

it were put upon the market and offered for sale, if we eliminated the government from the question altogether?

Mr. BELL. Why should you have this power then?

Mr. McCARTHY. Because by the bonds you are only placing a mortgage on the road for so many years, and when you sell your stock you can pay off your mortgage. It is absolutely unfair to classify the stock and bonds together as capitalization. With the money raised on the bonds you build your road, then you pay off your mortgage by selling your stock.

Mr. BELL. Out of profits.

Mr. DAVIS. Can the hon. gentleman give an instance where that has been done?

Mr. BORDEN (Halifax). My hon. friend from Saskatchewan (Mr. Davis) is asking the hon. member for North Simcoe (Mr. McCarthy) a question.

Mr. McCARTHY. I cannot give the hon. gentleman an instance.

Mr. McCREARY. The promoter of this Bill says that we discussed it for nine days in the Railway Committee. I recollect very well that we did so; but, at the same time, it was understood that when we came to the House we could make any alteration in this Bill if we so desired in regard to the bonding powers or the capitalization. The hon. Minister of Railways and Canals (Hon. Mr. Blair) says that we can almost make a new charter when we bring down the Bill granting aid to this road, that we can make such changes in regard to the bonding powers and capital stock as will practically amount to the making of a new charter. I have only been in this House for three sessions, but during that time such a course has never been pursued as that which the hon. minister has suggested. I cannot recall a single instance in which a Bill was amended in the way that the hon. minister suggests when bringing down the Bill granting aid to the road, and it seems to me that the time to discuss this Bill is now and the place here. If this road is going to be constructed for the purpose of establishing another bond between the eastern people and the western people and of carrying freight from the east to the west and the west to the east, it has to be able to compete successfully with the Canadian Pacific Railway. Any one who has studied the question knows that the Canadian Pacific Railway is able to handle all the traffic that is offered between the great lakes and the seaboard. An ordinary single track road can take eighteen trains per day.

Mr. CLARKE. One way?

Mr. McCREARY. Both ways. The Canadian Pacific Railway do not carry during the summer north of Lake Superior, I am informed, more than one and a half trains per day. It is not necessary to go

Mr. McCARTHY.

into this. In my opinion it was a very unfortunate statement to make to say that the Canadian Pacific Railway is capitalized for \$80,000 per mile. The very reason that the Grand Trunk Pacific are asking the country to assist in the construction of this road is to get rid of the octopus created by the capitalization of the Canadian Pacific Railway. The Canadian Pacific Railway was built at a time when it was a little dangerous to invest money in the western country, when the Hudson's Bay Company and other great corporations that had been in possession of the country for years were saying that it was not a habitable country. The Canadian Pacific Railway went into the North-west at a time when it was difficult to get anybody to go into business there. There are people, who, twenty years ago, could not be induced to invest a dollar in Winnipeg, who are putting up warehouses five and six stories high in that city to-day. It is a different proposition now. It is a financial proposition now, and wise men will now invest their money in the west. The proposed bonding power should be reduced from 25 to 50 per cent upon this road if we ever hope to get that relief from freight rates that we anticipate from its construction. I heard the estimate given the other day that \$18,000 per mile would build the Canadian Northern from Grandview to Edmonton and for a distance one hundred miles east of Prince Albert, and it was somewhat of a surprise to me. I know that grading was done a couple of years ago for from 11½ to 11¼ cents per yard. I have heard that this work is now being charged for at the rate of 22 cents per yard, which seems high. Perhaps this charge is made for station work in the neighbourhood of a muskeg. Eighteen thousand dollars a mile for the construction and equipment of that road is exceptionally high. It should be fixed at \$15,000 per mile, \$12,000 for construction and \$3,000 for equipment. The bonding powers proposed to be allowed to this road should be reduced from 25 to 50 per cent, in my opinion, if it is going to give the relief that we expect from its construction.

Mr. HEYD. Mr. Chairman, before this clause is put I may be permitted to say one or two words in connection with it from the standpoint from which I view it. When the Bill was before the committee and when the committee had discussed it for eight or nine days I took the position that it was the duty of the committee to pass any charter that the Grand Trunk Railway asked for, as, I then believed it was intended as a commercial undertaking in the interests of the Grand Trunk Railway Company and incidentally in the interest of Canada. But, the proposition has been changed. The length of the road has been materially increased. The company is now compelled to build a railway in the form of a horse-shoe hundreds of miles longer than that