

hon. member from Richmond, as to the advisability of granting \$10,000 per mile for 250 miles of the road as a direct bonus to the enterprise. I agree with my hon. friend that that is an excessive amount, that a bonus should not be granted in that way. There are modes in which the same ends could be arrived at without putting into the hands of the contractors and promoters of railways such a heavy asset in order that they may reap the benefit and profit of it themselves. Our experience in the west has been that the public aid that has been granted has not gone to the reduction of freight rates or to the maintenance of the road after expenditure has been exhausted—that it has been absorbed in the cost of construction, and I believe the result will be the same in regard to the construction of the Hudson Bay Railway, under the grant of \$10,000 per mile. In my opinion, that great North-west country is going to support railways very profitably such as the Canadian Pacific Railway, the Manitoba and North-western, the North-west Central and South-western, when it becomes populated and people are producing traffic for export, and making wealth so that they can travel and bring in large quantities of merchandise. Every one of those lines is going to be self-supporting, and will yield a fair financial return in profits after the cost of operating has been fully provided for. I am now referring to those lines wholly situated in the prairie belt. All those lines that are situated outside the prairie belt, in the Rocky Mountains and between Lake Superior and easterly, will be supported by the production and trade of the prairie belt, but those lines that are in the prairie belt will of themselves be very profitable. I say, as one coming from that country, that any aid to those lines should be given in such a way that the whole burden will fall upon the traffic of the railway company itself. But what do we find? When a railway like the Manitoba and North-western, the North-west Central, or a colonization road such as the one now under consideration is to be built, we find that the bonds that are issued bear 6 per cent interest, and when they are put on the English market they do not realize more than 60, 70 or 80 cents on the dollar according to the confi-

dence of the public in the company promoting it.

Hon. Mr. SCOTT—And they pay no interest. None of those roads are paying any interest—the Manitoba and North-western or the North-west Central.

Hon. Mr. BOULTON—I can tell you that the Manitoba and North-western Railway traffic earnings show, according to the report made at the investigation by the present bond-holders, that there was an earning of $1\frac{1}{2}$ per cent on the bonds over and above the cost of operating the road.

Hon. Mr. CLEWOW—The road is in the hands of a receiver.

Hon. Mr. BOULTON—Yes, at the instigation of the company. There is a very great difference between being in the hands of a receiver at the instigation of the owners, and being in the hands of a receiver at the instigation of the creditors. Mr. Allan, the owner of the road, had a receiver appointed. However, I wish to lead up to the point: if you say it is never going to be profitable to build a road there, and never going to pay any interest and you will not give any aid, there will never be any development or any construction there.

Hon. Mr. McCALLUM—Never is a long time.

Hon. Mr. BOULTON—Well, it will be a long time as far as you and I are concerned. We want to see the development of the country proceed upon an intelligent basis. As I have said, in raising money to build these roads, the bonds bear 6 per cent interest. The amount we receive is not par value, but 60, 70 or 80 cents on the dollar as the case may be, and therefore there is not only a heavy burden of interest to pay on the bonds, but there is a heavy depreciation of capital which goes into the cost of constructing the road. I am perfectly confident that under ordinary circumstances those roads can bear their own burdens and pay their own way, but it takes a short time before a population can be placed in a new district opened out by a railway and become productive to create an earning power through its production. In the case