

bridges to be built. Now, if the Canadian Northern Company can build and equip its road for \$18,000 per mile through the prairie section, why should this House give the Grand Trunk Pacific a capitalization of \$40,000 per mile over the same country? I do not think we ought to pass this clause until some sufficient reason is given by the promoters of the Bill or by my hon. friend the Minister of Railways and Canals why this high capitalization in respect to that portion of the road—indeed, in respect to the whole road—is demanded by this company. I am not in favour of unduly restricting this or any other company in the matter of capitalization, because I am well aware that capital seeking investment in undertakings of this kind must have some reasonable margin. But my hon. friend the Minister of Railways and Canals, speaking, I presume for the government, has taken the position in the House that unduly high capitalization restricts and impedes any control over rates which may be afterwards exercised by either the Governor in Council, the Railway Committee of the Privy Council, or the proposed board of railway commissioners. Therefore, if this road should not cost to build and equip more than \$18,000 per mile, and we give the company powers of capitalization extending to \$40,000 a mile, may we not reasonably expect that there will be less power to control its rates in the future than if we restrict the capitalization to something like the amount the road may be presumed to cost? For my part, I would like to hear some more definite explanation, some good reason for giving this very large capitalization, before I would be inclined to agree in giving this company powers conferred on it by sections 4 to 13 of the Bill.

There is another consideration which should be perhaps mentioned at present. This company, having a capitalization, under section 4, of \$75,000,000, is not bound, if I understand the provisions of the Bill, to construct any particular portion of the road. The only requirement to keep the charter in operation is that which is contained in section 33:

If the construction of the railway is not commenced and \$3,000,000 is not expended thereon within two years after the passing of this Act, and or if the railway is not finished and put into operation within seven years after the

Mr. BORDEN (Halifax).

passing of this Act, the powers conferred upon the company by parliament shall cease and be null and void as respects so much of the railway as then remains uncompleted.

If that be the only provision—and it is the only one I find in the Bill—this result will necessarily follow, namely, that this company, having the power to fix its capital at \$75,000,000, under section 4, may possibly build not more than 1,500 or 1,000 miles of railway, and, therefore, its capitalization—if the capital stock be fixed at \$75,000,000—may be run as high as \$50,000 per mile or even more. It does seem to me that some safeguard should also be taken with respect to that particular feature of the Bill, and I would ask my hon. friend to explain the grounds on which it is considered necessary to give to this company what must be regarded at present as a very excessive capitalization.

The MINISTER OF RAILWAYS AND CANALS. I am unable to understand how my hon. friend arrives at the conclusion that this Bill establishes a capitalization of \$40,000 share stock per mile, in respect of the prairie section. We have in this Bill dealt with the question of capitalization precisely as we have dealt with it in other Bills, or as nearly as possible. We have not thought that, comparing the amount of shares, capitalization which we authorized the Canadian Northern Railway to issue, with the amount authorized in this Bill, that we are here authorizing any larger proportion than we did in the case of the Canadian Northern Railway. The hon. gentleman should take into account the fact that we are authorizing by this measure the construction of 3,000 miles of railway, at least 1,600 to 1,800 of which will be through a very difficult and expensive country. The distance from Quebec to Winnipeg is estimated to be some 1,500 miles. That country, as you know, is exceedingly rough, through which it will cost very much more money to build a line, than through the prairie section, and a little west of Winnipeg you get into a hilly district and have to travel through an expensive and difficult country to reach Port Simpson. Taking the mileage from ocean to ocean at 3,000, we have allowed \$25,000 per mile upon it. It would be quite inaccurate to say that we have allowed \$40,000 per mile of share