

government. I believe it to be generally admitted that the intention of the contract was that there should be a twenty years' exemption. Whether the period was to run from the date of the contract or from the date on which the lands were earned does not matter now, for the period has expired in either case. If it had been intended to extend the exemption any longer the contract would have so stated. It was to be an exemption for twenty years from a certain date, now more than twenty years ago. And if the exemption is now in force on a very large portion of these lands in the Northwest Territories that is not due to any fault or any laxity on the part of the Territories themselves; it is really due to the neglect of the Dominion administration. I think that is quite clear. If the patents had been issued to the company immediately, the exemption period would have expired by this time, and the people of the Northwest would have been able to tax this land. It becomes the duty of the Dominion government, whose fault it is that the exemption still runs, to see to it that that exemption is taken away. When I went into that country upwards of twenty years ago, one of the first things I heard was that the odd-numbered sections were exempt from taxation for twenty years. I firmly believed that at the end of the twenty years we would be able to call upon the owners of the alternate sections to pay their share of the necessary expense for carrying on the local government of the country. I speak from experience as to this exemption being a burden upon the people. I live at this time in a section of the country where a considerable number of the Canadian Pacific Railway lands have been undisposed of and where there are still areas undisposed of, and all the time my taxes have been higher on that account than they would otherwise have been. For instance, I had to pay for school taxes at one time nearly twice what I should have had to pay if all these lands had been occupied by settlers, and the lands would have been occupied by settlers, I have little doubt, had not it been for the fact that they were being held at a price by the Canadian Pacific Railway Company. At present I have to pay considerably more than I would have to pay if these lands had been settled on. And the same is true of the local improvement tax. Every farmer throughout that country who settles in a district which the Canadian Pacific Railway lands have not been disposed of is exposed to this great increase of taxation on account of the exemption. It has been stated that, in the course of time, owing to the sale of lands by the company, and also owing to the fact that, in any case, within fifteen or twenty years the exemption will cease, therefore this is a vanishing question. Still, I cannot see the reason why even for the next fifteen or twenty years the farmers of that

country must continue to bear this additional burden. The Canadian Pacific Railway Company have been disposing of considerable portions of their land grants lately. But this is frequently done in such a way that we are unable to tax the lands they thus dispose of. I know of one large company which is selling Canadian Pacific Railway lands, but which claims that it is merely acting as agent for the Canadian Pacific Railway Company in this service, although I think there can be little doubt that it has really taken over the lands from the Canadian Pacific Railway. They are claiming this exemption and the people in the portion of the country to which I am referring, which has only recently been settled have to bear this additional burden, although those who purchased and those who did not buy their lands from the Canadian Pacific Railway but from this large land corporation. I consider that it is in the interest of the settling up of that country that this exemption of the land grant from taxation should be swept away. If there were not an exemption the Canadian Pacific Railway Company would certainly try to dispose of these lands as quickly as they could. But so long as there is no taxation to be paid on the lands, just so long will they continue raising the price to obtain the highest figure possible. When the Canadian Pacific Railway had a monopoly of the carrying trade in the Northwest it was to their interest, as it is still in many parts of the country, to dispose of these lands as quickly as they could. Every new settler they put upon the lands brought them an added profit in the carrying business which they did for them. Some time ago they used to sell the lands at a very low figure in order to promote settlement. But in certain parts this condition is now changing. The Canadian Pacific Railway owns lands which are tributary to some of the new railway corporations which are coming in, and it is not to the interest of the Canadian Pacific Railway to sacrifice those lands when the people who buy them will do their carrying business through other railways, and naturally the Canadian Pacific Railway will retain these lands which are exempt from taxes in their possession in hope of a rise. I do not wish to suggest that the contract of the Canadian Pacific Railway should be interfered with in any way. I consider that contract as sacred; but I do hold that it is the duty of the Dominion government to accept the obligations incurred by themselves under this contract, and not place all those obligations upon the shoulders of the people in the new provinces.

Mr. W. F. MACLEAN. Let me point out to the right hon. gentleman and to the government how they can immediately secure the commutation of this exemption. There is always a way out of every difficulty, and I will show the right hon. gentle-