim is not against the resources but against the federal government, and that therefore it has no bearing on the question of whether these resources should be turned over.

Mr. MacDONALD (Cape Breton South): It puts us in this position: If our claims were not recognized when these lands were handed over to Ontario and Quebec, there is all the more reason to believe they will not be recognized when we hand the natural resources over to the three prairie provinces. If we have any claim at all it must be recognized now.

Have we got any claim? At that time Ontario got some 93,000,000 acres, and Quebec some 332,000,000 acres. I put a question on the order paper on March 29, 1926, which, with the answer received, is as follows:

1. How many acres of land will be conveyed to the province of Alberta under the agreement dated January 9, 1926?

2. The approximate value of such lands?

3. How many acres are included in school lands referred to in said agreement and approximate value of same?

4. What is the amount of the school land fund to be transferred to the province under the said agreement?

5. What amount has been paid by the federal government to the said province to date on account of school lands?

6. How many acres have been added to each of the provinces of Quebec and Ontario since confederation?

Hon. Mr. Stewart:

1. Approximately 98,758,000 acres.

2. Impossible to give approximate value as most of this area is in unsurveyed territory.

3. Approximately 6,993,578 acres in surveyed and unsurveyed territory; impossible to give an approximate value.

4. Amount of principal moneys at credit Alberta school lands fund, March 1, 1926, \$7,388,779.04.

5. Amount paid to September 30, 1925, \$6,543,194.73.

6. Quebec 332,436,480 acres; Ontario 93,696,000 acres.

Our contention is that Nova Scotia has the same legal and moral right to every acre of that land transferred to Ontario and Quebec as has Saskatchewan and the other western provinces. In discussing a matter of this kind lawyers always like to look for precedents. The question of whether this is a proprietary right or a trusteeship is more or less vague, but in this case we have a precedent. I regret that the acoustics of the chamber did not enable me to hear the speech of the hon.

[Mr. Campbell.]

member for Rosetown (Mr. Evans). I gathered that he was reciting the history of the early steps that been taken concerning these lands. I do not want to repeat any historical statement made by another member of the house, but I must touch here and there in order to make my contention clear. I need not discuss the purchase from the Hudson's Bay Company, as we all know what that was. What actually happened was that when the government purchased the territory, known as the Hudson bay territory, it found itself in possession of a vast piece of land, and did not know what to do with it. It had to guide it the precedent of the United States. After the close of the Revolutionary war in the United States that country found itself in possession, and as a result of purchase, of all the territories extending from the Mississippi river to the Pacific. The various states, thirteen in number at that time, claimed title to that land, but they saw how utterly impossible it was to handle that vast territory under the conditions then obtaining with the result that all the states joined in handing over that vast territory to the federal government to hold in trust for them. That is exactly what happened in Canada. The federal government of the United States took over that vast territory in 1782 and they organized it, developed it and sold lands along the various lines of railway which were constructed. The result of this was that a tremendous amount of money had accumulated in the federal treasury of the United States, and in 1836 they recognized the trusteeship for the different states and distributed that amount of money. What happened? They continued selling land until 1862, when they passed another act, and I should like to call the attention of the government particularly to this.

At six o'clock the house took recess.

### After Recess

The house resumed at eight o'clock.

Mr. MacDONALD (Cape Breton South): When the house rose at six o'clock I was dealing with the procedure that had been followed in the United States. I have since then been able to secure a copy of a speech delivered in the House of Assembly of Nova Scotia by the then Mr. Tory, the present Lieutenant-Governor of the province of Nova Scotia. He was dealing with the claims such as have been made in this house to-day respecting the western lands, and as he puts the matter much more concisely than I could, I am going to take the liberty of reading one or two para-

graphs from his speech. I said before six o'clock that our government had followed the same procedure that had been followed in the United States, dividing the whole territory into townships, and subdividing every township into sections, and setting aside two sections in every township for educational purposes. In our law the Dominion Lands Act we followed the same course and set aside sections 11 and 29 in each township for educational purposes.

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 of 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 acknowledgment of the interests of all the states in the moneys 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 acknowledgment 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 per cent, 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 pro-

mote 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.

Here is a course exactly parallel with the course that might have been followed in Canada at the time these lands were given to Ontario and Quebec. Certain sections might and should have been then retained for the use of those other provinces that could not then take part in them. At this point I want to make a suggestion to the government. Every person who studies this question at all must realize the difficulty of settling this question of the western lands with any sort of satisfaction to all concerned. It must be distinctly understood that the maritime provinces feel that they have a distinct interest in those lands, and if they are going to be ignored in the matter, there is going to be considerable ill-feeling as a result. I know that the government want to avoid that, as we all do; we all want to approach this question fairly. But is there not a suggestion in the course followed by the United States that could be adopted by this government in dealing with this question? Before ceding all these lands to the western provinces, why not set aside a certain portion of them, just as a certain portion of these lands have been set aside for educational purposes in the province? I do not care just how much you set aside, but set aside a certain portion of these lands for educational purposes in the maritime provinces. There would be no difficulty about that, and what would be the result? It would remove any possible feeling that the maritime provinces might otherwise have. It would give them an intimate financial interest in the growth of those western provinces because the money derived from these lands would be used in the maritime provinces for educational purposes. To complete the record I purpose to read a short portion of the brief submitted by the Nova Scotia government to the Duncan commission dealing with this question:

The additions which have been made to the territories of Quebec and Ontario comprise an area ten times as great as that of the three maritime provinces combined. In the vast region of what are now the hinterlands of the two central provinces, there are forest resources, mineral deposits and agricultural lands of enormous potential value, which will increase with the passing years. These additional terri-

tories have already augmented the revenues, enlarged the provincial credit and stimulated the investment of capital in Quebec and Ontario. Nor is there any disposition to protest against the extension of the boundaries of these two provinces. The accident of geography made it inevitable that this portion of the federal domain should ultimately form part of the adjacent provinces. Neither Nova Scotia, New Brunswick nor Prince Edward Island, geographically situated as they are, can reasonably claim to have their administrative jurisdiction extended to any portion of the unorganized federal territory. What we do claim, however, is adequate compensation in the shape of an increase of federal subsidies for our non-participation in such division of the federal domain as has already been made and must inevitably be made in the near future.

Instead of reciting the claims as set forth in that brief, I am going to submit the claims put forward by the Hon. Mr. Tory in a speech delivered in the Nova Scotia House of Assembly in 1920. I may state that these were embodied in a resolution which was unanimously adopted. They are as follows:

1. 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;

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 five per cent.

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 yearly
New Brunswick . . . . .	375,000 yearly
Prince Edward Island . . . . .	150,000 yearly

Now, I wish to direct my remarks particularly to my friends from the west. Since I have been a member of this house I have noticed that east and west are not in agreement on this question. The east appears to

[Mr. MacDonald.]

think that the west is claiming what it does not deserve; and the west on the other hand appears to think that the east is claiming what it does not deserve. It is about time that we ceased to think as east and west. If we are ever to develop this Dominion to its fullest extent we must recognize that we are one country, that these provincial boundaries are simply imaginary lines drawn entirely for purposes of organization and administration. I repeat, we are one country; we are not an aggregation of Balkan-like states, each looking at the other with jealous and envious eyes. You cannot hurt the province of Alberta without hurting also the province of Nova Scotia. We in the east have given largely in men and money to build up western Canada. We do not begrudge our contribution; we are proud of it. We feel a personal interest and a personal pride in the wonderful strides that the western country has made.

There is only this to be said in conclusion. The maritime provinces are urging what they think at least to be fair claims; perhaps not strong legal claims, not claims that could be established in any court of law, but undoubtedly claims well founded in equity. And certainly if we are ever going to prove worthy of the great heritage that is ours, we must continue to build on the basis of those eternal principles of fair play and justice.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, I have listened to the debate with a good deal of interest. I think the house is indebted to the hon. member for Frontenac (Mr. Edwards) for bringing to its attention this important matter. It is not altogether his fault that it has not been brought to our attention sooner. Indeed it is rather remarkable that a question of such interest and such importance to western members should be brought forward by a member resident in eastern Canada. I do not propose to go very far into this question tonight, but one or two points that have not yet been mentioned I think should be brought to the notice of the house.

The vast territory under discussion is a very important part of the Dominion. For a considerable length of time it was not thought to be of very much account. From 1670 up until 1870 it was treated largely as a hunting ground and was under the control and practical sovereignty of the Hudson's Bay Company. King Charles II granted that company an exclusive charter of this vast territory. In 1867 an event of great importance was crystallized in the passing of the British

North America Act. Frequently it is referred to in this house as our constitution. In section 92, subsection 5 of the act, we read:

In each province the legislature may exclusively make laws in relation to . . . the management and sale of the public lands belonging to the province and of the timber and wood thereon.

I have not quoted this subsection literally, but only that part which I wish to bring to the attention of hon. members. Again in section 109 we read:

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, Nova Scotia and New Brunswick in which the same are situate or arise:—

From these two sections it would seem that the original intention of the fathers of confederation, confirmed by the imperial house, had been that each province on its formation should have the full and absolute control of the natural resources within its territory.

Now following the passing of the British North America Act the young country of Canada conceived the idea of taking over full possession of all that large western territory, and an agreement was entered into between Canada, as recently formed, on the one hand, and the Hudson's Bay Company on the other. The agreement was consummated in the year 1870. This is the point I wish to emphasize to members of the house—and I have not heard it brought forward yet. In that deal the Dominion was to pay the Hudson's Bay Company a certain agreed sum, to be made up of three hundred thousand pounds in cash and one-twentieth of the land after it was surveyed. That land included territory from the lake of the Woods to the Rocky mountains and from the international boundary to the north branch of the Saskatchewan river. One-twentieth of all that land, after being surveyed, was to be turned over to the Hudson's Bay Company. This deal, as I say, was put through in the year 1870, and immediately thereafter there was a large influx of settlers into that new country, especially into what was then known as Fort Garry. The people who had been resident in that territory became somewhat alarmed; they felt that their lands and homes were being threatened and were in danger. When, therefore, the newly formed country of Canada, in the same year, 1870, undertook to form a province, to be called Manitoba, they found existing within that territory a condition which was quite unusual. This is the point we should keep

in mind: the condition existing in the territory where Manitoba was formed was unusual. There was such a state of unrest among the people that rebellion was imminent, if it did not actually exist. Louis Riel had put himself at the head of some of the disaffected settlers and it looked very serious for a time for the federal government. They were able to pacify the settlers and bring about a semblance of rest; still there was this old agreement to be carried out with the Hudson's Bay Company, and it was felt on the formation of the province of Manitoba in 1870 that the deal as entered into could not or would not be satisfactorily put through by the province of Manitoba. It was felt by the federal authorities that the deal would be more satisfactorily consummated if they were to retain the control of the Dominion lands in the newly formed province of Manitoba until such time as the survey was carried out and the deal with the Hudson's Bay Company completed. That accounts for the fact that in the Manitoba Act section 30 is incorporated, reading:

All ungranted or waste lands in the province shall be, from and after the date of said transfer, vested in the crown, and administered by the government of Canada for the purposes of the Dominion, subject to, and except and so far as the same may be affected by, the conditions and stipulations contained in the agreement for the surrender of Rupert's Land by the Hudson's Bay Company to Her Majesty.

It seems to me that this is a very important point for the members of this parliament and the maritime provinces to keep in mind. The territory known as Manitoba, being in a state of unrest, was not put on a parity with the other provinces which had been formed in 1867, for the simple reason that the authorities felt that they could better handle the situation if it were left entirely within their control. But the impression given to the young province of Manitoba at that time was that this was only a temporary measure on the part of the federal government; it was intimated to the young province that in due time its natural resources would be turned over to it, as had been contemplated in the British North America Act.

We come down a little further in history to the year 1905 and we find at that time, thirty-five years after the formation of the province of Manitoba, that the condition in that province was just as it had been created in 1870. No further measures had been taken to give to that province its natural resources. In 1905 an act was passed for the formation of the province of Alberta and another for the formation of Saskatchewan; and following the

precedent established in the case of Manitoba, we find, incorporated in the Alberta Act, section 21 which reads:

All crown lands, mines, and minerals and royalties incident thereto, and the interest of the crown in the waters within the province, under the Northwest Irrigation Act, 1898, shall continue to be vested in the crown and administered by the government of Canada for the purposes of Canada, subject to the provisions of any act of the parliament of Canada with respect to road allowances and roads or trails in force immediately before the coming into force of this act, which shall apply to the said province with the substitution therein of the said province for the Northwest Territories.

In the same year, 1905, the province of Saskatchewan was formed, and there is embodied in that act section 21, which reads identically the same as section 21 of the Alberta Act. Now the only reason we can give for the continuance of a situation which was supposed in 1870 to be temporary is the fact that sufficient agitation was not raised on the part of the young province of Manitoba for the return of its natural resources. At the present time we find that the province of Manitoba, through its legislature, is insisting upon the return of its natural resources; we find that the province of Saskatchewan, through its legislature, is doing likewise; and we find that the province of Alberta has also for some time past been insisting upon the return of its natural resources. We find also in these western provinces that the different political parties are practically unanimous in asking that these resources be returned. Personally I do not think it is so much a matter of dollars and cents as it is a matter of principle; these provinces feel that they are quite capable of managing their own affairs. The province of Saskatchewan has passed its age of majority; it is now twenty-four years of age and I think it only fair to assume that the people of that province are quite as capable of looking after their own internal affairs as the people of Ontario, Quebec, Nova Scotia or New Brunswick. Just as it was the original intention of the fathers of confederation and of the Imperial parliament that each province should retain control of its natural resources, so should that intention be carried out with regard to these western provinces.

It is rather unfortunate that one section has been left in the resolution which opens up the way for the representatives of the maritime provinces to come along with a supposed claim, but their arguments are not very weighty. One hon. member told us they had a proprietary right in the natural resources of the western provinces. I have not looked up the dictionary to see what that word means, but a proprietary right in these lands must be

[Mr. Carmichael.]

a great thing. The hon. member for Cape Breton South (Mr. MacDonald) was not quite so pronounced in his views; I think he said they had a claim in equity. There are a few more maritime men who may speak, and I hope the next one will say that perhaps we should consider this as a compassionate allowance; that will be getting a little closer to the actual fact. If the maritime provinces have a proprietary right in that great western country and because of that proprietary right are looking for some compensation in dollars and cents I wonder why the imperial parliament allowed the four original provinces to form themselves into the Dominion of Canada without saying, "We have a proprietary right in these provinces, and we want to look after their natural resources until such time as we get some money out of them." It seems to me, Mr. Speaker, that the Imperial parliament would have a much more legitimate claim than the maritimers have at present. I am not sure that they are presenting their claims with as much zeal as they would feel if they were more sure of themselves; I think they are in very much the same position as the young chap from the old country who was looking for a job in Manitoba a couple of years ago. He tramped around for a couple of days with a companion, looking for work, and when he could not find any he said, "I say, Jock, it is a funny thing that we cannot get a job here and we own the blooming country." That seems to be the attitude taken by our maritime friends; they think they own the country out there and that they have a proprietary right to a portion of what we ourselves should be handling, controlling and directing for our own good.

Mr. M. N. CAMPBELL (Mackenzie): In disputing the right of the federal parliament to withhold from the prairie provinces their natural resources I wish to quote section 109 of the British North America Act, which says:

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, Nova Scotia, and New Brunswick in which the same are situate or arise, subject to any trusts existing in respect thereof, and to any interest other than that of the province in the same.

If that applied at the time of confederation it should apply to-day, and to say it does not apply means that one is trying to build up an argument to the effect that the prairie provinces shall continue to occupy a subordinate place in confederation, or in other words that they are merely colonies of the old provinces and that they entered into con-

federation under restrictions and limitations not imposed upon the older provinces. I hardly think even our friends from the maritimes would put forward such a claim as that. No decent, self-respecting Canadian citizen would put forward the claim that it is desirable that the prairie provinces should continue to occupy a subordinate position in confederation.

In 1868 Rupert's Land was sold to the Dominion for £300,000. It is a common argument, of which we have heard a good deal during this discussion, that this money was paid by the Dominion of Canada composed of the provinces of Ontario, Quebec, New Brunswick and Nova Scotia, and that therefore these lands belong to them and not to the provinces later formed from these lands. In my hands I have a brief which was built up on this argument, and I would like to give two of the reasons presented therein on behalf of those upholding the claim that the older provinces own this land. The first argument is that the Dominion government bore the whole cost of development after these territories were acquired by Canada and established the new provinces free of debt; the second point is that the self-governing colonies of Nova Scotia, New Brunswick, Ontario and Quebec had to furnish for themselves the public works and services which Canada provided for the territories before establishing them as provinces, and when the colonies had to borrow money for that purpose it was afterwards charged against them in balancing the debt accounts between them and Canada. Further, I find presented that old argument, which has whiskers on it, that the Canadian Pacific railway was built by eastern Canada, by eastern capital, for the benefit of the west.

Let us just proceed to examine these arguments, and first I would point out that the original £300,000 was not paid in cash. There might be something to this contention if that money had been taken from the federal treasury at that time and paid in cash, but we find that payment was not actually completed until 1904, thirty-four years after the province of Manitoba was formed and just at the time the new provinces of Alberta and Saskatchewan were in process of formation. For many years, of course, the people in this territory had been contributing their share to the revenues of the Dominion; certainly during that period the people in what are now the provinces of Manitoba, Saskatchewan and Alberta contributed no small share to the payment of the original sum. Therefore there is nothing to the argument that this money was paid entirely by the original four prov-

inces, and so we see the fallacy of the argument that the four original provinces have a proprietary right in these lands because they bore the cost of acquiring them. However, I have another authority in this connection. Sir John A. Macdonald, speaking in this house on the Manitoba bill of 1870, is reported as follows:

It was worthy of attention how carefully the interests of the Dominion had been looked to in the reservation of all lands for all purposes. They (the inhabitants) wished Rupert's Land made into one province and to have all the land within the boundary as in other provinces. The land could not be handed over to them, it was of the greatest importance to the Dominion to have possession of it for the Pacific railway must be built by means of the land through which it had to pass. They would be in a position to obtain repayment of the disbursement of the £300,000. The expense would be defrayed by that means instead of being charged against the people of the province of Ontario, Quebec, Nova Scotia and New Brunswick.

I hardly think my hon. friends will dispute Sir John A. Macdonald's words.

Our hon. friends from the maritimes have raised the question of proprietary rights, but I think they are just a little inconsistent in the argument they are putting forward. In the year 1912 an empire rich in minerals, in timber, in pulpwood and in water powers was added to the provinces of Ontario and Quebec. At that time they made no objection. If they have a proprietary right in the resources of our prairie provinces they would have an equal right in the territories added to Ontario and Quebec. They did not raise that question and why should they try now to throw a monkey-wrench into the machinery? Why should they object to the prairie provinces acquiring their natural resources? They made no objection to these large acquisitions by the other provinces. If they had had any claim they would have presented it at that time and objected to these large areas being turned over to these other provinces.

The hon. member for Prince (Mr. MacLean) raised what I thought was a rather remarkable argument. He mentioned some of the disabilities and disadvantages under which the maritime provinces suffered. No one is more ready to admit that than I am. I was quite ready to support the recommendations in the Duncan report, and I did support them in this house because I believed it was a belated act of justice on the part of this parliament. The hon. member for Prince argued that the maritime provinces, and particularly his own province, should secure some compensation from these lands. As a support for his argument he mentioned the fact that they had no stone in Prince Edward Island. I always

thought that that was something to be proud of in an agricultural country. We in the west would congratulate ourselves if we were in that happy position. I thought there might be a happy way out of this, a way which would leave all parties satisfied. We have many acres of stony lands in western Canada, and we would be quite pleased to have the federal government turn over our natural resources to us and reserve this stony land for the use of our friends in the maritimes.

I want to make my position quite clear. I am not objecting to any seeming claim on the part of the maritimes. What I am objecting to is their tangling up their claim with the transfer of these resources to the prairie provinces. If they have a claim it is not against these resources, the claim is against this federal parliament. Assist us to get our resources. It is not hurting you any. Let us have the resources and then if you have a claim present it to this parliament and I am quite sure it will be dealt with on its merits. If you are treated as generously as you were in connection with the Duncan report, I do not think you should have any objection. Let us secure our natural resources and do not throw a monkey-wrench into the machinery at this particular time.

The contention that the original provinces had to shoulder their own debts while the new provinces had their public works provided for them by the Dominion is not a fair argument. For a long time the administration of the prairie provinces was carried on from Ottawa, but it is also true that the taxes from these same provinces went into the Dominion treasury. Millions of acres of our finest land and other resources were used for the general good of Canada, such as the building of the Canadian Pacific railway. I notice the Drayton-Acworth report states that the proceeds of lands and townsites turned over to the Canadian Pacific Railway up to June 30th, 1916, amounted to \$123,810,000. The unsold lands carried in the books of account at that time were valued at \$119,259,000, or a total of \$243,069,000. The unsold townsites were carried at a value of one dollar. I have no figures since that date, but I believe if we could secure the figures for the sale of townsites since that date, and also the sale of lands, it would be shown that these figures had doubled. All of this came out of the prairie provinces. The prairie farmers who purchased land had to pay for it with the sweat of their brow; they got nothing out of it. Handing that land over to the Canadian Pacific Railway was a contribution to the general good of Canada. The railroad was built through the large

[Mr. Campbell.]

and rather barren areas between Ontario and the west with the subsidies paid for in prairie lands. The Canadian Pacific Railway secured altogether 28,000,000 acres of prairie land and this helped to build the line east as well as in the prairie provinces. It was all for the general good of Canada.

In 1869, Joseph Howe, the then Secretary of State, visited the Red River settlement and he made the inhabitants a very definite promise of the same constitution as the other provinces possessed. That obligation has never been lived up to. There was the definite commitment by a member of this government and it has never been carried out. There have been restrictions placed on the province of Manitoba, as well as the other provinces, without the consent of her people and even without their knowledge. On the other hand, the four provinces that went into confederation had the right to refuse; they were not forced into confederation. They went in under conditions that were acceptable and satisfactory to them, or they would not have gone in.

Another argument that is frequently raised is that some parts of the natural resources cost more to administer than they are worth. That is quite true with regard to homestead land, as the sum of \$10 per quarter received by the federal government is not sufficient to pay the cost of administration. In comparison with what the Dominion government has to undertake, the provinces must provide schools, roads and all such facilities at enormous cost. The cost of opening up these newly-settled districts is a tremendous burden upon the provinces. Every new settler who comes in contributes in some degree to the revenues of the Dominion, and I do not think that is a fair argument.

This tremendous hinterland was added to the provinces of Ontario and Quebec in 1912, but the only change in the boundaries of the three prairie provinces was the mere moving of a line on the map a little farther north. That is all that occurred as far as the prairie provinces were concerned, but Ontario and Quebec received a free gift of these large areas from the federal government.

One remarkable fact one discovers in following up the history of natural resources is that the government is always opposed to transferring them and the opposition is always in favour. It does not make a particle of difference whether the government is Conservative or Liberal, or whether the opposition is Conservative or Liberal. Whichever party is in opposition is always in favour of transferring the resources and whichever party is on the benches of the government is always

opposing it. I suppose if you reversed conditions in the house to-day you would find the same thing. It is something we have always been up against. But I do appeal to our friends from the maritimes and ask them not to tangle up their claim with our efforts to secure our rights. Let them bring it forward and have it decided on its merits, and not try to prevent us securing what we consider our just rights.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I want to make clear one or two things which, it seems to me have been lost sight of in the discussion. The resolution divides itself into two parts: first, the resolution with regard to the return of the western resources. Speaking as a maritime man, and at the same time realizing my responsibilities in the house, I do not think any maritime member or any person in the maritime provinces for one instant objects to the return of the resources to the western provinces. We realize that a provincial conference was held; that the matter was brought up there; that there was absolute unanimity of opinion that those resources should be returned, and I should be very sorry to have the impression go abroad that the maritime members, or the members from eastern Canada, or those whom they represent, would, for a single instant, to use the expression of the hon. member for Mackenzie (Mr. Campbell), throw a monkey wrench into the machinery of granting those western resources to the provinces. I have a distinct recollection of the support which western Liberals and western members of the house generally gave not so long ago in connection with maritime matters. I remember distinctly that at that time there was no attempt whatever to bargain; there was no suggestion by those members at that time that justice would not be done to the maritime provinces simply because of the fact that the western resources had not yet been returned, and I believe the same spirit will and does animate the maritime members of the house and those whom they represent.

That brings me directly to the second point. There is no attempt, I am sure, on the part of the mover of the resolution to tangle up, as the expression was used, the rights of the eastern provinces in connection with the matter. I should like to remind the house of what has taken place. In this resolution we are not discussing the merits of any claims which may be put forward with regard to the return of those resources. This is not the time to do that. I quite realize that western members may put on record the fact that they do not believe there are any merits in those

claims; I realize also that our friends from the maritime provinces may put on record what they conceive to be the foundation for those claims; but the report which was made by Sir Andrew Rae Duncan and which has been referred to by some of the speakers expressly intimates that those claims have not been gone into in detail, but rather reserves them for consideration on the revision and adjustment, which is suggested, of provincial subsidies. That was the claim made in the document which was read by the hon. member for Cape Breton South (Mr. MacDonald) before recess. That is the situation with regard to those claims which have been put forward perhaps not as rights—that is to say, they have not yet been established—but simply as claims which may have arisen by reason of dealing with school lands, with public lands, and which may arise in connection with the action which might be taken with regard to those resources. Those were matters which were to be considered in connection with the revision and readjustment of subsidies. I want to remind hon. members that the Prime Minister (Mr. Mackenzie King), in making his statement in connection with that report, expressly referred to this very matter. He pointed out that it was not simply a matter for the Duncan commission to make a certain recommendation with regard to an arbitrary amount, but a matter in which other provinces were interested, in which the Dominion was interested and in connection with which an opportunity should be given for hearing the other parties. He said, as reported in Hansard on March 13, 1927, in making his statement:

As already indicated, we believe with the commissioners, that the time is opportune for a readjustment of the financial arrangements between the Dominion and the maritime provinces, but it would not make for an harmonious and lasting settlement of the financial issue, a settlement based on due regard for the needs and interests of all the provinces and of the Dominion itself, to attempt to set a final figure now, before the views of the other provinces and the position of the Dominion have been set forth, and a settlement reached which public opinion will be prepared to accept. For the same reason it is not possible, in advance of the deliberations of the conference—

Referring to the then pending Dominion-provincial conference.

—and of the detailed determination and assessment which the report recognizes is necessary, to accept the view for which no detailed grounds are advanced, that certain sums set forth in the report should be regarded as "the minimum addition that the three maritime provinces should have in any such revision".

Note these words:

The final revision can only be made in accordance with the merits of the case.

The final revision and readjustment has not been made. Speaking personally, I think it is a good thing that this matter of the return of the resources is being discussed now and terms, if possible, are being arranged. When the final readjustment and revision is made, if any claim of any of the maritime or of the eastern provinces,—because the maritime provinces are not the only provinces who were original members of confederation,—has arisen or if any claim is enhanced or strengthened, then due cognizance can be taken of that claim in connection with any inquiry concerning the readjustment and reassessment. I feel maritime members ought not to ask more than that and I believe the western members of the house will not ask less.

Mr. ALFRED SPEAKMAN (Red Deer): The subject which is brought before the house to-day by the hon. member for Frontenac-Addington (Mr. Edwards) is one of vital importance as it effects Canada as a whole. Not only is it of importance to the house, but it is of particular importance to the members who sit in this corner because they are perhaps more intimately associated with the province whose affairs are most nearly settled than any other similar body in the house. It has been a matter of wonderment, I believe, on the part of people both in the house and outside why the members from Alberta particularly had never taken the initiative in this matter and had not brought this question up on the floor of the house of their own volition. That is easily explained. We believe, we still believe, that primarily this is a matter for the different governments involved; primarily it must depend on negotiations between and agreement of the Dominion government on the one side and the different provincial governments on the other. It was in this belief and in compliance with what we believe to be the wishes of the negotiating parties that so far we have refrained from pressing this matter upon the floor of the house. But the resolution having been brought forward and the matter being under discussion, we would certainly be derelict in our duty if we did not express ourselves at this time.

The resolution itself in the main and in general terms is one to which I believe little exception can be taken by any member or any party or group in the house. In general terms it reminds us that the transfer of those resources is long overdue; that it is for the benefit, not only of the provinces directly affected, but of the Dominion as a whole, that this vexed question, which has for many years, troubled the minds of men and women all over Canada, particularly in

[Mr. Ralston.]

the west, should be brought to a conclusion; that some settlement and agreement should be arrived at as speedily as possible, which will be satisfactory to both parties concerned, to the people of the prairie provinces and to the rest of Canada. But while we feel that in general terms the resolution is one which all may approve, we also feel that there are one or two phases of it that should be definitely considered and clearly understood.

The first deals, perhaps indirectly, with the one factor which has been a stumbling block in the way of a settlement of this question for the last two or three years, and that is the matter of the control of the school lands and the school land funds. I am one of those who believe that a very grave error was made when these two questions were first mixed, and when this extraneous matter, as we believe it to be, namely, the control of the educational system, was thrust into the consideration of another matter altogether, namely, the transfer of the lands from the crown in the right of the Dominion to the crown in the right of the provinces. But that having been done, and time enough having elapsed for the question to be thoroughly discussed and thoroughly understood in all its phases, I welcome in this resolution, and in the agreement which I understand is under way, the partial solution at least of this problem, a solution which while not actually settling the point in dispute, does not vitally affect the question of the transfer.

What is said on that point in the resolution, which follows almost word for word, I believe, the language suggested in the negotiations between the two governments, is that these lands and this fund should be used for educational purposes "according to the laws of the respective provinces, but in compliance with the letter and spirit of the constitution." I can take no exception to those terms, for it is in compliance with the letter and according to the spirit of the constitution that the provinces have any legislative power whatsoever. They are granted that power, the power of law-making and the power of administration, by virtue of that very letter and spirit which is here referred to. It becomes therefore merely a matter for future interpretation as to the exact meaning of that letter and the exact meaning of that spirit, and leaves both schools of thought at liberty, without prejudice, to take action, if action is necessary, at a future date to settle that part of the question.

The clause of the resolution to which I do take the greatest exception, and to which those members who sit near me take the strongest exception, is the clause reading "and

the claims of any other provinces in connection with this subject." Perhaps we would not take exception to the extent that we do had it not been for the obvious interpretation placed upon these words by many hon. members who have spoken, particularly members from the maritime provinces, namely, that the return of the natural resources—or rather, the transfer of the natural resources, because you can hardly return to the provinces something which they never really possessed—shall be conditional upon the investigation and satisfaction of other claims. To that we take exception.

Lest I be misunderstood, may I say this, and I think the records of the house will amply prove my contention: We in the west are and always have been disposed to deal fairly and justly, nay, generously, with the maritime provinces or with any other province in the adjustment or settlement of any claims which they may have. I think the records of this house will show that when the subject of maritime rights was before the house on a former occasion, the members from the west showed no narrow or selfish spirit in dealing with the maritime claims or with the report which dealt with those claims. They did what they could to assist in improving conditions in the maritime provinces and for myself, and I think I speak for my colleagues, we are prepared at any time to support a full investigation into the claims and the needs of those provinces, and further, to support a fair and generous solution of their difficulties. But we do take exception to these two subjects being intermingled in this way. We take exception to the idea that the settlement of their claims shall be made a condition of the settlement of other claims. The two should never be brought into juxtaposition at all, in our opinion, and for that reason, believing as we do that the maritime provinces have grievances and that these grievances should be remedied; believing also as we do that these are two separate and distinct questions, and that the question of the maritimes and the question of the western provinces should be settled each in its own time and on its own merits, we cannot support that part of the resolution.

As I said, perhaps we should not have felt so strongly upon the subject had it not been for the statements that have been made by some members from the maritime provinces. With some of their statements we are in accord. We take no exception to the statement, for example, of hon. members that this was perhaps an opportune time for examining into their claims, that the subject of provincial

rights and provincial claims being uppermost, this was perhaps a fitting time for investigating the claims of other provinces. So far we can agree with them, but other hon. members have made the statement clearly and unequivocally that the one must be contingent upon the other, and that they would oppose the transfer of the natural resources to the western provinces until this other question was settled. Believing as we do that that is not sound; believing that each question must be considered on its merits and investigated and treated as a separate subject, while assuring the maritime members and other members of the house of our support of any claims they may advance of which we can approve, I beg to move, seconded by the hon. member for Camrose (Mr. Lucas) that this resolution be amended by striking out the words "and the claims of any other provinces in connection with this subject" as they appear in the ninth and tenth lines of the resolution. The latter part of the resolution will then read:

and that the claims of these provinces—

That is, the western provinces.

—to compensation for loss for lands and resources alienated should be investigated with a view to satisfactory and equitable adjustment.

We believe that the resolution thus amended will be acceptable to practically every member of the house, and we can assure other members of the house, particularly those from the maritime provinces, that if they give this resolution, as amended, the support which it merits, or indeed if that support is not given, we shall be prepared in the future, as in the past, to work with them for the adjustment of their grievances and for the satisfaction of their needs, as well as with the rest of the people of Canada for the upbuilding of this country as a whole.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, I desire to take a few minutes of the time of the house to discuss the resolution and the amendment as they affect the province from which I come.

I should be very glad indeed to see this matter finally settled. Like the Hudson Bay railway and the bay terminal, it has been too long a political football, and I would welcome the settlement of the claims of the western provinces for the transfer of their natural resources. I remember some years ago when I first went to western Canada, soon after the provinces of Alberta and Saskatchewan were formed, this became a very live question, and when the first provincial election in Sas-

katchewan was in progress the transfer of the natural resources was practically the only question under discussion.

Some years later when the Liberal government then in power under Sir Wilfrid Laurier proposed a reciprocity agreement with the United States, the Conservative party objected very strongly, and I remember in the election of 1911 when passing through Saskatoon having an opportunity of listening to a speech by Sir Robert Borden delivered in the local skating rink. He, of course, was very much opposed to the reciprocity pact, and he warned the people of western Canada to keep away from those bad Americans, otherwise they might be swallowed up by the republic. He promised on that occasion that if western Canada would only support the Conservative party, when that party got into power he would guarantee that they would transfer the natural resources to the three prairie provinces without delay. I heard Sir Robert Borden make that statement with my own ears. Sir Robert Borden wound up his address by saying: Return the Conservative party to power, and if I am the prime minister or the head of the party, I will guarantee to you that one of the first pieces of legislation that is introduced in the House of Commons by our government will be a bill transferring the natural resources to these prairie provinces.

Unfortunately for some reason or other he was not able to carry out that platform promise, the probable reason being that this question became a political football. Now the time has come when we believe that the question should be taken out of politics for the welfare of Canada as a whole. We cannot conceive of the three prairie provinces developing as they should develop, providing markets for eastern industries, just so long as their natural resources are controlled from Ottawa. The distance is too great. Naturally the provincial governments have a better opportunity of developing those natural resources along the best lines for all concerned than has the Dominion government.

Let me review the situation in so far as it affects self-government in Canada, and point out the reason why the British government decided upon the principle that the natural resources should be transferred to the territories when they undertook to provide for self-government. It will be remembered that in the earlier days we had colonies in Canada, and that governors were sent over by the British government and were assisted by an executive council composed of five or six men in each colony. At that particular time the natural resources were vested in the

[Mr. Gardiner.]

crown, and they were the prerogative of the crown. The only way in which those natural resources could be dealt with at that time was for the governor and executive council to recommend that transfers of land should be made to certain persons. For instance, we find that in lower Canada 1,425,000 acres were transferred to sixty-five persons. One can easily understand the colonists of those days smarting under such an injustice. They demanded that not only should they have a greater measure of self-government, but that at the same time they should be in a position to control their natural resources. A good deal of correspondence took place; Lord Durham was eventually sent out, and soon after his arrival the British government decided to grant responsible government and to turn over to the colonies in exchange for the civil list the natural resources within their boundaries. That is how it came about that finally Ontario, Quebec, New Brunswick and Nova Scotia secured control of their natural resources. It is apparent that those provinces or colonies, as they were then, had to put up exactly the same fight that we are putting up to-day in order to secure the control of their natural resources.

Under those circumstances I do not admit that the maritime provinces or any of the other older provinces have proprietary rights in the natural resources of the three prairie provinces. Much has been said this afternoon with regard to the extension of the boundaries of Ontario and Quebec. But it must be remembered that it is a British principle that where the people undertake self-government and provide the civil list, then their natural resources automatically come under their control. At once the imperial government is relieved of all possible expense in the administration of those particular territories. Therefore when Ontario and Quebec had their respective boundaries extended, it is quite reasonable to suppose that those two provinces required the natural resources of the new territories to defray the added cost of administration. In my judgment none of the other provinces have any proprietary interest in the particular territories so added to Ontario and Quebec.

Now, we take the same view so far as western Canada is concerned. We may claim that when we were endowed with self-government the natural resources within our territories, applying the British principle to which I have already referred, should immediately have been turned over to the new provinces in order to assist them in defraying their cost of administration. After all, it is the

provincial authorities that are responsible for the good government of their territory, and, I repeat, the British principle should apply in those three provinces just as thoroughly as it has been applied in the older provinces.

I want to draw the attention of my Conservative friends particularly to a statement which Sir Robert Borden made in 1905 when the autonomy bills creating the provinces of Alberta and Saskatchewan were going through this house. I take it from a book by Mr. Chester Martin, entitled *The Natural Resources Question*. Sir Robert Borden then said:

The constitutional rights which the original provinces of confederation now seek to deny to the prairie provinces of the twentieth century are the same rights which they themselves vindicated, even against Lord Durham, during the first half of the nineteenth. The arguments employed against the provincial rights of the prairie provinces "would have justified the retention by the Imperial government up to the present time of every acre of crown lands in Canada."

I understand that that statement was delivered in this house. I believe that in the near future this question will be finally settled, and that the three prairie provinces will secure their full provincial rights. Under present conditions, without our natural resources we are to all intents and purposes colonies of the Dominion of Canada, just as the former colonies of Ontario and Quebec, New Brunswick and Nova Scotia were to the British government; and we maintain that under these circumstances it is impossible for confederation to be a success or to be the success that it should be. We therefore plead with all concerned to try, if possible, to expedite this matter.

I wish to give another quotation, and this time I will go to the old land; I will quote a very high jurist, namely, Viscount Haldane. A case was being heard before the privy council, in connection with which I shall read a few extracts from a discussion between Lord Haldane and Canadian counsel as reported in a book edited by E. R. Cameron, K.C., and published by the Carswell Company, Limited, in the year 1922. At page 155 there appears the following:

Viscount Haldane: All land in the province is in the crown in right of the province, unappropriated land.

Mr. Wegenast: Not in Manitoba and Saskatchewan.

Viscount Haldane: They are surely both set up as provinces under the British North America Act.

Mr. Wegenast: Not in that sense, my lord.

Viscount Haldane: You surprise me very much. Where is the section in the confederation act which puts the title of the land in the province?

Mr. Wegenast: The crown lands in Saskatchewan and Manitoba are held in the right of the Dominion.

Viscount Haldane: There may be, of course, crown lands—Indian lands, for instance—as to which there is a statutory provision, but all I can say is that the general character of the distribution of powers between the crown and the province, between the Dominion and the province in Canada, is that there is a common crown advised by different ministers, but that the titles to the land of Canada is in the crown in the right of the province, where it is not expressly conferred on the Dominion.

Mr. Wegenast: Yes, my lord.

Viscount Haldane: The crown is entitled to the land; and the whole question is: Is the crown advised by the government of the province or the government of the Dominion in exercising that right of property? Of course, if there are statutes saying that something is crown land and given to the Dominion in right of the Dominion that is another matter. You have something of the kind in the case of the Indian reserves, but generally speaking land is in the crown in the right of the province.

Mr. Wegenast here reads a note in Lefroy's book on "Canada's Constitution" dealing with section 109 of the British North America Act as follows:

"This section, of course, applies mutatis mutandis to the other provinces admitted into the union since confederation, other than Manitoba, Alberta and Saskatchewan, where the public lands are still retained by the Dominion".

Viscount Haldane: Just show me the provision in the British North America Act or any subsequent imperial statute under which that is so, because it is a very extraordinary proposition. It is not a question of conveyancing. There is only one crown in Canada for the province and the Dominion—and only one crown for the empire. The title to the public land is vested in that, and the only question is what sort of advisers advise it. If you could show me that there is a provision that the crown is to be advised by someone else than the government of this province, well and good.

Mr. Nesbitt: I am not going even to discuss this point because it has no bearing on the case.

Viscount Haldane: I think there is a much more fundamental question here, which is: when the provincial government was set up and the land vested in the crown how can the crown be advised by any other government?

Mr. Wegenast: It is the greatest issue as between the western provinces and the Dominion at the present day. The patent in the case of lands in Manitoba, Alberta and Saskatchewan comes from the Dominion. Every man traces his title from that.

Viscount Haldane: No doubt, because he traces it back to the time when the Northwest Territory was administered by the Dominion of Canada. But since the province has been set up, I should be very much astonished to hear that, in the case of any ordinary land, there was any title by charter, which came from anybody but the lieutenant governor of the province on behalf of the crown.

Mr. CAHAN: Lord Haldane evidently had not read the whole of the British North America Act.

Mr. GARDINER: Nevertheless he probably understood it.

Mr. BENNETT: I take it the hon. gentleman realizes that these observations were made in the case of the Great West Saddlery Company and have therefore no bearing whatever on the question at issue. What the hon. gentleman has read is the report of a conversation between Lord Haldane and counsel.

Mr. GARDINER: I said merely that I was going to quote an opinion—

Mr. BENNETT: Not an opinion.

Mr. GARDINER: —in regard to this question. However, I have read enough to give the house Lord Haldane's opinion with regard to natural resources. In conclusion, may I say this, I trust that so far as this government is concerned it will expedite this matter to the best of its ability. I have come to the conclusion in the last few years, in view of the fact that this question has been made a political football, that the western provinces would be well advised to appeal to the privy council to determine first of all whether this parliament ever had the power to withhold these natural resources when the western territories were created provinces. Unless some settlement is arrived at soon, this is the only course left to the western provinces.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): A few moments ago I had no intention of addressing the house on the resolution now before us, for the reason that it appeared to me that a great step forward on this long standing question was about to be made, in that the House of Commons seemed to be heading in the direction of a unanimous resolution with regard to the subject. Such unanimity, following as it would the practical unanimity of the Dominion-provincial conference last year in connection with the same matter, would undoubtedly facilitate to a very great degree the final settlement of this matter, which has been agitating the people of Canada, and the people of western Canada particularly, for a number of years past.

I have had some previous connection with the negotiations regarding natural resources, not alone as a federal but also as a provincial minister, and I am reasonably familiar with the development of the question from 1905 onward. My view is that there never was any doubt at any time as to the right of the new provinces to the control of their natural resources.

Some hon. MEMBERS: Hear, hear.

[Mr. Cahan.]

Mr. DUNNING: My hon. friends applaud, but it is not a statement particularly worthy of applause; it is a simple fact. In the arrangements which were made for the payment of a subsidy to these new provinces in lieu of their resources, recognition was given by this parliament to the simple fact that they had a right to them; otherwise why pay them anything in lieu of something to which they had no inherent right? In my view the acknowledgment by parliament, in the case of Manitoba a few years after 1870, and in the case of the provinces of Saskatchewan and Alberta in 1905—the recognition that a sum of money must be paid annually in lieu of possession of the resources by the provinces—constituted an admission by this parliament that the provinces had the inherent right to the possession of those resources, and that as a matter of expediency—national expediency, if you will—for the development and settlement of this country, it was desirable that the Dominion should retain control and should administer those resources, but should pay the provinces annually a sum in lieu of the right which it was tacitly acknowledged the provinces had in the premises. I do not think we need argue that. It is a right which I think is now generally acknowledged throughout Canada, and in the terms of the resolution placed before the house by the hon. member for Frontenac (Mr. Edwards), as I said at the outset, there appeared to be a possibility of a unanimous agreement by the house. Now an amendment has been introduced seeking to cut out the following words:

—and the claims of any other provinces in connection with this subject should be investigated with a view to satisfactory and equitable adjustment.

In common with the mover of the amendment I am of opinion that no other province has any claim whatever in connection with the natural resources of western Canada, but it is one thing for me to hold that view and another thing for me to say that any claim any province thinks it has should not be investigated. As far as the Liberal party are concerned, at any rate, we are quite prepared to investigate any claim any province thinks it may have against this Dominion with respect to any matter, and we would be the last to deny the right of any province at least to attempt to demonstrate the merit of any claim they may think they have. I suppose in what I have just said I will be quoted, or misquoted, in western Canada as admitting some right on the part of the maritime provinces. Nothing is further from my

mind, but I do say that the western provinces think they have claims with respect to many matters. This government does not deny to those provinces the right to have those claims investigated, nor would we deny the same privilege to the eastern provinces with respect to any matters. As the Minister of National Defence (Mr. Ralston) has said, the question of the final adjustment of subsidies is still open. In connection with that final adjustment of subsidies for the maritime provinces the western provinces believe they have claims, provided the adjustments are made along certain lines, and I do not suppose my hon. friends from the maritime provinces would deny the western provinces the right to have these claims looked into. It is one thing to oppose claims and another completely to deny investigation of them.

We should remember also in connection with a matter of this kind that action in this chamber is not final. Settlement of this question involves an amendment to the constitution of this country, because the constitutions of these western provinces automatically became part of the constitution of this country the moment assent was given to them. Any amendment to them means action by this house, approval by the senate, approval by the provincial legislatures concerned, and also approval by the imperial parliament, and for that reason I submit it is in the highest degree desirable that if possible we should start from a basis of unanimity. I have no doubt that in connection with the senate, in connection with the provincial legislatures concerned, and in connection with the imperial parliament dealing with the matter, if there were provinces in Canada dissenting, that would have an effect upon the discussion, especially in the imperial parliament, of any matter so serious as an amendment to the constitution of one of the provinces and therefore the constitution of this Dominion. So, while not disagreeing with my friends of the United Farmers of Alberta as to the merits of any claim, I would ask them seriously to consider the withdrawal of their amendment in order to attain practical unanimity, if possible, at this stage. In no sense does the resolution commit anyone to the recognition of any claim which may be made by any other province; it merely commits us to a willingness to investigate any claim put forward by anyone.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, this resolution which is proposed by the hon. member for Frontenac-Addington (Mr. Edwards) is in the exact terms, with the possible exception of one comma, of a resolution which was unanimously

adopted by the national Conservative convention held at Winnipeg. At that convention all the provinces of Canada were represented, and in the interests of the whole country it was deemed advisable that the delegates should endeavour to reach a reasonable compromise resolution upon these matters which we could endorse unanimously and which would serve on the part of one of the great political parties of Canada to remove this question of natural resources from the arena of partisan political discussion. In formulating that resolution both in the committee on resolutions and in the open convention I think views almost as diverse as those which have been expressed in this house to-night were put forward, but after a lengthy discussion we unanimously accepted the resolution as it now appears.

This resolution deals not only with the return of the natural resources to the western provinces but also with the transfer to these provinces of certain specific funds which have been accumulated through the sale in the three provinces of Manitoba, Saskatchewan and Alberta of school lands which had been appropriated for certain particular educational purposes. Naturally some difference of opinion arose at the convention with regard to the interpretation of the constitution as it exists to-day, but it was felt that this interpretation might well be left to the courts of this country, because we as members of that convention could not interpret in any binding form the constitution of this country so far as it made reference to this question. Moreover, our constitution is liable to change, and it was felt that these school lands and school land funds should be administered not only in compliance with the spirit and the letter of the constitution as it exists to-day but in compliance with the spirit and letter of the constitution as it may be amended by constitutional methods in the future. I think that this resolution was a fair compromise, having regard to the differing opinions; but in connection with the transfer of these natural resources opinions were also expressed by delegates, representing the provinces of Manitoba, Saskatchewan and Alberta, to the effect that these provinces had claims to compensation for lands and resources alienated up to the present time. Some of us thought there was no valid, legal claim existing on the part of any of these provinces to such compensation, but it was felt, as the Minister of Railways (Mr. Dunning) just now suggested, that if there were such claims and if there were those who believed those claims to be legal and valid, no effort should be made to preclude them

from asserting those claims before a body competent to investigate and adjudicate upon them. And therefore, this clause was added:

—and that the claims of these provinces to compensation for loss for lands and resources alienated. . . . should be investigated with a view to satisfactory and equitable adjustment.

After we had dealt fairly with the western provinces in that respect, other claims were asserted on behalf of the three maritime provinces in connection with the proposed transfer to the western provinces of property held by the crown in the right of the Dominion government in which all the other provinces are interested. It was felt that we could not, as a convention, deny the three maritime provinces the right to have the claims asserted by them investigated by a competent tribunal, and so the resolution was drawn finally in the form in which it now exists. That, I repeat, was a real, honest and sincere effort to arrive at the terms of a resolution which would tend to take this matter out of the arena of partisan discussion. Now when this resolution is brought before this house, representing all the provinces of Canada, we are met with exactly the same difficulty. I for one am not going to vote for the amendment and thereby preclude the maritime provinces from presenting the bases of their claims before a competent tribunal to be appointed by the government of Canada. I think it would be most unjust to do so, because there is nothing more likely to tend to create dissatisfaction on the part of the maritime provinces than to have it asserted that claims, in the validity of which they honestly and sincerely believe, should not be presented and investigated by a Dominion tribunal.

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. 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.

[Mr. Cahan.]

The quotation from Lord Haldane, which the hon. member for Acadia (Mr. Gardiner) read, is not apposite at all. If my friend were accustomed to reading discussions—and this was a mere discussion—before the judicial committee of the privy council, he would find that their lordships, when dealing with issues on which they are not fully instructed and in connection with which no evidence has been offered, sometimes make observations which are not authentic and which even have a tinge of absurdity. Lord Haldane evidently had not in mind the Saskatchewan and Alberta acts of 1905, passed by the parliament of Canada pursuant to imperial authority. For instance, section 21 of the Saskatchewan Act, and the same in the Alberta Act, provides:

All crown lands, mines and minerals and royalties incident thereto, and the interest of the crown in the waters within the province under the Northwest Irrigation Act, 1898, shall continue to be vested in the crown and administered by the government of Canada for the purposes of Canada. . . .

Section 20 of the same act provides:

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. . . .

If Lord Haldane had had this issue before him and had been instructed by counsel as to the contents of the Alberta Act, 1905, and the Saskatchewan Act, 1905, he could not possibly have made the observations quoted by my hon. friend the member for Acadia.

There may be differences on this side of the house, and I have no doubt there are, with regard to some of the subsidiary issues that may arise with respect to the transfer of these natural resources to these three provinces, but we have made an honest and sincere attempt as intelligent men, differing with regard to certain incidents, to arrive at a consensus of opinion with regard to those matters which are material and relevant to the present discussion. We have attained this result in the terms of the resolution now before the house, and I am glad to see a disposition on the part of the members of this house, including some members of the government, to cultivate a spirit of conciliation and, so far as it is possible for intelligent men to do so, allay the irritation which exists at the present time, and allay it in a manner satisfactory to all interests concerned.

I think the maritime members were acting well within their rights when, in order to prevent any estoppel in the future, they

asserted in the course of this debate the claims which we all know are entertained by the maritime provinces. That is all they have done, and the house may well say, in the terms of the resolution which is before it, that the claims of the provinces of Alberta, Saskatchewan and Manitoba to compensation for loss of lands and resources alienated, and the claims of any other provinces in connection with this subject, should be investigated with a view to a satisfactory and equitable settlement. I cannot understand how any hon. member can assert by his voice and his vote at the present time, in view of the cordial understanding which we have arrived at on both sides of the house, that the maritime provinces should be precluded or estopped from asserting their claims in the future before a competent tribunal, or be prevented, precluded or estopped from having a competent tribunal adjudicate upon the evidence which they are prepared to present. Therefore, for my part I am happy to-night to know that by the consensus of opinion of both sides of the house we are removing this question from the sphere of party bickerings, and, yet at the same time we are giving an assurance to the western provinces on the one hand who claim a certain compensation and to the maritime provinces on the other who desire certain recognition of their claims, by asserting to them that, by our vote in favour of this resolution, they are not precluded in the future from presenting their claims before a tribunal competent to adjudicate upon them.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, the Alberta resources question is not a question of law but one of policy, like the Manitoba school question was in 1896. If the Hon. Joseph Martin and Dalton McCarthy sitting in this house had made a bungle of the Manitoba school question the way the Alberta school question was made a bungle of in this legislature and a football of by making it a question of law instead of policy, then the Laurier government would never have come into office in 1896.

The question of the Alberta resources case was never a matter of law as was pointed out in my resolution of 1925, 1926 and 1927. The question is a matter of policy under the legislative competence of this parliament. The clause 17 of the Alberta Act was *intra vires* and no one disputed its validity. The reference to the courts was for political reasons.

I am sorry to say that in 1905 the Liberals of Alberta, then a new province, forgot all about provincial rights and national schools, and destroyed provincial rights and all hope

for national schools. They thought more of the welfare of the party; they did not care anything about the future of that great province where millions of people yet unborn will live in the years that are to come, and a system of separate schools was forced upon that province and provincial rights were nowhere, and from that day forward they left the natural resources to shift for themselves. The same thing was true of the Liberal party of Saskatchewan; they were content that this parliament should make a football of the question of natural resources, and they did nothing and were afraid to raise the question. I contend that part of the present resolution of the hon. member for Frontenac-Addington (Mr. Edwards) is similar to mine of 1925, 1926 and 1927, when it says:

In the best interests of confederation, and the economic development of western Canada, the provinces of Manitoba, Saskatchewan and Alberta should be granted their natural resources free from restrictions.

These words were in my three resolutions aforesaid. The resolution before the chair does not go far enough. This house could pass a remedial bill as in 1896 similar to Manitoba, to apply to Alberta now but parliament will do nothing now or ever to remedy the harm done in 1905 herein. I pointed out that the Alberta question was not one of law at all; that there was no law in the case. The British North America Act which was passed and was signed by the late Queen Victoria, dealt with the bringing into confederation of the various provinces from 1867 onward. Every province brought into confederation a school law of its own manufacture, and the privy council could not in separation or with the British North America Act in combination save Alberta from its treason in 1905 to provincial rights and national schools. In 1905 when two different western provinces were being formed, Sir Robert Borden said in the house that he did not wish to make this a party question or to make a political issue of the destruction of provincial rights and the setting up of clerical schools, and the result was that the politicians of that day dodged the issue just as they dodged it in 1925, 1926 and 1927 in the house. If Sir Wilfrid Laurier in 1896 had made the Manitoba Act a question of law and not a question of policy, the Liberal party would not have presided over this country in 1896, because what was the issue in Ontario? The issue occurred in 1896 when half of the Conservative party rose in rebellion against the Tupper administration. Why? Because they believed the remedial bill invaded the rights of the province in regard to the question of

national schools and provincial rights. The result was that in Toronto some of the official candidates of the Tupper administration were defeated, the Conservative party went into opposition over that one question and Conservatives voted for Sir Wilfrid because they thought he would support national schools. What did Sir Wilfrid Laurier do? He said that he would stand by provincial rights and national schools. Did he stand by them? I say no. The result in the end of the settlement in Manitoba was far worse than if the Tupper administration had forced separate schools on Manitoba, law or no law. The political settlement was infinitely worse by the Laurier administration and Greenway and Sifton and all the rest of them than it would have been by any proposal of Sir Charles Tupper for separate schools. The whole question of provincial rights and of national schools was destroyed by the Liberal party when they took office in 1896 and 1897.

When the question came up in the house a few years ago everybody in 1925, 1926, and 1927 started to run away from it; everybody seemed to be afraid of it. We could not force a decision on it, to the great relief of the government here. Mr. Brownlee, Premier of Alberta, was in Ottawa just on the eve of an Alberta election. It was Brownlee's administration and the Liberal administration ahead of him away back to 1905 that put Alberta where it is to-day and ruined provincial rights and national schools forever in Alberta, and no decision of the privy council can change it. The privy council should not have been asked to repair the 1905 broken windows of the Liberals on provincial rights and national schools in that province. The privy council seems to be about the one place where the provinces can get some show of justice but the privy council sent the Alberta Act back in 1928 as it sent the Manitoba Act back in 1896 to this legislature as within the competence of this parliament. It is not a question of law but a question of policy for the house to decide right now—and as to whether we should not now amend the act of 1905. The three great provinces of Manitoba, Saskatchewan and Alberta would have had their natural resources years ago if the politicians on all sides of the house had thought more of the provinces, of provincial rights, of national schools and of handing over to those provinces the property which they should have had years ago instead of votes and politics.

I am a supporter of provincial rights in this house and will support relief without restrictions for Alberta and Saskatchewan. I endeavoured to get the issue settled here as a matter of policy three years hand running and

[Mr. Church.]

it would have been a good thing for the Conservative party, so far as politics are concerned, if they had endeavoured to dispose of it instead of allowing the Prime Minister to shelve the question away off into the Supreme Court of Canada and then overseas to the privy council. If the Hon. Joseph Martin and Mr. Dalton McCarthy had bungled the Manitoba school question in the way this question has been bungled by us, the Laurier government never would have come into office. When this question came up in the house on a resolution of the hon. member for Frontenac-Addington and a resolution of mine on the 16th of February, 1927, everybody was pleased with the decision of the Speaker. It may have been a fair and just decision, and I am not criticizing it, but it was received with a sigh of thankfulness and relief from the members. The decision was a life-saver and acted as a life-guard for a lot of politicians on all sides of the house who were facing this question not as a matter of law but as a matter of policy and were afraid to vote relief to these western provinces.

I see my friend the Minister of Railways and Canals (Mr. Dunning) in the house tonight. He was at one time ruling over the destinies of another province, that of Saskatchewan, where they have a similar state of affairs. The Liberal party of that province were also talking about national schools and provincial rights there. Did they ever worry the federal government in regard to these two questions? No. The Minister of the Interior (Mr. Stewart) on the opening of parliament in 1926 put into the speech from the throne a clause stating that the natural resources of Saskatchewan and Alberta would be returned to them free from restrictions. And then the government were afraid to pass the legislation set out in the speech from the throne and kept the government resolution on the order paper to prevent a discussion of the whole matter. What happened? The agreement was put on the order paper and then the hon. member for Labelle (Mr. Bourassa) had a few things to say to the Liberal party. He calls himself an independent Liberal. I did not know there were in this country any Liberals, let alone Independent Liberals. That term is a misnomer in my opinion. I am becoming more and more convinced that this government is a combination of big interests and appetites, but it is certainly not a Liberal government. The member for Labelle shut off any further discussion or help to Alberta for that session at least. He blocked successfully on February 16, 1927, consideration of the following resolution of mine:

Mr. T. L. Church (Toronto Northwest) moves that in the opinion of this house in the

best interests of confederation the time has now arrived in view of the proper economic development of western Canada when the province of Alberta should be given its natural resources free of restrictions.

This was ruled out of order and I could not get a seconder to divide the house on the ruling given on a pure question of policy. That was the time to have taken action, not now, but I could get no help then for provincial rights and national schools.

Talk about Liberalism and the days of George Brown and Baldwin and Lafontaine—do you think we would ever have had confederation if the politicians of that day had made a political football of the great issues before the country like this government is doing with the question of the transfer of the natural resources to the western provinces? If two or three years ago, when there was a general election in this country, the opposition had compelled the government of the day to make this question a question of policy and take it to the country, the people of this country on the Alberta Act would have asserted themselves, just as they did in 1896 on the great question of provincial rights and national schools.

So far as the resolution goes, it is not altogether to my liking. The resolution makes this matter a question of policy, which it really is, but it leaves things as they were in 1905. I am sorry that the hon. member for Frontenac-Addington did not join me two years ago in dividing the house on a ruling which would have made this a question of policy and given back the resources free of all and every restriction. The government of the day in this country does not govern at all, and there never was a time in the history of this country when there has been such a decline and decay in the power of parliament and the House of Commons as we have witnessed in the last five years on this resources question. No large question of policy can be settled in this house. Every troublesome question that comes along is shuffled off to the courts. In 1925 the government decided to make this question a question of law, and then it became sub judice, and if you mentioned it in the house you were ruled out of order. The same thing happened in connection with the St. Lawrence waterway and Seven Sisters falls. That question was sub judice, but notwithstanding that, a lease was granted to the Winnipeg Electric Company of the Seven Sisters falls site. If anything, that question was more sub judice than this natural resources question. The question of

the Beauharnois power canal was also sub judice. The questions referred to the supreme court by the Minister of Justice as to the St. Lawrence waterway are the very ones raised in connection with the Beauharnois canal. That question, as I say, was sub judice, and yet the government almost gave a permit for 40,000 cubic feet the other day to the private interests over parliament's head. Some questions are sub judice and yet can be decided by the government, but other questions like the one before the house to-night the government are afraid of, and the courts are the haven of refuge for them.

The Liberal party in Alberta and Saskatchewan are to blame for the condition of affairs in those two provinces to-day. If the provinces of Alberta and Saskatchewan have not their resources free from restrictions, if provincial rights have been crucified, and the great issue of national schools has been crucified in those two provinces, the blame is on the Liberal party, and on the Liberal party alone, in Alberta and Saskatchewan and their representatives in this house for having made a political football of this question. They were only too glad to find in the past four years some agency like the courts to throw out the life-line to save them from settling this question.

I say, Mr. Speaker, that the question involved here will go to the people of this country in the next election. The people of this country are not going to put up with this any longer. This parliament is making a political football out of the question of the natural resources of the great province of Alberta and of the school question and not settling the problem right at all even now. It is doing the same thing with regard to Saskatchewan, and it will continue to do it so long as the Liberal party in Alberta and Saskatchewan are not forced to the polls on this great question.

The questions involved are not questions of law at all, and the privy council would very properly send the questions back to this parliament to settle in a proper and constitutional way, as a matter of policy, and without any more shuffling such as we have seen here in the last three or four years. The proposed resolution does not go far enough in my opinion but deals with this question as a question of policy. It is not and never was a question of law. The privy council decided this question, and it is now back to this house, where it belongs.

I hope we shall hear from the Prime Minister (Mr. Mackenzie King) to-night what are his

views regarding the transfer of the natural resources to the western provinces. We remember how the Liberal party acted in 1905 to destroy provincial rights. The political parties of 1905 are both to blame, very largely, in my opinion. When that system of separate schools was fastened on Alberta in 1905, it was made a football of in this house, as was the question of provincial rights. The validity of clause 17 of the Alberta Act of 1905 has never been in dispute. The Alberta supreme court has decided that it was *intra vires* of the legislature, and the act stood for nearly twenty years without any question raised as to its validity. The Justice department did not question the validity of the act but said there were some implied doubts. The government of Alberta had no doubt about the validity of the act. The act lasted some twenty years and was never in dispute at all, but to save this house and parliament from deciding a question of policy when an election was coming on, in 1926-27 this question was shuffled off to the supreme court, and the supreme court acted as a lifesaver for the administration. I hope the Progressives in this house will come to the support of the province of Alberta and the support of provincial rights. I do not know whether any of the Progressives in this house were in the Alberta legislature in 1905, but surely it is the duty of the Progressives to vote for a solution of this question as a matter of policy free of restrictions, and give a remedy at once. There is no question of law involved, as Premier Brownlee and the attorneys-general of Alberta and Saskatchewan have said. I understand that one of the chief planks of the Progressive platform is provincial rights, and the Progressive party in this house last year did not do so badly in the matter of provincial and public rights, as witness their stand on the Bell Telephone bill and other bills. So I look for a good vote from the Progressives to-night in support of provincial rights and the restoration of Alberta's natural resources free of all restrictions.

Mr. SPEAKMAN: Rising to a question of personal privilege, in view of the interpretation that has been placed on this resolution by the Minister of Railways (Mr. Dunning), speaking for the government to-night, and with the understanding that the investigation asked for will not jeopardize the transfer of the natural resources, with the consent of my seconder I ask leave to withdraw my amendment.

Amendment withdrawn.

Main motion agreed to.

[Mr. Church.]

## NATIONAL HIGHWAYS

### PROPOSED FEDERAL GRANT IN AID OF CONSTRUCTION

Mr. D. F. KELLNER (Athabaska) moved:

Whereas the need for establishment of national highways is greater than in 1919;

And whereas in that year the Dominion government recognized its responsibility in this matter by a substantial grant, which grant is now exhausted,

Therefore be it resolved that in the opinion of this house the government should consider the advisability that a further federal grant be made to cover the next five years' development of highway construction.

He said: Mr. Speaker, legislation was passed in 1919 which provided for something similar to what this resolution asks for. Under that legislation provision was made for a grant of \$80,000 a year to each of the provinces, and an additional amount based upon the population of each province, involving in its entirety the sum of \$20,000,000. That scheme ran for a period of several years until all the money voted under that legislation had been used or was withdrawn by the government. At the present time the opinion is largely held in the Dominion of Canada that similar legislation should be introduced and additional financial aid provided for. A resolution similar to the one I now propose was passed by the United Farmers of Alberta, and I may say that I put this resolution on the order paper at their suggestion and request. Many other organizations have taken action along the same lines. Only a day or two ago such a resolution reached me from the Alberta Hotelmen's Association. In addition I have received many private letters urging that parliament be asked to vote money for road construction. I might point out that when in 1919 parliament voted the original grant there was not the need for highways that there is to-day. At that time the automobile was not used to any great extent, and consequently there was not nearly the demand that we have to-day for expenditure on highway construction.

There is a certain body of opinion growing up throughout the country that the federal government is more or less sidestepping its obligations in this regard. We have had experience of the federal government initiating such movements as this, but after contributing to the cost for a year or two they have stepped out and left the burden entirely on the provincial governments, which find themselves unable to carry the load. I am not making this criticism in a partisan spirit, for I realize that members on both sides of the house are ready to support such legislation