

is charged to the people has to be paid all the same. What I say is, do not give them the lands, but hold them as collateral security set aside for any particular guarantee that you may make in connection with the construction of a line in that north-western country. Apply the proceeds of sale to a reduction of the government's responsibility, and I say, without fear of contradiction, that within five or six years after the line has been constructed in that way, the traffic that the people will supply to the road, with that low rate of interest on the capital, will yield such a revenue that the government will never be called upon to pay a cent. I say further—issue a certain amount of bonds, say \$15,000 a mile, and retain say \$3,000 per mile of that in order to meet the first two or three years' interest. The cost of construction and equipment is about \$12,000 per mile on prairie land.

Hon. Mr. KAULBACH—Will the bonds float.

Hon. Mr. BOULTON—Yes, they will be readily taken up in the English market. In England anything that Canada's name is attached to, I am happy to say, is worth its face value. By doing that, the cost of constructing the road is cheapened, the interest is less, and the country benefits from the construction of the line. Now, in regard to the particular section of the country in question, there is another railway which we are interested in. We want to get direct connection with the Canadian Pacific Railway on the west. At present, if we want to send out a carload of butter, or if we want to bring in a carload of coal or shingles—if we want to communicate with the western markets, we have to send our produce and bring our supplies round by way of Portage la Prairie, which entails an additional mileage of 400 miles. We settled in our district (and a very fine district it is) expecting that the Canadian Pacific Railway would be built in that direction. For public reasons it was diverted from there to a more southern line, and at present we have no direct connection with the west. We are put under an unnecessary and heavy tax to make our western connections. In addition to that, Regina is the capital of the North-west Territories. I am on the boundary between Manitoba and the North-west Territory, and the people who live im-

mediately west of me have all their associations with Regina, while I have to come east to Winnipeg. All the witnesses and judges who have dealings out there, have to come around by Portage la Prairie, or else drive 150 miles. Hon. gentlemen will remember that I applied for a charter for the purpose of bridging that difficulty if possible. There is a railway called the Wood Mountain and Qu'Appelle Railway, whose bonds were issued and lodged in a London bank, and the company were ready to go on with the construction of the road, but on the land grant alone they could not raise the money. As I came through Winnipeg, there was a complaint made to me there by the people interested in the Wood Mountain and Qu'Appelle Railway that the land set aside for the promotion of that particular railway had been taken to promote the Hudson Bay Railway. Now, let us utilize the lands of that western country instead of alienating and dissipating them, as we have done. Do not place them in the hands of any one company. I do not find fault with the policy heretofore pursued, because it was done for the best at the time, but if we find that it has not accomplished all the results that we expected it would, can we not find a more intelligent way of developing that country by adopting another system. What I recommend is that the government, instead of giving these lands away to a railway company, should utilize them in some such way as I suggest, and by doing so the Manitoba and North-western Railway, which is now in the hands of a receiver, would effect a western connection with Regina, and we would have a direct connection with the city of Winnipeg in the east and Regina in the west. The Great North-west Central would enjoy the same advantage. One of the difficulties we suffer from is the sparseness of our population, odd-numbered sections alienated and vacant. If the government were to put \$5.00 an acre on the odd-numbered sections, throw them open for settlement on the payment of 3 per cent interest on that amount annually until paid for, settlers without capital could then enter into settlement on a rental of \$24.00 per year. Settlement would then be promoted, and a revenue would be derivable from our public resources which could be husbanded for future development. The moment you put the Manitoba and North-western in that connection, you enable them to maintain a daily