

millionaires, the holders of the lands in the Northwest, to turn them into money. . . . Talk to me of this thing standing! It will not stand. If you pass this law and if the country of which you speak so glowingly is what you depict it, and if its prospects of settlement are such as you hope they are, I say you are blighting these prospects by passing this law; and if these prospects are measurably realized, notwithstanding the passing of this law, I say the people of that country would be less than men if they suffered such a law to exist.

Again, Mr. Blake, on January 18, said:

Do you want that your hands should be tied, or that they should be free to act as the public interest may require?

Mr. Blake was here referring to the alternative contract which had been offered.

If you want to tie them, take the contract; if you want to keep them free, take the other proposal. The choice is yours, the responsibility of choosing is yours. Choose, then, and choose wisely. The contract frees from taxation the railway, its property, and its stock. That exemption is contrary to the general rule in the United States. A little book which contains the report of Charles Francis Adams and others on the subject of railway taxation in the United States, and elsewhere, summarizes the law upon this subject and makes it to appear that in the whole of the states of the Union there is no instance of general exemption from taxation. There may be one or two isolated cases in particular states of partial and temporary exemption from taxation of particular railways under special circumstances; but the general rule of almost universal application is that there is no exemption in one form or another from taxation. The instances which the hon. Minister of Railways quoted in other places in Minnesota and Wisconsin, are instances of exemption from taxation by one statute and the imposition of taxation by another—a license tax, a tax upon gross receipts, is imposed in lieu of other taxes, and it may be that this is the fairest mode of taxation. Some hon. gentlemen have said that it is of very little consequence, that the road-bed is taxed very lightly in Ontario, that some of our legislatures have declined to tax railway companies at all. But what kind of railway companies were these? They were railways built by private capital, and were not paying interest on their investments. I do not say that a rule of this kind does not apply to a railway that is built at public charge and that is given a monopoly to secure it in obtaining good rates for its traffic. But this is no temporary exemption, it lasts for ever; no matter how bloated this corporation may become, no matter how magnificent may be its network of railways, no matter how blooming its country, no matter how prosperous the towns which are tributary to it, no matter how exaggerated its dividend, for ever and for ever and for ever you free it from Dominion, new provincial and municipal taxation. In considering that, you have to look at the general result of taxation. Some of the United States railways you find paying a tax of \$300 or \$400 per annum, and \$600 or \$800 per annum is paid as taxes by the English railways. You find, therefore, that the possibilities of railway taxation are very great. You find the Illinois Central Railway paying almost the whole expenses of the government of that state.

Mr. SCOTT.

and you find the people so nervous lest the legislature should be corrupted and should dispense with that, that they have actually put a clause in the constitution providing that the taxation of the Illinois Central Railway shall not be modified by the legislature, but shall be referred to the general voice of the people. But you do not keep your hands free, you tie them, and you say for all time we will never charge this railway company any taxation upon its property, its stock, or its capital. I say that I can well conceive a time when a tax on the gross receipts of railways might be a very satisfactory tax and a very satisfactory source of revenue to this Dominion. A tax for transportation would apparently be a very equal taxation, and if the necessity arose of adding to the revenue, it is quite possible that we might wish to avail ourselves of such a tax. There is another point in which this exemption is objectionable. It places this company in the position of a monopoly by itself, because it places at a disadvantage all competitors who are to raise the funds themselves to build their railways. The contract requires perpetual exemption, the other offer does not demand any exemption at all. Choose! The choice is yours! Take the perpetual exemption in the contract or take the liability to taxation in the offer. Yours is the choice; for it you will be held responsible. Then the contract provides that the land grant shall be exempt from taxation for twenty years, unless sold or occupied from the date of the grant. The money gain to the company is enormous, there can be no doubt about that. There can be no doubt but that the burdens which this company are freed from are most serious. Hon. gentlemen opposite have said so. They have said they could not use this land grant otherwise, that nobody would buy if they supposed the syndicate was to be subjected to the same taxes as the rest of the world. They get the choice of land and they are not to pay the same taxes as the rest of the community. Why should they not? Is it because they get a large profit? Because they are getting altogether four prices for building the prairie section, that, therefore, they are to be untaxed and free? Then the indirect loss is still greater by this mode of settlement, by the burdens it imposes on the adjoining settlers for the benefit of the railway company itself, by the imposition of double taxes on those who go in for the benefit of this great corporation. I do not know of anything that will more interfere with the development of the Northwest than this clause of exemption from taxation. Will you free the lands, or will you make them subject to taxation? Will you give the company the benefit of exemption from taxation, or will you let the lands be subject to taxation, and let the progress of the Northwest country be advanced by those lands, like other lands, being subject to taxation? The choice is yours; choose.

Other members of the Liberal party of that date uttered equally strong language upon this feature of the contract. The late Mr. M. C. Cameron, who sat for one of the Hurons, said on January 4, 1881:

We are allowing the company to select the best lands in the whole territory. We exempt them from all taxation, and the immigrants we induce to settle there pay every farthing of provincial and local taxes. This company and all of their property and land, stock and road-way, with all their appurtenances are exempt