

Now I have endeavoured to cover the general features of this contract as carefully and as fully as I could, and now I proceed to give a synopsis of the different sections of the Bill. The contract is dated 25th January last and is executed by the Minister of Railways through the Minister of Inland Revenue, I being myself absent, and the Minister of the Interior on one part, and Mackenzie & Mann on the other. Under the first clause the contractors covenant to build a railway with proper terminal facilities from the navigable waters of the Stikine River in British Columbia at or near the mouth of Telegraph Creek, Glenora, or the mouth of Clear Water River to the navigable rivers of Teslin Lake, an estimated distance of about 150 miles, by the 1st of September, 1898. The railway is to be of the general standard and gauge of the Kaslo and Slocan Railway in British Columbia. Owing to the extreme urgency and need of having trains over the line as soon as possible, and not later than the 1st of September, a proviso is added that, for the purposes of the season of 1898, and of complying with the requirements of the contract as to completion, it shall be sufficient if on or before that day the contractors have the track laid so as to permit of the operation of the railway, although the whole work be not fully completed so as to entitle the company to claim acceptance of the road by the Government, or to earn its land subsidy. As time will not permit of plans being made, submitted and approved of in the usual way before location of the line of railway, and before the work of construction is carried on, for the protection of the Government, and to prevent an undue extension of the line and larger mileage, the land subsidy, it is provided, shall not be allowed upon a larger mileage than the Minister considers reasonably necessary for covering the distance between the terminal points.

Clause No. 2 provides for the submission to Parliament, at the next session, of a Bill to confirm the contract and to authorize the terms thereof being performed, and for the incorporating a company with power to acquire and contract, and to carry out its provisions, and power also to build and operate the railway I have described, together with an extension thereof and branch lines; the most important of which is an extension southward into British Columbia to a point capable of being made an ocean port, and an extension northward to Dawson City. Power is contemplated by this clause to be given the company to build a line when, but not before, the Governor in Council may consent, from Lynn Canal to Fort Selkirk.

Mr. HAGGART. What distance is that?
The MINISTER OF RAILWAYS AND CANALS. From the Chilkat Pass.

Mr. HAGGART. How many miles?

The MINISTER OF RAILWAYS AND CANALS. Three hundred to three hundred and fifty miles from the Chilkat Inlet. This power, you will observe, was held in reserve. There has been as yet, no charter granted by Parliament for the construction of a line through the Chilkat Pass. We anticipated that an application might be made. The same view which the contractors had that this was the most desirable of all routes to build would influence contractors or promoters to take up this enterprise, and the Government thought that it would be only reasonable, since we refused to allow, or to encourage or aid the construction of a line via the Chilkat Pass to Fort Selkirk, by Mackenzie, Mann and those with whom they were associated, but induced them to take up this other work on an all-Canadian route, not to allow any other company to be incorporated for the purpose of constructing a road that would enter into direct and probably successful competition with the all-Canadian line built by these contractors.

Now it is needless for me to add that the land subsidy is only contracted for in respect of the line from the Stikine River to Teslin Lake; with respect to the other lines and branches mentioned, the Government assumes no obligations to ask Parliament for a grant in aid of their construction. It is further provided in the second clause that the Act of incorporation of the company shall give the company power to build wharfs and docks, to acquire and operate steam and other vessels in connection with its railway; to erect telegraph and telephone lines; to carry on mining and smelting operations, and other incidental powers connected with the development of the mines; the power to issue land grant bonds and bonds to secure the company's undertaking.

Clause No. 3 provides that upon the incorporation of the company and the assignment of the contract to the company by the contractors, and the company's covenanting with the Government to carry out the same, and upon the railway from Stikine River to Teslin Lake being completed and accepted by the Government, the contractors shall then, but not before, be relieved from personal responsibility thereunder, and the company shall be substituted for Messrs. Mackenzie & Mann, and the company shall be deemed to be the contractors and shall be bound to carry out the work contracted to be performed.

Now, Sir, I come to clause 4. This clause is what has been characterized, or will be characterized, I suppose, as the monopoly clause. I want to put the facts before this House, at all events, as they strike my mind, and I claim that this clause, instead of being objectionable, is one of the most, if not the most, defensible clauses in a contract composed of defensible clauses from beginning to end. I think that this clause ought properly to be called, not a monopoly