

enquire whether the exemptions are justifiable or fair in themselves. I feel that these exemptions are favorable to the older Provinces, that they do not bring inconvenience or injury to any part of the Dominion, and therefore should be accepted with satisfaction. The estimated value of each of these exemptions must have been taken into calculation in framing the offer of the gentlemen composing the Syndicate, or why did they insist upon them? By how much they estimated the concession, by so much could they diminish the pecuniary demand. The exemption from taxation is one that should be viewed with satisfaction by the older Provinces which have themselves pursued the policy not only of exempting railways from taxation, but of largely subsidizing them. Would it be reasonable that the older Provinces, having burdened themselves for the construction of their own railways, should now be called to contribute more than necessary the means by which the Provinces yet to be created in the North-West are to be provided with railways, instead of imposing on those Provinces their contribution to that end? The exemption from duties has been made a great ground of cavil on the assumption that it is in contravention of the National Policy. I hold it to be in perfect conformity with the true carrying out of that policy. The National Policy is not simply a policy of taxation, but a policy of development of our resources in every way, as well as of fostering our industries. It might have been, yesterday, necessarily a policy of imposition of duties on certain goods, to protect our various industries; it may, to-day, be a policy of exemption from taxation in certain directions; to-morrow it may be something else. It is a policy which has to adapt itself to the circumstances of the country, which take cognizance of everything that concerns the interest of the country, and therefore the exemption from duties which will aid the development of our North-West is in no wise in contravention of, but is in perfect harmony with, the great National Policy. We have been told this Company has the right to choose the choicest lands of the North-West, and we have had a comparison drawn between the terms of this contract and the Act of 1874. Now, I will confess to not understanding the English language, if the terms of the Act of 1874 are not as large in their operation in favor of the Company as the concessions in this contract. The Act of 1874 provided that lands of fair average value were to be granted to the companies that should contract for the building of the road. Here, I must draw attention to the interpolation in the amendment which was moved by the hon. member for West Durham, an interpolation which that hon. gentleman can hardly justify. It is "that by the Act the land grant is to be taken so far as obtainable along or in the immediate vicinity of the whole line of railway to the Pacific Ocean, and is to be of fair average quality, thus embracing a large proportion not fit for settlement." That word, "whole," does not occur in the Act. It provides that the land is to be taken along the line of railway, and that the land is to be of fair average quality. And when the advertisements were issued, what would any contractor in England or Europe or on this continent understand by lands of fair average quality, but that these lands were to be fairly fit for settlement. That was then the offer on the part of the Government; here there is a stipulation, according to the reading of the contract, that the Company are not to be required to receive lands that are not fairly fit for settlement; and I certainly need not do more than assert that a stipulation of this kind can have no construction put upon it more favorable to the contractors than the words themselves inevitably imply. They are not to be the choicest lands; it is not that they are to have the selection of the lands; it means that when these alternate sections into which the territory is divided the Company have theirs allotted to them, if they object to any it must be shown that they are not fairly fit for settlement

—and that I suppose will be determined by the arbitrators —and then they shall have the lands along the branch lines, or upon the frontages which are to be determined by the Government. But I wish to refer to another point in connection with this clause in the Act of 1874, which only more fully confirms the view I have taken of the reading of that particular portion of it to which I have referred. If I read this Act aright, it contemplated the construction of the whole line of the Canadian Pacific Railway through a series of smaller railways. It provided specifically that the road should be divided into four sections; it provided that the Government might divide those sections into subsections, and it provided for the taking of contracts for each of these subsections as so many distinct railways. "Each subsection of the railway as it is in whole or in part completed shall be the property of the contractors, and shall be worked by, and for the advantage and benefit of such contractors, under such regulations as shall from time to time be made by the Governor in Council," and so on. In applying the Railway Act of 1868 to the Canadian Pacific Railway, it is stated that the expression "The Railway" shall be constructed as meaning any section or subsection of the railway the construction of which has been undertaken by the contractors. How can it be said that the contractors were to take lands of fair average quality through the whole extent of the railway; that the contractors for the prairie section, for example, should take lands of average value, taking into consideration the barren or waste lands which might be found in parts of British Columbia, or along the north-western shore of Lake Superior? If the contractors constructed the prairie section, that was to be their railway, and were they not to receive the \$10,000, and the 20,000 acres per mile along the line they built? I say that this conclusion is inevitable, and that another of the assertions of hon. gentlemen opposite has been fully, fairly and completely met. Hon. gentlemen grumble at the fact that, for the prairie section, a larger sum is appropriated than would be necessary to construct it, but let me tell those hon. gentleman that it falls very far below what was to be given under the Act of 1874. I may be told that it was not contemplated by the leader of the late Government that \$10,000 and 20,000 acres per mile should be granted, and in reply I have only to turn to the statements of that hon. gentleman himself. The hon. member for Lambton, in introducing his resolutions proposed "either by a fresh grant of money to make it an object for companies to undertake the enterprise, or by a combined system of giving both land and money." He "proposed to give a specific sum per mile, in the first place \$10,000, and in the next place a grant, the same proposition he said as was made by the former Government, of 20,000 acres per mile," and "proposed inviting the sending in of tenders from capitalists stating the amount for which they would require a guarantee at four per cent. in order to give them what they might deem a sufficient sum wherewith to build the road." "They knew," he said, "that \$10,000 and 20,000 acres per mile, supposing it to average a dollar an acre would not build the road. It would more than build it in some parts but from end to end it could not be built." Then shewing that the Intercolonial, traversing a very favorable country, and with the benefit of having purchased within the time of very cheap iron, had cost \$40,000 per mile; that the Northern Pacific Railway, with material almost all the way within easy reach, and the country traversed altogether quite as favorable as the most favorable spot in the whole of our territories, and nearer the source of supplies, cost \$48,000 per mile, he asserted that there was no reason to suppose that it would be possible to construct this line from end to end for less than \$40,000 per mile, or it might exceed that by several thousands of dollars, and parts would