

continuous operation of the said eastern division, and the observance and performance by the company of the terms of this agreement.

Now, you see we have provided a special mortgage to force the company to implement the conditions imposed upon it, and especially the operating of the railway. But, I may be asked: Will this be sufficient? There is a mortgage of \$5,000,000 upon the rolling stock; will this be sufficient to force the company to implement its promise to operate this road? We have far more in this undertaking than the simple mortgage to which I have alluded. We have the interest of the company itself to operate this road. No one doubts that the interest of the company would be to keep the traffic of the Grand Trunk for that railway. The company will take it over its present line to North Bay, from North Bay over the road which is now being built by the Ontario government, and then, transferring it at the junction of this road with the proposed road, it will send it westward to the Pacific ocean. I wish to make myself understood. The Grand Trunk Railway Company has an immense interest in getting to the fields of the prairies. Its trade to-day is in the province of Quebec and in the province of Ontario. It will take this trade from Toronto, from Montreal and from points eastward to North Bay, from North Bay, it will take it over the new line being built by the Ontario government to the point of junction with the present road, and then westward to the prairie section. Its interest there is manifest. It must operate that portion of the road. Otherwise it would never have gone into this contract. This contract is to give it the privilege of taking its traffic in the prairie section from Ontario and Quebec, but the condition is this, that it shall operate not only that section of the road, but the whole of the road from Winnipeg to Moncton. It cannot default upon the eastern part, because, if it defaults upon the eastern part, it defaults upon the western part. It cannot default upon one part without defaulting upon the whole and therefore, we hold them tight to their bargain, and they cannot deviate from it.

There is another important provision as to rates and tolls. We have provided in section 39 that the rates and tolls are to be under the direct control of the government, or, when the commission has been organized, of the commission. We thought it advisable at one time to follow the suggestion which had been made by my hon. friend the hon. ex-Minister of Railways and Canals (Hon. Mr. Blair), to which he referred in the correspondence exchanged between him and me, to force the company to give us part of its profits upon the western section, but, upon consideration, it is our intention, instead of forcing the company to give us a portion of its profits when the profits reach a certain reasonable point, to use them in such a way as to compel a decrease in the

rates which are chargeable to the people who use the railway.

Now, there is another feature of this contract to which I shall call the attention of the House. If we have gone into this contract, our intention has been, as stated in the preamble, to force traffic in Canadian channels and through Canadian waters. We have made it a special condition of the contract and this condition is expressed in section 42 as follows:

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.

Section 43. The company further agrees that it shall not, in any matter within its power, directly or indirectly advise or encourage transportation of such freight by routes other than those above provided, but shall, in all respects, in good faith, use its utmost endeavours to fulfil the conditions upon which public aid is granted, namely, the development of trade through Canadian channels and Canadian ocean ports.

Now, to show that this is not simply an idle covenant, but that we mean what we say, and intend to implement it, I have to call the attention of the House to another disposition of this contract whereby we force the company to procure all the ships necessary at both ends of the line on the Pacific and on the Atlantic as well as on the St. Lawrence, to accommodate all the trade that is offered.

Section 45. The company shall arrange for and provide, either by purchase, charter or otherwise, shipping connections upon both the Atlantic and Pacific oceans, sufficient in tonnage and in number of sailings to take care of and transport all its traffic, both inward and outward, at such ocean ports within Canada, upon the said line of railway, or upon the line of the Intercolonial Railway, as may be agreed upon from time to time, and the company shall not divert or, so far as it can lawfully prevent, permit to be diverted, to ports outside of Canada any traffic which it can lawfully influence or control, upon the ground that there is not a sufficient amount of shipping to transport such traffic from or to such Canadian ocean ports.

There is another provision which I am sure will be welcomed by the hon. member for Cornwall and Stormont (Mr. Pringle), and it is that the company shall buy all its supplies in Canada. There is another covenant, and it is the last of those which I