

propose with reference to subsidising railways is that it is impossible, in the foreign money markets, to borrow money on railway securities at all. I admit that such is the case; and I assert that the hon. gentleman and his Government have been greater sinners than anybody else on this continent in producing this result. This result is due to the fact that the railway corporations of North America, in nine cases out of ten, have been dishonestly managed—that the common stock of these railways, on the average, is at least one-half water, as statistics show was the case one year ago—representing nothing but the stealings of the managers; and the hon. gentleman himself has been helping to play that game, by permitting a company under his control to water its stock to the extent of six-tenths, if not seven-tenths of the whole. For the reason that the Canadian Pacific Railway and all the other railway corporations of North America have been managed in such a way as to create a great issue of common stock in the hands of manipulators, which cost them less than one half of its nominal value, and because of other sins in connection with railway construction in the United States and Canada, the railway securities of this continent will not be touched by the capitalists of Europe.

In regard to the proposed grants, I do not know that any criticism has been made adverse to them. It may be a question whether the grants need be quite as large as they are. I believe the average grants to American railways, under the land grant system of the United States, has been only about 4,800 acres per mile; and it has been admitted that in the great majority of cases the grants have been far in excess of the actual necessities of the roads. It may be that these grants are not too great; it may be that they are; that is a question to be discussed when we get into committee. With regard to the criticisms indulged in with reference to the Colonisation Railway Bill, introduced in 1878, by the hon. member for Bothwell (Mr. Mills), I wish to say a few words. If you compare that Bill with the measure now before the House the comparison will be greatly in favor of the former. That Bill made careful provision against the formation of worthless companies. Any company incorporated under that measure was required to have a capital stock of \$12,000 per mile, and before it could commence operations 10 per cent. of that stock had to be paid up. The land grants to be made to such companies—10 sections in the portion of the North-West nearest to Manitoba, and, in Manitoba, 12 sections west of the 102nd meridian, and 20 sections in the Peace River valley—were not excessive; and they were coupled with this condition, that the Government might retain in its own hands the control of those lands, was to sell them itself, and that the maximum sum that any railway company could obtain from the proceeds was \$10,000 a mile. Then, with regard to the condition as to restricting the construction of parallel and competing lines, the 18th section of that Act provided:

"No company shall be incorporated under the provisions of this Act for the construction of any railway having the same general direction as the Canadian Pacific Railway, or any branch thereof, at a nearer mean distance than 40 miles."

That is, no company could derive from the Government any land grant to the extent of \$10,000 a mile for the construction of a line within a mean distance of 40 miles from the main line or any of its branches; but there was nothing in that Act to prohibit any company from constructing a line out of its own resources within 40 miles. It merely provided that the Government would not aid any such line by a land grant.

Sir JOHN A. MACDONALD. No, no; it said no company should be incorporated under that Act.

Mr. CHARLTON. That Act provided for the incorporation of companies receiving Government aid, and it provided that no company should receive Government aid

that constructed a line within forty miles of the main line or any of its branches.

Sir JOHN A. MACDONALD. No, no.

Mr. CHARLTON. That is the most obvious interpretation of the Bill; but there is nothing in that Bill to prevent the granting of a charter for the building of a road anywhere in the North-West without asking for a land grant.

Sir JOHN A. MACDONALD. That is quite a mistake.

Mr. CHARLTON. Then the Bill has a provision prohibiting the construction of lines running parallel with the main line or its branches. An outlet to the south would not be secured by building a line parallel to the south-west. A line which would connect with other lines, and which would secure competition in the North-West, would be one that did not run parallel with the main line or its branches. It would be one running south or south-easterly, while the general course of the main line would be west or north-westerly; so that that Bill offered no obstacle for the construction of any line connecting with any American line, in order to secure competition in rates. The Bill raised no impediment in the way of the construction of lines to the south or the south-east; the Bill raised no impediment to the construction of lines anywhere or in any direction, except that it provided that no line built within 40 miles of the mentioned line or branches could receive, under that Act, Government aid. So much for that provision. That Act is frequently referred to. If the Government of the day had never been guilty of railway legislation more inimical to the interests of the country than that, we would have very little to criticise in their conduct. The Railway Colonization Bill, introduced by my hon. friend from Bothwell (Mr. Mills), was a measure which, if it had become law and had been acted upon, would have secured the speedy development of the North-West, without injury to the interests of the country. What has been the case under the operation of that contract, which I hold in my hand, passed in 1881. Compare the restrictions contained in that Bill, with regard to the construction of lines parallel to the Manitoba line or its branches, with the provisions of the Bill incorporating the Canadian Pacific Railway. By section 15 of that Bill it is provided:

"That after 20 years from the date hereof no line of railway shall be authorised by the Dominion Parliament to be constructed south of the Canadian Pacific Railway, from any point at or near the Canadian Pacific Railway, except such lines as shall run south-west or to the westward of south-west, nor to within 15 miles of latitude 49, and in the event of any new Province being established in the North-West Territories, provision shall be made for the continuance of such provisions after such establishment, until the expiration of such period."

There was nothing in that Colonisation Railway Bill to prohibit the building of any branch line that received aid from the Government beyond 15 miles from the American line. Any branch road built under the provisions of that Act might run to the American line; any company could apply, and there was nothing in the Act to prevent it from securing a charter for building a road from any part of Manitoba to the American line, or to interfere with the securing of railway connection with the Northern Pacific, or any other railway line, or to interfere with the building of any line within 10, 15 or 20 miles of the main Canadian Pacific Railway line, or any branch, except that a line built within 40 miles of the Canadian Pacific Railway or branches could not apply for the land grant. The Bill offered no impediment to the development of the North-West, or to the securing railway connection with the American lines by roads running to the south or south-west, or to the building of railways anywhere, except that no railway companies applying for charters could receive Government aid in land, which roads, at a distance greater than 40 miles from the main line or branches, could receive. The Bill of the hon.