

the principle is wrong. I think it does not conduce to economy in the administration of the affairs of the provinces. Where the province is handed over a bulk sum, a large sum of money to be expended at will by the government of the province, there is little or no incentive to economy in the administration of its affairs. I say it is not a sound principle to have one man furnish the money and another one expend it. The spending body should be the taxing body, if you are going to have economy in the administration. Throughout the province of Ontario there is a grievance at the present day along the same line. The government of Hon. Mr. Ross changed the law with respect to county councils and provided a spending body which was supplied by the minor municipalities with all the money it required. I am aware that there is a feeling growing up in that province that a mistake was made, and that they ought to come back to the old principle where the reeves and deputy reeves constituted the county council, and where the same corporation that taxed the people spent the money that was derived from taxation. I consider that if we had a principle of that kind incorporated in this Bill there would be less liability for these new provinces extravagantly to expend the provision which is made for the government of the country, and I think now that opportunity is offered.

We propose under this Bill to take from the new provinces all the public lands within their area. Now, I say here and now, without hesitation, having thought over this matter for some time, I would rather see the provinces given all the public lands within their area. Instead of taking the lands and administering them by the Dominion government and handing over a large money consideration to recoup them for these lands, I believe were they given the public lands they would administer their public affairs with greater economy and with a greater desire to preserve their own interests, and in the end I am sure it would result in no loss to the people of the Dominion of Canada. The financial considerations that are being imposed upon the people of the entire Dominion may seem trifling, but depend upon it, Mr. Speaker, they will grow as time passes by, and there will be a time when this financial assistance will not satisfy the people of these new provinces, and they will ask for more. We are settling now with them on an estimated area of 25,000,000 acres of land. How do we know that inside of ten or fifteen years they will not make a demand upon us for a further settlement for the balance of the land within these territories which we have not taken into consideration in the present Bill? I say there is that danger, and I believe we had better meet the question fairly and squarely now. Let them retain the land, and let us withdraw the larger part of the financial consideration and allow them to become the administrators of their own destinies, al-

low them to work out their own future; and if they fail to do that successfully, the people of Canada will not be responsible and could neither morally nor legally be called upon to supplement their empty coffers if we found they had overdrawn their bank account.

Now, another question to which I desire briefly to refer is one that has been mentioned by only a few members in this House. I refer to the tax exemption of the Canadian Pacific Railway passing through those Territories. Now, what I am going to say is entirely on my own responsibility, I have not consulted any one on this side of the House as to whether the view I hold is right or wrong. But I say without hesitation that I have no sympathy with those from the Northwest Territories who are insisting that the tax exemption of the Canadian Pacific Railway for their line, their station houses, their plant and everything they own in those new provinces should be removed. I have no sympathy with that feeling. I believe this road was constructed for the benefit of those Territories, it was constructed certainly for the benefit of the entire Dominion from the Atlantic to the Pacific. We all take a great interest in it. We realize to-day that we are all benefited largely by the construction of that road and I hold that these new provinces are more especially benefited by it than any other part of Canada. Without the construction of that road the Territories comprised in those two provinces to-day would practically be a nonentity. It was necessary that that country should be opened up. To my mind the people have derived a greater advantage by the opening of the country than the disadvantage they have been obliged to suffer through being deprived of that public revenue by the exemption of the Canadian Pacific Railway. I do not think that the people going into that country have any great reason to complain because the Canadian Pacific Railway was allowed that exemption. Besides, it was one of the conditions on which this railway was constructed; it was a part of the consideration for the building of the road. We remember that the government were obliged to give 25,000,000 acres of land and \$25,000,000 of subsidy, besides handing over a large part of the road already constructed practically a financial consideration equal to about \$62,000,000, apart from the 25,000,000 acres of land. The exemption from taxation was just as much a part of the bonus or subsidy which procured the construction of that road as were the subsidies of land and money. If we are to ask the Canadian Pacific Railway now to forego their right to this tax exemption; this parliament might as well ask them to refund the subsidy and restore the land which was given them. I say I have no sympathy with a proposal of that kind. This is a matter that was decided by the people