

the working of the line. The chief source of revenue of this railway has been the lumber traffic, and until the forests are cut away this will afford considerable income. Outside of this—the freight and passenger traffic had been substantially stationary for the past six years.

According to an old proverb, "He is lucky who was born with a silver spoon in his mouth." According to the modern version, he is still luckier who, being a Liberal organizer, buys a bankrupt railway for the purpose of selling it to a Liberal Administration.

ALTERNATIVE ROUTE.

It was not at all necessary to purchase this railway in order that the Intercolonial might have access to Montreal. Both political parties were pledged to grant a subsidy to a bridge across the St. Lawrence River at Quebec. Tenders have now been called for the construction of that bridge, which will be an accomplished fact before many years. The Canadian Pacific Railway desire running powers over the Intercolonial from St. John, N.B., to Halifax, as well as the use of the Intercolonial terminals at Halifax. The Canadian Pacific Railway owns a line from Quebec to Montreal, as well as very valuable and extensive terminal facilities at Montreal. Without incurring one dollar of expenditure on capital account it would, undoubtedly, have been possible for the Government to make an equitable arrangement with the C. P. R., by which the Government would grant to the C. P. R. running powers over the I. C. R. from St. John to Halifax, and receive from the C. P. R. in return running powers from Quebec to Montreal. From the standpoint of the Government, the great objection to that course was that Mr. Greenshields in that case could not have sold the Drummond County Railway, and possibly Mr. Tarte could not have purchased La Patrie.

GRAND TRUNK AGREEMENT.

The Government also entered into an agreement in 1897 with the Grand Trunk Railway Company for running powers over the Grand Trunk Railway between Ste. Rosalie and St. Lambert, and for the use of the terminals of the Grand Trunk at Montreal. This agreement was subject to ratification by Parliament, and that ratification the Senate refused to give. In consequence of that refusal, a more favourable agreement was effected by the Government with the Grand Trunk Railway Company on the 1st day of February, 1898. The rental payment under the agreement of 1898 is \$5,000 per annum less than the rental payable under the agreement of 1897. This rental would be equivalent to a present cash payment of \$208,690. The Senate by its action saved the country on rental and purchase money alone, by rejecting the agreement of 1897 with the Drummond County and Grand Trunk Railways, the sum of \$768,677. But this is by no means all that the country was saved by the action of the Senate.

By the agreement of 1897, the Government

agreed to pay to the Grand Trunk Railway Company 5 per cent. annually upon one half of the actual cost of improvements effected by the Company upon its line and terminals. By the agreement of 1898, the Government pays interest at the rate of 4 per cent. only; and such interest is not payable upon one-half of the cost of such improvements, but only upon the proportion which the user of the Intercolonial Railway bears to the user of the Grand Trunk Railway Company, in respect of such lines and terminals. The user by the Intercolonial Railway has proved to be less than one-twentieth of the user by the Grand Trunk Railway of this line, and the terminals. It will be seen that the action of the Senate saved the country at least 19-20 of what the cost of these improvements would have been to the country under the agreement of 1897. The saving to the country, as a result of these and changes in other respects, while they cannot be calculated with exactness, would be the equivalent of a present cash payment of over one million, and probably several millions, of dollars.

The annual rental, which is payable by the Government to the Grand Trunk Railway Company for use of the 31 miles of line from Ste. Rosalie to St. Lambert, and of the terminals at Montreal, is the sum of \$140,000. This is an excessive amount, as it is based upon an estimate of equal user by the Grand Trunk Railway, and by the Intercolonial Railway of such portions of the terminal facilities as are required by the Intercolonial Railway; while, as a matter of fact, the user by the Grand Trunk Railway is many times greater than the user by the Intercolonial Railway.

The true explanation of so one-sided an agreement is that the Grand Trunk Railway Company was well aware of the determination of the Government to benefit its political friends by purchasing the Drummond County Railway, and knew that railway could not be acquired with any show of reason unless an agreement was also made with the Grand Trunk Railway for access to its terminals at Montreal. Therefore, the G. T. R. could exact a very large rental.

For the purpose, therefore, of assisting Liberal organizers directly and their superiors indirectly the Government has seen fit not only to purchase the Drummond County Railway at an absurdly high figure, but also to enter into an agreement by which the country is bound for 99 years to pay to the Grand Trunk Railway Company the absurdly high rental of \$140,000, for a very limited use of 31 miles of railway and terminals at Montreal.

Do the electors of Canada feel wealthy enough to have their revenues applied towards enriching Liberal organizers and politicians? Are they content to toil and wait in order that Mr. Greenshields and his friends may become quickly rich?

If so, vote for Laurier, Tarte, Greenshields and the Drummond Deal.

If not, vote down corruption and dishonesty, and uphold honest government and fair dealing in all matters of administration.