

an additional grant of 6,000 acres from the Government of British Columbia, land so fairly fit for settlement that it is now the central part of the City of Vancouver.

There were other concessions made to the CPR. Apart from the tax concessions already mentioned, there were concessions in the area of railroad equipment and competition. I quote further:

All necessary equipment for building the railway would be admitted into Canada duty free. And the Government would for twenty years prohibit any competing road from being built south of the CPR's main line or within 15 miles of the American border, ensuring the company a virtual monopoly of western traffic (this monopoly clause was cancelled in 1888). This meant not only that the Dominion would not itself charter competing railways but that it would also use its constitutional power of disallowance if any province had the effrontery to do so—as, in the event, did Manitoba.

These then were the original grants and concessions given to the CPR for the construction of the railroad. They gave the company a substantial economic base from which to develop into the huge conglomerate we know today.

Before dealing further with the CPR grants, let us first look at the Hudson's Bay Company and its position during this same period. Along with the Grand Trunk, the most important spiritual forerunner of the CPR was the Hudson's Bay Company. I quote from *Canada: A Political and Social History*, by E. McInnis:

Throughout the vast domain that stretched from the shores of the Hudson Bay to the islands fringing the Pacific Coast (nearly a million and a half square miles), the sole effective authority at mid-century (1850) was that of the Hudson's Bay Company. Its charter gave it full ownership of all lands drained by the rivers flowing into Hudson Bay—a grant that the company resolutely interpreted as including the valleys of the Red and Saskatchewan rivers; and beyond those extensive limits the company had enjoyed a monopoly of trade since 1821.

Those boys certainly knew how to interpret a concession to get the most value out of it.

By the end of the 1850s there was growing pressure by the government to have these Hudson's Bay Company lands made part of the Dominion. Negotiations between Canada, the company and the British government over this issue took place during the 1860s and a settlement was reached in 1869. Robert Chodos, in his book, writes:

The great fur-trading company sold its lands to the Dominion government for 300,000 pounds in 1869 (retaining the areas around its trading posts and one-twentieth of the total for itself), and by 1885 millions of the most fertile acres of those lands had been handed over in turn to the Canadian Pacific as a grant for building the railway.

The amount of land retained by the company adjacent to its trading posts totalled 45,000 acres. In addition, under the terms of the agreement allowing it one-twentieth of the land, the company retained seven million acres. The

company both sold and developed this land over the years through its land department based in Winnipeg.

By 1934 two million acres, of the seven million acres it retained under the 1869 agreement, scattered through Manitoba, Saskatchewan and Alberta, remained unsold. There are no accurate figures of the amount of money received from the sale of its land. However, considering the fact that portions of this land were located in urban centres, the company quite likely made a considerable profit on its sales. Today the majority of the remaining two million acres has now been sold, but no figures are available of the value received from those sales.

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Let us now return to the CPR and its lands. The company received large sums of money from sales of most of the 25 million acres granted it by the government. According to Robert Chodos:

The company's prairie lands were valued at \$1.50 an acre when it gave back 6.8 million acres in 1886 as partial payment of an emergency government loan; by 1916, however, the company estimated its net proceeds from land sales at \$68.25 million, and carried its unsold lands in its accounts at \$119.25 million.

Today, through its subsidiary, Marathon Realty, Canadian Pacific still owns roughly a million acres of land, including some of the most valuable urban land in the country. Marathon Realty was created by the CPR in 1963 to bring expert management to the non-transportation real estate it owns. As one who knows some of the people who are in charge of Marathon Realty, I can assure you that they have been very astute and shrewd in their management responsibilities.

The philosophy behind the development of the company's lands underwent a transformation between the early 1900s and the establishment of Marathon Realty. In the early years, the company could afford to dispose of its lands at relatively liberal terms to encourage settlement, thereby creating traffic for the railway. With the virtual completion of western settlement in 1930 this policy changed. The company began to look at the long range value of its land holdings.

Robert Chodos further says:

The million acres it retained in 1963, when Marathon Realty was incorporated, made it one of the largest landowners in the country. About half of this was rural land on the Prairies, which it rented out to farmers. The rest of it was urban land, much of it inherently very valuable and some of it made even more valuable over the years by tax advantages left over from the great days of railway handouts.

It is difficult to place a total value gained by the CPR on its land sales and rentals down through the years. We are, however, able to show the net income from real estate sales, rentals and related operations since 1964, the year after Marathon Realty was formed. The yearly net income is set forth in Table I. I would ask that these tables be included in *Hansard*.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.