Comparative Quotations.

	Closing Aug. 31, '12 Bid	Closing Aug. 31, '12 Asked	Yield on bid price
Canadian Northern—			
4 p.c. Debentures	98	100	4.1
Canadian Pacific—			
4 p.c. Pref. stock	99	100	4.0
4 p.c. Consolidated Debentures	102	103	3.9
Grand Trunk—			
4 p.c. Perpetual Debentures	97	98	4.1
Illinois Central—			
4 p.c. Gold bonds	100	102	4.0
Baltimore and Ohio—			
4 p.c. 30yr. Bonds (1948)	101½	102½	3.9
St. Paul—			
4 p.c. General Mortgage (1989)	99	101	4.0
New York Central—			
3½ p.c. General Debentures (1997)	89	91	3.9
Northern Pacific—			
4 p.c. Prior Lien (1997)	101	103	4.0
Pennsylvania—			
4 p.c. Consolidated Mtge. (1948)	101	102	4.0
Union Pacific—			
4 p.c. First Bonds	103	105	3.9

It is not necessary to adduce further facts showing how strong a hold the Canadian Pacific has upon the faith, and a justifiable faith, of the investors of the world, by the use of which it can secure capital for the extension of its system at approximately four, instead of six per cent. as proposed. The adoption of the latter policy will fasten upon the public the obligation to pay freight and passenger rates to the extent of $2,000,000 per year more than is necessary to yield a return satisfactory to the investing public of practically every country.

ARTICLE XIII.

The Value of the Company's Exemptions from Taxation

(Winnipeg Free Press, Sept. 27, 1912.)

If the Canadian Pacific Railway paid taxes at the same rate as railroads in the United States its annual bill would be approximately $4,715,500. Its contributions in the form of direct taxes to the funds out of which the expenses of administering the affairs of the Dominion is met, amounts to less than $1,000,000. To fully appreciate the value of the company's exemptions comparison should be made with the burden of taxation imposed upon the railroads in other countries, particularly the United States. In the latter country no less than 3.87 per cent of the gross earnings go towards taxes; in Canada the proportion is .8 per cent. If it were possible to get exact figures showing to what a great extent the Canadian Pacific railway was exempt from taxes imposed upon private enterprises, it is quite safe to assume that they would show such exemption to have a value as great as that of the company's land grant.

Every privilege an enterprise enjoys adds to its strength from a credit standpoint. If the Canadian Pacific railway could be judged as a private enterprise, which strictly speaking it is not, one of its greatest assets would be the exemptions it enjoys from taxation such as imposed upon private individuals or corporations. The sweeping exemptions granted the company rest on the following clause:

Tax Exemption Clause.

"The Canadian Pacific railway and all stations and station grounds, workshops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof, and the capital stock of the company shall be forever free from taxation by the Dominion or by any province here-