

and dissatisfaction which had been created in the Northwest by this tax exemption, suggested to the Prime Minister that if that discontent and dissatisfaction prevailed to so great an extent as had been represented, and if it were likely to obstruct the flow of immigration into those Territories, it would be a reasonable thing for the government to consider forthwith the project of entering into negotiations with the Canadian Pacific Railway Company for the purpose of doing away with this exemption, and I was prepared to support a reasonable measure for the purpose of removing this exemption at the expense of the people of Canada as a whole, because I thought it would be in the interest of the people as a whole to do so rather than to have immigration obstructed and the development of the Northwest arrested. So far as this provision is concerned, I would like to have the view of my hon. friend the Minister of Justice—either to-day or at some convenient time, if he does not feel disposed to answer to-day, because, being of the same profession as the Minister of Justice, I realize that it is much easier sometimes to ask a question than to answer it offhand—whether he would regard this as a constitutional limitation upon the powers of the new province, or whether it might not be its true effect that the Crown, having made a contract, is bound to carry it out in good faith in so far as the Dominion as a whole is concerned; and thus while we retain the legislative power in the Dominion, so far as exemption from Dominion taxation is concerned, we are really handing over the legislative power to the new province to be exercised by it in so far as section 16 of the contract concerns provincial taxation by municipalities within the province.

To sum up once more: the Crown has made a contract and parliament ought to observe that contract. The advisers of the Crown must insist always that parliament shall observe that contract. They would be perfectly justified in resigning if parliament did not see fit to do so and any subsequent advisers of the Crown ought to pursue the same course. But, after all, under the terms of section 23, will not that remain, as far as the Dominion is concerned, a matter for consideration by the Dominion parliament in connection with any action of the Dominion executive and will it not, in so far as the province or the municipalities are concerned, remain a matter for legislative action within the province by the legislature of the province acting in connection with the provincial executive? It is a question which I have not as fully considered as I would like to have done, but it struck me in listening to the arguments which have been made upon the question and in listening to the explanation of the hon. Minister of Justice that possibly after all that might be the true

result, and I do not think the result is one which may be regarded as very prejudicial to the interests of the Canadian Pacific Railway. I do not think that any statute which should be passed by the legislature of the province, except on fair terms in respect to the contract entered into by the Crown many years ago, is one which should be approved by the Dominion executive in whom, of course, rests the final decision by way of disallowance.

Mr. FITZPATRICK. As I said on a previous occasion in connection with this debate, this is one of the two clauses of this Bill for which I am personally responsible. I would like to say that this particular clause was drafted for the purpose of imposing a constitutional limitation on the legislature of the new province. The view I took of the matter was that by virtue of section 16 of the contract we had constitutionally—I will not say bound ourselves for all time, because parliament has the power to do what is wrong—but constitutionally we bound ourselves to observe this provision in the contract with the Canadian Pacific Railway, and we bound ourselves not only to observe it ourselves, but to see that when a province was created, which province would have jurisdiction over these Territories, it would effectually carry out that contract, and therefore, I think that we should enact a provision which would prevent the legislature—and I do not for a moment suggest that it would do such a thing—from in any way legislating in any such way as to interfere with the provisions of that contract.

Mr. R. L. BORDEN. I quite appreciate what the hon. Minister of Justice has said. Of course, I am presenting it from the standpoint that we would not necessarily suppose any greater danger of violation of the terms of the contract by the legislature of the province than that which we might apprehend from any future parliament of Canada. Therefore, I think that possibly in that view the section might have been intended to distribute the exercise of legislative power in future between the parliament of Canada on the one hand and the legislature of the province on the other hand. That, as I said before, might not be regarded as prejudicial to the interests of the company.

Mr. GALLIHER. If it is necessary to carry out the legislation passed in 1881, in so far as the Dominion parliament had power to legislate in regard to this exemption from taxation of the Canadian Pacific Railway, to insert a clause in this Act, or in the Acts creating these provinces, such as clause 23, then, I perfectly agree with the position that the government are taking in the matter, but if it is not necessary then