

Government subsidy for the progress of the work, but a company which has not sufficient backing to build a road only 12 miles long, without first being paid the Government subsidy, is not deserving of being subsidized. Take, for instance, the road in the County of Picton, a subsidy for which was voted a little while ago, what did the promoters do in that case. Did they go to the Government and ask for a subsidy before they proceeded to construct it?

Mr. COSTIGAN. This is the last 12 miles of a road 115 miles long.

Mr. FRASER. It ought to be all the easier to build the last 12 miles than the first, because the company have got all the previous subsidies. That only makes the argument all the stronger. What did the company which built the road in the County of Picton, to which I have just referred, do? They did not ask for a subsidy at all until they had built the road, and the road was in operation before the subsidy was voted. That is the proper policy to be followed in building railways. A railway company which cannot stand except with the aid of the Government subsidy, and which requires to have its subsidies paid before its road is completed, ought not to be subsidized at all. That ought to be the general principle on which the Government ought to proceed. It may be taken for granted that a company which cannot build a road until it is subsidized is not capable of carrying through the work. In the case of the company to which I refer, the junior member for Halifax and other capitalists put their money into the road and completed it, and built a furnace that cost \$250,000 before they asked the Government for a dollar. They paid for the whole thing, and now that it is completed and they have shown their *bond fides*, they ask for a subsidy. It is all right to assist railways by means of Government subsidies; but when the subsidy is the chief factor in building the road, that is sure evidence that the road is not such a one as ought to be built. In a case, where there is a long stretch of road to be built like the Canadian Pacific Railway, it may be necessary for a company before completing it to receive their subsidy, but in the case of small roads like this, to grant the subsidy in advance is simply opening the door to enable a number of men to undertake building railways with no other means at their disposal than the Government aid. Before a dollar of the subsidy is paid, the road ought to be in operation; and if this were insisted on, the Government could not make any mistake. Otherwise you will find companies pledging their Government subsidy to raise the money to go on with the work, and in such cases you are not likely to have roads that will prove of benefit to the country. Before the construction of a railway is entered upon at all, the people undertaking the enterprise should be assured that the section through which it runs is likely to furnish a traffic that will make it a paying property. It will not be contended, unless the Government are going to own every road in the country, that the assistance it gives ought to be the chief factor in going on with the work. If the principle is to be laid down that the Government ought to build the road, then let it equip it and run it; but otherwise we should certainly refuse to pay over the Govern-

ment subsidy on a road only 12 miles long before it is begun. In doing that, this Parliament will be going outside its legitimate duty. I think the Government should impose the condition that not a dollar of the subsidy will be paid until the road is completed. If that course were followed, we would have none of these scenes we have witnessed and would not have all these comments we hear from time to time about these railways. I agree with the hon. member for Lambton that the road under discussion cannot be difficult to build. I know nothing about the internal economy of the company and therefore am not going to speak on that matter, but I know of my own knowledge that there are roads built throughout the country just as difficult to construct as this one, which have been built with the amounts of Government grants and municipal aid. As to that \$100,000, the company have got it.

Mr. HAGGART. How much is that?

Mr. FRASER. \$10,000 a mile.

Mr. HAGGART. They have not got that.

Mr. FRASER. They have \$6,000 from the Quebec Government. I mean the Pontiac road.

Mr. HAGGART. I thought the hon. gentleman was speaking of the Temiscouata road.

Mr. FRASER. The Pontiac road has received \$100,000. They sold the bonds which the county issued to Mr. Ross and got the money.

Mr. CHAPLEAU. No.

Mr. FRASER. They sold the municipal bonds.

Mr. CHAPLEAU. No.

Mr. LISTER. Ross sued on them and recovered.

Mr. FRASER. Ross sued on them. Were they afraid to sue themselves? They parted with the bonds, because the man must have got the bonds before he could sue. I say that a similar road could have been built for \$10,000 or \$11,000 a mile.

Mr. CHAPLEAU. There is the difference between truth and fancy.

Mr. FRASER. There is no fancy about the \$9,200 a mile.

Mr. CHAPLEAU. No.

Mr. FRASER. Neither is there any fancy as to Ross having got the bonds.

Mr. CHAPLEAU. No.

Mr. FRASER. Where is the fancy?

Mr. CHAPLEAU. The fancy of the hon. gentleman is that this road could be built for \$9,000 a mile when it cost \$16,000.

Mr. FRASER. Of course, I do not know as much as the hon. gentleman about that, but what I said was that I know of a road which was as well built for \$9,000 or \$10,000 a mile. I know the roads in Nova Scotia have sometimes cost twice as much as that. If it were known that the Government subvention would not be paid over until the road was built, it would lead to economy in the construction of the road. If a company know they have to build the road out of their own means before they get the Government subvention, then they build the road cheaply, but otherwise they are liable to be extravagant. This Pontiac road, though a very good road, does not strike me as one that should have cost very much. When you have to buy your ticket in a little ordinary car at Aylmer,