

of a great transcontinental system, which we hope and fully expect in forty years will require no further Provincial aid, we have at the same time arranged that with regard to this road the people of British Columbia will for all time have control of the rates. (Applause.) In this connection, sir, we have every reason to believe that history will repeat itself, and that the material blessings that have accrued to the province and the people of Manitoba through competition will have their counterpart in this Province, and be enjoyed by the people of British Columbia. We also expect and believe that this Government will be able through its control of the rates to be charged on the Canadian Northern to bring about corresponding decreases in the tariffs of all other transcontinental lines seeking the business of this Province. (Applause.) And, sir, what a boon this must prove to the people of British Columbia. (Applause.)

What material progress and prosperity is brought within sight of the people of this Province through this power of adjustment of tariffs, this control of railway rates!

Lest there should be the least criticism that we have not made this as effective as possible in every way, the railway agrees that it is not to apply to be declared a road for the general advantage of Canada. And, secondly, the Company agrees that it will not appeal to the Railway Commission against any rates fixed by the Government, and that if anyone else does so it will tell the Commission that the rates are satisfactory to it. This contract is a complete answer to the critics who said that we could never get control of rates. I hope I shall not be disappointed in hearing from the Opposition some word of commendation of the Government which has been successful in getting a bargain without precedent in the history of Canada, one that will do more than any bargain heretofore made by any province.

This control of rates does not terminate at the boundary of the Province; it is not confined to local traffic. It extends to traffic originating outside of British Columbia or destined to points outside of British Columbia. The Government will have the right to deal with all traffic, whether local or through. It will thus be in a position to give the amplest protection to the producers and the merchants of the Province who will do business in other provinces. It will give our business men the same right to participate in the material prosperity of Alberta and Saskatchewan that is enjoyed by the merchants of Eastern Canada at the present time. That is one thing we

have aimed at, and that we have succeeded in doing.

The agreement proceeds to specify legal safeguards as to the guarantee of bonds, and the terms of the trust deed and the securities; and then goes on to deal with the disposal of the money received from the sale of the bonds. It will be seen that the Province is amply safeguarded. Not one dollar is to be expended from the proceeds of the bonds that is not amply justified. For every dollar paid out there must be a certificate from our own engineer that the expenditure is right and proper. Here is security to the people of British Columbia that absolutely takes out any chance of breakdown in these operations. Of course, no one will deny the wisdom of taking such security. It is conceivable that unless we had some provision of the sort the Company might expend three-fourths of the money and have only one-fourth of the road completed. Under these provisions the proceeds of the bonds we guarantee must be adequate for the completion of the entire system to be aided. Every dollar to be paid out by the Minister of Finance must be accounted for in the way just referred to.

I am quite satisfied that this will be ample protection to the people of British Columbia. Section 10 of the agreement refers to the loan which it is proposed that this Government shall make to the Railway if such a loan should be required during the first three years of the operation on its lines in this Province. It must be admitted that the \$21,000,000 proposed to be guaranteed is a sum entirely inadequate to build these lines; in addition a large sum will be required to be furnished by the Railway Company for the completion of the lines. This is a people's line for the people of British Columbia—(applause)—and this Government does not propose to see this valuable asset placed in jeopardy for one single moment after the railway is built. We want to make it absolutely safe and secure to the Company that for the first three years after the road is built it may not be harrassed in a financial way. Provision is therefore made that should the earnings of the Company during the first three years of operation of the road be insufficient to pay the operating expenses and interest on the guaranteed securities, this Government shall make a loan to meet those obligations, and the sum advanced shall be repayable to the Province at the maturity of the guaranteed securities, and it shall bear interest at the rate of 4 per cent. per annum.

I am quite satisfied that the honorable gentlemen opposite will readily realise that this provision is necessary