

Government should not be ratified by this House for several reasons, if I show the committee that plan should not be ratified, that it is impossible to carry it out, and that this Government should not assist in the endeavor to carry it out, I show good reason why the Western Counties Railway Company should be looked after immediately by the Dominion Government. The Bill which has been passed by the Nova Scotia Government, and the agreement it contains, is here. Hon. gentlemen who may not have read that Bill may be interested in knowing that the intention of the Nova Scotia Government, under the provisions of that Bill and agreement, is to hand over to a foreign company ninety-nine miles of railway equipped and running in Nova Scotia, that cost upwards of \$3,000,000, for \$120,000. That is all they are paying for the road. The Nova Scotia Government have swamped the \$500,000 private capital, \$100,000 municipal funds, the £145,000 floating and the £65,000 of bonds guaranteed by the Nova Scotia Government, and all they get in return is \$120,000, less the \$64,000 expected from the Dominion Government, which makes \$56,000 net, or less than \$600 a mile, and the Nova Scotia Government boldly asked this Parliament to sanction that transaction. This is a plain, unvarnished statement of the conditions of this Bill. There is a precious document issued by the Legislature of Nova Scotia and called "The Western Railway Consolidation." It appears that the Nova Scotia Government, after having invited tenders to build the railway system of Nova Scotia, and after having entered into communication with two or three different companies, shunted them all off with the exception of one. The hon. member for Digby, no doubt, has one of these documents, and on page 67 he will find there was an offer from a party in Yarmouth to build the railway system and retain for the Government their lien of £65,000 and pay the bondholders 50 per cent. of their bonds. The Premier of Nova Scotia says on page 67 that he fears that the offer must be modified—he cannot accept it. But by turning to page 94, you will find that another offer to complete the road was refused, because, as the Provincial Secretary said, it was not made by a banking house of unquestionable character. But, by turning to another part of this history of railway consolidation, we find that the Government of Nova Scotia, although it refused one offer because it was not made by a banking house of respectability, accepted an offer to negotiate with this precious joint-stock company of London upon the bare assertion of a notary public of London that one Charles James Watts was to be secretary and manager of a company to be formed in the following year. It is evident all the way through that the Nova Scotia Government was bound to make this particular arrangement with one company, whoever it might be, and the Government of Nova Scotia did not know who the company was until seven days previous to the contract being ratified by the Legislature, when they officially asked who were to form this company and when it was to be formed. It shunts off another offer by stating officially to the London joint-stock company that "You are the only parties authorised to treat with us." There is something else very fishy in this transaction, because we find that, under date of the 23rd of October, the joint-stock company of London wrote to the Provincial Secretary in reply to a letter that does not appear in the volume. All the way through this document it is evident that the intention of this Government was purely and simply to treat with one company. There is another very peculiar feature in this matter. This joint-stock company proposed to the Government of Nova Scotia, in their first offer, to pay a debt of \$50,000 which was due by the company to the Government. The agreement is signed, and the Provincial Secretary declines to take the \$50,000. I merely make this statement, which any member of the committee can verify for himself. The Government

Mr. KINNEY.

of Nova Scotia also insisted on wiping out an obligation which they were under and robbing the trustees of the bondholders of \$40,000 in their hands.

Some hon. MEMBERS. Question.

Mr. KINNEY. I am speaking to the question. The question was that the committee rise. I object to the committee rising until I show that its work is incomplete. There is a Bill before the House for the building of railways all over the country; but I object to the Bill in its imperfect state.

Mr. BLAKE. The question is, that the committee do rise; but it seems to me that what the hon. gentleman is doing is taking a rise out of the committee.

Mr. KINNEY. That is a matter of opinion. We will excuse the hon. gentleman's facetiousness at this particular time.

Mr. MITCHELL. It is a serious subject to you.

Mr. KINNEY. It is a serious subject to me and to Western Nova Scotia generally; and if I am in order, those who do not wish to listen to me may go out. The Local Government of Nova Scotia to-day, through their agent, who is now in the city, is asking the Dominion Government to hand over the Windsor Branch Railway, worth \$1,250,000, without paying one dollar for it. The hon. member for Digby, I think, approves of this Bill. Judging by some observations which have dropped from him, and I do not wonder at it, because, viewing the history of this railway from its beginning up to now—I am sorry I cannot say to its end—I find all the way through one interest interfering with the completion of that railway. I will not point out that interest; perhaps it would be unparliamentary for me to say that the hon. member for Digby is interested. Fourteen years ago, when the Nova Scotia Government was negotiating for the completion of this road, there was this proviso put into its legislation—that it would be incomplete until the Windsor and Annapolis Railway recouped to the county of Digby and the county of Annapolis their interest in the land damages. The counties of Digby and Annapolis claimed that the Western Counties Railway Company should pay their interest on the money until the road was completed; and the Nova Scotia Government, out of the paltry \$120,000 they are willing this company should pay for 100 miles of finished railway, compel the company to put by a sum of money to pay interest on some land damages for the county of Digby; and while the hon. member for Digby may approve of the Bill, because of that one feature in it, I doubt if the people of Digby generally are willing to sacrifice the interests of Yarmouth for that purpose. As this Bill and this agreement are absurd and iniquitous in another point, they cannot be approved of by the Dominion Government and this Parliament. In 1882, when the Nova Scotia Government made a bargain with the Dominion Government to ratify their legislation to complete the road, there was this clause inserted in the Act, that it must be approved of by the Western Counties Railway Company and the bondholders. It has not been approved of by the railway company, the bondholders or the municipalities. Hence the Government cannot assent to it, unless they pass some legislation more favorable to this scheme than the last. During the first stages of this debate, on the 29th of May, the hon. Finance Minister made these observations:

"My hon. friend from Yarmouth (Mr. Kinney) thinks otherwise, that it cannot be done without doing great injustice to the municipality of Yarmouth and the Western Counties Railway."

"Mr. VAIL: The municipality of Yarmouth has no objection."

This, coming from a gentleman occupying the position the hon. member for Digby does, may seem to some to have a semblance of truth in it; but I wish to state that I have the