

I do not see why this company should come in for any special consideration on the part of the government or on the part of this House. I do not see that this company has fulfilled the glowing promises which were made in its behalf in 1903-4 when the Bill was being put through the House. What were we then told? We were told that through the provinces of the west Manitoba, Saskatchewan, and Alberta, this road was to open up new territory, fields where man had never trod; that it was to make Canada a hundred miles wider. Why, that was shown by the plan laid before this House. The plan showed the line passing north of Lake Winnipeg, and on to a pass in the mountains several hundred miles north of Edmonton. It was a splendid thing to talk about, this opening up of regions not yet even fully explored. But when they came to build the road, what did they do? From Winnipeg to Edmonton, they pass through the most fertile and most thickly-populated part of the three provinces and always within a few miles of existing railways. There is hardly a point of the whole distance between Winnipeg and Edmonton, where this line will be more than ten miles from an existing and operating railway. It opens up no new country any more than do a dozen railways that are branching out through these different provinces. It has entirely disappointed us in that respect.

Another claim was made for the line. This particular section, this prairie section, was going to reduce the rates on the farmers' grain, so that that grain would be brought down to the seaboard at unheard-of prices. Is there a chance of that prophecy being fulfilled? I cannot see it. When the Grand Trunk Pacific has to compete with railroads built at half its cost and with fixed charges not more than half what it must pay, will there be any reduction in rates? This railroad from Winnipeg to the foot of the Rocky mountains will cost, with its equipment and rolling stock, upwards of \$50,000 a mile. If that be borrowed at 4 per cent, which is the lowest rate at which they can hope to borrow, it means \$2,000 a mile or \$1,830,000 of interest yearly on the prairie section alone. Do you suppose that company can afford to reduce rates with its fixed charges double those of its competitors? Not at all. I tell you, you are introducing an influence in the west not for the reduction of rates, but for the upholding and advancing of rates on the transportation business of the country. When there is a conference amongst the railway companies, do you think the Grand Trunk Pacific will be in favour of the reduction of rates? Not at

Mr. AMES.

all They will be the company pleading with the Canadian Pacific and the Canadian Northern to keep up the rates, because unless the rates are kept up they cannot make money when they have to pay fixed charges on \$50,000 a mile. In this respect also, the road is a disappointment. Therefore, I cannot see that the company has any reason to come to us and ask for special consideration such as we are not prepared to give to other companies,—to ask to be treated on a basis as if they and they alone had earned the right to special consideration.

Now, I come to another feature of the case—and it is a serious one—which, I feel, must be placed before the House. The last clause of this resolution gives authority to the government to go into the money market to raise the money to re-lend to this undertaking. It means another ten million dollar loan. That means, simply, the straining still further of the somewhat overstrained credit of the Dominion of Canada. We are not merely giving them a great advantage and assistance, we are not merely giving them money at a lower rate than we are able to borrow it, but we are adding to the load and burden on our already somewhat overloaded credit. We have been frequent borrowers of late. Since December 1, 1907, no less than seven loans or extensions of loans have been made on behalf of the Dominion of Canada. We have borrowed or extended loans aggregating £24,831,000. On the 1st June next, we have to repay or extend a loan of £5,000,000. On January 1, 1910, we have to repay or renew two loans which, combined, equal £10,443,136, then we shall require, probably during the present fiscal year, another £5,000,000 to go into our own part of this National Transcontinental line, and, after that, £2,100,000 which will probably be the amount of indebtedness we must incur in order to grant the relief to this company asked by the present resolution. Thus, you have all told an indebtedness incurred or renewed within two years and four months of £47,375,000, or \$230,000,000, a sum nearly equivalent to the entire net debt of the Dominion as it stood three years ago. These are stupendous figures, and they are figures which the financial world is not altogether unmindful of. It is this constant and continual borrowing that is having its effect upon the financial standing of the Dominion of Canada. And let me tell the Finance Minister that if he finds it necessary, in order that this road may be completed, to again and again come to this House for additional loans, as he is now coming, the result will be that the credit of the Dominion of Canada will be considerably depressed.

When the Finance Minister in 1897 made his first loan, if you will read his budget speech in that year, you will see that he