

done from time to time without any material effect upon the reduction, they would find that the largest net profit that they make out of their rates are those rates for the carriage of the wheat and cattle. Now, that is a direct tax upon the industry of the country when imposed in that peculiar manner. The receipts of the Canadian Pacific Railway, I am glad to see, have increased very rapidly this year as well as last year, owing to our bountiful crops, the increase in our cattle exports and the increase in transcontinental traffic. Considering the low prices that we get for our produce, which as I said before are taxed by the rates on the Canadian Pacific Railway, they should look to see how far they could make a reduction upon the movement of this year's crop. What I more particularly wished to refer to was the development of our country. Some people think that we have got enough railroads there. I have no doubt those who are interested in the railroads already built, are interested in promoting that idea, but what is wanted in that western country is competition and cheapness, and economy applied to all the methods of railway construction. Now, the Canadian Pacific Railway Company, everybody knows, was assisted by land grants. In the case of the Manitoba and North-western Railway Company land grants of 6,400 acres a mile were given, and land grants were given to the South-western and to other companies. As I said before, these land grants have failed in their purposes in so far as it affects the financial standing of the railroad, with the exception, I am pleased to say, of the Canadian Pacific Railway Company, and they have failed to bring down rates to a point that would be considered reasonable for the transport of our western produce. I do not want to go into the question of rates or a comparison of rates, but what I do wish to say is, we have parted with I think 40,000,000 acres of our prairie lands for the promotion of those railroads, and they passed into the hands of railway companies with the effect that I have already dwelt upon. I think that that system of aiding our railways has proved a failure and that a different system could be adopted, with more benefit to the development of our railway system and a more economical construction for the purpose of keeping down rates. Half the land in that

western country is set aside as free homesteads for settlers. Upon the payment of a fee of \$10 any one can come into the country and take up 160 acres of land and settle upon it under certain government conditions. The other half has been retained for railway purposes, as an asset to be utilized for the purpose of developing that country. As I said before the assets have been used as a free gift of this amount of land to railway companies without any restriction upon the companies or the way in which it should be utilized. In connection with this I desire to point out that we in the North-west and the province of Manitoba are at a disadvantage in comparison with all the other provinces of the Dominion in so far as we have no assets of our own. Ontario, Quebec and the other provinces own timber lands and mines. One province has a valuable asset in the royalty derived from mines, another from dues on timber and whatever there may be in the public lands in addition. The province of Ontario refused to give an acre to the construction of the C. P. R. The province of British Columbia gave a land grant through the mountains but retained the royalty on minerals. We have no such assets to fall back upon, and we are dependent entirely upon what we receive from the Dominion government in the shape of our annual subsidy or direct taxation. In the future, our responsibilities and population will increase, I should like to see a change made in the management of our public lands in the west, that is, to husband those resources and not dissipate them, as we have done so far, by the alienation of those lands given to railways. I consider the intrinsic value of lands in the North-west within reasonable distance of railway communication is \$5 an acre. That is the upset price of our school lands and Hudson Bay lands, the sales of the C. P. R. average \$4 an acre. That is to say, after the country has been developed and the settler comes in there, if he pays \$5 an acre for the land that he desires to settle upon he is in quite as good a position, in fact in a better one, than the settler who comes in as a free homesteader and has to take the part of a pioneer and build up the country to that stage when it can receive the development that I am already speaking of. Of course I am quite aware that if the Government of Canada were to charge \$5