

an acre to incoming settlers for those lands, they would lie idle for a great number of years, because people who come to this country, come with the idea that it is not necessary for them to bring capital with them in order to commence operations, that there is free land for them to commence work upon. The free lands or the even-numbered sections are being gradually absorbed within a reasonable distance of railway communication. There is a vast area of land which is not yet absorbed, which is further away from railway communication. Now, I would suggest to the Government, that instead of giving a land grant to the railway companies that it is absolutely necessary to build in that country for its proper development, they should utilize the grant in a different way. We will take the Manitoba and North-western Railway as a prominent example. That railway received a grant of land of 6,400 acres per mile, for about 230 miles to its present terminus. It has also received a land grant to Prince Albert 150 miles further. It has failed to go on with the construction for a great number of years. It is in the hands of a receiver now, and economical principles are applied to its management, and it is doing very well, but it cannot get out of the hands of the receiver until the litigation has ceased between the bondholders who advanced the money and the management of the road. They have a land grant for the section beyond their present terminus, of 6,400 acres per mile, I think part of that has been commuted for a cash bonus of \$6,400 per mile. Now, instead of giving that land grant, or that cash bonus, I would suggest that the government guarantee the bonds for the construction of that line at the rate of 3 per cent interest, and that the government appropriate that 6,400 acres per mile and that cash bonus and set it aside in the hands of a commission as a guarantee for the protection of the public treasury, in so far as its being called upon to provide for the bonds that have been guaranteed. In addition to that, I would recommend that a first mortgage be taken upon the road for the land grant guarantee. We will suppose that the guarantee is placed at ten or twelve thousand dollars per mile at three per cent interest. Then, if the government becomes responsible for the bonds, it becomes responsible for the interest. There is an asset against that liability of 6,400

acres per mile and there is a first mortgage upon the railway itself. Then, those who provide more capital in order to continue the development and project further, of course it will depend upon the careful and good and economical management how far they will retain possession of the road. There is a growing feeling in that western country that better railway transport should be had, in that prairie country, which is so dependent upon inland transportation. The development of what is known as the fertile belt to Prince Albert, Battleford and Edmonton, the construction of a railway to the mining regions to the north and south of the Canadian Pacific Railway, and the construction of the Hudson Bay Railway, are the important works that await development, and they can all be projected upon the lines I have laid down in an economical manner. I think it is desirable in such matters that the government should see that the first outlay is kept within moderate bounds, that they are kept within bounds conducive to the settlement of the country and the economic condition of the people who supply the traffic for the transport of that railway company. If a plan of that kind was adopted, it would be found that every one of the railway companies would become self-supporting in a period, we will say, of from five to ten years. That is to say the government guarantee would be no longer necessary. They might go to the capitalists of the world and raise the money and relieve the government of the guarantee if necessary. The government would be relieved of that guarantee and they would still be in possession of the 6,400 acres per mile which could be used again for the same purpose, and as time went on and railways became more prosperous, the public lands would then be a public asset to be disposed of in any way that the interests of the country demand at some future time. It is quite probable that there is a large acreage yet. It is impossible for us to tell without having the details before us what the acreage may be, but there is a very large acreage yet, and I say it should be the care of the government to husband those resources and reserve them as a future asset, and that when a settler comes into the country, the whole country would then be open to him to settle in. He could select an even-numbered section, for which he has to pay nothing if he goes far enough afield. Then the odd-numbered