

present purpose there might as well be no coal. Having pointed out that there is reason to believe that there was a danger to be guarded against in this respect, I simply say—repeating the observation I made in the debate on the Address—that the condition imposed does not furnish such a precaution, and that, for the reason to which the hon. gentleman who last spoke alluded. These American corporators are practically proprietors of the Pacific Railway. We know that there is a method of obtaining what is supposed in some corporations a legitimate profit out of these railways, and that is by selling goods at a very high rate to the company which they also control, and if there is an identity of interests between the corporators of the Vancouver Island Coal Company and the proprietors of the Southern Pacific, it is quite clear that the coal may and probably will be sold at a very high rate by the owners of the coal, who are also the owners of the American railway, to the American railway. Such events have happened in the past and they are not at all unlikely to happen in the future. It is of no practical consequence at what price they sell the coal, because they sell it to themselves, and the price goes into their own pockets; and therefore it is of little practical good to this country to obtain this restriction, that they shall charge no more for the coal they sell to the Canadian Pacific Railway or to the Dominion than they do to any railway owned and operated by themselves in the United States. There is no guarantee that they will charge only reasonable rates to their own railway in the United States, so that there is no practical protection, so far as I can see, under this precaution. I do not know whether the paper from which one of the hon. gentlemen read was the *San Francisco Chronicle*.

Mr. GORDON. Yes; the *Chronicle*.

Mr. BLAKE. I have a later issue of that paper, which speaks of the present condition of things, and the operations of Mr. Huntington in this connection. It is as late as the 12th of this month, and it says:

"For a good many months it has been common report here that the California railway monopoly had secured from the Government of British Columbia certain concessions to aid them in the construction of a railway from Esquimalt to Nanaimo, on Vancouver Island. A large land grant is named as a part of the scheme, and this grant is known to contain the most extensive coal deposits on the Pacific coast, the coal being of a superior quality. The uses to which the California monopoly intended to turn these coal mines, were explained by U. P. Huntington, in connection with his boast that the Southern Pacific intends to rob the Cape Horn route of the grain trade between the coast and Europe and drive all sailing vessels employed in that business from this port. Mr. Huntington said these vessels have been able to freight wheat to Liverpool, Brest, &c., at low rates hitherto, because very many of them came here loaded with coal from England. But this coal freight the Southern Pacific would put a stop to, as soon as that Company could purchase collier steamers to supply San Francisco with coal from the mines it had secured on Vancouver Island. The supply, he said, is unlimited, and the Company he represents can deliver at our wharves all the coal required here at lower rates than sailing vessels can bring it from England via Cape Horn. Cut off from this resource, the Cape Horn vessels must come here in ballast and therefore cannot compete on even terms with the railway in the transportation of grain.

"The *Chronicle* called the attention of the public to this boast at the time it was made, with the remark that it was evidently a part of the Huntington programme to monopolize the coal as well as the grain transportation of this coast; and that when the Cape Horn and Australian coal ships had been driven out of the trade, the Huntington monopoly would have the coast at the disadvantage which always results from a want of competition, and be able to fix the price of coal here at their own will, as well as the rates of transportation on grain for the European market. This warning appears to have reached the directors of the Canadian Pacific Railway who take the same view of Mr. Huntington's boast. And now comes the news by way of Montreal that the great Dominion monopoly is exerting its all-powerful influence in the Ottawa Parliament to have the British Columbia concession to Huntington & Co. upset and invalidated. The Canadians have made the important discovery that the Huntington Company is identical with a coal land holding that has possession or control of all the valuable coal lands in Washington Territory and that this Vancouver Island concession means the handing over to this ring of a monopoly of the whole coal business of the Pacific slope.

"This is doubtless an exaggeration, but we hope the Canadian company will succeed in its endeavors to keep the Huntington monopoly out of Vancouver Island, for if it gets the footing there which it is un-

Mr. BLAKE.

ing at, the consumers of coal in this city will be at its mercy as much as the producers of wheat, in the event of the breaking down of the Cape Horn route."

Therefore, some interest, from a local point of view, appears to be excited in San Francisco as to these large operations by which Mr. Huntington, as the President of the American Pacific Railway, proposes to divert across the continent a very large amount of the traffic which has heretofore been sea-borne from the Pacific coast to the old world. The hon. gentleman said, and said rightly—at least I sympathize with his views—that, at this time, and under the circumstances in which we are placed, there is no objection to American capital being employed in Canada. I remember when the Government made the very strongest protestations against the employment of American capital in the construction of the Canadian Pacific Railway. That has all gone past, however, and the complaint now is, not that Americans get control, but that they won't buy the stock, which we are endeavouring to supplement from our own limited exchequer. Under these circumstances, it would appear to be ridiculous to apply one line of measure to the Vancouver Island Railway and another to the Canadian Pacific Railway. But I think one may fairly speak of the position these corporators occupy with reference to other railways; and it is not because these gentlemen are Americans, but because, as I have pointed out, they must be supposed, in this, to them, very small transaction, to be acting in the interest of a very large enterprise of which they are the controllers and the chief proprietors, that I thought it fitting that the Minister of Railways should make some explanations on this subject. I do not know whether I need say anything further, as to the methods which these gentlemen have adopted in carrying on their enterprises in the country to which they belong, beyond what I said in the debate on the Address, except to repeat the hope that, whatever they obtain for their legitimate enterprises, they will not carry into Canadian Legislatures the same methods of success which they have become notorious for in the Congress of their own country.

Sir CHARLES TUPPER. I will not require very much time, I think, to reply to the observations and criticisms that have been offered. I quite agree with the hon. leader of the Opposition that, in a matter of this kind, it is very important that we should know what are the sentiments of the Province. When I was in British Columbia, three years ago, the Government of Mr. Walkem and Mr. Beaven was in power. I took up this question with them, and practically this very area of land, only a considerably larger area, was settled upon as what the then Government of British Columbia were prepared to give for the purpose of securing the construction of the Vancouver Island Railway. That Government has been defeated, and their opponents, who have taken their places, have agreed to this measure by a very large majority, so that the House will see that this land, with the coal measures, is being given to secure the construction of that railway, not by the Dominion Government, but by the Government of British Columbia, because both parties when in power have been only too ready to offer these terms in order to secure that road. I think that fact disposes effectually of the question whether the public sentiment of British Columbia is in favour of this measure or not. Now, there can be no doubt that there are very large and very important coal measures lying altogether outside of the large coal area which is to be given by these resolutions to the Company. The fact that at this moment the Government of British Columbia have applications for no less than 50,000 acres of coal lands; the fact alluded to already, that on the west coast of British Columbia, at this moment, another company are in successful operation upon a very valuable coal area, and the fact that outside of Vancouver Island altogether, on Queen Charlotte Island, there are coal mea-