

tion of this prairie section. Six years have passed away and matters have changed greatly; to-day we have a resolution affirming that it is expedient that this company which was to have constructed the prairie section without any further assistance than a guarantee to the extent of \$13,000 per mile, is coming to us and asking for additional help to the extent of \$10,000,000, and this resolution, instead of opening with the formula that it is expedient, should, I think, read that it has become a regrettable necessity to authorize the Governor in Council to advance by way of loan this \$10,000,000. It has been incorrectly asserted by some speakers in the House that the opposition have assumed and maintain a position of unequivocal hostility to this loan. That is what the hon. member for West Lambton (Mr. Pardee) endeavoured to put into the mouths of opposition members, and it was with those sentiments that he endeavoured to credit us. We must be permitted, I think, to make our own expression of our position in this transaction. Our attitude is that we are not opposed to the loan of the \$10,000,000 if the claim be placed upon the proper basis, but that we must, as His Majesty's loyal opposition, have the right, nay it is our duty before granting our consent to such an unexpected and unusual proposition that we should be furnished with the fullest possible information as to how this regrettable miscalculation occurred, that we should be assured that the company has done its utmost before coming to the government for assistance, that we should be satisfied that the security which is offered is the very best that is obtainable, and the best that the Finance Minister, the guardian of this country, has been able to secure from these borrowers. Finally, I think, it is our duty to suggest, when the proper stage arrives, some amendments by which the Bill can be improved, bearing in mind the fact that we desire to prevent a repetition of the experience we are at present going through. No evidence has yet been adduced that the government has been at all severe upon this company, that they have been holding back when sanction was asked for this loan. It therefore behooves the opposition to provide the safeguards necessary to protect the public interest.

Were the matter not so serious it would certainly appear almost ludicrous to make a comparison between the promises that this government made in 1903 and the events as they have turned out. I venture to say that no body of men in Canada have ever made such an utterly hopeless miscalculation as has been made in respect of this national undertaking. In the 'Hansard' of 1903, we find passage after passage in reference to the eastern and western divisions, in the speeches of the Finance Minister and the Prime Minister upon which parliament

granted assent to this proposition, and it was upon these promises that the country gave its concurrence. It is easy to prove that the promises that were then made have not been implemented in the slightest degree. Turn for example to a few of these extracts. Sir Wilfrid Laurier, on July 30, 1903, spoke as follows:

I need not dwell upon the importance of this covenant on the part of the company. It practically takes away from the guarantee of the government all risk. There is not a dollar to be advanced by the government. We do give our credit and nothing else. And our guarantee of seventy-five per cent of the construction of the road is to be supplemented by the credit and all the backing of the Grand Trunk Company itself.

Mark you the Prime Minister says that not a dollar is to be advanced by this government. The Finance Minister, speaking with reference to the prairie section on August 12, 1903, said:

With respect to the western division, we guarantee three-quarters of the cost, not exceeding a certain sum. Our guarantee—not the cost of the road, but our guarantee—is limited to \$13,000 per mile on the prairie section and \$30,000 per mile on the mountain section. If the road costs less than the figures on which these guarantees are based, we only guarantee three-quarters of that cost, but if the road costs more—and some hon. gentlemen argue that it will be very expensive—we do not increase our proportion, but the company must provide the increased cost without limit so that the road may be finished. The Grand Trunk Pacific agrees to do these things.

Again, the Finance Minister in that same speech spoke as follows:

As respects the prairie section, we assume no obligation whatever, except the guaranteeing of the bonds, but my arguments are based upon the assumption that the Grand Trunk Pacific Company will carry out its undertaking, and I think that it has given a sufficient guarantee of its ability and good faith in the large sums it is putting into the enterprise. Assuming that the Grand Trunk Pacific Company fulfils its obligations under the contract, and that we shall only be called upon to do exactly what we have agreed to, we assume no obligation in respect to the prairie section, because the Grand Trunk Pacific Company agree that, from beginning to the end, they will pay the interest on that section.

And so, as I say, it was upon representations such as these made in this House and before the country that consent was granted to enter into this contract with this Grand Trunk Pacific Railway Company. It was distinctly stated that the prairie section would not cost the country one dollar, but all that we were to do was to give a guarantee which we should never be called upon to make good, to the extent of the first \$13,000 per mile which would go into the construction of that road. And now we find that there has come a letter to the government, a