

received the swamp lands. The swamp lands are perhaps the most valuable lands in the province of Manitoba. They require some preliminary work for drainage, but when drained there are no better lands in the whole province. When the late government gave to the province of Manitoba the swamp lands, they made her a valuable gift, and it has proved to her a most important asset. But the Northwest Territories have no swamp lands, we could not do for them what the government did for the province of Manitoba. We have, therefore, made the following arrangement, which we commend to the favourable consideration of the House:

As the public lands in the said provinces are to remain the property of Canada, there shall be paid by Canada to the said provinces annually by way of compensation therefor a sum based upon the estimated value of such lands, (namely, \$37,500,000); the same being assumed to be of an area of 25,000,000 acres and to be of the value of \$1.50 per acre, and upon the population of the said provinces as from time to time ascertained by the quinquennial census thereof, such sum to be arrived at as follows:—

The population of the said provinces being assumed to be at present 250,000, the sum payable until such population reaches 400,000 is to be one per cent on such estimated value, or \$375,000.

Thereafter until such population reaches 800,000, the sum payable is to be one and one-half per cent on such estimated value, or \$562,500.

Thereafter until such population reaches 1,200,000, the sum payable is to be two per cent on such estimated value, or \$750,000.

And thereafter such payment is to be three per cent on such estimated value, or \$1,125,000.

In additional compensation for such lands, there shall be paid by Canada to such province annually for five years from the time this Act comes into force to provide for the construction of necessary public buildings, \$62,500.

Let me now recapitulate to see the minimum each province is to receive. At present, this year, the province is to receive for civil government \$50,000; for capita-tion allowance, \$200,000, which is going to increase until the population has reached 800,000 souls. It will receive for debt allowance \$405,375, and this year it will receive also for land compensation \$375,000; total, \$1,030,375, to which sum must be added, for five years, \$62,500, in order to allow the province to provide for her buildings and public works generally.

This is the minimum which will be paid to the province. The only thing new in these arrangements is in respect to the lands. The maximum which will be paid to the province at any time when the population shall have reached 1,200,000 souls is \$1,125,000; that is to say, we pay to each of these provinces the maximum sum of \$1,125,000 as compensation for the lands which we retain in our possession. I submit to the House that this is a very fair, a very moderate and very equitable adjustment indeed; at all events, I so present it

Sir WILFRID LAURIER.

to the House, and I think it will be so regarded.

Mr. R. L. BORDEN. The maximum of the subsidy to the provinces will be reached, as I understand it, when the population reaches the number of 1,200,000. The total annual payments of all kinds reach their maximum when the population reaches the number of 1,200,000, that is, including both the per capita allowance and the allowance for land. Would the right hon. gentleman be good enough to tell us just what that maximum sum will be, including both the subsidy and the allowance in respect of land?

Sir WILFRID LAURIER. The per capita allowance will be \$640,000.

Mr. R. L. BORDEN. But the total of all kinds. Perhaps if the right hon. gentleman has not the figures it is not important.

Sir WILFRID LAURIER. The total of all kinds would be in the neighbourhood of a little more than \$2,000,000.

Now, Sir, it is my duty to advert to a special feature of this Bill, a feature which I wish we could have averted, and which we introduced with great respect. The special clause which I now call the attention of the House to is as follows:—

The territory comprised in the said province shall be and continue to be subject to all such provisions as shall have been enacted respecting the Canadian Pacific Railway Company.

It is within the memory of the House, I have no doubt, that the contract which was made with the Canadian Pacific Railway contained a most extraordinary provision. It was the 16th section:

The Canadian Pacific Railway and all stations and station grounds, workshops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof and the capital stock of the company shall be for ever free from taxation by the Dominion, or by any province hereafter to be established or by any municipal corporation therein.

Thus it happens that in 1881 the then parliament deliberately gave to the Canadian Pacific Railway Company, which it was incorporating, an absolute exemption from federal, provincial and municipal taxation. It was an extraordinary contract, but the fact stares us in the face, and it is in accordance with British precedent and British policy that contracts have to be executed whether they are good or bad, whether they are advantageous or disadvantageous. In 1884 or 1885, when the limits of the province of Manitoba were extended westward, a similar provision was introduced into the Act of that time to exempt the company from taxation by that province in the territory thus added to her limits. We have to do the same thing to-day. It is a most lamentable condition of things, but all I have to say to the provinces, is that they have to abide