

the government to the Canadian Pacific Railway Company and to the scheme at present under consideration. I had given the value of the investment of the government in the roads that were handed over to this company, the amount of the cash bonus, and the value of land grant of 25,000,000 acres. It may be argued in regard to the land grant that its value was created by the construction of the road, and that we are not entitled to count this as being in the shape of a bonus in regard to the aids rendered in this line. Leaving that question aside, I may say in this connection, at least, that we grant no land bonus to the present scheme and that the increase in the value of the land consequent upon the construction of the land will be ensured to ourselves as a government and to the country and not to a railway corporation.

I shall now enter into other conditions of contrast between these two schemes as relates to the government's position in the respective cases, and the first one I will refer to, Sir, will be the exemption of the Canadian Pacific Railway from taxation. That exemption is contained in section 10 of the agreement of the company, and is as follows:

The Canadian Pacific Railway, and all stations and station grounds, workshops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof, and the capital stock of the company, shall be for ever free from taxation by the Dominion, or by any province hereafter to be established, or by any municipal corporation therein.

That exemption, of course, is perpetual. I need not point out that no such condition applies to the Grand Trunk Pacific Railway scheme. There is no exemption of its property in this case, and whatever conditions a railway corporation may be liable to under the authority of the Dominion, or of provinces that corporation will be liable to. Then, the next provision that I would refer to in this contrast of conditions is the exemption of the land grant of the Canadian Pacific Railway from taxation, which exemption is also contained in section 16, and is as follows:

And the lands of the company, in the North-west Territories, until they are either sold or occupied, shall also be free from such taxation for twenty years after the grant thereof from the Crown.

These lands were granted more than 20 years ago, no taxes have yet been paid, and the lands still are practically exempt from taxation.

The next condition and contrast that I would refer to is the transportation monopoly granted to the Canadian Pacific Railway covering the entire North-west Territories. The clause granting that monopoly is No. 15 of the agreement or contract, and is as follows:

For twenty years from the date hereof, no line of railway shall be authorized by the Do-

minion parliament to be constructed south of the Canadian Pacific Railway, from any point at or near the Canadian Pacific Railway, except such line as shall run south-west or to the westward and south-west; nor to within fifteen miles of latitude 49. And in the establishment of any new province in the North-west Territories, provision shall be made for continuing such prohibition after such establishment until the expiration of the said period.

Here was a condition which gave the Canadian Pacific Railway an absolute monopoly of transportation in the entire North-west Territories. No line was to be built from the south of that road to within 15 miles of the American boundary line, no connection with any American road was possible under the provisions of this section. The Canadian Pacific Railway, by this provision of its agreement, enjoyed an absolute transportation monopoly in the North-west. Contrast that provision with the provision of the Grand Trunk Pacific Railway scheme and we find that no such monopoly is given, that no special privileges are given in regard to transportation, but that this road has to enter into full and free competition with all other lines without any intervention on the part of any government to aid it in any way in securing business.

The next point of difference is in regard to the admission of material for the construction of the road contained in section 10 of this Act. By this provision it was agreed that the government:

Shall also permit the admission free of duty, of all steel rails, fish plates and other fastenings, spikes, bolts and nuts, wire, timber and all material for bridges, to be used in the original construction of the railway, and of a telegraph line in connection therewith, and all telegraph apparatus required for the first equipment of such telegraph line; and will convey to the company, at cost price, with interest, all rails and fastenings bought in or since the year 1879, and other materials for construction in the possession of or purchased by the government, at a valuation,—such rails, fastenings and materials not being required by it for the construction of the said Lake Superior and western sections.

Well, Sir, this exemption of material from duty was held later on to apply to the material used in the renewal of bridges years and years after the Canadian Pacific Railway had been constructed. The Grand Trunk Pacific has no such privileges, has no such exemption from the payment of duties; it must pay duties upon all the materials it imports. That is another contrast between the conditions applicable to the roads.

Then the Canadian Pacific Railway was required to put up a deposit by way of security of \$1,000,000. The Grand Trunk Pacific is required to put up a deposit by way of security of \$5,000,000—five times as much as that required from the Canadian Pacific Railway.