

to the Dominion, and whether any common ground could be found for relief. Referring to the Dominion subsidy for cost of civil government and legislation, the hon. gentleman quoted Sir Alex. Galt and Hon. Geo. Brown to show that it was intended that these expenses should be defrayed by a specific grant and that the possibility of inadequacy had been foreshadowed. The grants had been 80 cents per head for Ontario, 70 cents per head for Quebec, the same for Nova Scotia and 50 cents per head for New Brunswick. Ontario's expenditure under this head was \$312,291, for which they received \$80,000, and Quebec's expenditure under the same head was \$397,099 against \$70,000 received. The proposal was to make a moderate increase extending the recognition to the smaller Provinces, in view of a fact that had been recognised at Confederation, viz., that the cost of civil government and legislation per head in the smaller Governments was very much larger per head than the same in the larger Provinces. The hon. gentleman contended that the principle of populations had been recognised in the original scheme in this respect and it was only fair that it should be recognised now, and on that principle Ontario would have to have a large increase in her subsidy. The hon. gentleman pointed out that it must not be forgotten that the Provinces voluntarily gave up the larger part of their revenues at the time of Confederation. The original basis of

#### THE DIVISION OF THE FUNDS

was that 80 per cent. were to go to the Dominion and 20 per cent. to the Provinces. At the present time the Dominion got 87 per cent. and the Provinces only 13 per cent. The hon. member for London objected to the total revenue being taken. The speaker dealt with this objection at some length, going into a careful analysis of the increase in Dominion revenue since Confederation, showing that as the revenue had increased Ontario's contributions to it had done the same proportionately, and her subsidy had remained stationary. The leader of the Opposition said that the Province of Ontario had been looking for glory, but that Quebec had got the money. If he had examined the resolutions he would see that Ontario received more than Quebec, and that if there was any Province that might perhaps have a reasonable objection to the proposal it was Quebec. The proposition of the conference was that the Dominion subsidies should increase as population increased. It must be recollected that while for the Dominion, revenue increased as population increased, to the Provinces increase of population brought no increase of revenue but only an increase of expenditure. Ontario spent large sums of money in attracting settlers to her lands. Even a new settler, as a taxpayer, brought to the Dominion an increase of \$29 65; to the Province he brought not a cent of increased revenue. Many of the new districts would perhaps never be self-sustaining. Would it be reasonable that the residents in the older Provinces should continue to pay onerous taxes to fill up these new districts and receive no benefit from their expenditure? Was it not reasonable that the population of the Provinces

should be recognised in the subsidies paid by the Dominion? The hon. gentleman endeavored to show that Ontario paid two-thirds of the revenue of the Dominion. The exact proportion was a matter of dispute, because it was difficult to tell what proportion of Customs duties was paid by each Province. But prior to Confederation the complaint was that Upper Canada, irrespective of the amount paid for Customs duties, was contributing a larger portion of the revenue by reason of the larger population, and yet was receiving the smaller share of it. The proposal of the conference was the first proposal that population was to be recognised in connection with revenue and expenditure, and yet hon. gentlemen objected to it. They claimed that increased subsidies would involve us in loss, and they wanted "Direct taxation." What would be the practical effect of trying to carry out that plan? Why that Ontario would refuse an increased subsidy, while the other Provinces obtained increases; that she should

RESORT TO DIRECT TAXATION, while the other Provinces refused to do so. If the hon. gentleman's proposal were placed before the country it would be very promptly disposed of. When they went to the conference they were bound to look at matters in a statesmanlike way. They found some of the other Provinces in a state of extreme irritation, and it was their duty to propose such a scheme as would allay that irritation. They were desirous of finality, but finality could not be obtained upon the present basis. In Ontario the people had been educated up to a very large measure of municipal government, and to supplying many of their needs by local taxation. When the other Provinces were asked to follow the same course they answered, and not without reason, that before Confederation they supplied all their needs with a tariff of 10 per cent.; that under Confederation that tariff had been raised to 35 per cent., and that they ought not to be asked to pay heavy municipal taxes as well. The press of Ontario, with the exception of a few extremely partisan sheets, had expressed surprise at the moderation of the financial proposals of the conference; and he believed that a proposal which while greatly promoting

#### THE UNITY OF THE DOMINION

required an additional expenditure of only \$1,500,000 was such as ought to be accepted by all hon. gentlemen who were willing to look at the matter in a non-partisan spirit. (Loud applause.)

Mr. J. CLANCY, of West Kent, contended that the present Government in Quebec that originated the conference was not elected on broad principles, and he fancied that the hon. gentlemen opposite might owe their seats to somewhat similar tactics. Dealing with the veto power he charged the first Minister with compromising his views at the dictation of the representatives of the other Provinces, and argued that if this

#### POWER BE VESTED ANYWHERE

it should be placed where the people may effectually avenge its arbitrary use. He combated the position of the hon. treasurer that under the proposed financial scheme the