

Mr. T. S. SPROULE (East Grey). When the original charter was passed in the Railway Committee I objected to this clause, and I objected for reasons which are, I hold, even stronger to-day than they were then. I objected in the first place because it was not clear upon what capital that 10 per cent was to apply. I failed in the attempt to have the capital defined, and indeed I believe it was not intended to make it clear. My contention in the first place, was that so far as our experience goes, railways never earn 10 per cent upon the actual cost of the road, and in the second place, that it was not specified on what capital, in making the calculation, that 10 per cent would apply. I contended that we had no right to allow them to earn 10 per cent upon the money contributed by the people of the country. I therefore wished to have it made clear how the calculation of capital would be made, and I opposed the 10 per cent clause at that time, because this was not made clear. It was stated by the Hon. J. J. C. Abbott, who had charge of the Bill, (and I think he was supported by the Right Hon. Sir John A. Macdonald) that this clause was put in for the purpose of inducing foreign capitalists to invest, for at that time it was very difficult to get moneyed men to take stock in the undertaking. Anyway whatever the object was, the clause was inserted and it became law. Whether or not the foreign capitalists who put their money into this railway had in view larger earnings by virtue of this clause, at least it was there, and I have no doubt they considered it; and I think it would be arbitrary to take power to repeal that clause without the Canadian Pacific Railway Company being a consenting party to it. I think it would be equivalent to a confiscation of property, and for that reason I could not support the proposition. We should never allow the company to earn 10 per cent on the capital which the country put into the railway, because the country put that money in for the purpose of providing for the people of the country through which the railway runs conveniences which they never could have obtained without a government subsidy to a considerable amount. I hold now, as I have always held, that it is a great injustice to the people that the railway should be paid by earning 10 per cent on the money put in by the people; but seeing that the matter was not defined at that time, I think the government should take steps to have it defined, even at this late date, by a conference with the company or by submitting a case to the Supreme Court. If the provision applied only to the money which the company itself put into the railway, I have no doubt it is to-day earning more than 10 per cent; but as this amendment proposes to deal with the matter without the consent of the company, I think it would be confiscation and a breach of faith with the people who put their money into

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the railway, and for that reason I would not support it.

Mr. DAVIN. Mr. Speaker, the question raised by the hon. member for East York (Mr. Maclean) is one that is of course of great importance, especially to the North-west, and here we are without the Minister of Railways and without the Prime Minister. The Prime Minister was here when the hon. member for East York first spoke, for the hon. gentleman appealed to him, but the appeal was in vain, for I noticed that the right hon. gentleman paid no attention to it whatever, but apparently carried on a pleasant conversation with two of his supporters, and now he has disappeared from the House. I say that in a matter of such great interest to the people of the North-west Territories, that is a scandalous thing. On July 8, 1895, I myself brought forward a proposition in this House—I believe it was the first time any proposition of the kind was brought forward—to the effect that whenever any privileges were given to any railway company, especially to the Canadian Pacific Railway Company, arrangements should be made providing for the lowering of freight rates on produce going out of the country and on goods going in. That is the gist of a somewhat long resolution. Well, when we have a Bill like the present, giving bonding privileges of great value to the Canadian Pacific Railway Company, we have a government whose head promised us in 1894, when he was in the North-west Territories and speaking at Moosejaw, that if he got into power he would lower freight rates; and we have had legislation year after year, and no attempt to lower freight rates or to carry out that promise. I would rather see the movement take the form of getting freight rates lowered than doing anything with regard to the 10 per cent, but I am prepared to support any just procedure in that direction. When we had this matter before the Railway Committee the other day, the Minister of Railways told us of a great railway in the United States that had a clause in its charter somewhat like that which the hon. gentleman would desire, affecting freight rates after the earnings came up to a certain point, and the minister said that the railway company never allowed the earnings to come up to that point. If you look at the history of the Canadian Pacific Railway, you will find that in 1886 the Canadian Pacific Railway charged an average of 30 per cent to haul our stuff out of the North-west Territories, but in 1887 I was elected. Then we had a conference here in 1887, which was attended by Mr., now Sir William Van Horne, together with all the members from the North-west, British Columbia and Manitoba, and the rate was lowered to 24 cents; and then the idea was impressed on our minds—I do not say that it was laid down by the Canadian Pacific Railway Company—that at recur-