

WHY CHANGES OF CONTRACT WERE MADE

The conclusion the government come to was that it would not be wise to put in peril a great national undertaking to which we attached so much importance if amendments could be made of such a character as to meet the wishes of the company without any serious disadvantage to the Dominion. Hon. gentlemen opposite have interpreted that transaction in a somewhat unpleasant and by no means polite way. They have presented the state of affairs as being that the Grand Trunk Railway Company said: 'We must have these amendments,' and the government granted them. I suppose that could be said as respects a transaction between any two parties. What happened was that the two parties to this undertaking sat down to consider whether concessions could be granted that would meet the criticisms of the objecting Grand Trunk Railway people without seriously disadvantaging the interests of the government and the people of the Dominion. Now one would think from the tone of hon. gentlemen opposite that to propose changes in a contract originally made in a grave matter of this sort is something quite unheard of and necessarily very wicked and bad. Do we forget the case of the Canadian Pacific Railway contract, that after the government of the day had granted many millions of money, that after they had granted many millions of acres of land, that after they had granted exemption from custom taxation, that after they had granted exemption from land taxation, that after they had granted exemption from railway competition, that after they had given to the Canadian Pacific Railway very nearly everything on the earth and in the waters under the earth, the Canadian Pacific Railway came back here in a few years and said that they would have to drop the whole undertaking if the government of Canada did not come to their assistance? Have hon. gentlemen forgotten that that great corporation at a very early stage in its history came back and said: Unless you can advance us \$30,000,000 to aid this enterprise we are sorry to have to tell you the whole thing will have to be given up. That was the position which was presented to Sir John Macdonald at that time. He had his choice. It may be that some ungenerous critic on the Liberal side did state that the Canadian Pacific Railway had said: You must do this and the government did it. But looking back over the transaction now, even those who differed from the government of that day would probably acknowledge that it was a wise step on the part of the government and parliament of Canada to come to the aid of the Canadian Pacific Railway, as they did at that time, and help them out in their great national undertaking. As it turned out the loan that was then made to the Canadian Pacific Railway was repaid to the government and the government and people of Canada lost not one cent on that account. But, it might have turned out otherwise. There was no guarantee at that time that the Canadian Pacific Railway would prove the great success which ultimately it did prove. The government of the day felt, and I think, looking back over it now, that we can say wisely felt, that it was not well to put in peril that great national undertaking if they could meet the company by granting some concessions that might seem fair and reasonable.

FOLLOWED A NOTABLE PRECEDENT.

It was in that spirit that this government met the people connected with the Grand Trunk Pacific Railway Company and sat down to negotiate for changes. Immediately before the recess I called attention to one of these changes and I will now briefly proceed to speak of the others. The most of these changes are of comparatively little importance. There are only two of them that are of serious financial importance. The others were changes to which the Grand Trunk people attached some importance because they would enable them to remove objections from the minds of the shareholders, and because they would remove objections from the minds of timid capitalists, and we know that capitalists are always timid in regard to matters of this sort. For example, there was a proposal to increase the time for the completion of the road from five to eight years. We do not anticipate that the eight years will be exhausted, but the promoters of the company came to us and said: You are to have \$5,000,000 of our money as a forfeit and you cannot expect us to obtain the assent of our shareholders to the forfeiture of that large sum of money

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