

teenth of last December, was printed in every government organ throughout the country and was commented on in the editorial columns of the government press as indicating that this enterprise was going on without amendment and in its entirety, and that substantially the security required by the contract had been put up. Here is the official statement handed out by the government, which I am quoting from the Toronto 'Globe' of December 19, 1903:—

The Grand Trunk Railway Company has deposited one million pounds of their guaranteed stock as security for the carrying out of the agreement entered into last session between the government and the Grand Trunk Railway Company subject to ratification of their shareholders at a general meeting. Inasmuch as the contract requires cash or government securities for deposit, legislation will be required to confirm the acceptance of the securities which have been deposited, though such securities are worth to-day more than par and their value is unquestionable.

Now that was the government's view of the position. The Grand Trunk Railway were prepared to go on, they had gone on by depositing not five million dollars in cash but by depositing their guaranteed securities to the extent of one million pounds sterling, and these were alleged in the government press throughout the country to be worth more than that amount of cash.

What was the view of Mr. C. M. Hays, the able manager of the Grand Trunk Railway? He confirmed the statement of the government and said this, as reported in a leading organ of the government, the Toronto 'Globe,' after his return from Great Britain. Mr. Hays is quoted as follows:—

The Grand Trunk Pacific will certainly be built, said Mr. Hays. The Grand Trunk never had any difficulty in raising the money, and will not have any in carrying out the transcontinental project. The securities deposited with the government are better than the cash equivalent. They were deposited because of convenience, not because of any failure to raise the money. There was a delay of a few days, but the time allowed by the government was rather limited. Neither have we violated any moral obligations to the shareholders of the Grand Trunk or broken faith with the government. The Grand Trunk possessed these securities for the purpose of the company and they were utilized.

As to the building of the road, the construction will be begun in the spring. Our first object will be to get the east connected with the Great Lakes for summer traffic and then to give Winnipeg connection with the east. The people of the west want more railway facilities and we intend to give it to them as quickly as possible.

Now what does all this mean? It means in the first place that the government of this country, not only through private members on the other side of the House, speaking with the approval of the government, but through ministers of the Crown as well, declared that this contract was not only perfectly fair but of great advantage and profit to the Grand Trunk Railway Company. In the second place, by an official statement

of the government it was declared that the Grand Trunk Railway Company on the 18th of December put up one million pounds sterling of guaranteed securities as the deposit required by the terms of the Act, and the government accepted that deposit; and Mr. Hays, speaking of the deposit, said it was perfectly regular and within the power of the Grand Trunk Railway Company, and that construction would be begun in the spring, not under the terms of any amended contract, but under the contract as it was approved by this House. What then has happened? If Mr. Hays and his associates were ready to go on and had deposited these securities, if the railway was to be commenced in the spring, and to be constructed with all possible speed, how does it happen that the government of this country has gone to the Grand Trunk Railway Company and apparently asked them to accept further concessions for which the Grand Trunk Railway Company had never asked. If we are to believe Mr. Hays, and he is a gentleman worthy of every belief, the Grand Trunk Railway did not ask for any amendment at that time; they had put up their one million pounds of guaranteed stock and the government had accepted that and all that was necessary in order to carry through the scheme in its entirety without any concessions in the future, was legislation in this parliament confirming the deposit with the government of that guaranteed stock. Under these circumstances how can it be that the government is coming to the people and to the parliament of this country and asking that any change whatever should be made in the provisions of this contract which was heralded to us, not only in parliament but out of parliament, as the very acme and climax of statesmanship. The contract has been changed; I will not enter into details, but it has been changed in the very teeth of declarations of this government during the past session, and it has been changed under remarkable circumstances. The first announcement of the changes comes not from the government of this country but from the president of the Grand Trunk Railway, who heralds these changes to the people of Canada. It is he who announces that this contract, made under these conditions, this contract so advantageous for the Grand Trunk Railway, this contract which the Grand Trunk Railway Company is perfectly willing to carry out is not to be adhered to but that further concessions, the effect of which we cannot yet understand or fully appreciate are to be made to the Grand Trunk Railway Company; apparently without any request whatever from them, if we are to believe the statement of Mr. Hays to which I have just alluded. I think that in reference to all of this, some information will be required from my right hon. friend the Prime Minister.