

carriage of freight or passengers, or to allow or make any secret or special tolls, rebate, drawbacks or concession, or any higher rates for the carriage of freight or passengers than those heretofore or hereafter fixed, under the authority of existing or future legislation of the parliament of Canada, by the Governor in Council, or by the railway committee of the Privy Council, or by any commission or other authority.

You will note by that last clause that we were prohibited only in the matter of raising rates in Manitoba. The question came up at that time that it might be possible under that contract for Manitoba to raise the rates on that portion of the line running from the boundary of Manitoba to Fort William, a distance of something over 290 miles. This is what Mr. Blair anticipated at that time might be a danger in making that contract. He said:

I do not hesitate to say that I feared, and I fear at this moment, that there may be such a reduction of rates forced by the action of the Manitoba government upon the Canadian Northern Railway as to lead the Canadian Northern, even with the approval, if it were necessary, of the government of Manitoba, to impose higher rates on traffic on portions of their line outside of the province of Manitoba, so as thereby to reduce the loss which will result from operations within that province.

They thought we were going to make a loss on that contract, and that we would raise the rate in Ontario to help make up our deficits. That is the reason why the clause which I have just read was placed in the contract, in order that we should not charge any higher rates. My hon. friend from Labelle (Mr. Bourassa)—I saw him in the chamber a few minutes ago—was in the House at that time, and he made a similar reference, as follows:

I understand that the Attorney General of Manitoba indicated that there could be no discriminating rate fixed by the government of Manitoba, because it would be favourable to the whole people of Manitoba; but the point that I have been making does not refer to the case of discrimination between classes of shippers, but to the case of discrimination between one province and another. In such a case the Manitoba government would fix a rate lower for the people of Manitoba and higher for the people of Ontario and the Northwest Territories—

In view of these statements the clause I have just read was incorporated in that legislation. The hon. member for Labelle later moved the following amendment—he was still anxious to raise the rates in Ontario:

—in favour of or against either (1) any individual or corporation, or (2) the people or shippers of or from any particular place, section, district or province.

This was answered by Sir Wilfrid Laurier, as follows:

I would say to my hon. friend from Labelle that if this bill were before the railway commission I do not think I would have any serious objection to his amendment; in fact, I would have none at all, because in my judgment it adds nothing to or detracts nothing

from the sense of the clause we have before us. The clause now reads as follows:

"Nothing in this act or in this indenture contained in the schedule hereto, or done in pursuance of this act or of the said indentures shall.....authorize the Canadian Northern Railway Company to charge or demand any higher rates—"

Mr. Blair followed and said:

I desire to say only one word. The hon. member for Labelle has attributed to me statements and purposes which I did not make or entertain when this bill was under consideration before the railway committee. I did not suggest the inclusion of that section in this bill in any way, shape or form; it did not emanate from me. The gentlemen who were promoting this bill introduced a special clause for the purpose of affording some assurance to, I presume, some persons on the committee who had doubts as to whether the action of parliament in passing this bill would in some degree impair its power and authority in the premises, that it would have no such effect.

All that I suggested in the committee was that inasmuch as the object of the amendment which had emanated from the promoters of the bill, and by which it was proposed to say that nothing in the act should interfere with the power of the railway committee in respect to rates; that is to say, that the rates could not be made any higher than the rates fixed by the Governor in Council under the Railway Act, and that inasmuch as the clause only referred to the question of the raising of rates, I thought it would be reasonable to also add a clause having reference to discrimination, or to the making of secret rebates or other arrangements which are clearly declared against by the provisions of the Railway Act.

Mr. Sifton, then Minister of the Interior, dealt with the matter in the following language:

As I understand the argument which is advanced by the hon. member for Labelle, it is to the effect that the saving clause in section 3 of the act which provides that the power of the parliament of Canada and the Dominion government shall remain unimpaired in regard to this bill, takes away the power of the local authority to reduce rates.

Mr. Bourassa: I did not say that this clause took away from the Manitoba government the power to reduce rates.

Sir Clifford Sifton: My hon. friend (Mr. Bourassa) has made the argument, that because of the supposed change in the contract, Manitoba has been beaten out of the control of rates for which she bargained. That was his argument, and if that was not his argument, it was not anything. There is nothing in it; it is wholly and entirely foundationless.

Mr. Blair later went on to say:

If a company agrees—I do not care if they only agree with a city; I do not care if they only agree with individuals—if they agree with an individual to make the rate so much, and it becomes a matter of public knowledge that these rates are lower than should obtain, then the commission will be justified in saying: You are bound by these rates, because you have yourselves declared that you will be prepared to carry traffic at these rates, and you cannot complain if we fix them.

Now I want to deal with the security held by the province of Manitoba in respect to this contract. First of all let me point out that when the province of Manitoba made