

involuntary relinquishment of resources to that avenue of revenue as no competing company will be liable to expend the necessarily vast sums of money required unless it has prospects of obtaining similar exemption from taxation at the hands of the province.

The necessity for the extraordinary burden upon the people of the west is not obvious. Ample evidence exists to show that the railway was not in any sense built for the benefit of the Northwest. In 1865 the Honourable George Brown voiced the opinion of the government of the day when he stated in his place in the parliament of Canada during the confederation debates 'the confederation is, therefore, clearly committed to the carrying out of both these enterprises,' his reference being to the construction of the Intercolonial Railway and the opening up of communications with the Northwest Territories. 'I doubt,' he proceeded to say, 'if there was a member of the conference who did not consider that the opening up of the Northwest and the improvement of our canal system were not as clearly for the advantage of the lower provinces as for the interests of Upper Canada. Indeed, one gentleman held that the lower provinces were more interested—they wished to get their products into the west—they wanted a back country as much as we did—they wanted to be the carriers for that great country—and they were, therefore to say the least, as much interested in the questions as we were.' But there is no need to go back beyond the solemn compact entered into between Canada and the colony of British Columbia in 1871.

The imperial Order in Council of May 16, 1871, respecting the province of British Columbia, sets forth as one of the terms and conditions upon which that colony consented to enter the confederation, the undertaking of the government of Canada 'to secure the commencement simultaneously within two years from the date of the union, of the construction of a railway, from the Pacific toward the Rocky Mountains, and from such point as may be selected east of the Rocky Mountains toward the Pacific, to connect the sea-board of British Columbia with the railway system of Canada; and further to secure the completion of such railway within ten years from the date of the union. The preamble to chapters 71 and 72 of the Dominion statutes of 1872 and chapter 1 of the statutes of 1881 all set forth the fact in various ways that—to quote from the last mentioned Act—'by the terms and conditions of the admission of British Columbia into the union with the Dominion of Canada, the government of the Dominion has assumed the obligation of causing a railway to be constructed connecting the sea-board of British Columbia with the railway system of Canada.

All this being so, it is difficult for the people of the Northwest Territories to understand why they should be called upon to assume any other burden than that of contributing proportionately—and no more—with the people of other parts of Canada towards the cost of carrying out the obligation assumed by Canada under the compact with British Columbia. The exemption from taxation granted by the Canadian Pacific Railway Act is undoubtedly such an added burden, and an imposition upon the people of the Northwest Territories that cannot be justified. For no reason that is conceivable, this exemption bears with greater stress upon the Territories than it does even upon Manitoba. Except those lands selected by the company under

Mr. LAKE.

its land grant which lie in that part of Manitoba added to the original province after the contract of 1881, none of the property of the company is exempt from taxation in Manitoba. That province to-day is taxing the company under chapter 57 of the Provincial Acts of 1890.

In view of the foregoing it is submitted that parliament should be asked to take such steps as may appear advisable in order to counter-vail the operation of the exemption clause of the Canadian Pacific Railway contract within the limits of the province to be created.

Mr. W. F. MACLEAN. Would the hon. gentleman say whose statement that is?

Mr. LAKE. That is a portion of a letter sent by Mr. Haultain inclosing the draft Bill on behalf of the legislative assembly of the Northwest Territories. I have heard it suggested in this House, I think, that there had been an omission on the part of the legislative assembly to ask that this exemption from taxation should be done away with, and so I consider it advisable to place on the records the statement I have just read. I think the statement shows quite clearly that a very considerable burden is imposed upon the people of the Northwest Territories by this exemption. As I understand, it was admitted just now on the other side of the House that the reason for the clause it was proposed to insert in the present Bill was to protect parliament. Now, it seems to me that this is not just. This burden was imposed upon the people of the new provinces without their consent—there can be no question about that. There was no province at the time, there was no representative body in the Territories, and there was no representation of the Territories in this parliament. Therefore, it appears to me that, as it was the Dominion itself which made the contract, it is the Dominion which is responsible to the Canadian Pacific Railway Company for the benefits which that company were to receive on the completion of their share of the contract. I think, therefore, that it is only fair that the Dominion, at the present time, should assume that burden itself and relieve the people of the Northwest from it. As has been pointed out in the statement which I have just read, the Northwest Territories are paying their share, along with the other people of Canada, of the money grant required to aid the Canadian Pacific Railway. They are also finding the land grants, not only for the line constructed in the Northwest Territories, but also for a portion of that constructed in Manitoba and for the whole of the line constructed in British Columbia. I fail to see why, in addition to all this, this burden caused by the exemption from taxation should be placed upon the people of the Northwest. And it is a burden. With reference to the exemption of taxation on the land grant, I think we have a very strong claim to relief upon the Dominion