

dozen divisions. The same system applies to many as it does to a few. The running of pullman cars and passenger cars is reduced to a system on all roads. A pullman starts from New York or Boston and goes to San Francisco, and it makes no difference whether it goes over two roads or half a dozen. The system is perfectly adjusted to the satisfaction of all the roads, and everything goes on smoothly. The same system can be introduced here, and it is absurd to say that it cannot. We have this further assurance in our own case, that while in the United States all these matters are subject to mutual arrangement, so that any road may defeat the working of the system by being too grasping or exacting, here we will have an umpire, the government itself, which can compel the faithful and equitable carrying out of the provision laid down in section 24.

This company, as an assurance of good faith, deposits the sum of \$5,000,000 with the government, and that money is to remain in the hands of the government until the company has fulfilled its obligations. But if the company are within \$3,000,000 or \$4,000,000 of the completion of the work, then the government may allow the company to use the \$5,000,000 deposit to complete the work. But the government holds this \$5,000,000 in hard cash or convertible securities in addition to all these other conditions. The government controls the rates on this road and it has the right to audit the accounts at any time. At any time it may send its accountant to see whether the accounts of the company are properly kept, whether there is any stuffing of accounts and pay-rolls. It can ascertain exactly what the road is doing, what its earnings are, what its dividends should be, whether its rates can be reduced without injustice with the company. Contrast that with the Canadian Pacific Railway, which we cannot interfere with at all until its dividends are 10 per cent. Then this company is liable to taxation and the Canadian Pacific Railway is not. This company has neither land grants nor cash subsidy, unless you can call the seven years interest on the guarantee the cost of the mountain section a subsidy. Contrast this with the first proposal of the Grand Trunk Pacific Railway itself. That company came down to the government with a proposition to build a line from North Bay. It wanted a subsidy of \$6,400 and 5,000 acres of land a mile, equivalent in value to at least \$15,000. Contrast the present bargain with that demand. I believe that the government have pressed the Grand Trunk Railway to the last point. I believe Mr. Hay was ready to throw up the sponge, if one single concession further had been demanded. I am, I think, in a position to know that the government got the very last concession possible from the managers of the Grand Trunk Pacific Railway; and that it has got a good bar-

gain the future will prove, whether it be admitted now or not.

I give great credit to the government for having refused the land grant and still greater credit for having made that its uniform policy. The government deserves well of the country to a greater degree perhaps in this respect than in any other. Contrast this with the policy of the late government. That government made land grants to railways to the amount of 57,087,000 acres—an empire thrown away recklessly. It threw away our heritage recklessly, with no apparent idea of the ultimate value of that land. It gave away our lands as freely as you would stones from a brook, and of this amount of 57,087,000 acres, 29,986,000 have been earned and have passed out of the hands of the country. Messrs. Mackenzie & Mann have been able to make a \$12,000,000 sale of land, I understand.

Hon. Mr. HAGGART. Does that include the Yukon River Railway?

Mr. CHARLTON. No. The railway is somewhat south of the Yukon. Our hon. friends opposite may claim all the credit they can extract from that policy. It has been a most wasteful one and I trust that the Liberal government will add the brilliancy of its record in this respect by continuing to enforce the old principle, which we advocated when we were in opposition, of the land for the settler and the settler for the land.

With regard to the question of subsidies, I do not know that I would take the position taken by many persons in Ontario. Subsidies, reasonably granted, are a proper thing. Railroads may be subsidized and their construction secured that could not otherwise be had, railroads that would be of great benefit to the country. And here again with regard to their system of subsidizing railroads, the government has adopted a principle which redounds greatly to their credit. They have adopted the principle that a railroad which is subsidized must carry the mails free, and, I believe, they must provide a mail car and a mail clerk—the Postmaster General will correct me if I am wrong—they must carry military forces free, in fact, they must perform all government services free to the extent of three per cent interest upon the amount of subsidy granted. Under these conditions, and with these provisions, I believe that subsidies granted within the limit of reason, granted to meritorious enterprises, and in moderate amount may be reasonably granted, notwithstanding the outcry that has been raised.

Mr. MONK. Are there any of these conditions in this contract?

Mr. CHARLTON. There is no subsidy in this contract. Now, Sir, I desire to refer to the wise provisions in the public interest