

LeRose people said that they had been at considerable expense in showing that the O'Brien people had got the mine improperly, at least some settlement should be made with us. So we paid them \$30,000—their actual outlay—and promised a percentage of what we got out of the deal, which so far has amounted to about \$240,000 a year.

N. O. RAILWAY BONDS

"Now I want to speak to you about another question, and it will be the last. It is a question on which we expect to receive the unquestioned authority and endorsement and approval of the people of Ontario as being one of the acts which will be distinctly for the great financial advantage of the province. Now, when you hear something about the guaranteeing of the bonds of the Northern Ontario railway, I want you to know we think that is a position regarding which I am not here to defend it; I am here to boast about it. (Applause.) I am here to look every reasonable man in the face and say you cannot claim that the government has done other than wisely in this matter. Now, I am going to show you why in a very few minutes. We have always been as a party, at least for the last seven or eight years, opposed to any further grants to railways or bonuses to railways or land grants, especially in old Ontario. And we are opposed to it now. (Applause.) And we are on record in the legislature. When the Ross government brought in a bill guaranteeing \$20,000 per mile on 268 miles of the Northern railway we put ourselves on record—we all voted against that, because it was contrary to our policy, and contrary to the policy which we believed would be in the interests of the people. Now, then, when we found two or three months ago that this railway on which the government had guaranteed the bonds to the amount of \$5,400,000—when we found that this railway was incomplete, we found that there were no terminals, without which the railway was useless—we said to ourselves, 'Well, if we have a mortgage on this railway and the terminals should be built with elevators and piers and all that, we will either have to let some other people endorse the bonds and get a mortgage on the terminals, in which case our security will be worth nothing, or we will have to guarantee the bonds, and that was what we did. We decided, after considering the matter, that we would guarantee bonds for the expenditure on the terminals and 65 per

cent of the expenditure in the future, the whole of the latter expenditure not to exceed \$1,500,000. The whole guarantee, under any circumstances, was not to be for more than \$2,500,000. Then we had to consider the question of the short line into Hutton Mine, which also had not been provided for. This was near North Bay, and it is the richest iron mine in Canada. I would rather have the railroad from Hutton Mine than all the rest of the enterprise put together. A short line also from the main line to Key Inlet on Georgian Bay had not been provided for. Now, this Key Inlet has a harbor from which the traffic of the great Northwest will take rail to the east. Consequently the government agreed to guarantee bonds for the construction of terminals at that harbor. It was not a grant or guarantee for a speculative enterprise. It was simply a business transaction between two parties who came together in a business way. We found that the credit of the road without these additions would be practically valueless, and the steps we have taken have been for the purpose of rehabilitating and making certain the financial position. It is said that this matter was not brought before the legislature until the closing days of the session. Why, it was introduced on Thursday, between 3 and 4 o'clock in the afternoon, and the house was prorogued on Tuesday. Mr. MacKay, if he had wished, could have discussed it up to the present moment. But let us see. Mr. MacKay did not want to discuss it. On the 24th of April Mr. Pense, member of Kingston, and the financial critics of the opposition, said to a reporter that Mr. MacKay had decided not to offer any opposition to the measure, maintaining that the Liberals were committed by their previous guarantee, and that the present legislature was only carrying out the policy inaugurated by the Liberals. Yet after this Mr. MacKay goes on public platforms and denounces the steps taken by the government. We should always make allowances for parties in opposition. They are naturally inclined to go around with a million magnifying power microscope and find anything they can on which to fasten the fangs of criticism against the Ontario government. And so we must make allowances for them from time to time, even although it seems very difficult to do. But for Mr. MacKay to approve of our policy and then denounce it reminds me of the man who murdered his father and