

Although the two Governments do not pull together in all matters, still the Government of Ontario is composed of practical men, and they might come into some arrangement of this kind. At all events, a line to connect with the Pacific Railway at Lake Nipissing is of great importance, and no doubt the Pacific Railway will eventually be pushed up to Sault Ste. Marie. If it were, it would lead to immense quantities of agricultural produce being brought through this country, because there can be no doubt that the agricultural produce of the North-West, west of Duluth, will be brought down to Lake Superior. Thence it will come over our railway, if once extended to Sault Ste. Marie. I think this is a grant which will be generally approved throughout Ontario.

Mr. WHITE (Renfrew). As I understand the hon. Minister of Railways, his proposition is to give this aid to the Northern and North-Western and Sault Ste. Marie Railway Company. That company was incorporated in 1881, and in addition to the power given to build from Gravenhurst to Callander Station, power was also given to build from Callander Station to the Ottawa River, and I may say that I look upon that part of the powers given to this company, and upon that part of their line, as being the most important of the whole scheme. A road about forty miles in length, from Callander to Lake Temiscamingue, would bring the whole extent of that lake, some seventy-five or eighty miles of navigable water, within reach of railway communication. I have been told, and I believe it is a fact, that along the shores of Lake Temiscamingue, in both Ontario and Quebec, there are large areas of arable land, which is described as being a clay loam, much of it being covered with heavy oak timber, and admirably adapted for settlement. It is a fact that the few pioneers who have settled along the shores of Lake Temiscamingue have raised most excellent wheat. A mill was erected there a short time ago, under the auspices of the Indian Department, I think, for the purpose of converting wheat into flour, and in consequence the settlers along the lake have gone into raising wheat. I am informed they raise large quantities of wheat equal in quality to that raised in other parts of Ontario and Quebec. I venture to express the hope that my hon. friend the Minister of Railways, will, when he has time to consider the matter, take into consideration the question of granting to this railway company a subsidy upon that portion of their line, as well as upon the portion of the line between Gravenhurst and Callander. I say that, in addition to the agricultural capabilities of that locality, which would be developed by the construction of this line of the road, there are large areas of magnificent timber territory, and large quantities of sawn timber, which could be got out along Lake Temiscamingue if there was any means of getting it to market. The construction of this short line, about forty-five miles, would bring the whole of that large area into almost immediate communication with the railway system of Ontario and Quebec. Something has been said about the Provincial character of these roads to which grants have been given. That part of the Northern and North-Western and Sault Ste. Marie scheme, which runs between Callander Station and Lake Temiscamingue, could be in no sense looked upon as a Provincial road. It would bring a large portion of the Province of Quebec into direct communication, as I have stated, with the railway systems of Ontario and Quebec; and I venture again to express the hope that the hon. Minister of Railways will take this matter into consideration, and eventually grant to this portion of the road the same consideration which is granted to the other portion of the scheme.

Mr. BLAKE. Without desiring to say anything more upon the general principle of these resolutions, I just wish to represent that I think it is of the last consequence that the sections of country in Ontario interested in having com-

munication with the North-West by means of this connection, should enjoy the connection as cheaply as possible; and in order to obtain it cheaply it is of the last consequence that there should be free competition in the two lines of railway which stretch towards this point, namely, the Midland system and the Northern and North-Western system. It is also of consequence, now that the Government have proposed—I must confess I do not think necessarily—to pay \$12,000 a mile, which is about the cost of the railway, I say I think it is of the last consequence, and reasonable and fair that consideration should be had to the circumstance that the bulk of this cost is being provided out of the public funds, in arranging what the tariff shall be over that portion of the line. I have already suggested what I think to be the true solution in cases of this description when the Government is providing the bulk of the money to build the line, perhaps the whole. It is not a case in which complications involved in running a railway by Government would measurably exist. It is devised in point of fact as a link between these companies, inland companies I called them the other day. There can be no doubt that the company which obtains the subsidy will have a great advantage because it will have the preference, although there may be nominal equality. I have always felt that difficulty. This will be just as applicable to one of the infant companies as to the other, because by any plan you can devise, however fair it may look in clauses of an Act of Parliament, it will be impossible to arrange for equality, but the company controlling the grant will be able to favor that particular country. The argument is that the order in which trains shall be run, terminal arrangements and arrangements with regard to local traffic, and so forth, are matters very easily capable of being arranged in such a way as to favor a particular company. That this observation is correct is proved by what we know in regard to the contest going on for the contract, a control not wider than the Legislature would allow. I do not blame either company for trying to secure the contract, as it is in the interests of their shareholders; but it is for the interests of the country that a company, perfectly independent of other corporations, should control this connecting branch and secure connection with Toronto and points west, with the Canadian Pacific Railway. I will repeat the observation I have made that, in regard to a road of this description, it would be of great advantage were the Government to construct it and to secure absolute equality to all roads connecting with it by undertaking its management, and by imposing such tolls for the use of the road by different companies as would not indeed pay any dividend upon what is proposed to be made a free grant, but to pay the cost of management and all subsequent expenses. I do not think it would be fair or reasonable that the country should be called on to contribute more than \$12,000 per mile, the amount proposed as a subsidy. I have already pointed out a method by which, if joint action were taken by the two Governments, we might spend not more than \$6,000 per mile; and I wish it to be distinctly understood that I am not suggesting that this road should cost the country one shilling more than the hon. gentleman proposes. My desire rather is that it should cost less, because I desire, if possible, that we should adopt a suggestion similar to one I am about to make when the hon. Minister of Finance makes a motion on another subject, namely, that if the Government supply the bulk of the money the Government should have control of the work in the interests of the country.

Mr. McCARTHY. I think the hon. member for West Durham is mistaken in his statement that the cost of the road will be only \$12,000 per mile.

Mr. BLAKE. I did not say that; I do not think it will be much more.