

government, even at this late day, will permit this amendment to pass, that they will accept this amendment, because if they do that they will have given an earnest of their desire to make this railway which they propose to build with such an enormous amount of the people's money, a truly Canadian line, which will carry Canadian freight all the way from the west to Canadian ports, and build up this Canada of ours into a nation. I therefore beg to move:

That all the words after the word 'that' to the end of the question be left out and the following be substituted therefor:—'The Bill be referred back to a Committee of the Whole House with power to add the following as a sub-clause to section 7.

'Notwithstanding anything in this Act or in the said agreement contained, His Majesty the King, acting in respect of the government of Canada, shall not be bound or obliged to perform, carry out or fulfil any of the covenants, undertakings, conditions or stipulations in the said agreement contained on behalf of His Majesty the King, acting as aforesaid, unless and until the Grand Trunk Railway Company of Canada shall have subscribed for the common stock of the Grand Trunk Railway Company payable in cash at par to the amount of not less than \$24,900,000.

I regret that there are not more members from the west in the House, because I think they would all certainly vote for this motion.

Amendment (Mr. Fowler) negatived on the same division.

Mr. W. B. NORTHRUP (East Hastings).  
Mr. Speaker, I rise to propose an amendment to the seventh clause in the following words. I move seconded by Mr. Rosamond:

That all the words after the word 'that' to the end of the question be left out and the following substituted therefor:—The Bill be referred back to a Committee of the Whole House with power to amend section 7 by adding thereto the following subsections:—

Notwithstanding anything in this Act or in the said agreement contained, His Majesty the King, acting as aforesaid, shall not be bound or obliged to perform, carry out or fulfil any of the covenants, conditions or stipulations in the said agreement contained on behalf of the Dominion of Canada, unless and until the Grand Trunk Railway Company of Canada shall have entered into an agreement with His Majesty the King, acting as aforesaid, by which the said Grand Trunk Railway Company of Canada shall covenant and agree as follows:—

(a.) That the Grand Trunk Pacific Railway Company so long as the Grand Trunk Railway Company of Canada shall hold the common stock of the said Grand Trunk Pacific Railway Company to the amount of \$24,900,000, shall perform, fulfil and carry out according to the true intention and meaning thereof, all the provisions of this Act, and of the covenants, stipulations and conditions in the said agreement contained, which according to the terms thereof, ought to be performed, fulfilled or carried out by the Grand Trunk Pacific Railway Company.

(b.) That neither the Grand Trunk Pacific Railway Company, nor the Grand Trunk Railway Company of Canada shall in any matter

within its powers, directly or indirectly permit, advise or encourage the transportation of traffic by routes or at rates other than those in the said agreement, provided that each of the said companies shall in all respects and in good faith use its utmost endeavours to fulfil the conditions upon which public aid is granted and accepted, namely, the development of trade through Canadian channels and through Canadian ocean ports.

I will only speak briefly on this amendment, as the subject was so thoroughly thrashed out in committee, but I will state that the object is to provide a security on the part of the Grand Trunk Railway Company that the terms and conditions which have already been agreed to by the Grand Trunk Pacific Railway Company shall indeed and in truth be carried out. I presume that we can predicate the duty of the House to be, that, the government having entered into a contract with the Grand Trunk Pacific, which is subject to the ratification of the House, to endeavour to the best of our ability in order to safeguard the interests of the people, to throw every protection they possibly can around these interests so that the real and true intent of the contract may be in fact carried out. When we look at the contract it requires but a moment's consideration to see that it is a contract simply between the government and the Grand Trunk Pacific Railway Company, a contract in which there are a certain number of covenants and stipulations made by the Grand Trunk Pacific Railway Company, but we must not forget, that, although there are many covenants and stipulations on the part of the Grand Trunk Pacific Railway Company, in order to estimate the value of the covenant there are two conditions which must not be overlooked. In the first place, as to the extent of the covenant we want to see what is really undertaken by the party covenanting, and in the second place, we want to see whether the financial standing of the party giving the covenant is sufficient to secure the carrying out of the obligation. I do not intend to discuss the question of the covenants, because that has been practically settled by the various divisions which have so far taken place here, but it is quite in order to call attention to the fact that, even assuming that these covenants made by the Grand Trunk Pacific Railway Company are expressed to an extent which is satisfactory to the people, practically we have no financial obligation on the part of the Grand Trunk Railway Company which can give us any remedy at all in so far as they are concerned. When we consider that we are making a contract with a company whose whole line when completed will be mortgaged for every single dollar that it costs to build the line, I think no further comment is necessary to show of how little value the covenant of the Grand Trunk Pacific Railway Company really is. In fact, the government of the country is in this

Mr. FOWLER.