

EX-MINISTER OF PUBLIC WORKS PRESENTS STATEMENT TO HOUSE

Hon. W. H. Cushing Gives His Reasons For Resigning From the Rutherford Government, as a Protest Against the Agreement Made With the Alberta and Great Waterways Railway—Offers to Build Road to Fort McMurray on A. & G. W. Specifications For \$12,000 Per Mile.

Premier Rutherford in Reply Establishes That Mr. Cushing Was Present at Meeting of Cabinet on October 7th, When Agreement Was Finally Approved—Premier Declaring Cushing's Offer a Bluff Quotes Government Engineer Jones' Estimate at \$20,251.20 Per Mile.

John R. Boyle Introduces Want of Confidence Motion in Speech of Four Hours Duration—Declares Interests of Province Insufficiently Safeguarded—Attorney General Replies in Fighting Speech—Defends Advisability of Project and Amount of Guarantee.

attended and they never had my endorsement or consent."

His Letter of Protest. Mr. Cushing read a letter which he wrote to the premier, bearing date of October 7th, protesting against the agreement, and stating that although some people said he was not in view of the best interests of the province...

Belonging of the Issue. "Now, Mr. Speaker, in closing, I do not wish the statements made by me during the past week or two that my department had been unworkable to be taken as the basis of any action...

Will Put up Half Million Bond. "Now in conclusion to show that I am sincere I am prepared to put up a bond of half a million dollars that I will build a road to Fort McMurray on the A. & G. W. specifications for \$12,000 a mile...

His Principal Objection. The principal clause in the agreement to which he objected was the one which provided that when ten miles was built the company should draw \$20,000 a mile, no matter what the road might have cost...

Government Had Good Engineers. "At the time these negotiations were under way," said Mr. Cushing, "the government had in its service two engineers who were skilled in railway construction..."

He Had Read in the Papers of the Special Train from Calgary and had heard that there was a meeting of the legislature on that train. He had also been told that when the officials arrived at New York the attorney general was also there...

Decided to Resign. "About four weeks ago he asked to see the agreement and specifications and finding that they did not meet his objections he concluded that he would have to resign..."

He found then that despite the fact that the government was entering upon a contract that would mortgage the province for over seven million dollars, no engineer was engaged...

He Made a Protest. "These specifications did not seem to me adequate at the time," said the minister, "and I made a protest. They were not put through then. It did not seem right, when the government had competent engineers, that it should go to the railway engineer for the specifications..."

Time to Take Action. "Now is the time," he continued, "to take action to safeguard the interests of the province. If this contract allows this company to go ahead and build this railway on the specifications which they are using, then the province will have a very poor railway..."

I shall give you all details when you return to Edmonton. I succeeded fairly well in the East in carrying out the program of railway construction in Alberta which we discussed and let me immediately do what we might expect."

With a provincial guarantee of bonds both the C.N.R. and G.T.P. undertake to construct branch railway lines in the province. Both companies desire to build to Calgary and to the southern boundary of the province from their main lines...

"If everything was all right why was the government so slow in bringing down the documents to the table of the house during the last week or two. I do not think there is a disinterested railway man in Canada who will say these are proper and adequate specifications under which to build a railway..."

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a happy and prosperous New Year. Yours sincerely, W. H. CUSHING

Signed: W. H. CUSHING. P. S.—I called on Mr. Wm. Whyte of the C.P.R. who informed me that for the purpose of the said lines and all real and personal property now or hereafter held or acquired for the purposes of the said line and works connected therewith...

Mr. Cushing spoke of the specifications which he enclosed as prepared by his department. These specifications were for use of the government from the same lines or lines, and all rights, privileges, franchises and powers of the company now or hereafter held in respect and in connection with the said lines and the operation, maintenance and repair thereof...

The premier quoted from his railway speech of last year showing what was through the Alberta & Great Waterways was being built in connection with the said lines and the operation, maintenance and repair thereof...

He then spoke of what occurred after the railway legislation had been passed. The House was dissolved and the government went to the country on its railway party with the result that there was an almost unanimous majority for the government...

These specifications were given over carefully between the deputy attorney general and the minister of public works, and it was his own fault if he did not get all the details. It was then with astonishment that he received a few days ago Mr. Cushing's resignation.

Letter of Resignation. The premier read the letter of resignation of the ex-minister and his reply. Mr. Cushing in his explanation this afternoon gives out the inference that he has been dissatisfied for some time. I did not appreciate that he was dissatisfied. The Liberals of Calgary wanted Mr. Cushing a banquet at which Mr. Cross, Mr. Marshall, Mr. Buchanan and I were present...

President Clark was here in Edmonton at the time of the laying of the cornerstone of the new buildings and wished us to have all matters in connection with the guarantee of bonds settled then, as he wished to complete his financial arrangements. I informed him that Mr. Cushing and I were going to Regina to attend the meeting of the executive council on the 4th of October...

That October 7 Incident. "Let me refer to the incidents of October 7, 1909, a few days ago, in the presence of Mr. Cross, Mr. Marshall and myself, standing in the south end of the 7th of October last, when a meeting of the executive council was held and the order in council passed upon and schedules, including agreement and specifications, were discussed and agreed upon."

Such resignations are events incident to public life in every province and in the Dominion government and recently two ministers of the British Columbia government resigned. With regard to Mr. Cushing he assured me from time to time that as long as the guarantee of laying of the railway was satisfied, this disposed of his objection that the railway affairs were not under his department...

He returned to the province and they will not immediately do what we might expect. With a provincial guarantee of bonds both the C.N.R. and G.T.P. undertake to construct branch railway lines in the province. Both companies desire to build to Calgary and to the southern boundary of the province from their main lines...

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otherwise howsoever, doth hereby by way of first mortgage and charge, grant and convey unto the trustees the company's lines of railway (including said Edmonton terminals and branches and sidings as hereinafter recited) from Edmonton, north-easterly to a point at or near the west end of Lac La Biche to the eastern end thereof together with all rights of way, station grounds, houses, stores, sheds, shops, telegraph and telephone lines, and all structures and improvements and the present and future rolling stock and equipment acquired for the purpose of the said lines and all real and personal property now or hereafter held or acquired for the purposes of the said line and works connected therewith...

Interest during construction is estimated to run over four years, as possible time of construction, and includes only the difference between the interest on the bonds, and the interest paid by the banks in which this money is deposited, besides the interest on such moneys as are expended between the time of such expenditures and date of securing the portion of the guarantee on the mileage covered by same.

The ten per cent allowance for engineering, superintendence and contingencies is the amount usually estimated for building a small independent system of railway. The allowance for contingencies in this item would not be sufficient to cover more than minor unexpected items of cost. I may say that this estimate is similar to what I have been accustomed to making out, as a fair working estimate of the cost, and through the average section of the country with no bad features would probably work out very closely, provided labor and teams were not in undue demand during construction. On such estimates an addition of 10 per cent is usually made by railway companies to cover possible additions to cost, due to the scarcity of labor, failure of contractors to execute work, and other contingencies affecting cost, which frequently occur during the progress of any considerable portion of the line.

Through such country as the northern portion of the Alberta & Great Waterways railway passes, owing to the probability of extensive sinking muds, sliding masses, difficult creek crossings and possible long stretches of wagon road it will be necessary to build, to prevent the possible derangement of running short of funds before completion of the road, I would advise that an addition of 20 per cent be made to this estimate, to allow for a reasonable factor of safety, making a total of \$29,251.20 per mile as a fairly conservative estimate of the cost of this road. Yours respectfully, R. W. JONES, Provincial Government Railway Engineer.

Engineer of Highest Standing. "I have nothing to say detrimental to Mr. Stocks or Mr. Jones. But I know that in R. W. Jones, our Provincial railway engineer, we have a fully qualified engineer of proved ability; and that in Mr. Jones, a professional man of the highest standing in this province or any other province in this Dominion. (Hear, Hear!)"

I have expected the company to build this line for \$20,000 per mile. The estimate of Mr. R. W. Jones, provincial railway engineer, is \$29,251.20 per mile. The estimate of the company's engineer is \$27,000 per mile. The chief engineer of the company, Dr. Waddell, has a continental reputation and he would not allow it to suffer by building the second road. No competent engineer will say that it can be built for \$20,000 a mile. It is a mere bluff to say that the line can be built for \$16,000 a mile.

Section 6 of the Act of Incorporation provides that the capital stock of the company shall be \$7,000,000 and may be called up by the directors from time to time as they may deem necessary, but no one call shall exceed 10 per cent on the shares. Every railway charter makes provision for capital stock, or the company may issue bonds, debentures or other securities to the extent of \$40,000 per mile of the railway. The Dominion government give cash subsidies and a Dominion cash subsidy is expected so that the road will have to pass inspection by the engineer of the provinces as well as the Dominion. They cannot commence business until \$50,000 is paid on stock.

C. N. R. and G. T. P. Agreements. The following are the provisions inserted in the agreements with the C. N. R. and G. T. P. for the protection of the workmen, contractors and the public interests generally, other than the provisions as to the character and construction of the line: 1.—Section 6 of the C. N. R. agreement provides that the company, upon request, shall from time to time furnish satisfactory evidence that all just claims of contractors and for material, etc., against the company have been duly paid. The same clause appears in the G. T. P. agreement.

2.—Section 7 provides that the railway supplies and rolling stock shall when practicable be of Canadian manufacture and clauses to a similar effect are found in the G. T. P. agreement for the construction by the Branch Lines Co., and the operation by the G. T. P.

3.—Both companies agree to reasonable regulations as to guarding against fire during construction, to be made by agreement.

4.—Both companies agree that the location of the stations once established shall not be changed without consent.

Where They Differ. In addition the C. N. R. agrees to two clauses to which the G.T.P. raised insuperable objections. 1.—Section 6 of the C. N. R. provides that workmen, etc., employed on construction work shall be charged reasonable prices for the necessities of life and reasonable comforts.

2.—Section 8 provides that workmen shall receive the current rate of wages and where there is any dispute as to the rate the matter shall be settled by three arbitrators as provided by the arbitration act. All these provisions are incorporated in the agreement with the A. & G. W. R. with the following intendment: The items included in construction equipment are only those considered as legitimately charged to construction by all railways.

5.—Section 9 of the C. N. R. agreement provides that the company, upon request, shall from time to time furnish satisfactory evidence that all just claims of contractors and for material, etc., against the company have been duly paid. The same clause appears in the G. T. P. agreement.

6.—Section 10 provides that the railway supplies and rolling stock shall when practicable be of Canadian manufacture and clauses to a similar effect are found in the G. T. P. agreement for the construction by the Branch Lines Co., and the operation by the G. T. P.

7.—Both companies agree to reasonable regulations as to guarding against fire during construction, to be made by agreement.

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WILL DUNDRY... THE ORIGINAL AND ONLY GENUINE... BEWARE OF IMITATIONS... ER... T FLOUR... Queens Ave... on's Salve... RAYDON... African... SALE... Acres without... ance given in... articulaifs and... to loan... S & CO... Telford, Leduc, Alt