

propositions.

That of the Canadian Pacific Company provided as follows :—

1st. That the Company would take over and operate the lines of the Northern Pacific and would pay the Government by way of rental—for the

1st ten years.....	\$220,000 per annum
2nd “	“ 245,000 “
Thereafter	“ 300,000 “

or a profit over and above the rental paid by the Government of more than half a million dollars.

It may be said that the fact that the Canadian Pacific Company was willing to pay a profit on the rental is a justification to the Government for the payment of the rental it has agreed to pay.

It must be borne in mind, however, that the Canadian Pacific Railway Company is only able to make such an offer because it can operate these lines in connection with its present system for a vastly less sum than they can be operated for by the Government, or by any independent corporation, and because whatever additional traffic they will contribute to the Company's lines East of Fort William makes them more valuable to that Company than to any Company whose interests extend to Lake Superior only.