

splendid road to Thunder Bay? To what end did we sink millions more than necessary to produce the extraordinary grades and splendid provisions with respect to curvature which exist on that road? Why, was it not to cheapen the cost to the head of navigation and enable us to defy competition, having a good port, and being so circumstanced that we can take down freight a little cheaper, as we can from Prince Arthur's Landing to Montreal by the Lakes, than they can from Duluth, and so beat them? Was it not to invite farmers to the North-West by the statement, "Gentlemen, here is a country in which you have not got monopolist rates for freight charged, a country in which the Government itself, in order that you may have your freight brought down cheap, has built, at an expense entirely unnecessary for other purposes, a railway superior perhaps to any other except the Canada Southern, and capable of transporting your freight at the lowest possible rate?" Sir, the grades and provisions as to curvature of that road are such, as you will learn from the report of the Chief Engineer last Session, as to enable us to take within a fraction of twice the paying load the average grades and curves would allow. It will, therefore, approximately carry freights at half rates. Approximately the cost for transportation will be one-half—I do not say actually one-half because there are other circumstances which may require to be considered, but approximately it will take freights at very little more than half of the average rates. That is the means, that is the inducement you have to offer to the people of Manitoba and the North-West within a year or two. But, Sir, to whose advantage are these splendid grades; to whose advantage is this magnificent railway constructed so that it can be run and worked very cheaply, and enormous trains twice the length of those on other roads can be brought down? To whom is the gain to enure, if the practical result is to be that freight can indeed be carried down at a less actual cost, and that you have only given a greater margin on the division of the profit on the crop to the railway company? Then I must say it has been a very unprofitable expenditure. We are bound, in my opinion, by the most obvious duty to our country, to see that the singular advantages which the Thunder Bay road gives, of taking down the wheat of the North-West to the seaboard, and taking up the manufactures of the East to the North-West at moderate rates, shall be used not to give still larger profits to a railway company, but to secure cheap transport to the public, whose money has paid for that road, and who will have, for generations, to bear the burden of the interest due to it. Now there are various remedies. Competition is, of course, an imperfect remedy, because the competitors may combine, but it is better than nothing. Look what it does between Chicago and New York! Look what it does between Chicago and Montreal! Contrast those distances and the rates on these lines with the rates where there is no competition, as in the case I have given you of the St. Paul and Manitoba Railway. And remember that often, though there may be a difficulty in keeping up a competition, and though you cannot ensure that the competitors will not combine, yet the possibility of competition, and the knowledge that extortionate rates may lead to the building of other roads, is a check upon these corporations. But you prevent anybody, who is not in the interest of the Syndicate, from building at all in a way which will produce competition. You not merely do not secure but you prevent designedly the possibility of competition, and the hon. Minister seems rather to congratulate himself that he has secured a consolidation of interests with the St. Paul and Manitoba Railway Company, so that this very line of railway to Thunder Bay which the people of the North-West were looking for, and hoping for, and praying for is closed to them as a means of relief, and the Syndicate is to control every gate-way to the North-West. A public commission would give some chance of

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relief, though one of those great railway magnates in New York has declared it as his belief that such a commission always must have one of two results: either the commissioners must own the railway or the railway must own the commissioners. Still something might be done in that way. A provision that the rates should be fixed with a due relation to the actual cost of transport and to some reasonable profit—some large profit if you like—on such individual capital as might prove to have been sunk in the undertaking would be a feasible remedy. A provision which gives the Government the machinery for examination and inquiry into what is the actual cost of transportation, from time to time into the actual individual capital sunk, which gave even 20 per cent profit on that amended capital, would be a great relief. A reservation of public rights on the road, a right to give running powers to other corporations, would be a relief; a provision for the reverter of the line to the public; a provision to give power, on the part of the public, to re-acquire the line on reasonable terms, such as are contained in the present Railway Act, would be a relief. A provision, at any rate, which would enable the provinces which we hope to carve out of the North-West, and through which the road is to run, to re-acquire the railway, would be a relief. If they were to be allowed to purchase the road at a valuation, and get rid by peace instead of by war of the monopoly, it would be a relief. And there are other methods such as the fixing of charges by reference to general averages, and by defining minimum rates. But none of all these things has been done, none of all these things has been attempted. We go on, in spite of the oft repeated lessons of experience, to create to-day, in the year 1880, what I venture to say the men to whom the hon. gentleman has referred would not dream of creating in the United States. Sir, I object to this scheme because I believe it to be a scheme not in the interests of the country, on other grounds. The hon. gentleman was right to refer to my speech of last year. I continue to believe in an eastern connection. I believe, Sir, in the eastern connection. I am of opinion that the interests of this country call for an eastern connection, but I am not of opinion that the interests of this country call for the retardation of that connection. I am not of the opinion that the interests of this country call for the postponement of that connection. I am not of the opinion that the interests of this country call for enormous expenditure in order to secure that connection under existing circumstances. I believe, Sir, that the line by the Sault Ste Marie, in the present condition of railway matters on both sides of the line, affords the practical solution of that problem. A solution perfectly easy, perfectly plain, and possessing obvious advantages of an enormous character over the plans of the Government. The Sault line gives you, in the first place, a connection in two years, or at most in three. Do you want an all rail connection with the North-West? The line you propose, offers you that connection in ten years; the Sault Ste. Marie line offers you one in three years at most. It gives you that connection through a country capable of settlement, while the line, so far as we know, which is proposed to be run by the north shore, is through a desolate country, almost entirely incapable of settlement. It, therefore, gives you a line which, so far as the way traffic through our own country is concerned, will give the power of reducing the expenses, by giving a profitable trade, which will not exist with a north shore line, and, of course, if the through traffic is to bear the full cost of operating the 660 miles of railway, through traffic will have to pay a higher rate than it would if that cost were diminished by the results of the operation of the railway through the settled country. I have not the slightest doubt that it can be done. Such are the commercial advantages of that line that it must be done.