

be lower than those which prevail in the territory between Duluth and the Pacific Coast in the United States? On the contrary, taking everything into consideration, should not the Canadian Pacific be entitled to somewhat higher rates, in view of the conditions prevailing north of the International boundary? I make the statement most positively that our rates are as low as those of any of the railways in corresponding territory in the United States. I think that the Minister of Railways, Hon. Mr. Blair, who caused an exhaustive comparison to be made upwards of a year ago, will bear me out in this statement. If these be the facts, and they can be easily verified, is there any reasonable ground for complaint against the Canadian Pacific, and is there any justification for legislative action, that is calculated to force down to an unreasonable and indefensible basis the compensation that the Company shall receive for its services, thereby using the strong arm of the Government to attack investors, and to injure, if not destroy, their property?

The popular demand for what is known as a ten cent rate on wheat in Manitoba has at the present time no more justification in fact than would a demand that gold dollars should pass current at seventy cents in that Province. No such rate prevails elsewhere under like conditions. It is thirty to forty per cent. lower than the rates from corresponding points in the United States to Duluth.

It is the policy of the Canadian Pacific Railway Company to reduce the rates just as rapidly as circumstances will permit. The increase of tonnage will be a most important factor in bringing this about, because on the western sections of the system several times as many freight trains could be run without any increase in the fixed expenses, the additional cost being practically represented by the wages of the trainmen, fuel, and repairs. Everything that has been done, and may be done, to divert tonnage to other routes is an obstacle in the way of the reduction, which I beg to assure you in all sincerity the shipper is no more anxious to secure than the Company is to make, just as rapidly as the conditions warrant.

Notwithstanding the Company's desire and determination to pursue this policy, it seems impossible to satisfy the public and a large section of the press of its sincerity, and, therefore, the Company has decided to do what it can in ordinary prudence toward allaying agitation by submitting for the acceptance of your Government the following proposition for the control of rates:

The Company will agree to build a line from a point near Brandon on the Great North-West Central Railway, northwesterly, through the Municipalities of Daly and Woodworth, for a distance of about 34 miles, during the current year; also a line from Carman eastward, 16 miles, towards Osborne.

The Company will lease for 999 years from the Government the Northern Pacific lines in Manitoba, including equipment and terminals, paying therefor an annual rental of Two hundred and twenty thousand dollars for the first ten years, Two hundred and forty-five thousand dollars for the second ten years, and Three hundred thousand dollars thereafter.

In consideration of the Province placing the Company in the same position that the Canadian Northern now occupies with reference to taxation, and an undertaking on the part of the Provincial Government that for a period of ten years the Government will not grant aid toward the construction of any railways within the Province, south of a line drawn easterly between the western boundary of the Province as it now exists, or may hereafter exist, through Binsearth, to the eastern boundary of the Province, nor any railway line between any point in the Province and a port on Lake Superior, the Company will make the following specific reductions in its rates:

Sept. 1st, 1901,	Grain and Flour,	1 1/2 cents per hundred lbs.
" 1902,	" "	1 1/2 cent "
" 1903,	" "	1 1/2 " "
" 1904,	" "	1 1/2 " "
" 1905,	" "	1 1/2 " "
" 1906,	" "	1 1/2 " "

thus making a reduction within that period of four cents per hundred pounds from all points within the Province.

The rate on salt will be reduced forthwith to fifteen cents per hundred pounds from Fort William to Winnipeg, and to all other points in proportion, according to existing tariffs.

The rate on coal, Fort William to Winnipeg, will be reduced to \$2.50; to Portage la Prairie, \$3.00; and to Brandon, \$3.35 per ton of 2000 pounds.