

Discussing the Railway Bills

House of Commons Railway Committee Continues Consideration of the Manitoba Railway Bills

Ottawa, April 20.—The Manitoba railway bills again came before the railway committee of the House of Commons this morning. Mr. Sutherland presiding. Messrs. Sifton, Tarte, Davies and Fielding were the ministers present.

Mr. Nesbitt resumed his address. He took up clause eight of the Canadian Northern contract, which, in return for the guarantee of bonds gives the lieutenant-governor power to fix the rates between points in Manitoba to Port Arthur and from Port Arthur to points in Manitoba. Clause eleven was then taken up which deals with the disposition of the earnings of the road. The first change proposed was in the expenses before the interest on "the bonds, or the rental of the Northern Pacific lines are paid, in default of any earnings over and above working expenses the province undertakes to pay nearly half a million dollars. His clients object that there was no control at all by Manitoba over working expenses, which the province must allow to be paid before it can recoup itself for the half million dollars a year. The company can expend all their earnings including the betterment of the 40 miles in Minnesota as to which the company may do anything they please. Mr. Nesbitt pointed out that in return for this fixed liability Premier Roblin has secured that Manitoba was getting absolute control of the freight rates. Mr. Roblin added that the railway committee exercised only a perfunctory control, and that "the only relief was for Manitoba to take the power to itself with the railway corporation to control the matter direct." That was Mr. Roblin's stand upon which he induced a majority of the legislature to pass these contracts as to rates from points in Ontario to Manitoba. Mr. Roblin did not profess to regulate, and even went so far as to argue that if the company charged high local rates on the Ontario and Rainy River road it would redound to the advantage of Manitoba. Mr. Nesbitt pointed out that the Railway Act of Canada stipulated for equal rates and no discriminations. "Now," said Mr. Nesbitt, "Mr. Roblin says it is to our advantage that higher rates should be charged by the company for Port Arthur. Could you not say," added Mr. Blair, "that they have the right to fix the rates so long as they do not exceed the rates fixed by the governor-general-in-council, or allow secret rebates or concession in violation of the railway act?"

Mr. Blair—"Does Roblin take that attitude?"

Mr. Nesbitt—"Yes, here are his words: 'If the company charge high rates in Ontario to the boundary, and low rates fixed by the Manitoba government from thereon, it would redound to the advantage of Manitoba.'"

Mr. Blair—"I think the committee will agree that position would not be tolerated, but is it not possible to introduce a provision in the bill safeguarding that?"

Mr. Nesbitt—"Yes, if you will accept a clause I will draw." (Laughter.)

Mr. Blair—"I think the committee will agree at once that the position you represent to us would not be tolerated. Could you not say," added Mr. Blair, "that they have the right to fix the rates so long as they do not exceed the rates fixed by the governor-general-in-council, or allow secret rebates or concession in violation of the railway act?"

Mr. Nesbitt—"My answer is certainly you can. The moment you do that do you suppose the legislature of Manitoba would assent to that? You will have to send it back to them for consideration."

Mr. Blair—"The basis of the argument there, you say, was to discriminate and deal unfairly with certain portions of Canada, in favor of one portion of Canada?"

Mr. Blair—"That cannot be done."

Mr. Nesbitt proceeded to read an elaboration by Mr. Chris Robinson. The opinion from the legal counsel has already been published. This opinion holds that the Dominion does not have constitutionally exclusive control of rates. The province cannot, therefore, secure them. Mr. Nes-

bitt added that Premier Roblin got the consent of the Manitoba legislature to these contracts under the belief that it was securing the control, and the regulation of rates which it was now plain could not be secured. If under this new clause, Mr. Nesbitt urged, the Dominion put forth its controlling hand as a matter public policy what answer has Manitoba to make?"

Mr. Monk, the first Opposition lieutenant, interjected—"They knew the law when they made the agreement. They supposed to."

D. C. Fraser made some remarks as to it not being vital to quote Roblin's speech. To which Mr. Nesbitt warmly replied—"It was responsible premises on which his followers certain assurances upon which he secured their verdict, and another parliament knowing that was the case, passed a bill professing to ratify the decision, but containing a new clause directly in the teeth of these assurances it would be tough, to quote Christopher Robinson's opinion as read to-day. 'I assume,' said Mr. Robinson, 'has under contract of rates is obtained by the province, the main object of the whole transaction will be defeated.'"

Mr. Monk—"To say for thirty years the Dominion could not do anything to forfeit our right to legislate in respect to rates otherwise is a proposition to which I cannot assent."

Mr. Nesbitt argued that parliament could not count on its with its controlling hand at any time, but that it intended to abdicate its right of control for thirty years. It should now refuse to sanction these contracts otherwise it would be a breach of faith with the people. He said that in consideration of control by the province and in two or five years or ten years step in and pass legislation governing Dominion Jurisdiction. "I say exclaimed Mr. Nesbitt, with considerable heat, 'a citizen of Canada if such a course is adopted, if in spite of this contract you would take back power into your hands, then, gentlemen, I am sorry for you.' Taking up the new bill, Mr. Nesbitt stated that under pressure from the Winnipeg board of trade a clause was inserted in the Manitoba bill providing that the mortgage might vary from the terms of the contract, and this was put forward to meet all objections. Now the new bill presented to the committee yesterday contains no clause that these difficulties might be remedied by the mortgages. It had been abandoned and was struck out by Mr. Lash and properly so."

Mr. Nesbitt argued strongly that this being the case it was a new contract which they had no right to make without sending it back to Manitoba for consideration."

Mr. Russell—"Did Premier Roblin contend for a control of rates independent of the Dominion authorities?"

Mr. Nesbitt—"That was the dominant note of the contract. Mr. Roblin, it will be remembered, said to the board of trade, 'If we can't get control of rates then the contract is bad. The whole consideration offered by the company was control of rates.'"

Absolute control was the expression. By the changes made in the bill, added Mr. Nesbitt, you are asked to validate a different contract from the one passed by the legislature and insert in the most initial features. Instead of inserting a clause giving Manitoba the control of rates it is proposed to insert a clause expressly reserving the control of the Dominion authorities. "Why," exclaimed Mr. Nesbitt, "as the bill stands now Premier Roblin could not have got a corporal's guard to put through his contract."

A controversy here took place as to whether the contract was made with the people or Manitoba and Mr. Nesbitt put some questions to Mr. Roblin which the latter considered offensive, and which caused Mr. Nesbitt to say: "I may be turned out of this committee but I have yet to learn that I can be addressed in that tone of voice."

After order had been restored, Mr. Nesbitt said: "The people of Manitoba have a right to say whether they agree to an alteration which takes away the consideration for this enormous aid."

Some discussion took place with Mr. Wade as to whether a rate could

not be fixed by Manitoba within the maximum fixed at Ottawa without a conflict.

Mr. Nesbitt replied that under this new bill there would be necessarily a conflict but it was difficult to say what would be the effect of parliament confirming this clause of the C. N. railway contract.

Mr. Blair—"We only confirm it so far as it does not conflict with the rights and power of the Dominion."

Mr. Nesbitt—"But is that consistent with the legislation of Manitoba?"

Mr. D. W. Bole addressed the committee which by this time impatient and tired. Nevertheless Mr. Bole secured a fair hearing and made an excellent address. He said that Manitoba did not want to block legitimate railway enterprise, nor had they any prejudice against the promoters of the Canadian Northern railway. He gave a reason why there was no greater agitation in Manitoba while the contracts were pending. The people waited for the promised amendments, but they did not get them. He said that in the contract as consideration was the control of rates, and as to that, added Mr. Bole, "you have been advised." And as to who represented the sentiments of the people in this matter, he said that neither government nor pushed those things through the legislature, nor the policy embodied in these contracts were ever before the people of Manitoba.

At this point a motion to adjourn until Tuesday was made and passed.

Ottawa, April 30.—The railway committee of the Commons met this morning at eleven to resume consideration of the Manitoba railway bills. Mr. Sutherland presiding. At this time the law had promoters and opponents were present.

There was a preliminary discussion as to whether there should not be a limit set to speeches from outside. They wanted to see "the end in sight."

"Yes," ejaculated Sam Hughes, "let us know who are to talk, and if it is common sense." (Laughter.)

Mr. Bole came forward to resume his address when Mr. McIsaac started in to suggest what Mr. Bole should, or should not say. Mr. Charlton resented this and said they could not do without Mr. Bole would or would not say. Mr. Bole commenced by saying he did not propose to echo what Mr. Nesbitt had said as Mr. McIsaac was afraid of, but would touch on the merits of the contracts. He said that these contracts implied competition, and reminded the committee that the province had paid a large sum to get the Northern Pacific into the province, and now it was proposed to give the crown control over again. "Refer this matter back to the legislature," said Mr. Bole, "and some kind of arrangement might be come to whereby the Canadian Northern could secure the fifty miles out to Portage la Prairie and have complete control through to the west. Then we will have the C. P. R. a complete system, and the Northern Pacific a complete system. Under these contracts there is purchased, and not an increased competition."

On Mr. Bole referring to the other offers, Col. Hughes asked, "Where these other offers before the Manitoba legislature?"

Mr. Bole—"Some of them."

Mr. Hughes—"You want us to teach the Manitoba legislature its duty?"

Mr. Bole—"Well, you might very well say that." (Laughter.) Referring Mr. Bole quoted the figures of earnings and expenses submitted to the board of trade committee by Mr. Roblin and went on to correct an impression sought to be created here that the whole of the Conservative party and a large section of the Liberal party were in favor of the contracts. In regard to this Mr. Bole said: "I will pledge you my word that no such combination of things exists. Recently leading Conservatives signed a manifesto against the contracts and published it." Mr. Bole quoted several of their names, such as Mr. Gilroy, Mayor Arbutnot, and Messrs. Haslam, F. W. Thomson, J. A. Andrews and others, and said, "If those gentlemen were taken out of the Conservative party in Winnipeg and Manitoba I would have some doubts about the future of that party."

Here Sam Hughes objected to listening to Mr. Bole's views on politics as merely his private views.

Whereupon Mr. Bole replied: "I give you my views because they are the best I've got."

Mr. Richardson—"They are the views of a majority of the people."

There was a slight uproar at this point, but Mr. Bole took it calmly and went on to refer to the new aspect of matters caused by the new bill, he said, passing which he claimed would constitute a breach of faith with the Manitoba legislature. The proposed new bill was not a bill for which the petition had been presented and it was not properly before parliament. This bill now was not a bargain the Manitoba legislature was willing to endorse. The people of the province certainly understood that the local government were securing absolute control of rates, under the present bill the contrary is made clear. The bill which passed the legislature took the power to vary the contract in the mortgage. There is no such provision in the bill now before this committee. A special clause was inserted in the present bill does not authorize Mr. Bole presented a forcible argument along these lines having made a clear and argumentative address of one hour.

Mayor Arbutnot, on motion of Mr. Pugh, moved that the committee be asked to consider the feeling of Winnipeg against the contract. Winnipeg was offering now nearly a million dollars in debentures, so Winnipeg had many improvements in view, and was keenly interested in preserving the credit of the province. In reply to circulars sent to the rural municipalities eighteen replies against the contract were received and only five or six in its favor.

Mr. Nesbitt addressed the committee for a minute and said it was provided that the mortgage shall contain certain amending and drastic clauses necessitated by the attitude of the board of trade. Mr. Nesbitt said, "I asked that the mortgage be laid before it so that you will see that the contract the Manitoba legislature passed is not in the contract we are passing on. I also ask that any agreement with the state of Minnesota be laid before you."

Mr. Fortin—"If the province has no control of rates, what consideration does Manitoba receive for her bargain?"

Mr. Nesbitt—"Nothing at all."

Mr. Sproule—"May not the province have sufficient control for their purpose?"

Mr. Nesbitt—"I think not."

Mr. Lash, K. C., counsel for the Canadian Northern, rebutted Mr. Nesbitt's argument that the bill was a forcible and energetic address. As matter of law he gave reasons to show that while the Manitoba legislature had no legislative control over the function of the legislature, nevertheless the crown could acquire a proprietary interest in a Dominion railway.

"All we are asking," said Mr. Lash, "is that there should be authorized to lease their railways to His Majesty as represented by the executive of Manitoba, and to assign that lease immediately to another corporation under the control of the Dominion. If we were going to ask authority to operate by the government the Northern Pacific lines, something further would be on the face of it. The lease is to be assigned immediately to a company over which this parliament has complete jurisdiction."

Mr. McCreary—"The point made by Mr. Nesbitt was rather that the option to purchase contained in the lease was illegal."

Mr. Lash—"I will deal with that later. Here is the Canadian Northern Railway company subject to your jurisdiction, and the bill is to be passed and bound under the Railway Act of Canada by the obligation that it cannot charge a dollar of tolls until it submits for approval to the government section of the control of this contract and charges—that is the law which applied to that company when this contract was made and applies all the time with reference to the Ontario section. It was before the Ontario section a dollar of tolls submit these tolls to the Ottawa authorities. It may also have to submit the tariff with reference to these leased lines. Until this is done the company has no right at all to collect any tolls."

Mr. Charlton—"Then what consideration in the shape of control does Manitoba get?"

Mr. Lash—"I will answer that." Cobwebs have been spun around this question by speakers here and by the newspapers. The word 'fix' in the contract is the same as in the railway act. The railway act says that the tolls to be considered, and continued Mr. Lash, "the Canadian Northern has merely made a contract