

essary incident of the scheme, because they might have gone north to the clay belt and around to the city of Winnipeg without very much increasing the distance. We had, therefore, the project of a railway from North Bay west to Fort Simpson, but without eastern connection except that which exists by the Grand Trunk railway at present. We declined to agree to a proposition of that kind. We declined to assist the Grand Trunk railway to go westward and build up its business in such a way that, in so far as the winter business is concerned of this line, it would necessarily go to Portland. We declined to assist the Grand Trunk railway upon those terms, and I would like our hon. friends opposite to say, before this debate is through, whether they support that proposition or not. If they are in favor of it the country has a right to know it. The country has a right to know whether they support the position we took in that respect or are opposed to it.

We decided on the other plan. We said that we could not agree to that proposition but would insist on a line being built from Winnipeg to Quebec and from Quebec to a central point in the maritime provinces, with the result that we will get a road which will open up, for the first 400 miles east of Winnipeg a territory where there is some fertile land and a good deal of timber readily available; a road which then goes through the clay belt of the province of Ontario, which is somewhere in the neighborhood of 500 or 600 miles long, a road which would furnish the shortest available line to the Canadian seaboard and furnish us, at the same time—and this is a point which, I think, ought to be marked—with just as short and just as good a road through the provinces of Ontario and Quebec by the communication which will be opened up when the road is built. We have the Quebec to Winnipeg line north of Lake Temiscamingue; and with the connecting line to North Bay and down to Toronto, as short a route from Winnipeg to Toronto as exists at the present time by the Canadian Pacific railway, or within a few miles of it. Practically, the distance will be the same; according to some scaling the distance is rather in favor of the new line. So, while we have the advantage of the through line, and of a line going through territory that requires settlement, yet, at the same time we have the advantage of just as good and short a route to

every town and village in Ontario and Quebec by the old Grand Trunk system. So, we give what our hon. friends say we were going to give in the first instance, the line from North Bay, and we give the other line under conditions which will assure the carrying out the stipulations with regard to it.

Why the Government Builds the Eastern Section.

We are being asked—and that point was referred to by my late colleague (Hon. Mr. Blair) in one of the letters he wrote to the prime minister—why we build the expensive section of the line from Quebec to Winnipeg ourselves, that is, the government furnish the money to build the line, but we hand over the western section, the profitable part of the line, to a company to operate. The stating of the argument in that form is an intimation that we are keeping the unprofitable part and losing money on it, and handing over the profitable part to a company to make money out of it. But a cursory examination of the proposition before parliament must show any person that that is the exact opposite of what we really do. It is true we furnish the money to build the eastern section, under financial conditions which I shall not further discuss. But we make it a condition, mark you, with the Grand Trunk railway, that if we assist them in the construction of the line of railway westward over the prairies and to the Pacific ocean, they agree to take from us the eastern section and pay three per cent. interest on its cost, and that is one of the conditions of the whole enterprise. So, the scheme we place before parliament is a completed scheme, a scheme under which we place the profitable and unprofitable parts under one management, and make it an enterprise which will not place a burden upon anybody. In no other way could we have so arranged it that the business of the line would be managed in such fashion as to prevent any burden falling upon us. It is not a case of handing over to the company the profitable part of the line and keeping the unprofitable; but we bind the two together and make the profit of the whole line pay for the cost of construction of the whole line, so that no loss will rest upon anybody. I have no doubt that the Grand Trunk Railway company would have preferred to get a good liberal