

incumbent upon them to preserve the position they have hitherto felt bound to preserve, that of refusing to consent to the construction of lines within the Province of Manitoba, connecting with American railways to the south."

Of that of the Hon. the Minister of the Interior, in March last, in reply to an address in this city, namely:

"Your address refers to the question of disallowance, and the elections which have recently occurred, and the discussions to which they have given rise have added additional interest to this question. As you are aware the contract with the C. P. R. in no way interferes with the right of the Legislature of Manitoba to grant charters within the boundaries of the Province as they existed at that time. This was very clearly pointed out during the debate in Parliament, when the contract with the syndicate and the charter to the company were granted."

Or a hundred similar utterances of members of the cabinet; to reiterate these. I say, could have no result, but it was to be hoped that drawing the attention of the Government to the comparative progress of our own country and that immediately to the south of us; to the failure of the estimates of our progress made time and again by members of the cabinet; to the unjust action of the C. P. R. company in the arrangement of their freight tariffs, whereby the settlers in this new country, instead of being encouraged and helped, were charged from three to four times as much as that corporation carried the same articles for a similar distance in the east. And the strong feeling prevailing among our people here that a radical change would have to be made if the country was to be prosperous, as it ought, and as the ministers had expressed themselves as believing it would, that the Government might be induced to change a policy which had proved only baneful and injurious in its effects. The matter was simply one of policy, as the delegation was plainly told by the Hon. the Minister of Justice, who said:

"There is no legal or constitutional reason to prevent the Province chartering railways that may connect with American lines from the south, meeting them at the boundary; it is a question simply of the Government's trade policy."

The same statement, in other words, was made by the *Montreal Gazette*, the personal organ of the Hon. the Minister of the Interior, as follows:

The question of disallowance of railway charters within the old boundaries of Manitoba is a question of policy, and in no way either a legal or moral obligation.

And this has never been denied or taken in question by any member of the Government. The delegation also had the benefit of the language used by the Hon. the Minister of the Interior, while this country, on the effect of a change of policy, viz.:

"There will be trade enough in Manitoba and the Northwest to afford profitable results for both the Canadian Pacific and Grand Trunk railways if the latter should find entrance here; and it would be no small advantage to the country as a whole to have the large interests connected with these great corporations enlisted in the work of developing the great west, instead of—as there is too much reason to fear has been the case in the past—as to one of them, devoted rather to the prevention of that development."

But, as you are aware, the result was unsatisfactory. The leader of the Government professed to throw the responsibility on Parliament, while at the same time dictating to the majority of that body what their course should be. Since then there has been plenty of time in which to consider the argument used and facts adduced pro and con, and so far as all that has been said or written on behalf of your board is concerned, it can only be emphasized and added to; there is nothing to retract.

The policy of the C. P. R. Company has not changed; it continues to favor the east at the expense of the west. Its policy is opposed to any distributing centres west of the great lakes. Its rates to and from and in this country are exorbitant, and as has been shown very clearly by your board, out of all proportion to those charged for the same service elsewhere, and at the present time another illustration is given to this fact by the rates over the new Sault Ste. Marie route, which are on merchandise from Minneapolis to Boston, a distance of about 1,425 miles, less than one-half of those charged from here to Montreal, an equal distance; while

on wheat or its product 25c. per 100 lbs. is charged, and from here to Montreal 40 cents, or a difference in favor of the American producer of over 12½ cents per bushel of wheat. And this, in spite of the fact that from Minneapolis to the main line of the C. P. R., and from Montreal to Boston the lines are built with private capital, and consequently interest has to be provided for, as well as the cost of three separate managements to pay. While in the other case the road is under but one management, and was built mainly with the money of the Canadian people and with a view of developing Canadian territory, and has that only as a reason for its existence. It is almost incredible that such a suicidal policy should be continued, but such is the position.

The only remedy for this state of affairs is the establishment of competition to this point and through the whole fertile belt, and the adoption at the earliest possible moment of a policy of free trade in railways. In connection with this matter allow me to call your attention to Mr. Van Horne's evidence, given before the Railway Commission, as follows:

I believe in a general railway law, under which a railway company may be organized as readily and freely as any other joint stock company. Perfect freedom in the making of railways could not injure the public, and the result of the general railway laws in the United States has shown that this freedom seldom, if ever, injures the older lines. Each new railway in a new country quickly makes a business for itself and something for the others. In Illinois, Iowa, Minnesota and in most of the states where railway building has been longest free, much the greater part of the railway mileage earns regular dividends. It is an old world fallacy that railways should be protected against the building of new lines. New railways give an impetus to the development of the country, and the old lines gain more than lose. The Canadian Pacific lines to Ontario have not injured and will not injure the Grand Trunk. I am convinced that the Grand Trunk has only suffered from these lines in peace of mind and not in earnings.

That this is the true policy is undoubted. That Mr. Van Horne, on the occasion mentioned, spoke his true conviction, is without doubt, and this country can never prosper as it should, or increase at the same ratio as our neighbors to the south—with the same and certainly no better climate—are increasing, until the policy of free railroads becomes a fact. Nor does there seem to be any good reason why a person or a corporation should not be allowed to spend his or its money in the construction of a railway as freely as in the building of a steamboat, or the going into any other enterprise, which in the opinion of the promoters will yield adequate results. That competition is the life of trade is as true of railroads as of any other branch of business.

The present position of our country is not satisfactory; the population gathered in our cities and towns is out of all reasonable proportion to that of the farming community. It was hoped that this discrepancy would be quickly reduced by the incoming settlers from the older provinces and from Europe, but such has not been the case to anything like the extent we had reason to hope for.

Our natural advantages are great, but the aversion of the intending settler and capitalist alike to a country supplied by only one corporation with the means of import for their merchandise or outlet for their produce is naturally great, and this aversion could only be overcome, if at all, by the most liberal policy on the part of the C. P. R. management. It is needless to say that this liberality has never been shown in this country, and the consequence is that the territory of Dakota, immediately to the south of us, contains tens of thousands of hardy settlers from the older provinces of Canada who should be among us, and the tide of immigration to that territory has increased until in the single year of 1886, it amounted to nearly, if not quite as much as the entire population of Manitoba.

The adoption of the policy I have spoken of. The ceasing of that of obstruction by the C. P. R. to the building of other roads, and the adoption by that corporation of the same vigorous enlightened policy which they carry out when catering for the American trade, or for trade wherever competition exists, would, I am convinced, have an almost magical effect upon the

development and prosperity of the country. Capital would come in and develop our towns and cities, manufactures and other enterprises such as I have before spoken of, and many not enumerated, would be established, and all would feel the impulse of new life. Our settlers would once more be contented and prosperous; each one an active emigration agent, inducing his friends and relatives to join him in his prosperity, and all would gain by the change.

On the other hand the present state of affairs cannot continue. No words of mine are needed to add strength to the facts published by your board on these matters, or to the report of the committee on grain movements now in your hands.

The whole country is paralyzed by the present state of affairs. The value of the farmer's produce is lessened by the difficulties in the way of disposing of it as well as by the excessive rates of transportation charged. And in consequence it is safe to say the farmer does not get more than four fifths of what he is entitled to as the fair value of his crop.

The statement of the C. P. R. superintendent, Mr. Whyte, that the crop of last year was four times that of the previous one, is no doubt correct, and as that company found so much difficulty in carrying out the comparatively small quantity of the year previous—more than once having been compelled to stop carrying beyond Port Arthur—the present blockade and stagnation are but natural. The experience of the two seasons has shown that it is physically impossible for the C. P. R. to carry out the crop in this country in anything like a reasonable time over their present route.

Should the Dominion Government attempt to continue the tyrannically restrictive policy hitherto adopted, it is a question for the authorities at Ottawa to consider how long—while hundreds and thousands of our fellow Canadians are scattered over the country to the south of us prosperous and contented; while many others from this side are continually joining them, and while the 1,200 miles of rock and morass between here and Pembroke has left little but sentiment to unite us to the east—how long that sentiment is likely to prevail against so many material interests and the feelings of exasperation so rapidly growing here. The situation is a serious one and it certainly seems the part of wisdom for the Dominion to withdraw from the untenable position now held by them and allow of the Province granting such relief as our people through their representatives deem necessary.

MISCELLANEOUS.

Your board has been able to accomplish much, during the past, and while members have one and all, as is usual in a new country, been fully occupied with their own affairs, they have still found time to devote to the work of the board.

Your numbers have increased because your influence has been felt, and I view it as a matter of importance that your president and council should be selected with care, and in view of this I think a provision by which nominations are received one week prior to the election would be an advantage, as thereby no good man would be overlooked in making your ballots simply for the reason that he was not before you at the moment.

I also think it would be advisable that you should continue the committee on constitution or appoint a new one so that your by-laws may be consolidated and put in the most workable shape possible. One change that I think would be advisable would be the more frequent meetings of the board and the transaction by it of much of the business that has hitherto been left to the council.

Trusting that the coming year may see a favorable settlement of the burning question of the day, and the establishment of that competition in railway carriage which we now lack and which is found throughout the continent a necessary factor in the growth of any place of importance.