

Policy as to Grants Unchanged

"The policy of the Government has been, and is now, against continuing grants or bonuses or guarantees to railway enterprises. The then Opposition went on record against the original guarantee to the Canadian Northern Railway, and it would repeat that action to-morrow."

A Legacy of the Late Government

"When we came into power we found the guarantee in existence of \$20,000 a mile for 268 miles—\$5,360,000—but no terminals had been provided for. A short line leading into the Hutton mine, probably the richest mine in Canada, had not been provided for. A short line from the main line to the Key Inlet on Georgian Bay, the main port to which business would come to the railway from the Northwest, had not been provided for, nor had one or two other short spur lines."

Terminals Necessary to Complete

"The terminals at Toronto and Key Inlet will include large areas of land, buildings, piers, elevators and other enterprises, without which the railway would be not only incomplete, but practically useless. Consequently the Government agreed to guarantee bonds for the construction of the short lines I have mentioned, the guarantee amounting to a million dollars, also the amount already expended on the terminals, and 65 per cent. of the future expenditure on the terminals, the whole guarantee regarding terminals not to exceed a million and a half of dollars."

A Good Business Transaction

"It was not a grant or guarantee to a speculative railway enterprise, or something which might come into being in the future. It was straight business transaction between two parties already interested in a business way. We found the credit of the province pledged with a security by way of mortgage, which under some circumstances would be practically valueless. Speaking for myself, I would rather own the short line, 30 miles long, leading into the Hutton Mine, than all the rest of the railway."

Valuable Security Given

"Finding the province already in the position mentioned, and likely to have its security dwindle in value, we agreed to the further guarantee of bonds to the extent I have mentioned, and will receive in return a mortgage covering the entire line, terminals, short lines and all, in this way rehabilitating and making certain the financial position of the province with regard to this railway."

A Factor In Public Ownership

"Should it ever come to pass that the province be compelled to take over this property as mortgagees it will have a property costing a great deal more than the province would have to pay for it, and complete in every respect, instead of a mere mortgage on part of a property which would be practically useless. What more need be said?"

Where Were the Opposition Leaders?

"Then, so far as 'the last hours of the session' is concerned, this expression is simple nonsense, or, if you like it, more twaddle. The