

several other perquisites. If we handed over to Manitoba her wild lands the subsidy to that province from the exchequer would not need to be so large. When we come to form a province in the Northwest and when the people come to find that the public lands are exempt from taxation with all the railway company's property and that the means for maintaining the municipal institutions in that province are closed against them, they will say: If we are going to be erected into a provincial government we must obtain a larger subsidy from the Dominion exchequer because we have not the advantages of taxation which other provinces have.

Mr. TAYLOR. Will the hon. gentleman allow me to ask him a question?

Mr. SCOTT. Certainly.

Mr. TAYLOR. Is the hon. gentleman aware that the Hon. George W. Ross withdrew that and every other statement that he had made opposing the building of the Canadian Pacific Railway in a public speech that he made a few years ago? He said that he had opposed it at every stage, but that he took it all back, that he approved of the bargain and contract with the Canadian Pacific Railway, saying that the Canadian Pacific Railway had built up the great Northwest, that without it our country would have been practically nothing, and that he withdrew every statement that he ever made.

Mr. SCOTT. If my hon. friend will have the patience to listen to the whole of the extract from Mr. Ross's speech that I am reading—

Mr. TAYLOR. I heard it in the House when it was made.

Mr. SCOTT—I am certain he will not find a single word of opposition to the Canadian Pacific Railway in it.

Mr. TAYLOR. He opposed it, as Mr. Blake and every other Liberal did.

Mr. SCOTT. I will have to read this again for the hon. gentleman.

Some hon. MEMBERS. Take it as read.

Mr. SCOTT. Let the hon. gentleman point out one single word of this extract which means opposition to the Canadian Pacific Railway:

What does it mean? It means that the people of the Northwest as far as the railway company is concerned must tax themselves extra to the extent from which the company is relieved in order to procure such advantages as schools, highways, and other advantages of civilization. . . . There is another grievance to which I must refer and that is when a new province is erected and we come to confer upon it those advantages which it can claim under our confederation, we will be bound to consider the exemption from taxation of the lands and property of this company; this will mean that the whole Dominion must be taxed in order to provide a larger subsidy for the maintenance of local institutions of such new province

Mr. SCOTT.

or provinces. We pay Manitoba already 80 cents a head and several other perquisites. If we handed over to Manitoba her wild lands the subsidy to that province from the exchequer would not need to be so large. When we come to form a province in the Northwest and when the people come to find that the public lands are exempt from taxation with all the railway company's property and that the means for maintaining municipal institutions in that province are closed against them they will say: If we are going to be erected into a provincial government we must obtain a larger subsidy from the Dominion exchequer because we have not the advantages of taxation which other provinces have. For instance, if one-quarter of Ontario or Quebec were exempted from taxation, in what position would they be? Evidently in order to maintain prosperity they would have to draw freely from the exchequer of this Dominion and the whole Dominion, from Vancouver's Island to Halifax, will need to be more largely taxed because of the exemption we are now considering under this contract.

Is there a word involving opposition to the building of the railway in that? Not a word. The Liberal party of that day were not opposing the building of the Canadian Pacific Railway. On the contrary the Liberal party when in power in the seventies were undertaking the building of that railway. I cannot conceive what my hon. friend is referring to. There is nothing I can find in Mr. Ross's words which involves any opposition to the principle of the undertaking, but the Liberal party of that day as a unit stood in opposition to some of the iniquitous features of this contract and particularly to the one which is going to place a limitation upon the provincial rights of the people of Alberta and Saskatchewan. George W. Ross, twenty-five years ago, when that contract was being debated, recognized and admitted that it was a federal undertaking, the cost of which ought to be borne by the Dominion. When the Dominion makes a payment every province contributes its equal share. If these provinces are left under these particular exemptions you are placing a double burden upon them—they are paying equally with the other provinces the money subsidies and the price of the \$37,000,000 worth of completed road that was given the company—they pay almost the whole of the land subsidy—they bear equally with you the loss involved in the exemption from taxation by Dominion—and in addition to their full and equal share of the whole cost and burden, you leave them to bear alone a substantial piece of the cost of this federal undertaking beyond that share which the other provinces are carrying. Is there any fairness in that?

Look at it closely. The \$25,000,000 cash subsidy to the company is looked on as a heavy charge to Canada. What is it actually? Three per cent on \$25,000,000 is \$750,000 a year. If my calculations are correct, the provincial tax exemptions will cost these two provinces easily as much. What then are you doing? You are asking the