

wished to place it, not in the charter of the Grand Trunk Pacific, but in the contract with the Grand Trunk Pacific so that we might bind them. There are some things which you can properly deal with in general legislation; there are some things which you can properly put in a company's charter; but there are other things which might more properly become matters of contract, and we were anxious that this should be made a matter of contract and so we put into that contract the two clauses which have been so often referred to and which I am obliged to read again. Section 42 says:

It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The company accepts the aid on these conditions, and agrees that all freight originating on the line of the railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory, or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ocean ports.

Then, clause 43 says:

The company further agrees that it shall not, in any matter within its power, directly or indirectly advise or encourage the transportation of such freight by routes other than those above provided, but shall, in all respects, in good faith, use its utmost endeavors to fulfil the conditions upon which public aid is granted, namely, - the development of trade through Canadian channels and Canadian ocean ports.

There is not a line in the proposal made by the opposition that is not expressed in these clauses with threefold greater force. There is not a suggestion made by the opposition in this respect, which is not included in these clauses, and which is not expressed with more force and more comprehensiveness than that in which hon. gentlemen opposite proposed to express it in their general assert on of the principle. We bind the Grand Trunk Pacific Company to the solemn obligation under their hand and seal, that they will do all that hon. gentlemen ask, and they further covenant that in good faith they will not attempt to evade it, but in all ways possible carry out the spirit and intention of the provision.

A FALLACIOUS OUTCRY.

In clause 47 of the contract it is provided that if any dispute should arise between the government and the company as to the interpretation to be put on any portion of the agreement, it shall be determined by one arbitrator, or if necessary by other arbitrators to be agreed upon in the usual way. I believe, Sir, that it will be seen that the clause we have inserted in this respect, is as complete as language can make it. But in the face of all that, hon. gentlemen opposite still say that the trade will go to Portland. Again I must draw their attention to something they omitted to quote from that much thumbed report of the meeting of the Grand Trunk Railway shareholders in London. These hon. gentlemen on the other side tell us that notwithstanding all these precautions the trade of the new line will go to Portland. But that is not the opinion of all the people connected with the Grand Trunk Company. One of the reasons why Mr. Allen resigned from the directorate of the Grand Trunk Company was, because we had bound his company to send the trade through the ports of the maritime provinces. I quote now from Mr. Allen's memorandum, as read at the meeting of the Grand Trunk shareholders in which he gave his reasons for resigning:

If the proprietors will look at the map annexed to the special report they will see how the new line is affected by the Canadian Pacific and the Northern Pacific, which route, no doubt, will compete with the new line at various points. Bearing this in mind, I would point out that the Canadian Pacific as appears from the 'Stock Exchange Year-book' was incorporated in 1881, and did not pay any dividend until 1895, and then one 1½ per cent. That line had enormous land grants and subsidies.

Mr. Allen knew that, but hon. gentlemen on the other side seem to minimize it.

The new line has none. (Hear, hear.)

Mr. Allen knew that too, but hon. gentlemen opposite did not emphasize that point:

The new line has none. (Hear, hear.) And the new line will be held by a most uncertain tenure, a lease for fifty years without a proviso for re-entry in case of breach as to part, and subject to a heavy mortgage with a right of foreclosure on the remainder. I do not suppose that any railway of importance was ever made on such extraordinary terms.