

Mr. CANTLEY: That was incorporated in the Charter of the company.

Sir HENRY THORNTON: Yes, I think that is substantially correct, but I am only speaking from memory. Do any of our officers who are present happen to have any knowledge of that? I could get our tax commissioner up. He does not happen to be here. However, I think you will find that is a fact.

Sir EUGENE Fiset: So are certain lines of the Canadian National.

Sir HENRY THORNTON: Certainly, I do not deny that. I just simply answered the question that Mr. Euler asked.

Mr. EULER: I was just trying to get what difference that made relatively between the two systems.

Sir HENRY THORNTON: I am not sure that I have answered the questions that have been asked. If I have not, please ask some more. There are certain portions of I think both railways that are exempt from taxation, and I suppose that when the railways were originally constructed that was one of the contributions of the state to secure transportation facilities.

Hon. Mr. EULER: It is hardly fair to the municipalities though.

Sir HENRY THORNTON: Well, in those days I dare say the municipalities welcomed the advent of the railway, and in other cases I think there would have been no municipality had there been no railway.

The CHAIRMAN: In many cases the municipality bonused railways too to get them.

Sir HENRY THORNTON: Oh, yes.

Mr. FRASER: I understand the total taxes paid by the railway are \$6,500,000.

Sir HENRY THORNTON: That is right.

Mr. FRASER: Is that in Canada only, or does that include your American taxes as well.

Sir HENRY THORNTON: That includes the American tax. It is the tax bill of the railway on the whole property.

Mr. FRASER: \$6,500,000.

Sir HENRY THORNTON: Yes.

Mr. HANBURY: Would you make a general statement as to your insurance.

The CHAIRMAN: That was all gone into yesterday. It is on the record and we do not want to repeat it.

Mr. FAIRWEATHER: The hotel operations of the Canadian National are shown under the headings of revenues from, expenses of and taxes on Miscellaneous Operations. The hotels in 1929 incurred a loss of \$1,091,053; in 1930 the loss was reduced to \$126,841, an improvement in the year of \$964,212. This improvement is almost wholly due to the fact that 1929 expenses included non-recurring charges in connection with the renovation of the Chateau Laurier, and extraordinary maintenance incurred in the same year at the Fort Garry and MacDonald Hotels. It is satisfactory to note that hotel revenues in 1930 decreased less than 1 per cent from the 1929 figures.

Hon. Mr. EULER: Would I be in order to reverting back to the matter of taxes. I have a question here in connection with taxes. I am referring to the Canadian Pacific: —

“The terms were princely, for constructing some 1,900 miles of railway the syndicate were to be given free and complete the 710 miles under construction by the government, \$25,000,000 in cash and \$25,000,000 acres of selected land in the fertile belt. They were promised exemption of taxes on land for 20 years after the patents were issued and on stock and other property forever, and exemption from regula-