man a legal way out of this difficulty. Let me read clause 20 of the Canadian Pacific Railway Act :

> The limit to the reduction of tolls by the parliament of Canada provided for by the eleventh subsection of the 17th section of 'The Consolidated Railway Act, 1879', respecting tolls, is hereby extended, so that such reduction may be to such an extent that such tolls when reduced shall not produce less than ten per cent per annum profit on the capital actually expended in the construction of the railway, instead of not less than fifteen per cent per annum profit, as provided by the said subsection; and so also that such reduction shall not be made unless the net income of the company, ascertained as decribed in said subsection, should have exceeded ten per cent per annum instead of fifteen per cent per annum as provided by the said subsection.

Now here is a provision whereby the parliament of Canada can compel the Canadian Pacific Railway to come before it and show what it has cost to build that railway, and they are entitled only to earn ten per cent on the actual cost of that railway. Parliament has had that power over the Canadian Pacific Railway ever since the contract was entered into, and the time has now arrived, indeed it arrived long ago, when the government of this country should demand a statement of the cost of the construction of that road and should tell the railway : The day has come when your rates must be reduced as provided for in the statute, and we intend to reduce them. If the Canadian Pacific Railway had been brought before parliament, supposing an Act were passed in which we said to them : You must go before the Board of Railway Commissioners and show the original cost of your railway, and be prepared to submit to this reduction—I say the Canadian Pacific would have given up this exemption clause the day they got that notice. But instead of that, instead of dealing with the whole question now as the government should deal with it, they only deal with a part of it, they strengthen the Canadian Pacific Railway in their exemption, and they refrain from taking any action in regard to the regulation of their tolls, notwithstanding that the hon. gentleman says it is a bad exemption, an improvident exemption. He agrees with me in saying that it was the worst exemption on the statute-book of Canada. He still has under this Act power to go after the Canadian Pacific Railway and bring them before him, to compel them to produce papers in connection with the cost of the railway, and to say the time has arrived for a reduction of the old rates by the parliament of Canada. Now we have that power, and if we exercised it we would get a commutation of this exemption. The hon. gentleman thinks not. Well, let him try it. He has taken jurisdiction over other companies ; combines like the tobacco trust are under the jurisdiction of the Minister of Inland Revenue, and we can compel them to do certain things. We have the Canadian Pacific Railway Company within our jurisdiction as regards their rates, and you can always make a trade in a matter of this kind, and in that way the provinces can get relief. I say this clause should not be passed to-day as it is proposed without some provision being made by which the government can get a settlement of both these questions, in one of which the Canadian Pacific Railway has the advantage and in the other the people have the advantage. Let the government settle both questions together, and if that is done the Territories will be afforded relief. Show them we have more strings to our bow than they imagine. Here is a solemn contract signed by the Canadian Pacific Railway Company providing for a reduction of their rates at a certain stage of their earnings, and this government to-day can, by enforcing that condition, obtain one of two things : They can probably make it clear that there ought to be a reduction in the tolls ; or they may say : We will not enforce that reduction of tolls for five years hence provided you commute this exemption. The hon. member for Assiniboia stated just now the character of this exemption. Let me point out, on similar lines, that this exemption is what is called an unearned increment, that is to say, the people of the west are constantly increasing the value of the Canadian Pacific Railway by every dollar that they tax themselves. They tax themselves for local improvements, they build roads, the Canadian Pacific Railway contributes nothing, but the Canadian Pacific Railway takes up all this unearned increment, and the settler taxes himself for his own roads ; he not only provides for himself but for the Canadian Pacific Railway, and he doubles and trebles the value of the Canadian Pacific Railway. Now that is the greatest injustice that exists in the world, the injustice that inures to the benefit of the few against the many, the injustice that is called the unearned increment. It is happening all the world over, it is happening in this case, it is happening in cities. We may not be able to reach it in the case of cities, but in some way we can reach it. The Minister of Justice has confessed to-day in this debate that he consulted the Canadian Pacific Railway. He says he did not consult the Territories, I do not know whether he even consulted the representatives of the territorial government, although from the statement that has been read to-day the territorial government has presented an unanswerable case. That statement as read by the hon. gentleman just now and put on record in the 'Hansard,' is unanswerable, because it is the statement of a great injustice being done to the people of the west, an injustice which calls for a remedy. Therefore I say a remedy ought to be given. The Minister of the Interior, who is not in the House just now, if ever he did make an outcry in this House it was about the unfair customs