

not have been adopted. We must not forget that private capital to the extent of \$29,000,000 is engaged in this enterprise, and that investors would not likely abandon their money, perhaps, their whole fortune, on the mere bidding of the Government. Private capital has the right to protect itself; it is its duty to do so; and in the present case, as there is still six years in which to deliver the road, they would do it. The Government has no interest in the ruin of individuals. The Northern Pacific has been the cause of two catastrophes of this kind, the shock of which has been felt in every part of the great Republic. The failures of Jay Cooke and of Willard have each produced a sharp financial crisis, even in such an immense market as New York, with the enormous business transacted there for the whole Union. If the shock has been so severe in the States, I wonder what would have become of our moneyed community under similar circumstances? I cannot imagine anything but a mass of ruins, under which our commercial institutions would have been buried and our banks shaken to their foundations. No Government would dare to take the property of the company without indemnifying it for disbursements already made. Governments cannot despoil individuals in such a way and take advantage of their difficulties and helplessness, to "grab" the fruit of their labor and savings. When the Government requires money it raises it through a tax borne by all equally; it cannot seize the pocketbook of any citizen and enrich itself at his expense. It is true that the law enacted last year seems to have established a contrary principle; but, in fact, it had no other object than to secure the control of negotiations, and to prevent, without our leave, the inconsiderate use of the railway resources. No serious man would venture to say that in taking the road the law has provided that the Government should not indemnify, at least partly, the shareholders who have, in good faith, invested their money in that enterprise. These words, I know, will be taken up by the hon. leader of the Opposition, who, imbued with this elementary truth, said last year: "Why such rigor, why such a terrible clause, authorising you to take possession of the railway without legal proceedings? You would not bring yourselves to take back this railway without indemnifying the individuals who have invested their money in it?" Nobody, as far as I am aware, has specially contradicted the hon. member on this point. We needed this rigorous clause to watch the construction of the railway and the operations of the company, and to make the company and the people understand that in an extreme case we would go as far as propriety would allow. We never thought of using it as an excuse for spoliation. To take possession of the road the Government, then, would have to disburse a good portion of the \$29,000,000 of paid up shares, less the deposit already in their hands to secure the payment of the interest. Since the company requires \$15,000,000 because new necessities have arisen, we could not have avoided this responsibility, and therefore we would have had to begin by adding something like \$30,000,000 to our national debt, and this when we had an amount of \$25,000,000 of our bonds to redeem and \$30,000,000 to borrow. Who can say how much Canadian securities would have fallen under the immense temptation for stock-jobbing that such an important loan negotiation would have created? I do not hesitate to state that the result of such an operation would have been an enormous loss to the Treasury. What I say now is not a new argument. The hon. leader of the Opposition used that argument before me. It is true, he apparently used it in a sarcastic manner, but he felt, all the same, that the argument was a sound one, when he said:

"And in what position would the Government and Parliament be, if, at the end of these two years, default should be made? Are you going to sacrifice the interests of those shareholders—those poor people who have spent money on the road, who have done so much good to the country, who have built a road faster than ever a

Mr. CHAPLEAU.

road was built before and spent more money upon it than ever was spent before? Your charity and confidence and sympathy are immense: are you going to foreclose, hard hearted usurers that you are? You, who said yourselves that the security was worth two or three times the sum advanced, are you going to shut down and turn these people out of house and home, strip them of their palaces, take away their lordly equipages? Surely you will not behave so badly! That will be the appeal which will be made; that will be the appeal which will be listened to. The past tells us what the future will be."

Yes, Mr. Speaker, we could not take possession of the road under circumstances which would have been so burthen-some for us and so unjust to the company. Naturally, the Opposition would seek to turn the argument against me as to another part of my remarks, when I demonstrated that this year's legislation leaves us all our guarantee. If we cannot touch the road now, how could we do so later? There is this difference in the two situations: It is, that the shareholders, who have willingly risked \$29,000,000 in this enterprise, should have the benefit of their venture. We should not take it away from them before they could see the results of their attempt. They would have the right to tell us: "Since we have had the pluck to risk \$29,000,000, give us the chance to see the end of our undertaking. We are now on the eve of success. A general crisis strikes us, as it has struck all institutions and all countries; give us time to tide it over. You shall lose nothing, as we are going to borrow ourselves what you yourselves would have to borrow should you take our place." The demand would have been a just and sensible one; but it will have no force when, once the road completed, the company shall have seen the result of its ventures; when, once the road is under full operation, it will have to derive from it the resources required to meet its obligations. If the road pays, nothing will remain to be said, since we will receive our interest; if it does not succeed as well as expected, then the Government will be in the position of business men looking to their own protection; I have no doubt that the \$15,000,000 of bonds will soon be taken by the public. When the company has placed itself in the hands of the public it will not have the same reasons to call upon us for assistance; the transaction will have reached another stage, and if, even then, we can protect ourselves in protecting the shareholders, it will become a duty for us to do it. But what I want to say is, that it will no longer be our bounden duty to incur any further risk, and that we will always have such a control of the situation that we can protect ourselves against any disaster, if the company is not prepared to ward off the blow. In other words, it is the duty of a Government to be patient in all transactions affecting the financial position of private persons, and to do its best to protect them; but when all is said, when nothing is left but to choose who will bear the loss, the Government or the private individual, then it is soon enough for the Government, if its titles are properly secured, to claim its due. We do not want to lose a cent of our advances to the Pacific, and we have taken the proper means not to lose them. I am not of those who believe that the Government ought to be anxious to take possession of a railway, because they cannot work a railway with the same advantage as private individuals. However great may be the integrity of the employees, the zeal and public spirit of the Ministers, it is impossible for any Government to compete with individuals when economy is concerned. They do not possess the same resources, and cannot give the same excuses. A step, shabby or mean, sometimes, that personal interest would justify in a company, would become a grievance, or leave a stain, if taken under the patronage of the Government. The outside pressure weighing on a Minister is irresistible, sometimes; and how can a Government be free enough in its action to compete with the marvellous activity of railroad men, who never back down before any obstacle. These great