

ands are to be appropriated, and we can hardly be surprised at the contractor's entire failure to dispose of the bonds of the road when he went to England for that purpose. My purpose in addressing the House is not to enlarge further upon this ill considered and unnecessary enterprise, but to avail myself of the favourable opportunity of showing in regard to the railway policy of the Government of the Dominion, as well of the Government of Ontario, that both Governments have been making very grave mistakes. Both Governments have inaugurated principles of railway policy which cannot fail to bring disaster and embarrassment in the future. I have already, upon different occasions, shown conclusively, I think, to this House what must be the certain results of the Dominion Government constructing and operating railways as Government works, that we shall have annually large deficiencies to make up from the public exchequer, in continuing to operate these roads. I am confident that when properly understood the railway policy of the present Dominion Government will be universally condemned. Then again we find the Local Government of Ontario erring in a different direction, and adopting a railway policy which is surely unwise and calculated to destroy all confidence amongst British capitalists in Dominion railway investments. We all know how our past growth and expansion have arisen from the large expenditure of British capital upon Canadian railways. We all appreciate in the fullest degree the advantages and blessings of railway facilities, and are quite prepared to assert that no surplus in the public treasury can be better expended than in opening up new territory, by railway extension. But while we warmly sustain this policy and principle, we think that it is a great mistake to foster by legislation and subsidies of money the construction of railways, which are not required. It is of the utmost moment for the principle of safety and for the ends of commerce, that our railroads should be kept in thorough repair, and this cannot be done without a sufficient revenue. And can it lead to anything but disaster, fostering the construction of three roads where there is scarcely sufficient traffic to support one good road? What the people of the Dominion have a right to demand is that freight should be carried at fair and reasonable rates, but no enlightened man would desire to see our leading railway,

corporations reduced to bankruptcy from carrying at rates which will not sustain the roads in proper repair. Competition in ordinary trade may benefit, and does benefit, every country, but such overstrained competition in railways, effected by Acts of Provincial Parliaments, grouping unequally certain portions of a county, and launching our people into a burdensome debt, by all the special arguments of designing railway men, cannot be too strongly condemned, as going altogether too far. Thus, we shall find, all railway property depreciated in value. Entire confidence will be destroyed amongst the capitalists of Europe, and there will be little hope of our being able to organize chartered companies to effect the great work of the development of our Northwest Territory. Thus will the time serving policy of the Ontario Government militate against the further expansion of the Dominion, and retard the prospect of opening up a territory capable of sustaining millions of population.

Hon. Mr. SKEAD—My hon. friends have been harping upon this one string so long now that I think it cannot fail to get worn out pretty soon. My hon. friend from Belleville has, in my opinion, given some of the strongest reasons which could be advanced in favour of building this road. And the strongest of these reasons I conceive to be the fact that the Ontario Government granted a bonus of \$8,000 per mile to what is termed the Pacific Junction Extension of the Midland Railway. It certainly does appear to me to be in the interest of this whole Dominion that the trade of the Pacific Railway should come eastward by a road which will form the shortest route to the sea board. I will not follow the hon. gentleman's references to the subsidies given to the various railroads by the Government of Ontario, but I wonder how it was he made no mention of the Canada Central, to which the Provincial Government also gave a large subsidy. In the immediate necessities of the country, the Government have thought it wise to utilize the navigable waters. It is doubtless very undesirable that this arrangement should be otherwise than temporary; but when you come to look at the amount of money required to construct an all-rail route across the continent, it is important that we should, while the country is young and poor, utilize the navigable lakes and rivers which are at our disposal. I am free to admit the force of the objection that the water is practically useless as a