

minus. The merchandise carried over this road must find its way to the sea in winter as well as in summer, and it would be a gross injustice to the eastern portion of the Dominion if the products carried over this road were shipped at foreign ports, and if the business of this road, which has been practically built by the money of the people of this country, should go to build up a foreign, and possibly a hostile, port. In 1881, when the Canadian Pacific contract was under discussion, hon. gentlemen will remember that it was suggested that, for a time at any rate, a portion of the road might run through American territory south of Lake Superior, to meet the Canadian road at Sault Ste. Marie. That was denounced as a most unpatriotic proposition; but it seems to me that it is much more objectionable that the terminus of the road should be in United States territory, than that one of the intermediate links should be; and I trust that the Government, having had their attention called to this matter, as they have before now, and having an opportunity of exacting a *quid pro quo* from the company when they come to ask for further assistance, will see that the Company give some guarantee that the traffic on this road shall not go to build up Portland or Boston. The hon. gentleman who seconded the Address, spoke of this as being a road from ocean to ocean, through Canadian territory. I presume he spoke with the understanding that—

HON. SIR ALEX. CAMPBELL.—I did not quite appreciate the point, I see it now.

HON. MR. POWER.—I presume he did not look forward to seeing the Eastern terminus of this road at Portland or Boston. There is just one other paragraph about which I desire to say something. I regret that the hour is so late, as it is a subject upon which I should have dwelt for some little time.

HON. GENTLEMEN—Go on.

HON. MR. POWER.—The 13th paragraph says that “a provisional arrangement made with the Government of Nova Scotia for the retention of the Pictou branch and the acquisition of the Eastern

Extension Railway to the Strait of Canso will be submitted for your approval.” Coming from the Province of Nova Scotia, and being naturally interested in that matter, I may express my gratification at the fact that the Government proposes to retain the Pictou branch, and to acquire—in fact they have actually taken over—the road known as the Eastern Extension. I think that a very few words will show the House that the transaction has been a good one from a business point of view. The Pictou branch is worth, I think, about 3,000,000 dollars, and there is as much business done on it as on almost any portion of the Intercolonial Railway. The road known as the Eastern Extension cost between \$1,800,000 and \$2,000,000, and that road pays its working expenses, while the Pictou branch does considerably more than that.

HON. SIR ALEX. CAMPBELL.—Does the Eastern Extension pay its working expenses?

HON. MR. POWER.—Yes, I have been so informed,—so the officers of the Company informed me some time ago; I think the former Superintendent told me that the road just about paid its working expenses. The other road, if properly managed, as a company might manage it, would probably pay from \$50,000 to \$100,000 a year over its working expenses. The Government, therefore, are acquiring a property which cost, altogether, some \$5,000,000, and for it they are paying only \$1,200,000. Of course it is true that the Government have owned the Pictou branch, but hon. gentlemen will see that legislation which took place, I think, in 1873 or 1874, with some supplementary legislation later on, had pledged the Pictou branch as an aid to the construction of a railway to the Straits of Canso, if it could not go any farther. It was first pledged to aid in the construction of a railway to Louisbourg or Sydney, but it was found that that could not be secured, and the Government agreed to give the Pictou branch in aid of a road to the Strait of Canso. Consequently the road had passed out of the control of the Government, and had become substantially the property of the company who built the road; and I repeat

HON. MR. POWER.