3rd That the Company will allow the Lieutenant-Governor of Manitoba in Council to fix the freight rates in Manitoba and between points in Manitoba and Lake Superior; in case of dispute the matter to be determined by the Chief Justice of the Province, whose decision shall be final.

4th. That the Company will reduce the passenger rate in Manitoba to 3 cents per mile. (The present Canadian Pacific rate.)

5th. That the Company will complete its line between Winnipeg and Port Arthur by the 1st October next, and will also build or secure a connection from a point on its line at or near [illegible] to Duluth.

In return for the foregoing THE GOVERNMENT UNDERTAKES

1st. To guarantee the bonds of the Ontario and Rainy River Railway, principal and interest [illegible], for a distance of 2[illegible] miles, making

A Capital liability of .... $[illegible]
With an annual interest charge of .... $ 232,[illegible]

2nd. That in the event of the earnings of the Railway being insufficient to pay its operating expenses, and to meet the interest on the bonds, the **GOVERNMENT ITSELF, WITHOUT ANY RECOURSE AGAINST THE COMPANY, WILL MAKE GOOD SUCH DEFICIT.**

3rd. To allow the Company to issue additional bonds (unguaranteed) to the extent of $2000 per mile over the portions of the Canadian Northern line upon which the Government has already guaranteed an issue of $8000 per mile.

These are all of the important features of the propositions of the two Companies.

LET US COMPARE THE RESPECTIVE OFFERS:

Taking first that of **THE CANADIAN PACIFIC COMPANY**—

It meant that the Company would have:

Built such branch lines as might be considered necessary by the Government;

Made reductions in rates commencing on the 1st September next, that would have saved Four Millions of Dollars to the people of the North-West,

Given complete control of its other rates in Manitoba and between Manitoba and Lake Superior to the Government and Courts of the Province.

Whilst it asked:

For no bonds, for no guarantee nor for the assumption of any liability whatever by the Government, as even in the case of the rental of the leased lines the Government would have the covenant of the strongest corporation in Canada, not only against any loss, but providing for a handsome profit.

The only concession the Company asks for all the advantages it offers, is a moderate reduction in taxation, still leaving it the only Railway Company taxed by the Province.

The **CANADIAN NORTHERN COMPANY'S** proposition on the other hand:
Provides for the construction of no branch lines;

Gives no specific reduction in rates;

Provides for a control of rates similar to that offered by the Canadian Pacific Company;

Provides for a reduction in passenger rates, which means nothing, as the rates on the other lines in the Province are already down to 3 cents per mile, and the rates on the Canadian Northern would undoubtedly have been forced down by public pressure to the same basis before long;

Provides for a promise by the Company that it will complete its line to Port Arthur by 1st October, presumably to carry out a share of next season's crop, whilst it is known that the Company's lines cannot be completed by the date named, and that it will be utterly impossible for it to provide by that time proper facilities for handling any portion of next season's crop;

It provides also for the construction or acquisition at some future time, no date being specified and no penalty provided for failure, of a connection with Duluth.