

Our protest was unheeded, the contract became law, and if it is law it must remain law until another law can be substituted for it, but not in the manner suggested by my hon. friend (Mr. W. F. Maclean). I must say to my hon. friend that there are two classes of exemptions in this Bill. There is exemption in respect to the property of the Canadian Pacific Railway and there is also exemption of their lands. The exemption on their lands is in process of extinguishment; that exemption is to last only twenty years, and it is in process of extinguishment now. We have had a judicial decision on that and in the course of twenty years that exemption will become extinct.

But the exemptions of the stations and the station grounds, the workshops, buildings, rolling stock, capital stock, road-bed, &c., are there, and there for ever. My hon. friend says this is a grievance which ought to be remedied. There is only one of two ways in which it can be remedied; that is, by the government negotiating and agreeing to pay a certain sum to the Canadian Pacific Railway Company, or by this parliament passing a law to expropriate the exemption. I do not say that we may not have to come to that. I dare say that it is possible and more than possible that we may have to come to that eventually. But that question has nothing at all to do with the present legislation; it stands quite apart from this legislation. We have been petitioned by the legislature of the Northwest Territories to grant them provincial autonomy; we are in process of doing so; but they must take it such as it is, with all the exemptions created by law. So long as we comply with their request, we can only give them what it is in our power to give them.

Mr. HAGGART. I expressed my opinion on this question pretty fully the other day. My contention is that the Dominion government had no power to enter into an arrangement with the Canadian Pacific Railway Company, by which it bound itself, when a province was to be created out of the territory, to see that the company's property was exempt from taxation.

Sir WILFRID LAURIER. Is that agreement null and void?

Mr. HAGGART. That agreement, so far as it refers to a province, is null and void. That is my contention. As to the moral obligation, that is another thing. Although the government may not be legally bound by the agreement with the Canadian Pacific Railway Company, they may be morally bound, which is quite another thing. This parliament has no power to limit the constitutional rights of a province in regard to legislation by inserting any such clause. It may be good as a notice that there is such an agreement; but the province, when it chooses to legislate on the subject, can legislate itself out of any imposition of that

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kind. You have not full power to create a province under the Act of 1871. You are bound by the provisions of the British North America Act. By no Bill of ours can we limit the power of the province. The hon. Minister of Justice steers pretty clear of that question. He is in a quandary between the powers he has claimed under the Act of 1871, and the limitations and proscriptions of the Act of 1867. He brings them into force in the Autonomy Bill by a statement that all the powers granted to the province by the British North America Act shall be given to this particular province, except those which are expressly excluded by the Act. My contention is that the bargain that was made between the Dominion government and the Canadian Pacific Railway Company by which the government bound themselves when a province was being constituted out of the Territories to limit the powers of the province, was ultra vires of the Dominion parliament.

Sir WILFRID LAURIER. I would like my hon. friend from South York (Mr. W. F. Maclean) to ponder over the argument we have just heard from the hon. member for South Lanark (Mr. Haggart). If I understood aright the argument of the hon. member for South York, it was that we shall enter into negotiations with the Canadian Pacific Railway Company to compensate it for the exemption given to them in 1881.

Mr. W. F. MACLEAN. If necessary.

Sir WILFRID LAURIER. Well, if we negotiate with them, they will say it is necessary. My hon. friend has no great faith in corporations—I do not think he has much faith in the Canadian Pacific Railway Company—and he knows that they will ask for all they can get. So if we go to the Canadian Pacific Railway Company to negotiate for relief from the exemption which was given them in 1881 from taxation by this Dominion and by the provinces also, the Canadian Pacific Railway Company will answer us at once: We have a double exemption, the exemption from taxation by the Dominion and we value that at so much, say \$1,000,000 or \$2,000,000; we also have exemption from taxation by the province, and we value that at say \$2,000,000 more. But my hon. friend from South Lanark says the company have no exemption from taxation so far as the province is concerned, and therefore if we negotiate with the company, we would pay them for what they have not. We had better wait, then, until it is decided judicially whether the contention of the hon. member for Lanark is right or not. Until such time as the courts decide, if they so decide, that the provisions so far as the province is concerned are null and void, we shall have so much less to pay to the Canadian Pacific Railway Company than we would to-day if we entered into negotiations with them. So my hon. friend