made it into law, it is too late to look ahead and do better if you can. I say this new offer is tangible evidence,

REAL SUBSTANTIAL EVIDENCE

of the most plain and palpable description, that the contract is not fit to be legalized; and each of us must justify upon that basis the vote he is called upon now to give upon this question. Too late! Too late to save $12,500,000 in money and in land! Too late to dispose with all those monopolies, those exemptions, those privileges! Let us see for a moment, now, what it is too late for us to do. In the first place, the contract on the Table provides for a cash subsidy of $25,000,000 and 25,000,000 acres of land. For the same work those who submit the offer, propose to accept $22,000,000 and 22,000,000 acres of land. There is thus a saving of $3,000,000 in hard cash, and 3,000,000 of acres, equal, at the Government valuation of $3.18 per acre, to $9,540,000, or a total of $12,540,000. Next the contract provides as a standard the Union Pacific Railway as it was when first constructed. The proposal is to take the Union Pacific as it stood in 1873. Neither of them is good; but the offer is very much better than the contract. The hon. Minister of Railways will say, I have got a letter. I have to say the letter is not worth the paper on which it is written. It is a voluntary statement made without any consideration by three members of the Syndicate, as to what they are willing to do; but they cannot be bound by it. Still less can the incorporated company which is to have the contract be bound by it in any way. But, further, that letter takes the date of February, 1873; and large improvements were made in the construction of the Union Pacific during 1873, and the early part of 1874; and therefore a proposal to take 1873 is much better than to take the road at the very beginning of 1873. Next, the contract provides for giving $9,000,000 and 11,250,000 acres, for the prairie section, 900 miles, while the offer proposes to accept $6,600,000 and 9,000,000 acres for the same work, making a saving on the prairie section of $2,400,000 and 2,250,000 acres, or a total saving, at the same estimate, of $9,550,000 on that part of the work. Now, hon. gentlemen opposite may say that the

DISTRIBUTION OF THE SUBSIDY

as proposed in this offer is wholly disproportionate to the relative cost of the prairie and of the other parts of the road. I shall have the pleasure for once in my life of agreeing with hon. gentlemen. While it is wholly disproportionate, the only observation I have to offer is, that in the offer the sum is not so disproportionate as in the contract. If an inordinate share of the profit, as the Minister of Interior observed, is awarded by the offer for the prairie section, a still more inordinate proportion is awarded by the contract; if it is bad to offer $6,600,000 and 9,000,000 acres as proposed by the offer, it is very much worse to give $9,000,000 and 11,250,000 acres as is proposed in this contract. Well, the contract proposes to give $6,000,000 and 7,500,000 acres for the western 450 miles at Kamloops, while the offer proposes $5,400,000 and 6,750,000 acres for the same work, making a saving of $600,000 cash and 750,000 acres, or a total, on the former estimate, of $2,985,000. To that the same observations apply. I will not discuss whether the prices arranged in the contract are excessive; but this is clear, that whatever they are the prices proposed in the offer are very much more satisfactory. Then the contract provides 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 telegraphic apparatus required for the first equipment of such telegraph line."

The offer proposes to undertake the work

WITHOUT ANY EXEMPTION

from duty, and this will effect a large and direct further public saving. It is clear that every dollar which is paid into the Treasury in consequence of the duties not being removed, is a dollar diminished from the contractor's price. Now, let us see, so far as we can judge, what the number of dollars is in this particular. The hon. Minister of Railways says it is a mere trifle, about $60,000 or $70,000, and in one speech he placed that the sum of $90,000, and on another occasion placed it at between, I believe $90,000 and $100,000. The hon. gentleman omitted, however, to consider two material questions. He seemed altogether to ignore the question of material and telegraphic apparatus required for the construction and equipment of the telegraph line. The duty on the materials required for a telegraph line 2,700 miles in length must be very large. The hon. Minister did not omit, but gave, in my opinion, an inaccurate view of exemptions in regard to rails. The Minister said that was nothing, that steel rails are exempt now, and therefore nothing is given to those gentlemen. Does he suppose that those gentlemen, or their lawyer, were so foolish as to have a clause inserted in the contract except they derived some benefit from it? Why was this exception inserted in regard to steel rails if they were practically exempt already. They had it inserted because there could not be a practical exemption for them. Steel rails are by law subject to a duty of 10 per cent., but by the law it is provided that until 1st January next they shall be exempt from that duty. All steel rails imported after that date will be subject to the 10 per cent. The Government is to hand over to these gentlemen 5,000 tons of steel rails, and I believe they will want no more, or if they do, they will require but a trifle more before the period arrives at which the duty comes upon steel rails. Are you to suppose that the men who are not to complete their enterprise for ten long years are going to buy, between now and the 1st January next,

180,000 TONS OF STEEL RAILS,

which is the whole quantity they will require to complete the railway. The question of interest, on which I have heard some astounding calculations by hon. gentlemen opposite, with respect to a former purchase of steel rails, crops up. There is also the question of rust, of which we have heard time and again, and that rails rust a great deal faster when not used. These important considerations which have been referred to in connection with the purchase of steel rails, were no doubt present to the minds of the Syndicate. It is made plainer that the Syndicate would have practically to pay the duty on the rails, except for this special provision exempting them from duty. It is plain that the provision was not intended to be nugatory, that neither the Syndicate nor the Ministry inserted it as a mere farce, as a useless provision and as one suggesting nothing, but that they inserted it because they knew the duty would otherwise have to be paid, and they intended it should not be paid. Estimating only the price in September and October, the duty on the rails would amount to $576,000. It has been estimated that the duty on the fishplates would amount to $42,000, the bolts and nuts $60,000, the spikes to $108,000, making a total, including rails, of $786,000 for rails and fastenings. But besides these you have bridge material and also telegraphic apparatus. The contract provides:

"For 20 years from the date hereof, no line of railway shall be authorized by the Dominion 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 of south-west, or to within sixteen 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."

While the offer proposes to undertake the work without any such restriction. Now what does this railway monopoly mean? What does this freedom from competition for the through trade of the North West really mean? It amounts to

PAYING THEM ONE AND A HALF RATES,

and afterwards for the transport of one bushel of wheat, paying them 25 cents per bushel extra beyond the rate and a half. Now what does this mean? That a toll shall be taken to the tune of 25 cents a bushel beyond an ample compensation for the transport of wheat. An hon. gentleman at a former stage of this debate whose soul was above buttons, said he would not consider a question of this kind in reference to fractions of cents on freights, or any such paltry thing as that. He will allow me to tell him when we get down to the bushel, and find how much it is, it is easy to go up to the millions of bushels and find how much it is then. The farmers of the North West will understand, as he, a farmer, out to understand, what 25 cents or 27½ cents means very well. In 1870 Minnesota, with a population of about 400,000, produced between 17,000,000 and 18,000,000 in bushels of wheat and a large quantity of other grain. If you assure that you can get into the North-West within a reasonable time 40,000 farmers raising 400 bushels each, you get a production of 16,000,000 bushels. I say nothing of other grains or of cattle, but I take wheat alone and going far inside of the figures which hon. gentleman gave as to immigration and settlement, as to the improvement of the land, you find a production within a few years—take ten years if you like—of 16 million bushels, and that there is a surplus making a liberal allowance for domestic consumption and seed of over 13,000,000 bushels. Now, what does 25 cents a bushel mean? It means $3,250,000 a year of a tax upon the farmers of the North-West on that particular item of their produce. It means that reduction in values to them; it means a rent on these lands for wheat only of three and a quarter millions a year. But that is not all, because the people of the North-West must import as well as export, and they must pay freight on their imports as well as their exports. We know quite well that there are, among the imports which will come into that country, goods which are charged for at much higher rates by the railway companies. We know, also, from what I have informed the House as to

AGRICULTURAL IMPLEMENTS,

that somewhere about the same proportion of extra rates, of monopoly rates, of toll, tax, duty, imports, in addition to a fair charge for transportation, is levied by the St. Paul and Manitoba Railway. I say it is a moderate estimate to double what I have estimated as the rent for the wheat lands in ten years, as the toll, or rent, or charge, that they will put upon the imports of the North-West I say it is a low calculation that the monopoly will be worth $10,000,000 a year to this Company in ten years, if the North-West no one-half at that time what you now depict. Now, Sir, what is the result at present? Why, even in summer time when you have got free navigation, when you have got a great water highway to within a comparatively short distance, the rates are but a trifle lower. I told the House before that they are only about $10 a car lower on the whole distance. It is true we have but a short railway mileage, but they are determined to exact their toll as long as they alone furnish the means of access. Now, I say the question of the price of land is nothing, it sinks into insignificance, whether you shall charge a man $1, $2, $3, $4 or $5 for his land, compared with the toll that it is competent to this company to exact, and that this company is at present exacting on the St. Paul and Manitoba Railway; whether you charge him $2 or $5, for his land the interest on that sum measures the amount he loses per annum, a few cents for each acre.

YOUR MONOPOLY TAXES HIM DOLLARS

instead of cents. The hon. gentleman has said that there are various remedies. The hon. Minister of Railways has given us on sundry occasions—not so much here as elsewhere—several remedies. I will proceed to consider them one by one. His first remedy was branch lines south of the Canadian Pacific Railway. He said that there were three lines chartered which may stretch away to the Rocky Mountains, and if the Canadian Pacific charged too much those three lines would compete with it. Why, these line are feeders to the Canadian Pacific. It is possible that they may to some extent affect a certain amount of the local trade of the Canadian Pacific Railway, but it is quite clear that whatever goods from outside the North-West into the North-West and into the interior, even if they pass along either one of these three lines, must reach them by the monopoly gates, by Thunder Bay, or by Pembina. They have the gates, they have the avenues, and they can charge such tolls as they please, and leave to the local railways the remainder what they choose not to charge as the price at which it shall carry the stuff. Therefore, that argument of the hon. gentleman as to through traffic, as to that traffic in which the people of these territories and ourselves are chiefly interested in this movement, as to the tax upon the grain of the North-West, as to the tax on the imports into the North-West, it is quite clear that these lines will furnish no relief, and it is also clear that it is the intention of the Administration that there shall be no such relief, because this prohibition is expressly designed to prevent a competitive railway. The second remedy of the hon. Minister was

LIKE UNTO THE FIRST ONLY WORSE.

He said, we have not confined ourselves to chartered railways to the south; there are two railways already chartered to the north; and depend upon it if this monopoly is so oppressive as is predicted, if these people continue to charge too high rates, those railways will be built out to James' Bay, and from James' Bay is the shortest route to Liverpool, with an ocean open for a considerable portion of the year, and trade will go that way, and thus the monopoly will be destroyed. The hon. Minister of Railways in his discourses in the city which he lately adorned, and in which I now reside, and also in the city of Montreal, a remedy for the monopoly he is proposing to create, and that if it is only oppressive enough, if it is only grinding enough to induce a resort to relief, the relief is open, they are not actually shut up to it. They can, and he said they soon would, build a railway to James' Bay to take the wheat to Europe, and bring back the imported goods by that quarter. Now, do you think it would be a good thing for this country, first, to establish a monopoly under which the people would groan, so that they would be obliged to build that railway, in order to relieve themselves, and so deprive you of the whole benefit of the trade of the North-West, by sending away from your ports the wheat and grain to come down, and by sending away from your ports and merchants the imported and manufactured goods to go up, by providing a new *entrepôt*, a new emporium, on the shores of James' Bay, a rival to Montreal and Toronto, leaving them, not figuratively, but literally, in the cold, while you have provoked the destruction of that which you hoped from the acquisition of the North West. To what end are you spending all these millions? To what end are you incurring all these burdens? What is your interest in the North-West? I have said before, and I repeat, you have a noble interest, the interest of those engaged in the task of building up a great country. But you also have, you avow it, and it is not discreditable to avow it—a material interest. You believe your own prosperity will be largely augmented by the prosperity of that country. You believe that

YOU WILL BE COMPENSATED,

not only in the sense to which I refer, but also by the large development of your trade and commerce. You believe that your seaboard and inland towns will be stimulated, that a tide of trade will flow through their veins, that their wealth will be increased by the prosperity of the North-West; and a Minister seriously tells us, "True it is that there is a risk of a monopoly, but true it also is that we have provided for deliverance by the building of a railway to St. James' Bay, the shortest route to Liverpool," so that you have the hope that the whole of the trade of the North-West will be lost to Canada. "Oh, but," said the Minister, "we have self-interest. It is the interest of any company to stimulate traffic;" and he applied a phrase which I quoted from the joint letter of Messrs. Vanderbilt and Jewett, in that direction. These Railway Presidents said it was the interest of any company to charge as high as the traffic would bear, and yet stimulate production; but the hon. gentleman said it was to their interest to stimulate production; the lower they charged, the more production was stimulated, and, therefore, they would charge low down. The hon. gentleman, blind to the facts, deaf to the complaints coming from the neighboring Republic, ignorant of the committees, the senatorial and State investigations, and the various bills directed to the remedying of the mischiefs arising from the excessive charges of railway companies, says this glorious principal of self-interest will insure you low charges. Well, does it? Do you not know that everywhere the railway companies charge just as high as they can, not as low as they can? Do you not know that they consider—not how low can we carry this stuff and make a profit, but—how high can we carry this stuff, and get the stuff to carry? The hon. gentleman said that the leading men in the St. Paul and Manitoba Railway Company would charge low rates, because it was

THEIR INTEREST TO STIMULATE

production. Well, the St. Paul and Manitoba Railway Company have a large interest in stimulating production now, and do they charge low rates? You knew they do not! The hon. Minister himself admitted that they charged exceedingly high rates, so that his axiom as to the principle that would modify charges does not appear to be strictly axiomatic in their case. The hon. member for Lincoln (Mr. Rykert) quoted the other evening a speech which I made in 1874, in which I expressed the opinion that a bushel of wheat would not come down from the Saskatchewan by all rail route to the seaboard, because it would cost too much. Well, that opinion was, I believe, a sound opinion, according to the existing lights and conditions of things, and I will give the hon. gentleman the reason. First of all, let me give him an authority or two. Mr. Poor's book on railways for the year 1880, states that freight is now moved at a rate per ton per mile which five years ago would have been regarded as impossible. The rates for 1873 on the New York Central, to which I have just adverted, would have given for 1879 $31,000,000 of return, instead of $19,000,000. In 1870 it was thought that the lowest possible rates for all rail from Chicago to New York would be 24 cents a bushel, but in 1878 the average all rail rates between Chicago and New York was only 16½ cents, and the lake and canal rate was as low as 10 cents or under; and in 1879, wheat was taken from Chicago to Liverpool for 17 cents. On this subject I have some statistics which, of course, the hon. member for Niagara (Mr. Plumb) may use, as he just now suggested, as indicating that notwithstanding the monopoly there was a reduction in rates. The railway rates per ton per mile show a decrease from 1873 to 1879 of nearly one half, as will be seen by the following table:

	1873	1879
N. Y. Central	1.57	80
N. Y., Lake Erie and Western	1.45	78
Pennsylvania	1.41	79
Pittsburg, Fort Wayne and Chicago	1.41	76
Lake Shore and Michigan	1.33	64
Michigan Central	1.22	69
Chicago and Albany	2.12	1.05
Chicago, Burlington and Quincy	1.92	1.02
Chicago, Rock Island and Pacific	2.29	1.43

That does not prove there is no danger of a monopoly, but that, to a certain extent, competition has, where competition was brought to bear, had had an effect in reducing the rates; but to by far the largest extent, those rates have been reduced by economies in the conduct of railway business. I believe in fact that you can build and work a railroad so much cheaper, that the cost of transporting goods is so very much reduced, is a thing you should consider when you talk of paying a company many millions to meet the cost of building and running such a railroad. If I prove the cost of running is reduced enormously, I prove the cost of transportation is reduced enormously. The Minister of the Interior, however, justifies these restrictions as not merely good in the interest of the Syndicate, but in the interest of the North West. He said it was a political conception which they wanted to introduce into the scheme of the company—that the Government themselves were anxious that those restrictive provisions should be put in, and that we must protect our infant country, our infant railway, and our infant industries. Such

A LUSTY BATCH OF INFANTS

I never heard coming together at one breath. But the hon. gentleman does not carry out his National, his Japanese, Policy; because, while in the interest of the North West, he says he imposes a restriction upon the building of railways which should communicate with the frontier, he leaves to the Syndicate the liberty to build these railways if they will. The views of the hon gentlemen opposite with reference to our North West seem to me of the gloomiest character. They say, first of all, when you want to get an emigrant into that country, the only way you can do it is to practically blindfold him; because if you let him see or get within 100 miles of the American frontier he will be quite sure to go to the United States. After you have blindfolded him and settled him in the North West, what is the present phase of the Government policy? They say, if you intend to keep him, in our country you have got to fetter him, and if you wish to keep his trade you must also fetter his trade; if you build the railway close to the boundary both himself and his trade will go to Dakota and Minnesota and stay there too. The right hon. gentleman says that not a pound of freight will go by the North Shore if other routes are open. Well, I never said half so hard a thing of the North Shore as that. I never thought but that some trade would go over it. But it appears there are other routes so infinitely more advantageous in the hon. gentleman's view that not a pound of freight will go that way unless you render impossible that it shall go any other way. There must be something wrong in this, Sir, I would like to know the reason why the North Shore road having no interest account to pay, and being also the shortest road, can never get a pound of freight if it is allowed to be bled by other roads. Well, what is wanted is not that. This story is not correct in my opinion. These views of the hon. gentlemen are altogether exaggerated views. I will tell you what is wanted. It is that this company should have power to charge a higher rate for going over the railway than they could charge if there was competition. It is not because they could not take a pound of freight over the North Shore if there was another road, but it is because they could not get the monopoly rates they wanted to charge on the North Shore, if you allow the people the choice of routes and the benefit of competition. The hon. gentleman waxes eloquent upon this subject. He said, you are going to do this only for ten years after the railway is established. He said the American railways were very powerful that they would carry for nothing, that they would take hold of that trade and insist on having it and having once got, would hold it forever. What are you going to do by your policy for ten long years. You are going to leave the only all rail outlet from the country by Chicago. You are not merely not creating competition, but providing that they shall have the traffic at their own prices. And if it be true that channels of traffic once worn, it is difficult to get out of them; if it be true that connections once formed are important factors in the commerce of the country, I say that the future of this country is seriously bound up in the hon. gentleman's policy. I say that a policy which determines that for ten long years there shall be no all rail connection except by Chicago and Southern lines is one more calculated to carry out the views he deprecates and create the result he dreads than any other conceivable policy. And I repeat that the Sault line

WHICH WITHIN THREE YEARS

would give you a chance of getting the traffic back again after passing a few hundred miles through American territory is the best chance of relief from ten years bondage to the American system, to the Chicago and South West interests that can be conceived, and if you do not adopt that view you will rue it, not for ten years, but for all your lives. The hon. gentleman denounced me as a traitor for supporting a scheme which would give you seven years during which your scheme declines, an all rail connection within the North West, which would give you within three years, not merely an all rail connection with the North West, but would take the commerce of the Western States as well as the North West down to Ontario and Quebec. The hon. gentleman denounced me as a traitor for proposing that scheme. I did not propose it; it was he that proposed it, in this House, last session, and the leader of the Government in the Senate announced last session that it was the intention of the Government at this session of Parliament to propose a subsidy for the construction of that very line. The Minister of Railways at Montreal and Toronto applauded the plan and said it was of the utmost importance to this country. If I am a traitor it is from him I learned my treason. The hon. gentleman say it is a grand thing to join the Provinces. I want them joined soon. I want them joined quicker than he does. I want them joined by the easy, cheap and expeditious route I have pointed out by a route which will cost you little money, and which will give you connection seven years sooner than you propose to get it. If you want the Provinces joined

ADOPT MY PLAN.

The hon. gentleman says my policy is never to build the British Columbia section. Not so. That is not my policy. I know that hon. gentlemen choose to say so, as they have frequently chosen to misrepresent and misstate my views. I have said: "Wait until the country is strong enough for the task; utilize our resources in the construction of the road where we must want it and which will produce the earliest results. I have said my policy was to supply a strong backbone to our railway system, with a population which would maintain it, and develop the North-West, and enrich ourselves, as we hope to enrich ourselves, by its trade and traffic, and then proceed with the construction of the ends. I have said that my policy is not one of abandonment but of postponement, and I believe that postponement just now in the work of building the ends, would result as the hon. member for Norfolk (Mr. Charlton) said in his speech, in our being able to construct the ends on much better terms, five years hence, and to complete them almost as speedily as we can do by beginning to-day. But that is not the question now. I have shown you that the contract proposes the creation of the most odious monopoly, with reference to the North West Territory, that was ever proposed to any country in the world, at any time in the history of the world. Well, Sir, the old contract creates this monopoly; the new proposal abrogates this monopoly. It leaves you perfectly free to charter railway lines where you deem meet. It leaves you perfectly free to create proper conditions and such competitions as may be desirable, and it leaves the Provinces free to do the same. It does not tie your hands. Do you want that your hands should be tied, or that they should be free to act as the public interest may require? If you want to tie them, take the contract; if you want to keep them free, take the proposal.

THE CHOICE IS YOURS;

the responsibility of choosing is yours. Choose, then, and choose wisely. The contract frees from taxation the railway, its property and its stock. That exemption is contrary to the general rule in the United States, a little book which contains the report of Charles Francis Adams and others on the subject of railway taxation in the United States, and elsewhere, summarises the law upon this subject and makes it to appear that in the whole of the States of the Union there is no instance of general exemption from taxation. There may be one or two isolated cases in particular States of partial and temporary exemptions from taxation of particular railways under special circumstances; but the general rule of almost universal application is that there is no exemption in one form or another from taxation. The instances which the hon. Minister of Railways quoted in other places in Minnesota and Wisconsin, are instances of exemption from taxation by one Statute and the imposition of taxation by another—a license tax, a tax upon gross receipts, is imposed in lieu of other taxes, and it may be that this is the fairest mode of taxation. Some hon. gentlemen have said that it is of very little consequence, that the road-bed is taxed very lightly in Ontario, that some of our Legislatures have declined to tax railway companies at all. But what kind of railway companies were these? They were railways

BUILT WITH PRIVATE CAPITAL

and were not paying interest on their investments. I do not say that a rule of this kind does not apply to a railway that is built at the public charge, and that is given a monopoly to secure it in obtaining good rates for its traffic. But this is no temporary exemption, it lasts for ever; no matter how bloated this corporation may become, no matter how magnificent may be its network of railways, no matter how blooming its country, no matter how prosperous the towns which are tributary to it, no matter how exaggerated its dividend, forever, and forever and forever you free it from Dominion, new provincial and municipal taxation. In considering that, you have to look at the general result of taxation. Some of the United States railways you find paying a tax of $300 or $400 per annum, and $600 or $500 per annum is paid as taxes by the English railways. You find, therefore, that the possibilities of railway taxation are very great. You find the Illinois Central Railway paying almost the whole expenses of the Government of that State, and you find the people so nervous best the Legislature should be corrupted and should dispense with that, that they have actually put a clause in the constitution providing that the taxation of the Illinois Central Railway shall not be modified by the Legislature, but shall be referred to the general voice of the people. There is another point in which

THIS EXEMPTION IS OBJECTIONABLE.

It places this Company in the position of a monopoly by itself, because it places at a disadvantage all competitors who are to raise the funds themselves to build their railways. The contract requires perpetual exemption, the offer does not demand any exemption at all. Then the contract provides that the land grant shall be exempt from taxation for twenty years, unless sold or occupied, from the date of the grant. The money gain to the company is enormous, there can be no doubt about that. There can be no doubt that the burdens which this company are freed from are most serious. Hon. gentlemen opposite have said so. They have said they could not use this land grant otherwise, that nobody would buy if they supposed the Syndicate was to be subjected to the same taxes as the rest of the world. They get the choice of land, and they are not to pay the same taxes as the rest of the community. Why should they not? Is it because they get a large profit? Because they are getting altogether four prices for building the prairie section, that therefore they are to be untaxed and free? Then the indirect loss is still greater by this mode of settlement, by the burdens it imposes on the adjoining settlers for the benefit of the railway company itself, by the imposition

OF DOUBLE TAXES

on those who go in for the benefit of this great corporation. I do not know of anything that will more interfere with the development of the North-West than this clause of exemption from taxation. In the Pacific Railway Act there was the express power for acquiring the railway. A similar provision is made in the offer now before the House. New, I saw that

IT IS IMPROVIDENT IN THE LAST DEGREE

that you should tie your hands and in creating a new railway, not give yourselves the power, if at any time the public interest shall demand it, to acquire the railway with a view to regulate the question of rates. I do not say you shall acquire; I hope the day will never arrive that you may want to acquire it, but I say you ought, if you be prudent men, to take the power into your hands to acquire it if the public interest should demand that step. That, as I have said, was the unanimously agreed policy of this country as embodied without dissent in the Canadian Pacific Railway Act of 1874. Now, I want to know whether you propose to keep that right in your hands or give it away? The contract gives it away; the offer keeps it in your hands. The choice, I say again, is yours; choose! You will be held responsible for your choice. Then there is a

LIMITATION OF THE POWER

of the Governor-in-Council to reduce the right of tolls. By this contract the General Railway Act is varied in favor of this great corporation. By the General Railway Act the Governor-in-Council can reduce at any time the established toll to any point. Under any circumstances whatever they think the interest of the public requires they are free to do. They are free to do this with reference to railways constructed by private capital and as private risk; but in reference to this railway, to be constructed by the public money and really at the risk of the public, a limitation not conferred, not given in favor of the railway companies, is imposed. This company must earn a dividend of ten per cent, before you can reduce the established toll. I admit that the first toll is to be fixed by the Governor-in-Council, and I have already pointed out that the first toll is necessarily to be sanctioned at rates which should not be permanent. You have a sparse population, a minimum traffic, and therefore increased cost in transporting passengers and goods. That is to be taken into account in your early freight tariff, and you cannot reduce this early freight tariff unless ten per cent. dividend is being paid, not on the private capital but on the whole capital, public and private which is invested in that railway. There may be $8,000,000 a year of dividend before the Governor-in-Council can interfere. Such is the result of the contract. The offer contains no such limitation. It leaves the Governor-in-Council to the same power as to the Canadian Pacific Railway which it has as to other railway. There is no provision whatever in this contract for a Canadian interest in the Company. This is a contract made by persons whose interests are outside of this country altogether. I do not think much of the English holding in point of extent. I do not believe the house of Merton, Rose & Co. has any substantial interest in this undertaking at all. They may be brokers for the sale of the bonds; they may have some trivial interest in it; but I do not believe they will have more.

Mr. KIRKPATRICK—What about the French house?

Mr BLAKE—I do not know the French house with the Dutch name. As to the American house we know about them, and as to the American railway proprietors we know about them. Hon. gentlemen opposite who assumed an ultra-patriotic tone, as to the connection of Americans when they prepared the Allan contract, took at that time extraordinary precautions to obtain a Canadian holding. They took care to obtain subscriptions in the different Provinces, in some sort of proportion to the wealth of each Province and they arranged that those subscriptions should be by Canadians, and that there should be no transfer for at least, I think, six years. All that is now reversed.

YOU HAVE A CANADIAN POLICY

as to non-connection with American Railways unless the Syndicate agrees; but you have an American policy as to the holding; for it need hardly be said that the potent proprietors in this company are the proprietors of the St. Paul and Manitoba Railway, and that they and the New York representatives of Stephen and Company are the ruling spirits of this concern. But why not give some Canadians an opportunity to hold some interest in the Canadian Pacific Railway? Do you not think you would by that means have a better security that the railway would be run in Canadian interests, than by the precautions you are now taking? At any rate, do you not think it reasonable that you should give Canadians a chance to have some interest in a railway which they are to pay for with their taxes and their lands? The contract contains no such provision, but the contrary. The offer contains a proposal that stock books shall be opened in the principal cities of the various Provinces, with the view to the allotment of stock to Canadians in each Province. Your choice is free again. Such are the terms of the contract as compared with the terms of the offer, and I do not hesitate to say, that whether you regard the money, the lands, the allocation of the subsidies, the monopoly, the exemption from taxation of the property, the exemption from taxation of the land,

THE EXEMPTION FROM DUTIES,

the provisions as to the regulation rates and fares, or the provisions as to the Canadian holding, you find most important improvements in the offer over the contract; you find that these two instruments cannot be looked at at the same moment without the conviction being impressed upon the mind that there is no comparison between them as to which you should choose. The options to be given to the Government in this offer, I entirely agree with the hon. gentlemen opposite, are not advantageous. I adhere to the view I have expressed in this House and elsewhere, that if you were going to open this question and to deal with it, as we were dealing with it last Session, the true view would be to construct at this moment the line only across the prairies, and to build the Sault Branch. I am, however, of opinion that these advantages could be bought too dear, and I am of opinion that the terms which these gentlemen propose for these various options are quite inadmissable, because I believe that the work of the middle section by itself could be done, as the hon. Minister stated the other day, very much cheaper than it could be done if you adopted those options. I am, therefore, quite in accord with him in the view that it ought not to be in the policy of any Government or Parliament to accept those options at all. But, refusing to avail ourselves of those alternatives, the offer stands as an offer to build and work the whole line, and must be so dealt with. It is an offer to do just the work which the contractors propose to do, to assume just the obligations which the contractors propose to assume, to enter into just the liabilities which the contractors propose to enter into, to do just the same things as they propose to do, only on terms directly and indirectly infinitely better for this country. So treated, it saves you in cash, irrespective of all other points, $3,000,000, with which you can build the Sault line without a penny of expense. You can go to work and build this whole railway, and take the $3,000,000 which is saved over the other contract, and with that aid a company which will in that give you the Sault line too. The hon. gentleman said that this offer was a plot—a discreditable plot—concocted *male fide* and not intended to be carried out, and another hon. gentleman seemed to insinuate that I knew something of its terms. I may say that

I KNEW NOTHING WHATEVER

of its terms until I saw it after it was signed. Had I been consulted on the subject, and had I chosen to offer advice, I certainly would have offered advice that many of the blemishes which are common to both offers should be removed from this offer. I was not consulted on the offer, not knowing, as I said, what was in the papers until the offer came down here signed. I do not know, then, where it was drawn. I think if it was drawn here, some of these blemishes would not be in it. But I am in the region of conjecture, as the hon. gentleman was, and I, therefore, do not assert anything positive on the subject, as he when dealing positively with the subject chose to do. Now, Sir, the hon. gentleman says that there are Reformers in the offer. It is true the large majority are Reformers. Mr. Hendrie, a man of skill, means and great ability and success in railway construction, is an important member of that Syndicate, and he is well-known to be a strong supporter of hon. gentlemen opposite. It is not, therefore, exclusively a Reform combination. The hon. gentleman said, using an expression which I had supposed was hardly parliamentary, and which had better, perhaps, not have fallen from the lips of the First Minister, that this was a bogus contract. He said it was bogus because those that presented it knew perfectly well that the Government was absolutely pledged to the old contract, and he proceeded, as I said before, to crack the party whip, to apply the lash to his followers, to tell them that the Government must say they felt their usefulness gone if they rejected this contract. Well, if the hon. Minister who has been using for the month past all his persuasions in private to induce his followers to keep an unbroken front:

Mr. ROCHESTER and several hon. members. No, no.

Mr BLAKE—Well, Sir, I am quite sure that he did not apply to the honorable member for Carleton any persuasion, because he was quite well aware that hon. member would do exactly as he wished. I do not believe that he talked to everyone of them. I said that he had been using all his powers of persuasion to keep an unbroken front. I say that these private suggestions and requests from recalcitrant followers proving ineffective, the hon. gentleman was obliged to propose yesterday to change his course and make a public declaration. He, a powerful Minister, with a majority of 70 or 80 at his back, declared that this must be treated as a question of confidence, and that his followers must understand that the Government would stand or fall by the assent or dissent from this contract. He told them, in fact, that they must choose between the Government and the contract. The hon. gentleman says that this contract is a bogus one, that these gentlemen have put it in dishonorably, without any intention of fulfilling it. Well, I think the people of this country who know the names and the characters of these persons, will resent that insult to them, an insult wholly undeserved, an insult which the First Minister had no right to cast on such a combination of persons as are represented in that paper. Their deposit is an answer to your challenge. It was said a while ago that they meant nothing, and that there would be found for him an easy way to escape, that if the Government rejected the other contract some hitch would take place. But you know by what has been laid on the Table that over $1,400,000 in cash now stands deposited as security, that these gentlemen will, if this charter is granted and this Company formed, put in the million dollars which the contract, in common with the offer, requires that the Company should deposit. Therefore, the forfeit of that $1,400,000 is the price these gentlemen must pay for not carrying out their agreement. Punish them if they are guilty! Now, I ask what better proof could be given of the madness of your course in not advertising for tenders, than the offer backed by the names to which I have referred, and the deposit of $1,400,000 affords? What better proof could there be that you ought not to have attempted to let this gigantic contract on these unprecedented terms in

A HOLE-AND CORNER SECRET FASHION,

without giving the public, Canadians and foreigners, the opportunity of tendering, than the circumstance that this offer is given? The hon. gentleman says it is not intended to be carried out; but you can make its authors carry it out. These names are as good as the names to that contract, and better. These names are names which, without any discredit to the gentlemen connected with that contract, would compare favorably with them, and would command public confidence as fully as theirs do. In addition you have the deposit of $1,400,000 as security for the carrying out of their undertaking; with the gentlemen of the Syndicate you have nothing but their word and their statements. I do not say these are not good enough; I believe they are. I believe that the agreement of these gentlemen to deposit $1,000,000 would be implemented if the contract was less favorable, and that it will be implemented of course in such a contract. Why will hon. gentlemen opposite, against light and reason, insist upon this contract? What is the reason we could not get the first offers? They are secret, concealed from us. The old contract was secret, and concealed from us. No advertisement was issued for this contract. The whole work was done in the dark. What is the secret reason or motive for all this mystery, and why is it that we can learn so little of the circumstances which preceded that fatal section? We know not. But we may conjecture for ourselves that this, no more than those other things, was concealed from the pure air and light of day without some reason. What is the secret reason and motive of this persistence? Let the House and the country answer. The hon. gentleman has alleged that if I had my way I would be disposed to give these acres and subsidies for the middle section of the prairie alone, and give up the ends of the road. The hon. gentleman had no right to say so, and I now tell him that he is wholly wrong, I have already stated, and I now repeat, that I believe that the errors of the contract, in regard to the distribution of the subsidies, exist in a modified form, though to a highly important extent, in the offer that I believe three prices for the prairie section would, perhaps, instead of four, be prescribed in the offer, and that I would not affirm it to be advisable for the House to give three prices for the prairie section standing alone. My opinion is that the prairie section ought to be constructed itself by a company for a subsidy much less than it costs, because if the Company was to work it would be a profitable section to work after a while. Entertaining that opinion it would certainly be an act of treason on my part to propose to pay three prices for its construction standing alone. But this does not interfere with the offer for the whole line. The hon. gentleman says that the fact that the monopoly clause is struck out of this present offer is a proof that it is not genuine, because no man in his senses would offer, he says, to build and run the railway without the monopoly clause. Well, Sir, this gives us a little of the true inwardness of this monopoly clause. It proves to us that this is a Syndicate clause and not a Government policy, and that proof is quite consistent with the observation I formerly made that the Syndicate is free to build, if it pleases, and that all the rest of the world is restrained. I say, Sir, that there could be no better

PROOF OF THE MONSTROUS CHARACTER

of the policy in which the hon. gentleman proposes involving the country, than that he should tell the House deliberately that no company would undertake to construct and work this railway including both ends, without a monopoly of the North-West Territory for 20 years, and I say that if that is the price we are called on to pay for the immediate construction of the road, it is a price too great, and one which we should never be called upon to pay. The hon. gentleman says that we shall destroy the future of our country by our suggestion; that we expose it to American subjugation, that American railways and American combinations will control us, and that we shall be a miserable country under the heel of those great corporations, and under the control of their working. Well, Sir, my opinion is that if this contract goes into force you will have this American system of working railways introduced into the North-West. It is the working of the American system and their views that we have demonstrated as applying to the St. Paul and Manitoba Railway, and you will simply be importing that system into our own North-West Territories. But the hon. gentleman doubtless intended to go, and did go, further. He says that the policy of proceeding slowly with the building of the ends and getting in the meantime the connection by the Sault was one inviting American subjugation. I say that there is but one way in which you can imperil the future of this and render possible that dark future which the hon. gentleman depicts, and that is by so burdening the resources

AND CRUSHING THE ENERGIES

and the standing, the development of this country that you drive it into this course of destruction. I say that what hon. gentlemen are proposing to do to-day, at once inflicting great burdens on us and at the same time taking away our hope of relief, from the monopolies and the exemptions they are creating in the North-West, is the real road to that American subjugation which the hon. gentleman professes to dread. Give us a reasonable taxation, give us no undue burdens, give us a rapid development of the North-West, give us an early all-rail connection with that country, and you leave us free from those inducements to change which the plan which the hon. gentleman proposes may perhaps involve. But tell us that with one hand you will impose on us all these heavy, heavy burdens, and with the other withdraw from us as you are doing all the expected compensations from the North-West, and then you yourselves commit the mischief you profess to deprecate. We know what the politicians of Prince Edward Island say. They say that her local men raised her debt by building a railway to such a pitch that she had to go into Confederation because she could not pay her taxes. They say she was railroaded into Confederation. We know that the local politicians of Newfoundland proposed to build a railway, and it was immediately charged against them that they wanted to raise her debt so as to throw the Province into Confederation. And such was the feeling that I believe it is an ordinary custom for the electors of that Province, to require from their candidates that they shall take a solemn oath not to advocate Confederation, before they will trust them with their suffrages. If Prince Edward Island was taxed into Confederation, and Newfoundland was threatened to be taxed into Confederation, what are you doing with regard to the Dominion of Canada? You propose with one hand to tax us and with the other to withdraw those resources out of which taxation may be paid. You are proposing to make our condition almost intolerable. It is easy to see the game of the Government. The game is to call this proposal, signed as it is, and backed as it is by money and means, a mere farce, a trick, which they say we shall be ashamed to mention two years hence. Sir, the hon. gentleman will find it m