

tion by the commissioners in regulating the rates. All we have to do is to say that people who lend money on mortgage are to be considered, for it is a well known fact that it is the money raised upon the bonds that constructs the railway, and the stock is a speculative element and should not be taken into consideration in fixing rates. So, if we see to it that the bonding power is not too high, we should not bother our heads about the stock. If the people put their money into the stock, they put it there as they do into any other enterprise, and they take all the chances.

Mr. BOURASSA. I am glad of the light that has been thrown by the hon. Minister of Railways and Canals (Hon. Mr. Blair) upon our precious system of granting charters, especially to companies of such importance as the one now under consideration. As the hon. minister has said, it may be that it will not be possible for any company to construct a railway of this importance without being given large facilities for the raising of money, both so far as the investment of capital is concerned and the issuing of mortgage bonds. But if the rumour is true that this government is going to guarantee the bonds of this railway to the extent of \$20,000 per mile, or any other amount, a good deal of the argument of the hon. minister is destroyed, because if the guarantee of the government is given, there is no doubt that these difficulties the hon. gentleman has pointed out in the way of the promoters of this company will disappear. But the authorized capital will remain.

The MINISTER OF RAILWAYS AND CANALS. That would have to be considered.

Mr. BOURASSA. But is the government ready to give the assurance that they will force the company to cut down the bonding privilege?

The MINISTER OF RAILWAYS AND CANALS. The point must be given due weight.

Mr. BOURASSA. That is the assurance given—

Mr. BORDEN (Halifax). If the hon. Minister of Railways and Canals (Hon. Mr. Blair) in giving any assurance with regard to this important matter would speak a little

louder I should be glad. We could not hear what he said.

The MINISTER OF RAILWAYS AND CANALS. I was saying that it is a matter the government would have to consider and deal with, provided they come to the conclusion that they would give aid in any form to the company. They would have to consider the question of bond issue, undoubtedly; and it was because no one was in a position to say whether or not the government would give assistance in any way to this company that we had to deal with the amount of stock and bonds as a committee.

Mr. BOURASSA. I am glad of the explanation given by the hon. minister. It is reassuring. But, the fact remains that we are saddling upon the people, for all time to come, just as heavy a burden for the people of the country through which this railway shall run as the Canadian Pacific Railway has been so far, unless we take proper precautions to safeguard the interests of the people in the future. I most deeply regret—and I am not going to repeat what I said on a former occasion with regard to the Canadian Northern—that before giving support to this Bill, as seems to be the case, the government did not make up its mind to adopt a new railway policy for this country.

Mr. TALBOT. One of the reasons given by the hon. Minister of Railways for granting such large bonding powers to the Grand Trunk Pacific, is that the part of the country through which the road will be built from Quebec to Winnipeg is very rough. I think that the hon. Minister of Railways has before him now sufficient reports of first-class engineers to demonstrate that, if a different route be chosen, the whole of that part of the line could be built within a one per cent gradient. I believe the hon. minister has that information before him now. We are told by the promoter of the Bill, my hon. friend from North Simcoe (Mr. McCarthy), that the railway will be built fifty miles south of Lake Abitibi. Now, in that case they are choosing the worst part of the country, because they are going over the height of land instead of going north of Lake Abitibi. If they went north they would find a perfectly level country for their road-bed all the way. I