

relating to autonomy, and one of the reasons I advanced for voting against that motion I stated as follows, as will be seen on referring to the 'Hansard' of 1903, page 13931 :

Let me say, in conclusion, that in face of the position of this Canadian Pacific Railway tax matter, in view of the millions of acres of the land that are involved, of the millions of value in railway property of the company that are involved, it appears to me that the people of the Northwest would be simply crazy at present to accept autonomy unless driven to it as a last resort—and we are not driven to the last resort this year, because our immediate financial needs are fairly well met; the lack of borrowing power remedied by the capital advance method; and little room for complaint is left us as regards railways. Such being the case, I certainly approve of delay until all doubts of the Canadian Pacific Railway tax question is removed. I hope this doubt will not exist very long. I hope the case will soon be settled by a judgment of the Privy Council. Possibly it may be too much to hope that it may be settled before next year, because the law courts move slowly. But the position I take is that the government should obtain from the Privy Council a final decision upon this Canadian Pacific Railway tax exemption, and that as soon as it is obtained the people of the Northwest should be granted provincial autonomy.

This view thus expressed in the newspapers and in the House, I also expressed very distinctly to my electors in West Assiniboia, particularly during the election contest last autumn, and I have every reason to believe that the majority of the electors of West Assiniboia concurred in the view. I declared explicitly in the contest that I should oppose any constitutional change until the tax exemption matter became more clear, and until the people of the Northwest learned definitely that they would not as provinces stand in danger of the burden of that perpetual limitation upon their taxing power which was imposed upon the added portion of the province of Manitoba in 1881. The situation in January last when the autonomy negotiations opened was that no final judgment had been obtained. It is true that, since January, the Supreme Court of Canada has given judgment overturning the Manitoba court's decision, of March, 1903. But, until the case has been carried to the Privy Council and judgment obtained there, the matter cannot be considered as finally settled. I need not repeat to the House that in January last I was opposed to proceeding with the autonomy measures. Now, I shall explain briefly the reason why the Manitoba court judgment led me to revise my view on the question of autonomy. The Northwest test case was that of a school district, the Springdale school district. It was not a case brought by a municipality, nor a case directly raising the question of the powers of the local legislature to levy a tax upon the company. The case was taken for the purpose of obtaining an interpretation of the disputed question of the

twenty years' land tax exemption, without reference to the roadway. But the arguments made by the government's counsel, Mr. Howell, of Winnipeg, were such that, if concurred in by the court, as was the case in the Manitoba court, they necessarily applied as well to the feature of the exemptions relating to the roadway. Mr. Howell raised the contention that a tax levied by any body or power within these Territories did not come within the class of taxes from which the Canadian Pacific Railway Company were exempted by the contract, these classes of taxes being such as might be levied 'by the Dominion, by any province hereafter established or by any municipality therein. in other words the contention was that, as long as we remained Territories the Canadian Pacific Railway had no right to exemption of taxation in the Northwest, either upon lands or upon roadbed; and that it was not until the Northwest was created a province that any exemption rights became existent. The contention was a new one. Until it was raised by Mr. Howell, no one ever thought of questioning the company's rights to freedom from taxation on the roadway or freedom for at least twenty years on the land. Let me quote from Chief Justice Killam's judgment to show that the judgment meant just what I have stated :

The case from the Northwest Territories raised another question. Does the exemption apply to the enactments of the legislature of the Northwest Territories or to the taxation by subordinate bodies created by that legislature? Evidently these words—'taxation by the Dominion'—did not mean taxation by any government or authority in the Dominion having the power of levying taxes. Taxation by a province or by a municipal corporation was recognized as something different from taxation by the Dominion. . . . In my opinion the expression 'taxation by the Dominion' did not, either from the import of the words themselves or by reference to other portions of the clause or the contract, include taxation by the government of the Territories or any body to be established by it, within its then powers.

I repeat that when I became aware of the purport of that judgment I at once made up my mind that the Northwest had better accept no constitutional change until we had ascertained finally whether Chief Justice Killam's view was the right one, because, in my opinion, any loss to be occasioned by delay of two or three years in gaining autonomy, would be light and temporary in comparison with the permanent loss to the province involved in the perpetual inability to tax the Canadian Pacific Railway roadbed. If the Privy Council were to uphold the Manitoba judgment and if it were finally found that the Canadian Pacific Railway must pay taxes as long as we remained Territories, it needs no argument to show that to obtain prior relinquishment by the company of the exemption rights that would otherwise become effective with the erection of

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