

provinces would be a comparatively easy task.

I now ask the House to consider the intrinsic merits of this question. There is a railway mileage involved in the two provinces of 750 miles, with six divisional points. Assume that this has a taxable value of \$100,000 for each three miles—and it is stocked and bonded for \$193,500 for each three miles—and you have a total taxable value of \$25,000,000 to-day. A tax of 5 mills on the dollar—which is only $\frac{1}{20}$ of 1 per cent, would amount to \$125,000 per annum. But it is not particularly for to-day or for the immediate future that we are concerned. To-day it is the custom at least in the newer parts of the country, to give aid to railways rather than to levy taxation upon them. It is to the future that we have to look. If that property is worth \$25,000,000 to-day, it will be worth—everybody will admit—some day, \$100,000,000. While it is not our policy to tax railways to-day, yet when more stable conditions come and the country is more fully developed it will be fair that railway properties equally with the other properties shall contribute toward the cost of school, municipal and general government. I say that the loss involved to these two new provinces if they should be subjected to perpetual inability to tax this property is a less simply beyond calculation. The exemption of the land is the least momentous, because it is only temporary, but it is still serious enough, I will give the House figures showing the land that the company owns at present in the Northwest Territories. The company has earned land grants as follows:

	Acres.
Main line construction	18,206,986
Souris branch	1,408,704
Pipestone extension	200,320
Manitoba and South Western colonization lines	1,396,800
On account of Gr. N. W. Central Ry.	320,000
Total	21,532,810
Total taken in Manitoba	2,720,300

Total taken or to be taken in N.W.T.'s 18,812,510

The company has made sales up to date of approximately 10,000,000 acres—for about \$33,500,000, I may say—of which as nearly as can be learned upwards of 7,500,000 acres were out of the lands in the two new provinces, leaving roughly 11,300,000 acres still owned by the company in the Northwest Territory, or about 70,500 quarter sections, which if taxed at \$10 per quarter section would yield annually \$705,000. Now, you may cut my calculation in two, and still have a very large amount. You will still find that by this exemption at this moment you are leaving each province shorn of a resource of a value about equal to what you are going to pay each province in lieu of its public domain. Instead of attempting myself to characterize in fitting language what has been very properly

termed the incubus of these exemptions, I am going to ask the House to listen to words far more forcible than any which I could utter, which were spoken in this chamber some twenty-five years ago. They should appeal especially to hon. members on this side of the House. The experience of twenty-five years, the bitter experience of twenty-five years has shown the truth of every one of these words. I shall quote the words of Hon. Edward Blake, spoken in this chamber on December 15th, 1880, and to be found in 'Hansard,' 1880-1, page 97. Mr. Blake was referring to the Canadian Pacific Railway contract and particularly this exemption feature:

They have perpetual exemption from taxation on their enormous property, a most monstrous provision in my opinion. Why! This monstrosity is not to last merely twenty years, which is to be the period of bondage in other respects, it is to last for ever. No matter how wealthy the company may be, how enormously lucrative, this institution is to be, for all time to come it is to be free from taxation in every place in which this Dominion can free it from taxation, and it is to be free everywhere from Dominion taxation in all the territories both from Dominion and territorial taxation wherever the Dominion can give it freedom and that is through all of the fertile belt at any rate. . . . Then, sir, there is freedom from taxation for the lands for the long period of twenty years, and that term of twenty years is from the time they acquire the lands and, therefore, is for longer than twenty years from now; it is perhaps on the average twenty-five years—nay, more than that, I am not at all certain that it may not be very easy to arrange to make it longer, because by a convenient arrangement by which they are not to take out the patents until they want to sell they can keep them free from taxation until they want to put them on the market, indefinitely, indeterminate—until it suits them to dispose of them.

As long as the Conservatives were in power these words were perfectly true.

The hon. gentleman says, perhaps, it does look awkward at first sight. . . . All their lands are exempt from taxation for a generation to come. What a discouragement this is to the settlers on the line of railways, to those who are settled on homesteads and pre-emptions alternating with these blocks of land which are to be the property of the syndicate. . . . There can be no greater obstacle to the progress of that country by the encouragement of other settlers than that large spaces of unoccupied lands should alternate with settlers' farms. Now add to the difficulty which exists in that respect, which the largeness of that area will enhance, at any rate, in a large degree, the fact that there is no power to impose municipal taxes on 25,000,000 acres of the choicest lands, those nearest to the railway, and you place a bar to progress and render it impossible to overcome the difficulty. You say that the cost of roads and bridges, schools and other municipal taxes are to be imposed on the settlers to enable the worthy syndicate to hold their lands until the reduced labours of those settlers have been sufficient to increase the unoccupied areas in value to induce the