

Company the development of these two coal properties was always retarded; they found it difficult to get reasonable freight rates and the necessary supply of cars to carry out the coal. In fact, the people engaged in these works had been treated in such a way by this company that they had to give up operations entirely. Two years ago the Port Hood Coal Company began operations again and are now carrying on business on a small scale. In the expectation that the Government would acquire this branch line they went on and developed the works two years ago, and now their output is in the vicinity of three or four hundred tons a day, and would increase this output to a larger extent if the road had been taken over by the Government. But the point I wish to make is that the Government should have acquired that road and thereby furnish independent transportation facilities to our people—placing all concerns on the same footing and giving equal treatment to all. I venture to say that it is not in the class of any branch line mentioned in this House since I have the honour of sitting here. It differs from the others in this respect; that it goes through the wealthiest portion of Canada for its area so far as natural resources are concerned. It is not necessary for me to detain the House by enumerating the various sources of natural wealth in that particular section of our country. I have done this on many occasions and placed in the hands of the Government data sufficient to show them my justification for my statements, and had the Government acquired this line, and extended it to Cheticamp, with connecting branch through East Lake pyrites district and Whycomagh iron ore district and silica deposits to Orangedale, it would now be called upon to carry the product of at least five different coal mines besides the products of our farms, fisheries, and forests, and the output of the pyrites mines of East Lake Anslie and the iron and silica of Whycomagh and vicinity. As it is now, I understand that the railway has been taken over by a new concern, who have acquired also the mines at Inverness which were the property of Mackenzie and Mann. I hope that the conditions resulting from the acquirement of this road by this new concern will not be as they were when it was operated by the old company. The Government made a serious mistake in not acquiring the road, not only from the standpoint of the development of natural resources in that part of the country, but

also from the standpoint of the Government railways. I look upon this road as one of the most important branch lines, if not the most important branch line in any part of Canada. In saying this I have regard to the fact that the natural resources mentioned are there in abundance and are awaiting development. We have not there the harbour facilities that are enjoyed by other ports in the Maritime Provinces. In fact, we have no harbours along that coast that could be used for the carrying on of this trade in coal and other mineral deposits except Cheticamp. Accordingly, we are entirely dependent upon railways as a means of transportation. I want to say just a word with regard to the history of this recent transaction; there are some things about it that appear to be very shady indeed. Just a year ago, when the Government offered to take over the Inverness railway at a price estimated at about \$2,500 a mile, there appeared in London a certain financier from this country who is said to have succeeded in acquiring \$900,000 of the bonds of the Inverness railway. It is extraordinary that he should be in London at that time, evidently taking advantage of the fact that the Government saw fit to offer no more than \$2,500 a mile for this railway, and that he immediately afterward succeeded in acquiring such vast quantities of these bonds. I do not want to be suspicious, but I fear there was some relationship between the Government's apparently voluntary offer and the appearance of this gentleman in London looking for Inverness railroad bonds.

But when one suffers, as we are suffering in that part of the country, from want of proper transportation facilities; when we recognize that we have the wealthiest part of Eastern Canada, and when we recognize further that we cannot get an extra foot of railway in the county of Inverness, we now become suspicious, and particularly so of circumstances of this kind. This gentleman came across; he acquired this quantity of these bonds, and when he arrived in Nova Scotia he made the statement that the road would not be sold to the Government. He evidently took advantage of the low offer of the Government to get the bonds at what he chose to offer. The fault that I find with the Government—I think I am justified in going that far—is that they did not close the bargain with the bondholders when the transaction was first initiated. What is exceedingly peculiar about the whole thing is this, that this gentleman, having acquired these bonds, came