

Company was paying 10 per cent. dividends on its capital. The only way the Government could secure a reduction of rates was to make a bargain with the Railway Company, and this the Liberal Government did.

A CONTRAST.

It is well just here to contrast the course followed by the Liberal Government in this connection and the course the late Conservative Government proposed to follow with respect to a railway through the Crow's Nest Pass. The necessity for the construction of the railway arose shortly before the Conservative Government was defeated in 1896, and before its defeat the late Government made an arrangement in that connection. Did it try to secure any concessions for the people? Of course not. It arranged to give the railway a cash subsidy of \$5,000 per mile and a loan of \$20,000 per mile. The defeat of the Tupper Government prevented the Conservatives carrying their arrangement through. The Laurier Government, upon coming into power, immediately undertook to use the necessity of the railway to secure concessions for the benefit of the former. Instead of granting the C. P. R. \$25,000 per mile, as was the practical effect of the Conservative arrangement, the Liberal Government gave a straight cash grant of \$11,000 per mile and secured the important reductions in freight rates already referred to in return.

The discovery of important gold, silver, lead and other mines in Southern British Columbia rendered the construction of the railway necessary. The mines were discovered and operated by Americans, and the absence of Canadian transportation lines threw all the trade of the new district to the United States. As soon as the Crow's Nest Pass Railway was built almost the entire trade of the district was secured by Canadian miners, tradesmen and manufacturers.

ADDITIONAL BENEFITS FOR THE PUBLIC.

But the reduction in freight rates was not the only concession the Government secured. Among other things the subsidy agreement provided:

- 1st. The Company was to construct the road and operate the same for ever.
- 2nd. The local rates and tolls to be approved by the Governor-in-Council with power to revise as occasion demanded.
- 3rd. Rates and tolls between any point on the C. P. R. system and any point on any line of railway owned or operated by the Company south of the main line in British Columbia to be approved of by the Governor-in-Council, and subject to revision from time to time in the manner aforesaid.
- 4th. The Railway Committee of the Privy Council to have power to grant running powers to other railways over the Crow's Nest Pass Railway and all its branches and connections or any other line leased or controlled by the C. P. R. west of Dunmore south of the main line in British Columbia, and to grant also the necessary use of station grounds, tracks, on such conditions as the Committee may determine. Running rights have already been granted over the line to another company.

Looking to the future of that country this is a concession of inestimable value to save money and to control monopoly.

- 7th. The Government to become possessed in fee simple of 50,000 acres of coal land situated in the neighborhood of the Crow's Nest Pass.

These lands are one-fifth of the coal lands granted by the British Columbia Government to the British Columbia Southern Railway Company whose charter was subsequently acquired by the C. P. R. It must not be forgotten that the lands in British Columbia, as in all the older Provinces are vested in the Provincial Government.

It is estimated that the coal obtained by the Government from the C. P. R. Co. in connection with this transaction is worth at least \$20,000,000 at an estimated value of five cents per ton, but the money value is not the most important; the possession of these coal lands by the Government enables it to