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NATIONAL TRANSCONTINENTAL RAILWAY

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SPEECH

BY

HON. W. S. FIELDING

FINANCE MINISTER

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MONTREAL

HON. W. S. FIELDING (Minister of Finance). Mr. Speaker, one year is but a short time in the life of a country, a parliament or a government, but sometimes it happens that within so short a space events occur which have much to do with the making of history. About one year ago it became publicly known that this government had entered into negotiations with some gentlemen of eminence in the railway world for the construction of a second transcontinental railway, and we shall do well if we look back in our mind's eye and recall the manner in which that proposal was first met. True, the matter had not yet been submitted to parliament, but parliament was advised by incidental remarks in this House and in the discussion in the Railway Committee upon the charter of the company which proposed to enter upon this work, and in the public press, of the views of the opponents of the government, and I am justified in saying that the general view of the opposition was against any proposal for the construction of another transcontinental railway.

UNREASONABLE AND UNFAIR OPPOSITION.

We were asked in the House and in the press, sometimes in triumphant tones, where was the mandate for this government to enter upon these negotiations for the building of another transcontinental railway? We were told in the Conservative press, and in the committee in this House that the people who were undertaking to devise means and ways for the construction of another transcontinental railway were simply unscrupulous company promoters whose aim was to make a raid on the public treasury. That was the attitude of the opposition less than a year ago. At that time, it was not a question of details. The bargain had not then been consummated. The contract had not been entered into. We were only at the first stage of the matter. But the idea that the government was prepared to enter into negotiations with eminent railway men for the construction of another transcontinental railway was met with taunts and jeers and with the statement that we were simply endeavoring to promote

the schemes of unscrupulous people. That was the condition then, but what do we see to-day? Hon. gentlemen opposite are, metaphorically speaking, tumbling over one another in their eagerness to show their desire for the construction of another line from ocean to ocean. We find them by motions and amendments, by declarations in the public press, at every stage of the discussion, declaring that they are not opposed to the construction of another railway but wish to express their disapproval of this, that or the other feature of the scheme. When the project was brought down to parliament, it was found that the scheme was so bold and comprehensive, so carefully thought out and guarded in the public interest, and entailed so small a charge, comparatively speaking, upon the public treasury, that these hon. gentlemen were amazed that the government should have been able to negotiate such a scheme. From that moment down to this the process of evolution—nay of revolution—in the minds of hon. gentlemen has continued until to-day they are out-bidding each other in their protestations of favoring, by one mode or another, the construction of another transcontinental line. That is the position in which they are now as compared with that which they occupied a few months ago.

AN UNSTABLE LEADER.

My hon. friend, the leader of the opposition, felt himself impelled by those conditions to make a change of policy at a very early date. A very short time after the government proposal was brought down, and when it became known that it was going to accomplish great results at a very moderate cost, my hon. friend found it necessary to turn right about face, and brought down a scheme of his own to create something which he called a transcontinental railway.

Mr. R. L. BORDEN. The hon. gentleman speaks of my having made a right about face and as having expressed an opinion against another transcontinental line. I am not aware of having expressed any such opinion.

Mr. FIELDING. I am speaking of the general attitude of the opposition.
Some hon. MEMBERS. Oh, oh.

Mr. FIELDING. And I have the right to assume that the leader of the opposition was in harmony with his followers.

Mr. R. L. BORDEN. Who were those who expressed an opinion against another transcontinental line?

Mr. FIELDING. I am speaking of the general attitude of the opposition, and I can refer my hon. friend to the discussions of the Railway Committee and in the press of his party. I am speaking, not of any particular utterance, but of the general attitude of the Conservative party on the question at that time. If my hon. friend the leader of the opposition carefully refrained from taking any decided stand, it simply showed that he was waiting to see which way the cat might jump.

Mr. SAM. HUGHES. Might I ask a question? Is there any truth in the remark that the Minister of Finance was likely to follow the ex-Minister of Railways (Mr. Blair) and leave the cabinet on this question?

Some hon. MEMBERS. Oh, oh, and order.

Mr. FIELDING. I have no objection to answering. I rather like this questioning, but I did not quite catch what my hon. friend said.

Mr. SAM. HUGHES. Is there any truth in the rumor that the Minister of Finance was contemplating leaving the cabinet?

Mr. FIELDING. Will my hon. friend please tell me who said so?

Mr. SAM. HUGHES. Rumor has it that the hon. Minister himself said so.

Mr. FIELDING. I think I can answer my hon. friend by asking him his authority for the statement. If anybody said so, I give him the most unqualified contradict

If my hon. friend will find the person who started the rumor, he can give him that answer.

NEGOTIATIONS WITH THE GRAND TRUNK.

We brought down last year a contract dealing with this matter, which was carefully drawn, and as we think guarded the public interest very well. What happened at that time? Hon. gentlemen opposite declared that it was a contract entirely in the interests of the Grand Trunk Railway. They declared that the people who negotiated that contract on the side of the government were either grossly incapable or grossly dishonest. They said that the Grand Trunk Railway had its own way in everything, that the contract was one which was only of value to the Grand Trunk Railway, and that we were giving that company a tremendous gift at the expense of this country. Now, we knew when we made that contract that we were dealing with men of eminence in the railway world, but we knew that we were not dealing technically with the Grand Trunk Railway itself. We had a contract signed by the leading men of the Grand Trunk Railway, the president, several of the directors, and the general manager; and while we were convinced that these men were acting in good faith, we were quite aware of the fact that they were not authorized by any vote of the shareholders of the Grand Trunk Railway to enter into any engagement. Therefore, as some portions of that contract contemplated the doing of certain things by the Grand Trunk Railway itself, it became necessary before any further progress could be made, that the shareholders of the Grand Trunk Railway should approve of it.

When we came to deal with the Grand Trunk Railway itself, we discovered that the company were not prepared to go on with the undertaking. This was not through any lack of good faith on the part of the gentlemen who made the contract. They had acted in good faith, and they believed, and had a right to believe, no doubt, that the contract which they had assented to in Ottawa would receive the assent of the shareholders of the company. And I suppose they had the more right to believe so in view of the representations made by hon. gentlemen opposite that this was such a profitable and valuable contract to the Grand Trunk Railway Company. These hon. gentlemen had spoken of this contract as being all one-sided, declaring that we were making a great gift to the Grand Trunk Company.

HAD NO FAITH IN THE OPPOSITION.

And yet when the Grand Trunk Company came to consider the matter by its board of directors and subsequently by its body of shareholders in London, we found that the company had so little faith in the statement of the hon. gentlemen opposite that they refused to accept as a free gift this contract which hon. gentlemen opposite said was full of profit for them. The Grand Trunk Company, no doubt, had followed closely the discussions in this House; they had heard our side of the case—and we made the best argument we could in favour of what we believed to be a good contract. And the Grand Trunk people, no doubt, had followed the speeches of the hon. gentlemen on the other side. If they had accepted the statement of these hon. gentlemen that this contract was one-sided and all for the benefit of the Grand Trunk Company and to the injury of the Dominion surely the directors of the Grand Trunk Company would have been delighted to accept it, and the shareholders would have been only too happy to endorse their action. The Conservatives of Canada who were educated by hon. gentlemen opposite to believe that this was such a profitable thing for the Grand Trunk, and to believe that they were giving the company such a generous present in the form of this contract, must have been astonished when they discovered that the Grand Trunk did not regard it in that light, but, on the contrary, believed that the obligations under that contract were such as would bring disaster to the Grand Trunk itself. When you compare the attitude of hon. gentlemen opposite on that subject with the attitude of the Grand Trunk Company by its directors and shareholders, I think you must come to the conclusion that these careful, sagacious financial men in London did not put much faith in the views advanced by hon. gentlemen opposite as to the great profit the Grand Trunk would make out of it.

AS TO THE GRAND TRUNK MEETING.

The hon. gentlemen opposite have quoted very frequently in this debate the utterances of Sir Charles Rivers-Wilson in favour of the contract. Well, when we presented the contract to our shareholders, the parliament and the people of Canada, we naturally made the best case we could for it.

Some hon. MEMBERS. Hear, hear.

Mr. FIELDING. Yes. And, in the same way, when Sir Charles Rivers-Wilson presented his contract to his shareholders in London, of course, he made the best case for it he could. Wherever he said a word indicating that this was a favorable transaction to the Grand Trunk, hon. gentlemen opposite have pounced upon that and have quoted it again and again. But there are some things in the report of the Grand Trunk meeting that they have not quoted so often. For instance, I find here the utterances of Mr. Allen. Mr. Allen was a director of the company and has been associated with it for many years. He had large interests in the country both individually and as a trustee. And, far from coming to the conclusion that this contract was a good thing for the Grand Trunk, Mr. Allen made up his mind that it would be disastrous to the company, and rather than approve it he went out of office. We had a similar experience on both ends of the contract. In this House, a Minister or the Crown, not agreeing with the terms of the contract, believing that it was not favorable to the interest of Canada, tendered his resignation. In the parliament of the Grand Trunk a similar thing occurred. One of their ministers, a member of their board of directors, believing that this contract was one-sided and against the interest of the Grand Trunk, refused to be responsible for it and went out of office. Let us see what Mr. Allen said. He was not able to go to the meeting of the shareholders himself, but he sent a memorandum which was read at the meeting by his son and from the memorandum I quote:

Having served the Grand Trunk Railway Company from October, 1861, to my resignation in December last, and having witnessed and been a party to the great skill of Mr. Hays in raising the company from an almost bankrupt condition to its present state of prosperity—(applause)—and having a large interest of my own, and, as a trustee, to safeguard—and I may tell you that the interest is close upon £50,000—I have objected from July 24th last to proceed further with the Grand Trunk Pacific scheme without having a great deal of necessary information afforded to the board, and believing firmly, as I do, that the scheme, if carried out, will gradually ruin the Grand Trunk, I have come to the conclusion that it is my clear duty to the proprietors to let them know some, at all events, of the facts on which I have based that belief.

That was the view of a director of the Grand Trunk and I believe it is now quoted for the first time in this House. Yet, hon. gentlemen opposite have had that valuable report in their hands and have quoted other parts of it again and again.

Re DOUBTING THOMASES.

I find that another shareholder, Mr. Merlin, addressed the body of shareholders. He said:

I speak as a shareholder who is interested in something like £10,000 worth of the junior securities, the third preference, which, after having been in the wilderness for a great number of years, is just now merging, and I do not see that, while we are in view of something like full and due dividend, we should replunge into a wilderness which is very much unexplored—(Hear, hear)—which is very much farther north, and in which there is a very much heavier fall of snow in the year. Now, sir, with regard to the agreements, I have read them very carefully, and I think you, as a board, have taken a risk upon yourselves, and have not put any upon the Canadian government at all, excepting a rental for the first seven years on the eastern part of the line, and interest on the western part for another seven years. Now, why did not the board take the eastern part and allow the government to take the western part, especially the Rocky mountains part? (Hear, hear.)

We thus see that extreme views held on both sides of this question.

Mr. CLANCY. Does the hon. gentleman (Mr. Fielding) endorse Mr. Merlin's views?

Mr. FIELDING. No, no. I differ from my hon. friend (Mr. Clancy) in this that when anybody decries the character of the country I do not endorse him. The

tion as represented by hon. gentlemen opposite was that the Grand Trunk assumed obligation. But here we find a director of the Grand Trunk, a man with £50,000 invested in it, and another shareholder, warning their fellow shareholders against this contract on the ground that it would be disastrous to the Grand Trunk, on the ground that the government were assuming little or no obligation, and the company were assuming very heavy obligation. The hon. gentleman (Mr. Clancy) asks me if I endorse it. No. There are extreme views on this question. I no more endorse the extreme view on the side of Mr. Allen than I endorse the extreme view on the other side of Hon. Mr. Blair; the truth is to be found between the two. The scheme is not as bad for the Grand Trunk as described by Mr. Allen; it is not so bad for Canada as my late colleague thought it was.

FAIR TO BOTH SIDES.

Mr. SPROULE. I suppose the hon. minister (Mr. Fielding) is aware that Mr. Allen expressed these views before these last concessions were granted?

Mr. FIELDING. Mr. Allen's memorandum was read after the last concessions were granted and at a meeting which was assembled for the very purpose of ratifying the contract as amended by those concessions.

Mr. SPROULE. Is it not the fact that one of the directors intimated that Mr. Allen's memorandum was written before the last concessions?

Mr. FIELDING. I think Sir Charles Rivers-Wilson said that he hoped the latter concessions had removed some of Mr. Allen's objections. But the fact remains that Mr. Allen's memorandum was read by his own son at a meeting of the shareholders called not only after the concessions had been made but called for the very purpose of considering and ratifying the contract thus amended. And it is evident that the concessions did not remove Mr. Allen's objections. Otherwise he would not have sent his son to the meeting to join in a protest. Now, what we learn from this is that we should not adopt extreme views. And, inasmuch as Mr. Allen on one side presented the extreme view that this contract was going to be disastrous to the Grand Trunk and we declined to believe him, equally we declined to believe the speeches of hon. gentlemen on the other side who presented the other views declaring that this was a disastrous scheme for Canada. One thing we do know—that the popular financial opinion of the moment was voiced by Mr. Allen rather than by Sir Charles Rivers-Wilson, because, I am informed, immediately after the meeting, the Grand Trunk stocks were depressed on the London market. I have no doubt that if they have not already come up they will come up, because as the right hon. the Minister of Trade and Commerce (Sir Richard Cartwright) said last year the best kind of a bargain that you can make is a bargain where the interests of both sides are fairly considered and where both sides may be able to make a fair return for their investment.

AMENDMENTS AGREED UPON.

Now we may consider for a moment why we are dealing with this matter to-day. The hon. gentlemen opposite have opened up the whole question, but in reality we are now met for the consideration of the amendments only. Let us see what they are. They were dealt with very fully in the committee and I shall not weary the House by dwelling on them at any length. The first one,—not the first in order, but I mention it first because it is the one which has been most discussed in the House—is that which relates to the common stock. In the original contract it was provided that the Grand Trunk Company should take and hold certain common stock. They came afterwards and asked that they might be permitted to pledge or use that stock in such a way as would assist them in raising money. We agreed on the understanding that they should retain a controlling interest in the stock. The concession is not of importance as regards any immediate interest; its only importance is in relation to the capitalization of the railway, in respect of the amount upon which dividends shall be earned and freight rates be based. It has already been pointed out in the debate that in the past the capitalization of a railway had been regarded as of particular import-

ance, because of the experience which this country has had with another contract, not made by this government but made by the political party with which the hon. gentlemen opposite are associated. In the Canadian Pacific Railway contract there is what is called the 10 per cent. clause. By that clause it is provided that until the company earns 10 per cent. upon its capital the ordinary provisions of the Railway Act respecting the supervision of railway rates shall not apply. That has been regarded, especially in recent years, as a very objectionable condition and we know that the people of the Northwest have protested against it and have in the strongest manner asked that some relief be afforded.

C. P. R. AND G. T. P. BARGAINS COMPARED.

At this moment there is pending in the courts a suit for the purpose of determining what constitutes properly the capital of the Canadian Pacific Railway upon which earnings are to be computed. I do not for a moment presume to say what the decision may be, but I point out that there is great difference between the former contract and the present one, that whereas there was such a clause in the former contract, the Canadian Pacific Railway contract, and it therefore became a matter of importance as respects that contract to be able to determine what the capital is, no such importance can be attached to the question of capital in this contract because there is no 10 per cent. clause. In the case of the Canadian Pacific Railway you have to submit the question to the decision of the courts in order that you may find out whether the capital upon which the interest is to be earned and upon which freight rates may be based means the 25 cents on the dollar for which Canadian Pacific Railway stock at one stage was sold, or whether it means the whole dollar which the shareholders no doubt will claim to-day. That point has to be settled as respects the Canadian Pacific Railway, and if we had a similar clause in this contract it would be of vital importance to us to take care that no watered stock should be computed in the capital of the road; but inasmuch as there is no 10 per cent. clause in this contract, it is not of importance. I have pointed out before, and only repeat it now by way of record, that in the Railway Act of Canada we have the most unlimited and unqualified power to fix the rates of the Grand Trunk Pacific. There is no limitation such as the late government placed in the contract of the Canadian Pacific Railway. This Grand Trunk Pacific is to come as fully, as completely, as unreservedly, as respects freight rates, under the control of the railway commissioners of Canada as the smallest railway within the Dominion. This point is of the utmost importance, because conditions which might have been necessary in the case of the Canadian Pacific Railway with a 10 per cent. clause are not necessary in this case when there is no such clause. Therefore while I myself would have preferred, for reasons which I gave in the debate last year, that that contract should have remained as it was, still the change that has been made is not open to objection as fully as the hon. gentlemen think it is. The hon. the leader of the opposition (Mr. R. L. Borden) speaking of it to-day, made repeated references to watered stock upon which dividends would have to be earned and upon which freight rates would have to be computed.

NO WATERED STOCK UNDER THE LIBERAL SCHEME.

There is no possibility under the legislation respecting this contract for watered stock to be considered in the fixing of freight rates. The Railway Act, section 309, provides the fullest and most ample authority for the railway commission to inquire into all the operations of railway companies, and to find out not only their nominal capital, but to find out exactly what that capital represents, what good was done by the company with it, what value was received, and then the commissioners can judge what capital is to be the basis on which a reasonable interest will be allowed. Section 309 is lengthy, but if the House will permit, I will read it, because it has not yet been read during the discussion. This section provides:

The board may from time to time, by notice served upon the controller or any officer, servant or agent of the company, require it, or such officer, servant or agent to furnish the board, at or within any time stated in such notice, a written statement or statements showing in so far, and with

such detail and particulars as the board requires, the assets and liabilities of the company—the amount of its stock issued and outstanding—the date at which any such stock was so issued—the amount and nature of the consideration received by the company for such issue—

The amount and the nature of the consideration received by the company for such issue.' They cannot take it at 25 cents on the dollar, and, as in the other case, ask to earn interest on the 100 cents which is the nominal value.

the amount and share of the consideration received by the company for such issue, and, in case the whole of such consideration was not paid to the company in cash, the nature of the services rendered to or properly received by the company for which any stock was issued—the gross earnings or receipts or expenditure by the company during any periods specified by the board, and the purposes for which such expenditure was made—the amount and nature of any bonus, gift, or subsidy, received by the company from any source whatsoever, and the source from which and the time when, and the circumstances under which the same was received or given—the bonds issued at any time by the company, and what portion of the same are outstanding and what portion, if any, have been redeemed—the amount and nature of the consideration received by the company for the issue of such bonds—the character and extent of any liabilities outstanding, chargeable upon the property or undertaking of the company, or any part thereof, and the consideration received by the company for any such liabilities, and the circumstances under which the same were created—the cost of construction of the company's railway or of any part thereof,—the amount and nature of the consideration paid or given by the company for any property acquired by it,—the particulars of any lease, contract or arrangement entered into between the company and any other company or person,—and generally, the extent, nature, value and particulars of the property earnings, and business of the company.

SUBJECT TO RAILWAY COMMISSIONERS

Now, Sir, with that section before them the Board of Railway Commissioners are clothed with ample power to inquire into the issue of all common stock, into the manner in which this common stock is received by the Grand Trunk and the value which they give to the Grand Trunk Pacific for that stock, the purposes to which the money so received—if the payment is in money—is devoted and the value in money or in any other form of any assistance which the Grand Trunk Railway render in return for that stock. On every question of that kind the board of Railway Commissioners becomes the sole and only judge and therefore there is no chance whatever for watered stock as a basis for freight rates.

At six o'clock House took recess.

AFTER RECESS.

House resumed at eight o'clock.

Mr. FIELDING. Mr. Speaker, when you left the chair at six o'clock I had been inviting the attention of the House to the circumstances under which the government deemed it expedient to propose to parliament some changes in the Grand Trunk Pacific contract of last year. I pointed out, Sir, that while we had a contract with eminent men connected with the Grand Trunk Railway Company, including its president and chief officials, nevertheless, we were aware that the contract, before it could be carried into execution, would have to be approved by the shareholders of the Grand Trunk Railway Company. We had every reason to suppose that the arrangements made by the president and principal officials of the company would probably receive the support of the shareholders. As it turned out, however, difficulties occurred in that direction. A member of the board of directors of the Grand Trunk Railway Company took exception to the arrangement, just as one of our colleagues in the ministry had taken exception on the other side of the case, and the directors of the Grand Trunk Railway Company came to us with the statement that they were not able to carry the shareholders with them in giving approval to the contract. Therefore, it became necessary for us to consider what course we should then pursue. We might have told the directors of the Grand Trunk Railway Company and the promoters of this scheme that we would stand on the contract of 1903, and that unless that contract would be carried out to the letter the whole arrangement would have to go. We might, on the other hand, have met the company in the spirit of fair discussion, to see whether we could agree upon some changes which would meet the wishes of the company without in any way seriously imperilling any public interest.

WHY CHANGES OF CONTRACT WERE MADE

The conclusion the government came to was that it would not be wise to put in peril a great national undertaking to which we attached so much importance if amendments could be made of such a character as to meet the wishes of the company without any serious disadvantage to the Dominion. Hon. gentlemen opposite have interpreted that transaction in a somewhat unpleasant and by no means polite way. They have presented the state of affairs as being that the Grand Trunk Railway Company said: 'We must have these amendments,' and the government granted them. I suppose that could be said as respects a transaction between any two parties. What happened was that the two parties to this undertaking sat down to consider whether concessions could be granted that would meet the criticisms of the objecting Grand Trunk Railway people without seriously disadvantaging the interests of the government and the people of the Dominion. Now one would think from the tone of hon. gentlemen opposite that to propose changes in a contract originally made in a grave matter of this sort is something quite unheard of and necessarily very wicked and bad. Do we forget the case of the Canadian Pacific Railway contract, that after the government of the day had granted many millions of money, that after they had granted many millions of acres of land, that after they had granted exemption from custom taxation, that after they had granted exemption from land taxation, that after they had granted exemption from railway competition, that after they had given to the Canadian Pacific Railway very nearly everything on the earth and in the waters under the earth, the Canadian Pacific Railway came back here in a few years and said that they would have to drop the whole undertaking if the government of Canada did not come to their assistance? Have hon. gentlemen forgotten that that great corporation at a very early stage in its history came back and said: Unless you can advance us \$30,000,000 to aid this enterprise we are sorry to have to tell you the whole thing will have to be given up. That was the position which was presented to Sir John Macdonald at that time. He had his choice. It may be that some ungenerous critic on the Liberal side did state that the Canadian Pacific Railway had said: You must do this and the government did it. But looking back over the transaction now, even those who differed from the government of that day would probably acknowledge that it was a wise step on the part of the government and parliament of Canada to come to the aid of the Canadian Pacific Railway, as they did at that time, and help them out in their great national undertaking. As it turned out the loan that was then made to the Canadian Pacific Railway was repaid to the government and the government and people of Canada lost not one cent on that account. But, it might have turned out otherwise. There was no guarantee at that time that the Canadian Pacific Railway would prove the great success which ultimately it did prove. The government of the day felt, and I think, looking back over it now, that we can say wisely felt, that it was not well to put in peril that great national undertaking if they could meet the company by granting some concessions that might seem fair and reasonable.

FOLLOWED A NOTABLE PRECEDENT.

It was in that spirit that this government met the people connected with the Grand Trunk Pacific Railway Company and sat down to negotiate for changes. Immediately before the recess I called attention to one of these changes and I will now briefly proceed to speak of the others. The most of these changes are of comparatively little importance. There are only two of them that are of serious financial importance. The others were changes to which the Grand Trunk people attached some importance because they would enable them to remove objections from the minds of the shareholders, and because they would remove objections from the minds of timid capitalists, and we know that capitalists are always timid in regard to matters of this sort. For example, there was a proposal to increase the time for the completion of the road from five to eight years. We do not anticipate that the eight years will be exhausted, but the promoters of the company came to us and said: You are to have \$5,000,000 of our money as a forfeit and you cannot expect us to obtain the assent of our shareholders to the forfeiture of that large sum of money

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unless we shall have the most liberal time for the completion of the road. They said that they did not expect to take eight years. They still believe that they will be able to complete the road in five years. But they said that for the assurance of their stockholders and for the assurance of timid capitalists it would be better to grant an extension of time to eight years, instead of five years originally stipulated for the completion of the road. That concession we agreed to give them. I do not think that anybody in the House will regard it as a matter of very great importance. Then they asked that we should make arrangements respecting the leasing of the portions of our line that might be completed. Our original scheme contemplated the leasing of the eastern division to the Grand Trunk Pacific Railway Company. It was provided by the Act that any portions of the road which might be completed in the meantime might be operated by the commissioners. • The Grand Trunk Pacific Railway Company came to us and said : If you complete any portion of the road in the meantime we think you should give the lease to us, and we could offer no objection to that. We have no desire to operate this road at all. We object emphatically to the operation of this road as a government work. Later on I will be ready to take issue with my hon. friend, and if he is prepared—as he has not yet done—to come boldly out as the champion of government ownership and operation, I tell him frankly that as respects this great national work we differ from him, and we will carry our difference into the discussions before the people of this country.

Mr. SPROULE. You cannot help it.

Mr. FIELDING. What does my hon. friend say?

Mr. SPROULE. It is Holson's choice with you ; you cannot help it.

Mr. FIELDING. I cannot understand my hon. friend.

Mr. ALEX. JOHNSTON. Nobody does.

Mr. FIELDING. My hon. friends over there speak for two railway companies who are in the habit of advising them what to do, but they must remember the homely adage : that you should not measure another man's corn by your own bushel.

OPERATING THE ROAD.

We had no desire to operate this eastern division, and inasmuch as we did not want to operate the road when completed, we saw no reason why we should not make an arrangement with the Grand Trunk Pacific for the operation of any portion of that road which when completed they might be willing to operate. In giving them that concession we gave them nothing which, in any sense could be deemed a disadvantage to the people of Canada. Another Amendment, and a very trivial one, is as regards the causes which might arise for the non-completion of the road. In nearly all contracts of this character there are clauses providing that if, from the Act of God, or the King's enemies, or because of floods, &c., a work is delayed, the contractors shall not be held to account, and in this case the clause did not include the word 'strikes' in this contract.

Then a questions arose as regards the rolling stock. The Company were under obligation to provide \$20, 000,000 worth of rolling stock of which the sum of \$5,000,000 was to be designed for that eastern division. The company pointed out that while they were bound to complete the western division in a given time there was no time fixed for the completion of the eastern division. We were building the eastern division ourselves, and there was no reason why we should bind ourselves to complete it at a certain fixed date, although it is needless for me to say that, subject to physical difficulties, that eastern division will be pushed forward with all possible speed. However, the Grand Trunk people pointed out that as there was no time limit fixed for the completion of the eastern division, it might possibly happen that if they finished their western division they would have their rolling stock ready for the western division, and we not having completed the eastern division would not be in a position to receive and made use of the \$5,000,000 worth of rolling stock which they were bound to

provide for it. I do not think it was reasonable that we should penalize the Grand Trunk Railway for a possible default of our own. We do not anticipate that there will be any such default. We fully understand that the eastern division will be pushed forward to completion as rapidly as possible, and we expect it to be completed as soon as the western division. If that be the case, then this amendment has no effect whatever. But if it should turn out from any cause that they have finished their road before our road is finished, then we say that if they have provided \$15,000,000 worth of rolling stock under the terms of the contract, and if they ear-mark \$5,000,000 worth of that as belonging to the eastern division, even though we cannot yet put it on the eastern division, we will regard that as a substantial compliance with the conditions of the contract. Surely no one would contend that we should penalize the company for a possible default of our own. That is the explanation and all the explanation that is needed as to the change in the contract with respect to the rolling stock.

IF FORECLOSED AND SOLD.

Then as to the foreclosure and sale. The company asked that no temporary default should lead to foreclosure, and that that power should not be exercised by us until they should be five years interest in default. We thought that that was not an unreasonable request. In the ordinary relations between the owner of a house and another man who holds a mortgage on it, the mortgagee does not usually desire to force his friend and customer into difficulty by foreclosing the mortgage, because the interest may be for a time in default. In the ordinary relations of life a reasonable time would be allowed the mortgagor to overcome his difficulties and make good his default, and it generally happens that a foreclosure does not take place because a man may be one or two or even three years' interest in default.

Mr. R. L. BORDEN. But the power is there.

Mr. FIELDING. Yes. What we were asked to agree to was, that we would not exercise the power of foreclosure unless the default in the payment of interest should be for five years. As a matter of business between man and man, I think that was a fair and reasonable arrangement and no one in the country is going to be alarmed because we gave the company that assurance. Then as to the matter of foreclosure. In the original contract it was provided that we might take possession of the road in case of default, but in the amended contract it is agreed that as the government and the company would have an interest jointly, then, what I understand is the English system will be adopted, and the road will be put into the hands of a receiver, who will act as a representative of both parties and who will distribute the earnings in proportion to the interest of the parties concerned. That does not seem to be a very grave or a very serious change in the original contract. Surely, when the Grand Trunk has an interest in common with us, we should be willing to see that the earnings are fairly distributed, and that while we have received our portion the Grand Trunk Company should receive theirs. Their obligation to pay the interest on the second bonds still remains.

RUNNING POWERS AND BRANCH LINES.

Another amendment is, as regards the running powers over the eastern division after fifty years. Why should we not give them running powers over the eastern division at any time? Is not the whole design of the scheme that the eastern division should be a common national highway between the east and the west; is not the whole theory that we should give running powers to every railway company who desired them? And, if the Grand Trunk Company after fifty years are dispossessed; if the government then determines to take over the eastern division and not allow the Grand Trunk Pacific to operate it any longer, what possible objection can there be to granting running powers to them or to any other railway which is able to utilize the privilege?

There is another change in the contract as respects branch lines after fifty years; but we discussed that so recently that I would not be justified in enlarging upon it

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now. The Grand Trunk may during the fifty years of this lease build branch lines and when the government take over the road these branch lines will be useful to one party or the other. It may be that some of these branch lines would not be profitable to the Grand Trunk Pacific, but would be profitable to the government as owners of the main line. I pointed out the other day that in the case of a short branch it would not pay the company to run it as an independent road, and what might then be an unprofitable transaction for the company, might be a very profitable one for the government who would be owners of the main line. In connection with that I may present the view that in this period of great expansion in the Dominion, with the splendid growth of our country, evidence of which we see around us on every side, surely there is no one so lacking in faith in the future as to believe that fifty years hence any one of these branch lines would be unprofitable. I am sure that on reflection hon. gentlemen opposite will agree with me, that with the rate of progress our country is happily making, and especially our western country, the increase of traffic over all these lines must be such that it is hardly reasonable to conceive that fifty years from this date, any one of these branch lines could be regarded as unprofitable.

THE MOUNTAIN SECTION.

There are two remaining amendments and they are of some financial importance. One is with regard to the guarantee on the mountain section of the western division. In my calculation last year I was advised that 480 miles was the proper estimate of the mountain section, and I shall continue to use that calculation, although I notice that Sir Rivers-Wilson speaks of it in round numbers as 500 miles. As regards the prairie section, we guarantee three-fourths the cost of the road, not exceeding \$13,000 per mile, and there is no change in the contract in that respect. But with regard to the mountain section 480 miles or 500 miles, our agreement of last year was that we would guarantee three-fourths of the cost not exceeding \$30,000. It was roughly estimated that this part of the road would probably cost \$40,000 per mile. We quite understood from the beginning that we would be expected to guarantee three-fourths of the cost, and the limit fixed was supposed to represent that. But we provided that if the road should cost more than \$40,000 per mile, the Grand Trunk Pacific people had then to take the risk. The company came to us and said that this was regarded as a difficulty in the minds of some of their people. They said that the cost of the mountain section might prove to be more than \$40,000 a mile, and some of their people were afraid that if the government were only to guarantee \$30,000 a mile the Grand Trunk's proportion would be larger than they expected, and that prospect introduced an element of uncertainty.

They thought the element of uncertainty should be divided between the government and the company. They thought the government should agree to guarantee three-fourths of the cost, whatever it might be. Both parties will have an interest in seeing that that cost is not an extravagant one. Both parties will have a common object in seeing that the cost is kept down. But they proposed that instead of limiting our guarantee of the mountain section to \$30,000 a mile, we should make it three-fourths of the cost, whatever it might be found to be; and that amendment the government have agreed to make. That amendment involves us in some measure of increased obligation. Precisely what that increased obligation is I suppose must remain a matter of debate. It was roughly estimated at first that the mountain section would cost \$40,000 a mile. I notice in the discussion that took place before the Grand Trunk shareholders in London, Sir Charles River-Wilson made reference to that part of the road as likely to cost \$50,000 a mile, to which he added interest during construction, bringing the cost up to \$56,000 a mile. We are inclined to think that is a high estimate. But let us frankly say that if the mountain section of the western division costs much in excess of the original estimate of \$40,000 a mile, then to the extent of our proportion of the increased cost we are assuming an additional obligation. I do not think, however, that it is a very great obligation, and if it maintains the proportions of three-fourths and one-fourth, we do not think the country will regard it as a very formidable charge.

GUARANTEE ON WESTERN DIVISION.

The remaining clause of financial importance deals with the question of implementing the guarantee on the western division. When this contract was entered into, or perhaps it would be more correct to say when the negotiations began a year ago, the money market was in a fair condition; and it was estimated in all the negotiations that a government guarantee bearing three per cent. interest would probably sell at par. As the months rolled on, by the time the Grand Trunk people came to be in a position to discuss the matter in financial circles, the money market had taken a very unfavourable turn, and the company thought they would not be able to raise the necessary money on a government guarantee of 3 per cent. They pointed out that if they had to sell the bonds below par, they would be to that extent short of the means to build the road, and they asked us to agree that the amount of aid we had agreed to give them in money should be in some shape made up. After some discussion, because it was a serious aspect of the question, we came to the conclusion that we would meet them in that respect, and would rearrange the financial affairs of the western division, so that they might expect to realize a sum equal to par from the sale of the bonds. The form in which that is to be done is not distinctly laid down in the agreement; but, as we have pointed out during the debate, a rational and reasonable way would be to implement the amount of the bonds at 3 per cent., the company would realize as a net result of the transaction a sum equal to par of the first amount. That is the way we have all assumed in the debate that the matter should be arranged, and I have no doubt that is the way it will be done. If it should turn out that the bonds, when they come to be issued, will have to be sold at a price materially less than par, to that extent we shall have to implement the arrangement by issuing an additional amount of bonds. Hon. gentlemen opposite in most of their calculations have assumed that 3 per cent. bonds would only be issued at 90. That calculation was made at the most unfavourable moment in the condition of the money market. I believe, however, that in a transaction that would cover many years, it is not unreasonable to suppose that after the present adverse condition of the money market shall have passed away, after the nations shall have ceased to war, and various conditions shall have become more favourable, by the time we come to issue these bonds, a 3 per cent. bond will sell so close to par that there will be no need of implementing the issue in the way described; and I object to our hon. friends opposite basing their calculations on the most unfavourable conditions of the money market, and taking for granted that that will continue to be the condition for six or seven years to come. If it should happen that at the time we issue these bonds we shall have to issue them at a price materially less than par, then we shall have to implement the arrangement by issuing a larger amount of bonds; and to that extent we shall increase our obligation. We pay seven years' interest on the amount of bonds issued, and to the extent of seven years' interest on the increased issue of bonds, and to that extent only, does this arrangement involve any increased charge on the treasury. It may involve some increase; it is by no means certain that it will involve any; but even it should, the increase cannot be a very large one.

CONSERVATIVES OPPOSED TO BUILDING EASTERN PORTION OF NEW LINE.

I think I have now gone over all the amendments in which we are inviting the attention of parliament; and, with the permission of the House, I would like to say something on the general scope of the scheme. Perhaps I would be justified in saying that the attacks of the opposition have been specially directed to the eastern division. True, they began by a general condemnation of the idea of any transcontinental railway at all; but gradually they have got into the habit of saying that the western division may be all right; the prairie section, of course, will be all right; and some go so far as to say that the mountain section may be all right; but this eastern division is dreadful. That we should attempt to build a railway from Winnipeg to Quebec, and thence to the maritime provinces, is something they cannot endure. And we have this unfortunate position to take into account, that hon. gentlemen opposite, in their

endeavours to make out a case against this great scheme, have been forced to put themselves in a very unhappy position of running down a large part of the country through which this road is to pass. They have been obliged, as we showed last session, when we brought forward information which seemed to be remarkable concerning the character of the country through which this road is to run, to discredit that information. It seemed to give them great unhappiness if any man could be found to say a good word for that great stretch of country lying in the north part of the provinces of Ontario and Quebec. I notice that many of my colleagues and friends have recently and naturally resented the representations which have been made respecting such a large portion of the territory of Canada; but from the point of view which I occupy at this moment, I confess that I am not much concerned in considering whether that stretch of territory is good or bad country—it is our country, and it is our duty to open it up. If it is a land of muskegs and jackpine and granite ridges, then, Sir, it is a vast stretch of the territory of Canada lying between the great east and the greater west, and it is our duty to run a railroad through it and make something of it. I am not so pretentious in some matters as some hon. gentlemen; but I venture to say with profound respect that I have too great a faith in the grand Architect of the universe to believe that He ever constructed that vast territory in the north of Ontario and Quebec, and make it good for nothing. I am a firm believer in the view that to each and every part of this great country is given the capacity to produce something and to do something which shall contribute to the making and the upbuilding of this Dominion.

THE YUKON AS AN ILLUSTRATION.

It is but a little while ago since you could not have found anybody to give you a five dollar bill for all the land you could have offered him up in the northern part of Canada. You would have been told that it was a waste of money to give anything for it, and if any serious proposal had been made to spend public money up in the Yukon—Alaska, it would have been very naturally scoffed at, because the country is in the far north of which hon. gentlemen opposite like to speak in such contemptuous terms. But what has happened within the scope almost of this parliament and within the time of this government? Only seven or eight years ago that land was despised and decried, but that same land, which people said was good for nothing, has become the Mecca of the people from every part of the civilized world; and in Dawson city, which a few years ago was unknown, there is now a thriving and prosperous community. Who can doubt then that as we open up this northern region in Ontario and Quebec, we shall develop resources? Who can doubt that it has mines, minerals, timber, agricultural lands and water powers and all the other things which modern science knows how to develop and turn to the making and building up of a country? We believe that all these things will be found in that country. But I come back to my first proposition and say that if it is as bad as my hon. friends opposite say it is; if it is full of swamps, jackpines and muskegs, it stands there as a bridge between eastern and western Canada, and it is our duty to occupy it and make something of it. There is another reason too.

THE LINE A NATIONAL NECESSITY.

There is the military side of the case which we must consider. We are giving all our thoughts to the development of trade and commerce, to the establishment of greater lines of communication which will draw the people of the various provinces closer together and enable them to understand each other better. But let us not forget completely the military side of this question. That single thread of railway, which unites the east and the west to-day, runs for hundreds of miles along the edge of Lake Superior within easy reach of a hostile power. Let us pray Heaven that the time may never come when difficulties will arise between the two great nations which occupy the great American continent. But heaven helps those who help themselves, and our prayers for peace and good-will are more likely to be heard if we do our part to make ourselves absolutely independent of these difficulties. Sir, it is the glory of this

scheme, that it is a transcontinental scheme from ocean to ocean on British territory. Other roads claiming to be transcontinental can hardly say that with the same accuracy. In the east they travel through a foreign territory, and in the west sometimes they have to run through foreign territory. But this is an all-Canadian, all-British road from ocean to ocean, and we point with pride to the fact that while it will operate as a great commercial road, it will also be so located that it will have an advantage from a military point of view, which, while it is not the chief claim we present on its behalf, is always worthy of serious consideration. But I have been assuming that hon. gentlemen opposite are correct, and that we have not any information about it. True, that is a very awkward assumption to make. My hon. friends, after a course of some months in which they proclaimed that we have not any information, suddenly discovered that they knew much about that country. They have found that they know enough about it to propose and support an amendment fixing the location of the line.

CONSISTENT IN INCONSISTENCY.

From the moment this scheme was projected down to the present, there is hardly a member on that side who has not said that this land is unexplored and unknown, yet strange to say my hon. friend from Jacques Cartier (Mr. Monk) came down the other day with an amendment in which he undertook to tell us just where we should locate our line through that unknown land. True, the amendment was a little hazy, like most of those of the hon. gentlemen opposite. True, the line proposed ran a good deal north by south, and was so located that it paralleled all the rivers on the map, and when we find hon. gentlemen prepared to vote for an amendment of that kind, we have a convincing proof that if they can only embarrass the government, they are quite ready to vote for anything. Although they have declared that we have no information about the country, we think we have a good deal of information, and some of it is information which patriotic Canadians will look upon with pleasure. Last session we had considerable information which I would not like to worry the House by repeating. We had information from the commissioners appointed by the government of Ontario, and although hon. gentlemen opposite did not like it very well, I think we ought to be glad on the whole that that commission was able to report on the land of that region. We have other evidence, and evidence which hon. gentlemen opposite will not assail. We have the report of Dr. Bell, the esteemed head of the Geological Survey. A quarter of a century ago, Dr. Bell made a report on the condition of the country lying between the lakes and Hudson Bay. I shall not quote that again, because I read it last year, but shall merely cite the conclusion at which he arrived. He said:

I have no doubt that at some future time this territory will support a large population.

That was a quarter of a century ago. Surely it is not too much to say that after that land has remained idle during all that time, and when we have the evidence of men like Dr. Bell that there is plenty of good land up there, we should send in our surveyors and explorers and capitalists and provide that territory with a railway. We have also other evidence.

SIR SANDFORD FLEMING.

We are glad to be able to cite as an authority for one portion of this great scheme—that portion which runs between Winnipeg and Quebec—that distinguished Canadian engineer, Sir Sandford Fleming. If there is any difference between Sir Sandford Fleming's scheme and the present one, it is that he would carry the line further north, and according to my hon. friends opposite, the further north we go, the worse the scheme becomes. So that if our view is bad, Sir Sandford Fleming's must be very much worse. I find that in a public interview, speaking of the material advantages of this line, which I shall not weary the House by quoting any lengthy extract from, but merely a passage or two, he said:

The greater part of the vast region through which the new line might pass between Quebec and Port Simpson is wood land, and we have to-day a new value to the timber which was undreamt of twenty-five years ago.

The territory to be traversed is the natural home of pulp wood, and in this vegetable substance the unoccupied regions of Quebec and Ontario have an inexhaustible crop ready for harvesting, a crop of perennial character, which in extent, I venture to say, is unsurpassed in the North American continent, perhaps in the whole world.

I am satisfied that it is possible to establish a splendid national railway on the route proposed with the best ocean ports as its terminals. With a Rocky Mountain passage very much lower than that of any railway yet constructed across the North American continent, and with general engineering features even more favourable than those obtained on the intercolonial Railway, such a line would give breadth to Canada and admit of settlements and profitable industries where such are not now possible.

MR. MACOUN'S EVIDENCE.

I have another bit of testimony. Mr. right hon. friend the First Minister has said there are mountains of information on this subject, but we will be content with only a few hills to-night.

To-day, in the morning paper, I find a report of the evidence before the Transportation Commission by Dr. Bell and Mr. Macoun. Mr. Macoun, after dealing somewhat with the Peace river country is reported as follows:

Mr. Macoun also gave evidence regarding parts of Georgian Bay that he had visited. He stated that he had been with the expedition under Mr. Low that went to Hudson Bay from Lake Winnipeg via the Berens river. The country through which the Berens river flows, he said is very rocky. But at Trout lake, 54 degrees north latitude, a settler of seventeen years' experience had told him that he had never lost any crops through frost. The settler's cultivation extended to all the usual farm crops. Surrounding Trout lake there was an immense area over a hundred million acres in extent which was good agricultural land. Its climate was temperate on account of comparatively low altitude and summer frosts were very infrequent. Most of the country between Lake Winnipeg and Hudson Bay, Mr. Macoun said, was practically unburned. He thought that a good deal of the land on the east coast of the bay was suitable for agriculture. At Kupert's bay there was no natural harbour, but at Richmond gulf the harbour was excellent.

In reply to a question the witness said that in the sub-arctic forest belt of Canada there were, approximately, 1,000 millions of acres of agriculture land.

Such is the information given us in general terms regarding that vast northern country. Some portions of this evidence refer to sections through which the road will run, while other portions refer to land lying further north. But if we have, north of our railway, great tracts of land that are good, then, by all means, the nearer we can get the road to these tracts the better. And, inasmuch as we are going to build a road further north than any other in America, we shall do something to develop these tremendous stretches of land described in the words I have quoted from Mr. Macoun. Sir, one does not need the gift of prophecy to predict that, within the lifetime of men in this particular parliament to-day, the timber, the land, the mines, the waterfalls in that vast stretch of territory will be the foundations upon which will be built villages, towns, and, possibly, cities that will stand as testimony to the wisdom of the policy that sends the railway through that north land.

THE QUEBEC MONCTON SECTION.

Now, I have spoken so far of the attacks made by hon. gentlemen opposite upon the country between Winnipeg and Quebec, upon what I may call the western part of the eastern division. But, bad as that enterprise is said to be, bad as the policy of the government is said to be which holds out the hope of railway construction through that vast territory, there is a lower depth still to which this government have descended, for they have actually agreed to build a railway from Quebec down to the city of Moncton. Horror of horrors! It makes the hair of hon. gentlemen opposite almost stand on end. My hon. friend from West Toronto (Mr. Osler) prayed Heaven that the road may never be built. And up and down the ranks of hon. gentlemen opposite has gone the cry that that road is the iniquity of iniquities. Well, now, we can make some allowance for hon. gentlemen from Ontario and the west for taking such an ungenerous view of the matter. Perhaps I should rather say we could have made some allowance last year, because they were not expected to understand eastern public opinion; they were not expected to be as familiar as others would be with the condition of the provinces down by the sea. But, if we could make some allowances last

year, we have less right to make allowances now, because, in the meantime, they have had the opportunity of learning a good deal about the matter. My hon. friend from Cumberland (Mr. Logan) last year took a good deal of pains to collect testimony as to the long-standing public opinion in the maritime provinces with regard to that road, and I may have occasion to allude to part of that evidence before I conclude. I say we can make allowances for the hon. gentlemen from Ontario and the west so far as last year was concerned, but not so much this year. But I confess that I have great difficulty in making allowance for my hon. friends opposite who come from the eastern provinces. They ought to have known better; and, unless they are very much less intelligent than I take them to be—for I know that they are intelligent, able, capable men—I am bound to believe that they do know better. But when they sit quietly in their places and allow hon. gentlemen on their own side to create the impression that this road from Quebec to Moncton is an unheard of enterprise, a thing which nobody wanted and nobody believed in, then, they do not do justice to their own part of the Dominion. Why, Sir, for very many years, as far back at least as 1889, we have had an agitation in the lower provinces for the construction of a short line or railway from Quebec to Moncton. Yet, the hon. gentlemen opposite would talk as if it were something that nobody had ever heard of, a wild scheme which recently entered into the imagination of some crazy persons. Down the maritime provinces, the newspapers, the boards of trade and all the ordinary avenues through which we receive expressions of public opinion have over and over again called attention to the desirability of this road. But my hon. friend the leader of the opposition (Mr. R. L. Borden) seems to think that it is a bad scheme, that there is no good in it whatever. I notice that in the earlier stages of this discussion he was willing to do something in the west. He was willing to build over the prairies, to build in some shape across to the Pacific; but, when it came to this section, Quebec to Moncton, all he would agree to do would be to give a gracious consent to inquire into the question whether there was any merit in the scheme. And, in the omnibus amendment he moved some time ago there was no reference to the Moncton road. I think that is a very strange proceeding on the part of my hon. friend. He was ready to build through the west, through the mountains—anywhere but in the maritime provinces. I do not think that is a fair position for him to take. I do not think he should allow his friends from Ontario to drive him into such a position.

OPPOSITION LEADER CALLED TO ACCOUNT.

My hon. friend said that he would be good enough to kindly enquire—I do not know when, but some time in the distant and uncertain future, after he has built over the prairie and through the rockies—he would take time to inquire whether there was any merit in the Moncton scheme. And, if he could make up his mind that we were to build the Moncton section, it must be as part of the Intercolonial Railway.

Mr. R. L. BORDEN. Hear, hear.

Mr. FIELDING. The hon. gentlemen (Mr. R. L. Borden) says 'hear, hear.' I dissent from that plan emphatically. In the name of the people of the maritime provinces, as far as I know their opinion, and so far as I have the right to say anything for them, I say we do not want the Moncton road as a part of the Intercolonial. I tell the hon. gentleman that, as part of the Intercolonial, it would be a local road and only a local road. I tell him we want to have that Moncton extension in the hands of a great company which controls the traffic of the far west and can bring that traffic down to the sea. I tell my hon. friend that a mere connection between two railways running into the same station does not create a command of traffic. We extended the Intercolonial from Levis to Montreal, and in that we did a good thing. It was a good scheme on its merits to extend the road to the great commercial centre of Canada; and I believe that, irrespective of anything which may happen with regard to through traffic it is a good thing. But those gentlemen, if there were any, who expected that this would exert a great influence in obtaining control of traffic from the west must be disappointed. It has not been the means of obtaining control of traffic from the west, and it cannot be. Does the hon. gentleman imagine that if the Canadian Pacific

Railway, instead of owing its line down to the maritime provinces, had a mere connection somewhere in the upper provinces with a line running east, it would carry a pound of freight to the city of St. John? No, Sir, it is because it has its own line to St. John and is interested in the success of that line that it takes its business down to the sea.

INTERCOLONIAL A LOCAL LINE.

And if we build another section of the Intercolonial from Moncton to Quebec, we will not get command of a pound of traffic, we will simply have another local road. My hon. friend the leader of the opposition (Mr. R. L. Borden) has made several references to the policy of acquiring the Canada Atlantic and extending the Intercolonial Railway to Georgian Bay. There is much to be said in favour of extending the Intercolonial Railway or having some closer relations between the Intercolonial Railway and the line running to Georgian Bay. But I tell my hon. friend that although that would be an advantage in many respects, and I do not undervalue it—even if you get the Intercolonial Railway to Parry Sound you still do not command a pound of western traffic; you are still at the mercy of the western railway companies, who may give you traffic or may not give it to you as they please. If you want to get command of traffic you must connect your eastern roads in a close relationship with the roads which run away up through the vast wheat fields of the Northwest where the traffic originates, and unless you can get another great railway as we already have one in the case of St. John, running through these territories and gathering up the freight to be sent across the sea, unless you can get such a railway interested in the maritime provinces by right of ownership or leasehold or give it some other interest in bringing traffic down there, I have little hope that you can command export traffic by any connection you can make. I do not undervalue the acquisition of the Canada Atlantic or some arrangement respecting it, but I would point out to my hon. friends that even although you get some advantage by an extension to Parry Sound you do not secure a commanding position in regard to western traffic. The Grand Trunk building this road out into the midst of the wheat country will command the traffic and when it comes to Winnipeg we have by our legislation done all that can be reasonably done to have it pass over the eastern section of the road which the Grand Trunk have an interest in operating and in that way there is given an expectation and hope to the maritime provinces that they will secure this traffic for export.

QUESTION OF RUNNING RIGHTS.

My hon. friend the Minister of Justice (Mr. Fitzpatrick) reminds me that if the Intercolonial Railway can make use of it we have running rights over the road as far as Winnipeg. I notice, by the way, speaking of running rights, that only last session hon. gentlemen opposite spoke most contemptuously of the idea of any company using running rights over a large stretch of line. Nothing of the kind was possible according to them, but I notice that this year they complain bitterly that we did not get running rights over the whole line to the Pacific ocean at the end of the fifty year arrangement. If running rights can be utilized in one case I cannot see why they could not in the other. In his reference to the Canada Atlantic my hon. friend is after all only falling back on the water stretches policy of Alexander Mackenzie of 30 years ago. When that policy was advanced the party opposite did not view it with very great favour. There was much to be said in favor of that policy as a temporary measure, but my hon. friends will remember that the Conservative party at that time, had no words of praise for the policy of utilizing water stretches. We all agree that although the water stretches might have been useful at the time, an all-rail route was necessary for the Canadian Pacific Railway; it was necessary for the development of this country. If the hon. the leader of the opposition (Mr. R. L. Borden) had his policy respecting the Canada Atlantic carried out, the most that would happen would be that he would have a summer route; he would have connection with the lakes and would have some relation to traffic in summer. But it is not in summer that the maritime provinces expect to get traffic, and I fail to see where we are to get such a very large result from the acquisition of the Canada Atlantic as my hon. friend suggests, because when the winter comes the Canada Atlantic at the Georgian Bay has no traffic to give to maritime provinces and in summer it could only give traffic to Quebec. Thus

while the acquisition of the Canada Atlantic has some merit, while it is desirable to have the Intercolonial brought into closer touch with it, and into communication with the steamship lines on the lakes, yet I quite realize that it would not give us the advantage which the Dominion demands. We know that if we have the water stretches policy we must also have the all-rail line, and that is the policy which the government are offering to the House.

NOT A NEW POLICY.

I have said that this policy of building a road through the maritime provinces from Quebec down to Moncton is by no means a new policy. As far back as 1889 or 1890, a company was formed for the purpose of constructing a line of railway, not from Quebec directly, but from Edmundston, which is the terminal point of the Temiscouata road, running down on the Intercolonial as far as Riviere du Loup. A company was formed to build that line from Edmundston to Moncton, a line which so far as it goes was precisely the line contemplated by the present government scheme. We are making the scheme larger because instead of starting from Edmundston, and using the Intercolonial down to Riviere du Loup our policy is to start from the Quebec bridge, run through the counties of Quebec until you turn the corner of American territory at Edmundston and down through the centre of New Brunswick to Moncton. As far back as 1890, this company was formed and an application was made by parties associated with the Grand Trunk company for a subsidy from the government. It is now a matter of history that the government of the day were well disposed towards the scheme. My information came from a gentleman who, I believe, knew the facts, and he assured me that the government viewed the scheme with favour; at all events the Prime Minister (Sir John Macdonald) favoured it. Ultimately the scheme was turned aside. It was believed that it was turned aside because another railway company objected to it. That is the common rumour, of course I have no special knowledge of it, but my information is that Sir John Macdonald favoured that line, and up to a certain point gave it encouragement though ultimately it was not carried out. That policy found much favour in the lower provinces. Public meetings were held, delegations were sent to Ottawa, boards of trade passed resolutions and all the usual methods of expressing public opinion were employed to support that road, and yet 14 years afterwards hon. gentlemen stand up in the House and treat this as a scheme that nobody ever heard of before. Even more recently, Sir, we have abundant information as to the popularity of this scheme. Only last year when it was announced that the Grand Trunk company were applying to parliament for legislation with a view of constructing a transcontinental railway, instantly the public opinion of the maritime provinces became aroused with regard to this old project of a new short line on British territory. In the various public bodies, in the boards of trade, nay in the very legislature of one province, the importance of the scheme was recognized. Pardon me if I read an extract.

ACTION OF NEW BRUNSWICK LEGISLATURE.

Hon. gentlemen opposite have derided this eastern division as a wild scheme and something undreamt of, of which no one ever heard before; what will they say when I remind them, for it has been stated before, that last year when the Grand Trunk made this application and before the government had brought down its scheme, the legislature of New Brunswick by unanimous vote demanded that that scheme should extend down the maritime provinces? The motion was made by an hon. gentleman on the government side, Mr. Robertson, it was seconded by Mr. Hazen the leader of the opposition, and it was couched in the most emphatic terms. Here is the resolution:

Whereas the Grand Trunk Pacific Company is now making application to the federal parliament for the granting of a charter enabling the said company to build and operate a railroad, extending from the Pacific sea-board across Canada to the Atlantic coast, and in said application the city of Quebec is named as the eastern terminus of said railroad in summer, and no mention is made as to where the eastern terminus of said railroad is to be during the winter season.

Whereas, in the opinion of this House, not only the interests of the eastern provinces, but of the Dominion as a whole, imperatively demand that the said road should be an all-Canadian route, both in summer and winter, and it is highly proper that all necessary conditions should be attached to the granting of such charter so as to secure beyond question the carrying out of this national idea;

Therefore resolved, that this legislative assembly do strongly urge upon the federal administration

that in any charter so to be granted to the said Grand Trunk Railway Company it be specially expressed that the winter port for such Transcontinental Railroad line be in the maritime provinces of Canada, and that said railroad be an all-Canadian route from ocean to ocean ; and

Further resolved, that a copy of this resolution be forwarded by His Honor the Speaker of the House, to His Excellency the Governor General through the Secretary of State for Canada.

Well, Sir, that which the legislature of New Brunswick asked to be done is precisely what the government of Canada have done, and yet hon. gentlemen opposite have not hesitated to stand up and say that this Moncton extension, this new road down to the maritime provinces, is something unheard of, unwarranted and uncalled for. The Grand Trunk scheme originally was to build from North Bay to Winnipeg, and thence to the Pacific ocean. It was proposed after some discussion that the road should go down to Quebec. Then the agitation in the maritime provinces continued, and a demand was made that the road should not stop at Quebec, but that it should go down to the sea-board, and as a result of that agitation we had expressions of opinion in the Railway Committee and in the house. I again say that what the legislature of New Brunswick demanded is exactly what the government of Canada have done. Well, at that time Mr. Blair was Minister of Railways.

ST. JOHN BOARD OF TRADE FAVORS GOVERNMENT SCHEME.

The Board of Trade of the city of St. John, to show how zealous they were in the matter, how keenly interested they were, sent this telegram to Mr. Blair :

Hon. A. G. Blair, Ottawa.

Grave apprehension is felt here as to Grand Trunk plans regarding maritime provinces. Strong feeling that if Dominion assistance of any kind to transcontinental road is given, stipulation that railway find a terminus in maritime provinces, and further that all freight originating in Canada, or received along the line, should be shipped through maritime terminus, shall be an absolute condition. Can you assure us that in case of assistance being given, the Grand Trunk will build through maritime provinces and ship freight thence ?

(Sgd.) W. M. JARVIS, Pres.

Mr. Blair, in his reply, advanced a view which was somewhat in line with the policy that my hon. friend the leader of the opposition has taken up. He held out the idea that the Intercolonial Railway, by association with other roads, could do the work. He telegraphed to Mr. Jarvis as follows :

W. M. JARVIS, St. John, N.B.

I believe that in case government gives financial assistance the Grand Trunk Pacific will be obliged to enter into a satisfactory traffic agreement, binding itself to hand over at Quebec its ocean winter traffic to Intercolonial or build a line through to a maritime port. Have been doing everything possible to bring this about.

(Sgd.) A. G. BLAIR.

You will observe that Mr. Blair suggests the utilization of the Intercolonial Railway, and that all that my hon. friend the leader of the opposition can hold out to the maritime provinces is that they should utilize the Intercolonial Railway. But the suggestion made by Mr. Blair, the suggestion which is the foundation of the policy of my hon. friend the leader of the opposition as respects the maritime provinces, was scouted by the St. John Board of Trade. I have an extract from the St. John *Sun* of May 20, 1903, giving a report of the meeting of the board of trade :

On May 10th, the council of the Board of Trade met to consider further action with reference to the extension of the Grand Trunk Pacific through the maritime provinces, and a telegram was sent to Mr. Blair, stating that the signers did not believe that any arrangement could be made between the Intercolonial Railway and the Grand Trunk which should prevent the latter from shipping practically every ton of export freight via Portland. The telegram concluded by saying : ' We urge in the strongest terms that no government assistance be granted to any transcontinental railway that does not undertake to build their line through to some maritime province port.'

The idea which runs through the whole project of my hon. friend the leader of the opposition, that this business can be done by utilizing the Intercolonial Railway, was the idea that Mr. Blair advanced in his telegram to the St. John Board of Trade, and the St. John Board of Trade sent that memorandum in reply, signed by a large number of the leading merchants of St. John, including the president of the Conservative Association, Mr. W. H. Thorne.

Mr. SAM HUGHES. They elected an opponent of the government, the hon. member for St. John (Mr. Daniel).

Mr. FIELDING. Yes, I am anxious to oblige my hon. friend from North Victoria (Mr. Hughes). I thank thee, Jew, for teaching me that word.

THE I. C. R. AND EXPORT TRADE.

I am dealing now with the value of the Intercolonial Railway in relation to the great through export traffic. My hon. friend, the leader of the opposition, can give no hope to the maritime provinces except as to the use of the Intercolonial Railway. He does not want to see an inch of new railway between Quebec and Moncton. We must use the Intercolonial Railway. Well, let us see what is the opinion of some other people as to the value of the Intercolonial Railway in that relation. I have a quotation here of an opinion expressed only a couple of years ago by a gentleman who is quite eminent in railway matters, and whose opinion hon. gentlemen opposite will value. It is that of no less a person than the hon. ex-Minister of Railways and Canals, the hon. member for South Lanark (Mr. Haggart). Speaking in 1902, he said :

Any man who knows anything of the commerce of this country, knows that not a bushel of grain can be profitably exported by the Intercolonial And I can tell the committee that when I was Minister of Railways—this is a confession—we carried grain from Quebec to Halifax at prices that did not half pay the cost of transport It is an unprofitable business. You cannot compete against nature.

I do not think the situation is quite as bad as that, but I am giving hon. gentlemen opposite the opinion of their expert. I find also that I have a quotation from the Conservative organ of St. John touching on the same point. My hon. friend the leader of the opposition gave us a quotation from a good Liberal paper to-day, and I want to return the compliment by giving him a quotation from a good Conservative paper on this question as to the value of the Intercolonial Railway for winter export business. This is from the *St. John Sun* of May 8th last, at the time when we were discussing the question of what form and shape this Grand Trunk scheme should take :

It has been shown—

Says the Conservative organ—

that the Intercolonial Railway route by the north shore cannot by any possibility be a competing line for winter export business. Nearly six years ago Mr. Blair declared he would be prepared in a few years to take winter export business The scheme is a failure. The St. John and Halifax elevators have been empty, as they were last year. The Intercolonial Railway terminus at St. John has hardly been used at all for through traffic, and would have been used still less if it had not been engaged to accommodate Canadian Pacific Railway freight. The Intercolonial Railway route would be useless for the winter business of the Grand Trunk Pacific.

That is the statement of the Conservative organ of St. John. That is the scheme which my hon. friend the leader of the opposition holds out as the only hope of the maritime provinces. That is the scheme which the Board of Trade of the city of St. John says is utterly worthless. That is the scheme which the Conservative organ of the city of St. John says is utterly worthless. That is the scheme which my hon. friend from South Lanark, the ex-Minister of Railways and Canals, says is absolutely worthless and useless in connection with winter traffic.

WHERE THE INTERCOLONIAL FAILS.

I have another extract from that esteemed *St. John* paper, the *St. John Sun*, dated May 14th :

The strong resolutions sent from the different legislative, municipal and commercial bodies in the east are clear and explicit. They ask one and all that the Grand Trunk Pacific shall get no public assistance unless the company shall build to the maritime provinces and make a terminus at a maritime province port.

I ask the attention of hon. gentlemen opposite to this sentence—

The Board of Trade and other bodies knew that an undertaking to deliver freight to the Intercolonial Railway is no good for the purpose they have in view.

The editorial goes on to say:

The people of the maritime provinces, and we believe the people of Canada, do not propose to compromise in a traffic agreement with a road that does not profitably handle the traffic.

They do not propose to compromise on the policy offered by my hon. friend the leader of the opposition.

They insist on one thing and one only. They say that the Grand Trunk Pacific Railway itself must be built to a Canadian winter port. This is the message of Mr. Jarvis, and the St. John Board of Trade. That is the resolution of the city council and the county council of St. John, of the legislature of New Brunswick, of the other bodies which have made declarations on the subject.

So much for public opinion in the province of New Brunswick and in the city of St. John.

IEWS OF HALIFAX BOARD OF TRADE.

Let us briefly call attention to a resolution of the Halifax Board of Trade.

Whereas, objection having been taken to that part of the Grand Trunk Pacific Railway scheme which provides for the building of the road from Winnipeg to Moncton—

Observe that the Halifax Board of Trade has said that somebody has been objecting to this road going down to Moncton. Who was it, I wonder?

Whereas, objection having been taken to that part of the Grand Trunk Pacific Railway scheme which provides for the building of the road from Winnipeg to Moncton, N. B., this board desires most emphatically to reaffirm its previous declaration (appended hereto) that no scheme of government transcontinental transportation will be either adequate or equitable to each province of the Dominion which does not ensure the carriage of Canadian products through Canadian ports in winter as well as in summer, and regards it as imperative that stringent guarantees to carry out that policy should be exacted by the government.

We further maintain that the construction of the road west of Quebec without ensuring its continuance east through Canadian Territory would be manifestly unjust to the maritime provinces.

This board is also of the opinion that the building of the shortest possible line through Canadian territory from Quebec to Moncton, N. B., would be of immense advantage to the maritime provinces, as well as to the rest of Canada, and would secure for the road a large share of through freight and passenger business, which at present is done through United States ports.

That is the verdict of the Halifax Board of Trade, not upon an empty or general principle, but upon the concrete scheme of building this road down to the city of Moncton. As the leader of the opposition knows, the Halifax Board of Trade is composed of men of both political parties. I will not say which of the two parties has the greater number of representatives on that board, but I do know that a good many of the gentlemen who signed and supported that resolution, and who have spoken to me about it, and declared their confidence and faith in this scheme of ours, are amongst the leading supporters of the hon. the leader of the opposition in the city of Halifax.

GOVERNMENT IN THE PUBLIC INTEREST.

My hon. friends opposite finding that their own policy on this matter is not receiving much favour in the lower provinces, they set out to try, if possible to decry ours. They have tried to make it appear that the clauses we have inserted in our contract are of no value. But, Sir, I do not think that any clauses you could put into legislation and practice could be more effective than those which we have provided. We have had an opportunity of judging of what hon. gentlemen opposite desired in that respect. They asked us through the voice of the hon. member for King's (Mr. Fowler) to put a clause in the Grand Trunk charter for the purpose of guiding and directing this traffic down to the maritime provinces. We did not think that was the right place to insert such a clause, but it is worth while looking up their proposal as an evidence of the way they would deal with the matter if they had the power to do so. When the Grand Trunk Pacific charter was under consideration, Mr. Fowler moved the following resolution, and the hon. gentlemen on the other side of the House all supported it:

That the order for the third reading of Bill No. 64. be cancelled, and the Bill be referred back to the Committee on Railways, Canals and Telegraph Lines, in order that the following section may be added to the said Bill:—'All freight originating in Canada, and received along the line of the Grand Trunk Pacific Railway, intended for export across the Atlantic, shall be shipped through Canadian ports, when the route is not otherwise specially indicated by the shipper; and that the Grand Trunk Pacific Railway shall carry all such freight to the eastern Canadian sea-boards as cheaply as to any American port on the Atlantic sea-board.'

THE G. T. P. CO. TIGHTLY BOUND.

The object which hon. gentlemen opposite had in view in that respect is the same as the object which we had in view. With the general sentiment expressed in that resolution we heartily concurred, but we objected to it for two very good reasons. In the first place, we thought it was inadequate in its terms, and in the second place we

wished to place it, not in the charter of the Grand Trunk Pacific, but in the contract with the Grand Trunk Pacific so that we might bind them. There are some things which you can properly deal with in general legislation; there are some things which you can properly put in a company's charter; but there are other things which might more properly become matters of contract, and we were anxious that this should be made a matter of contract and so we put into that contract the two clauses which have been so often referred to and which I am obliged to read again. Section 42 says:

It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The company accepts the aid on these conditions, and agrees that all freight originating on the line of the railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory, or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ocean ports.

Then, clause 43 says:

The company further agrees that it shall not, in any matter within its power, directly or indirectly advise or encourage the transportation of such freight by routes other than those above provided, but shall, in all respects, in good faith, use its utmost endeavors to fulfil the conditions upon which public aid is granted, namely, - the development of trade through Canadian channels and Canadian ocean ports.

There is not a line in the proposal made by the opposition that is not expressed in these clauses with threefold greater force. There is not a suggestion made by the opposition in this respect, which is not included in these clauses, and which is not expressed with more force and more comprehensiveness than that in which hon. gentlemen opposite proposed to express it in their general assert on of the principle. We bind the Grand Trunk Pacific Company to the solemn obligation under their hand and seal, that they will do all that hon. gentlemen ask, and they further covenant that in good faith they will not attempt to evade it, but in all ways possible carry out the spirit and intention of the provision.

A FALLACIOUS OUTCRY.

In clause 47 of the contract it is provided that if any dispute should arise between the government and the company as to the interpretation to be put on any portion of the agreement, it shall be determined by one arbitrator, or if necessary by other arbitrators to be agreed upon in the usual way. I believe, Sir, that it will be seen that the clause we have inserted in this respect, is as complete as language can make it. But in the face of all that, hon. gentlemen opposite still say that the trade will go to Portland. Again I must draw their attention to something they omitted to quote from that much thumbed report of the meeting of the Grand Trunk Railway share-holders in London. These hon. gentlemen on the other side tell us that notwithstanding all these precautions the trade of the new line will go to Portland. But that is not the opinion of all the people connected with the Grand Trunk Company. One of the reasons why Mr. Allen resigned from the directorate of the Grand Trunk Company was, because we had bound his company to send the trade through the ports of the maritime provinces. I quote now from Mr. Allen's memorandum, as read at the meeting of the Grand Trunk shareholders in which he gave his reasons for resigning:

If the proprietors will look at the map annexed to the special report they will see how the new line is affected by the Canadian Pacific and the Northern Pacific, which route, no doubt, will compete with the new line at various points. Bearing this in mind, I would point out that the Canadian Pacific as appears from the 'Stock Exchange Year-book' was incorporated in 1881, and did not pay any dividend until 1895, and then one 1½ per cent. That line had enormous land grants and subsidies.

Mr. Allen knew that, but hon. gentlemen on the other side seem to minimize it. The new line has none. (Hear, hear.)

Mr. Allen knew that too, but hon. gentlemen opposite did not emphasize that point:

The new line has none. (Hear, hear.) And the new line will be held by a most uncertain tenure, a lease for fifty years without a proviso for re-entry in case of breach as to part, and subject to a heavy mortgage with a right of foreclosure on the remainder. I do not suppose that any railway of importance was ever made on such extraordinary terms.

According to hon. gentlemen opposite the extraordinary terms were all in favour of the Grand Trunk, but Mr. Allen thought the extraordinary terms were so much against the Grand Trunk that he resigned from the board.

And what is almost worse than anything else, the line—which is to be built to a standard not inferior to the main line of the Grand Trunk—is to take all the traffic over the line entirely through Canadian territory to Halifax, leaving the Grand Trunk section to Portland, with its expensive lifts and miles of sidings out in the cold. (Applause.) Add to this the right of the government to allow running powers over the line to any company it pleases, to fix the rates, and, in fact, to do practically what it likes.

That is the statement of one of the directors of the Grand Trunk Company. Hon. gentlemen opposite can see nothing in these clauses to send the traffic to Halifax or St. John, but this director of the Grand Trunk Company saw enough in them to enable him to declare that these clauses obliged the Grand Trunk Railway Company to send the traffic down to the maritime provinces, and for that among other reasons he tendered his resignation and left the board.

PROMOTES INTERPROVINCIAL TRADE.

We have been speaking of this traffic as between the east and the west, very largely in relation to the handling of grain. The grain traffic is most important, and we hope that much of it will come down to the eastern provinces. But at the same time let me point out that the grain traffic is not the only thing to be considered in this connection. There are a million people in these provinces down by the sea; they expect to produce something that they will wish to send to the west; they expect to consume the things which the west shall send to them; their desire is to have a shorter, a quicker and better means of transportation between the east and the west.

Whether we carry the grain or not, we believe this road is going to have a very important effect in developing improved communication between the east and the west; and Moncton is selected for the reason that it is in the very heart and centre of the maritime provinces. It is in the eastern part of New Brunswick close to the Nova Scotia boundary, and almost within a stone's throw of the point at which you leave the Intercolonial Railway in order to make communication with Prince Edward Island. All the traffic coming from the west to Prince Edward Island or coming from Prince Edward Island and proceeding west, will cross the straits at a point near Moncton—between Summerside or thereabouts and Point du Chene near Shediac. There is another crossing between Picton and Charlottetown, but that does not touch the traffic with the upper provinces. Moncton is selected as a convenient point which will give access to all portions of the maritime provinces.

ST. JOHN AND THE NEW RAILWAY.

Efforts have been made to create a hostile feeling to this scheme in the city of St. John. I undertake to say, from some little knowledge of the affairs of St. John, that the Grand Trunk Pacific scheme had very little to do with the result of the recent election in that city. There were local conditions which people down there understand well which account for the result. I believe the best minds of the city of St. John recognize the importance of the Grand Trunk Pacific scheme. There is no more intelligent, enterprising, plucky community in the Dominion of Canada than the people of St. John. They have shown great pluck and courage in dealing with the development of their port; and I give them all honour for it. I say the best and most intelligent men in the city of St. John recognize fully that this Grand Trunk Pacific scheme is a good thing for St. John as well as for other places. Of course, in every community you will find a little knot of narrow, selfish people, who consider the interest of their own place and nothing else. Every community has some of these people. In St. John, in Montreal, in Halifax, everywhere you will find a little knot of narrow-minded men who want to look out for number one, and have no care for any one else. If this government had agreed to send the Grand Trunk Pacific to St. John, you would not have heard a word of opposition to it from that quarter. You did not hear a word of objection to this scheme from the city of St. John on the ground of the large obligations or on any of the other considerations which are distressing hon. gentlemen opposite now. An amendment was moved in the Railway Committee to

the effect that this road, instead of running to Moncton, should run to St. John. If that amendment had carried, you would not have heard a word from any one in St. John against it; but that amendment was unfair to the maritime provinces.

CANADIAN ATLANTIC PORTS WILL BE BENEFITTED.

This scheme is not for the benefit of only one port in the maritime provinces. It is a scheme which we believe will develop the maritime provinces generally, a scheme which deals with the rival ports fairly. If we had adopted that amendment, we would have been unjust to the maritime provinces as a whole—unjust to eastern New Brunswick, unjust to the great county in which Moncton lies, unjust to Nova Scotia, unjust to Prince Edward Island; and if in order to please any one section of any one province it is necessary to be unjust to all other sections, such a policy will find no favour in the minds of this government. But while this scheme holds out hope to the maritime provinces generally, there is no part of the maritime provinces which ought to regard it with more satisfaction and hope than the city of St. John. When you arrive at Moncton you are much nearer to the city of St. John than to any other important port in the maritime provinces. When in former years a similar scheme was proposed, and some one suggested that it would be hostile to St. John, a distinguished public man in the legislature of New Brunswick said: If you bring the railway to Moncton, which is 90 miles from St. John and 186 miles from Halifax, if St. John cannot make its way under these conditions, St. John does not deserve to make its way. That was the sentiment of a distinguished man in the legislature of New Brunswick, and we might echo it to-day.

Mr. EMMERSON. Who was the man?

Mr. FIELDING. I understand that it was the Hon. A. G. Blair, and I thoroughly endorse Mr. Blair's sentiment on that point. The city of St. John has every reason to believe that this scheme is a good one for that port.

A BOON TO OUR SHIPPING INTERESTS.

During the past winter some steamers went away from the port of St. John because they could not get freight there—because there was only one line of railway into St. John, the Canadian Pacific Railway. That railway has its own line of steamers, and very naturally and properly gave its freight to its own line. It would not give any freight to the Allan line, and the Allan line left St. John because there was only one line of railway to that port. We are holding out to the maritime provinces—to St. John, Halifax and all the new ports that will yet arise—the hope of having a fair chance in these matters; and in the language of my friend Mr. Blair, if you give them a fair chance and they cannot fight their own way, we believe it will be their own fault. But we believe that when this scheme is fairly understood, the people of St. John, the people of Halifax, and the people of the maritime provinces generally, will see that it is full of promise for them.

I have a strong hope that through this scheme the maritime provinces will get some of the grain trade of the west. I hope I am not lacking in enthusiasm, but I always try to temper it with caution, and not to promise too much. I know the difficulties in the way of a long haul by rail. I know that when you have a long haul to one port and a short one to another, the short haul has the advantage, and I quite realize that there are difficulties in sending the grain traffic to the maritime provinces. But we are overcoming difficulties of this kind in the development of this Dominion, and I do not see why we should not do it in this case as in others.

FAITH IN CANADA'S MARITIME PROVINCES PORTS.

But this is not a matter of grain traffic only. In the general traffic of the country, in all that goes to make up an interchange of traffic, I believe hopefully and confidently in the ability of the maritime province ports to overcome difficulties. They look with hope to the people of other provinces to be truly national in their aspirations, and to see that a national policy does not end when it reaches the boundaries of the province of Ontario or the province of Quebec, but that a truly national policy looks to the interests of every part of this Dominion, from the great west down to the

shores of the great east. But, Sir, this far I will go, while I speak with moderation and caution in view of the difficulties of the long haul, while I recognize the difficulties, still I am going to take this position, that if by this scheme we cannot send the traffic to the ports of the maritime provinces, then by no other scheme proposed in this parliament can you send a pound of traffic down there. There may be difficulties in sending the trade down there by our scheme, but there are much greater difficulties in the way of the scheme suggested by hon. gentlemen opposite. I have prepared some tables of distances, taking Winnipeg as a common point in the west, and dealing with Halifax and St. John in the east. I have given the distances by the opposition plan as defined by my hon. friend the leader of the opposition. I find it necessary to mention the particular member who defines the plan, because they have different plans, and I must be careful not to make one set of opposition members responsible for what seems to be the policy of another set.

SIGNIFICANT TABLE OF DISTANCES.

I find that in the opposition plan, as described by my hon. friend the leader of the opposition, the mileage between Winnipeg and Halifax will be as follows. Perhaps, however, I am wrong in holding my hon. friend too seriously to the proposition he made some time ago. We have not heard much of it of late. That scheme was not received with profound respect by his friends, and in his speech to-day reviewing the whole Bill, beyond making allusions to the possible acquisition of the Canada Atlantic, he made no reference whatever to that remarkable policy which he outlined some weeks ago. However, as the policy is still to be found on 'Hansard,' even though it be ignored by the opposition now, I am going to give them the benefit of seeing how it will work out on a mileage basis:

WINNIPEG TO HALIFAX BY MR. BORDEN'S PLAN.

	Miles.
From Winnipeg to Fort William via C. P. R.	426
From Fort William to Sudbury	555
From Sudbury to Scotia Junction, to be built.	105
From Scotia Junction to Coteau via Canada Atlantic Railway.	294
From Coteau to Montreal via G. T. R.	39
From Montreal to Halifax via Intercolonial.	837
Total.	2,256

In contrast to this let me put the government scheme.

From Winnipeg to Quebec, estimated.	1,475
From Quebec to Moncton.	400
From Moncton to Halifax.	186
Total.	2,061
From Winnipeg to Halifax by the scheme of the leader of the opposition.	2,256
By the government scheme.	2,061

Difference in favour of government scheme 195

So that if we cannot send the traffic down to Halifax by our scheme, what chance has the hon. gentleman to send it by his scheme, which is 195 miles longer?

STILL ANOTHER CONSERVATIVE SCHEME.

Then I take the other opposition scheme, the one described by the hon. member for East Hastings (Mr. Northrup), whose plan was to utilize the old Grand Trunk line and not build east of North Bay. That is the scheme which the hon. member for Hastings said every member of the opposition was in favor of. Now, there ought not to be any misunderstanding about this, and the statement of the hon. gentleman is very clear. He said that the opposition to a man were favourable to the original Grand Trunk policy, which was to build a road from North Bay to the west. When interrupted by the late lamented member for Selkirk, Mr. McCreary, who, in order to remove any possible doubt, asked him whether he had really said that the opposition were prepared to support a scheme for the railway from North Bay to the west, the hon. gentlemen replied that while he was not authorized perhaps to speak officially, still from the dozens of members he had spoken to, from his own personal opinion and

his general knowledge of the views of the opposition, he could safely say that the opposition were prepared to support the original Grand Trunk scheme of giving government aid to a road from North Bay to Winnipeg and across to the Pacific. That statement was received with applause, and the hon. gentleman, addressing himself to the hon. member for Selkirk, said: 'the hon. gentleman will see from these manifestations of opinion that I have not misvoiced the views of the hon. gentlemen who sit around me.' So that we have some reason to conclude that this is the true and only genuine opposition scheme; and perhaps it is because of the very positive assertion of the hon. member for East Hastings and the applause with which it was received, that my hon. friend the leader of the opposition seems to have buried out of sight his scheme of a few weeks ago. Then, taking the scheme of the hon. member for East Hastings, what are the distances:

WINNIPEG TO HALIFAX BY THE NORTHRUP OPPOSITION PLAN.

	Miles.
From Winnipeg to North Bay, estimated.....	1,012
From North Bay to Montreal via Orillia and Belleville by the G. T. R., the shortest possible line over the G. T. R.....	496
From Montreal to Halifax by the Intercolonial.....	837
Total.....	2,345
From Winnipeg to Halifax by government scheme.....	2,061
Difference in favour of government scheme.....	284

Distances to St. John show the same difference in favour of the government plan.

GOVERNMENT PROPOSAL BY FAR THE BEST.

Well, if we cannot get any traffic down to the sea by our scheme, what chance have we got of getting it down by the schemes of the opposition, which are of greater length? I think I may very fairly say, without being too confident, that as compared with the several schemes, if there be any doubt whatever of the ability of this government and parliament to send western traffic for export by the ports of the maritime provinces, every difficulty found in our scheme exists with five fold greater force in those of hon. gentlemen opposite. The figures I have given make it absolutely clear that if you cannot send traffic by our plan, there is not the ghost of a chance of sending it by any plan proposed by the opposition; and the only hope which the maritime provinces can have of realizing the expectations they have been indulging in for years is by giving their cordial approval to the policy now before the House.

We have had this evening another view presented to us—another one of those kaleidoscopic views which hon. gentlemen opposite are presenting of their railway policy. I have shown what the policy of my hon. friend the leader of the opposition was a few weeks ago and what the policy of the opposition is to-day, as defined by the hon. member for East Hastings. But in this amendment we have another definition of policy which seems to point towards government ownership. I say 'seems to point' advisedly.

HON. JOHN HAGGART'S CAUTION.

And here I want to congratulate my hon. friend from South Lanark (Mr. Haggart) upon the wise discretion he displayed—a discretion we would naturally expect from him—when he refused to permit his name to be given to-day as seconder of this resolution. My hon. friend from Lanark is an old public man and an old party man, and as the latter he has become a bit hardened. Men become that way when they are in party ranks a long time, and my hon. friend would be disposed to go quite a way to stand by his party. We all do something of that, and my hon. friend being a loyal man, would go a long way to support his leader. No doubt he is a good enough party man to vote for this amendment, but I can well imagine him saying to the leader of the opposition: I must draw the line somewhere; it is hard enough to ask me to vote for a resolution favouring government ownership, but do not ask me to second it. Consequently, when his name was given as seconder, it was instantly withdrawn. That may have been a mere accident, but we could not help reflecting on it when we knew the position which the hon. gentleman has taken for years on the question of government ownership. That is a big question, one on which men may reasonably

differ and one which is engaging more attention every day. We are in our scheme opposed to the principle of government ownership in the fullest sense of the word. We are opposed at all events to the principle of government operation for reasons which we will explain; but if my hon. friend the leader of the opposition is prepared to take ground fairly and squarely in favour of government ownership and operation of the railways of this country, I admit at once that the question is a big one upon which a line might be drawn and new parties perhaps be formed. But my hon. friend has done nothing of the kind.

ONLY A FLIRTATION.

I said a moment ago, he (the conservative leader) has been carrying on a flirtation with this question of government ownership from the beginning of the session. In his earlier amendment he had vague, general allusions to government ownership, but he did not bring down a straight square amendment declaring in favour of the principle of having the railways of this country owned and operated by the government. Again I say, though we might differ from my hon. friend on that question, yet it is a great question and would be well worthy of being the basis of reorganization of parties in any country. But, what do we find? The hon. gentleman has drawn his amendment in a very ingenious way. He spoke of the insidious clauses of the Grand Trunk agreement. There is nothing in the Grand Trunk agreement so insidious as the words in which he has dealt with the question of government ownership. He first describes the scheme that is before the House as an inexpressibly bad scheme; it is expensive, wicked—no language that can be used within Parliamentary privilege is too strong to denounce the scheme. Then the hon. gentleman says that, rather than have this desperately wicked scheme, it might be well to consider whether we should not have government ownership. It might occur to my hon. friend that some people who are interested in the question of government ownership might be inclined to say: We do not necessarily tie ourselves to this scheme. We are in favour of the government ownership as a principle and are prepared to assert it at all times, from this time forth we are in favour of government ownership—no more subsidies of soulless corporations, no more grants to any body; we are going to stand up for the great principle of government ownership, we are going to have government of the people by the people and for the people in the matter of railways. But the hon. gentleman does not say that. He has drawn his amendment in such a curious form that all he asks his people to decide is, that rather than this desperately wicked scheme of the Prime Minister it might be well to have government ownership. The amendment says:

The House is of opinion that instead of ratifying the proposed agreement, it would be more in the public interest—

Observe. Not that on the merits it would be worth while, not that government ownership is right or sound, but that it is a little better than this Bill:

—it would be more in the public interest that the Dominion should assume the whole obligation necessary for extending across the continent the present government system of railways, thereby completing a transcontinental railway, from the Atlantic to the Pacific, entirely owned by and under the control of the people of Canada.

PUBLIC WILL NOT BE MISLED.

Still I venture to say, those people in the Dominion—and one can respect them highly—who entertain strong opinions on the question of government ownership will not be misled by the terms of that amendment, especially, in the light of the record of hon. gentlemen opposite on the question of government ownership to which I would ask the privilege of calling attention.

I have found, Sir, that the idea of government ownership is a popular one in some respects. There is something attractive in the idea of the municipalization, or, in the larger field, the nationalization of great public utilities. There is a growing feeling in that direction. Services that, years ago, were dealt with by private corporations, are gradually being absorbed by the state, and I presume that that will go on. But I am satisfied that public opinion in Canada has not reached a point which would justify us in saying that the people of the Dominion are prepared for a general policy of govern-

ment ownership and government operation of railways. It is the theory of this thing rather than the practice which seems to attract people. My hon. friend from Vancouver (Mr. Ralph Smith) in a speech he made the other night, pointed out that, while all the municipalities in Canada could easily acquire the power to run their tramways very few of them had ventured to take over those services. The theory of the thing looks right, but when the hard-headed citizen, in his municipal meeting, faces the question of municipal ownership, in nine cases out of ten, he backs out, he is afraid to face the question even within the narrow limits of a municipal organization. Theoretically the scheme receives favour, but it does not seem to receive wide favour in practice.

POSITION OF THE INTERCOLONIAL.

As respects the Intercolonial, I think that if we were starting out afresh I should doubt the wisdom of government ownership. But we have had the Intercolonial built by the government and owned and managed by the government for many years, and I would not be willing to change it to-day. As regards the Intercolonial and any extensions which may be made of the Intercolonial within the ordinary area, having regard to local traffic, I think it should be carried on under the system of government ownership and operation. But I am not prepared to agree with hon. gentlemen, though, of course, I would respect their opinions very highly, who are ready to go the whole figure and adopt government ownership and government operation for a great trans-continental railway. I think we might profitably look into what has happened in this House on that question. I may remind the House that some years ago, as I have reason to believe, the Conservative party, then in power, not only were opposed to the principle of government ownership being extended, but, to a very large extent they favoured the policy of transferring the Intercolonial to the Canadian Pacific Railway. That is not a matter that anybody could offer any definite evidence about, because these things do not take tangible shape until they are put before parliament. But, in the lower provinces, it is a matter of public notoriety that agents of the Canadian Pacific Railway came down there for the purpose of operating on public opinion and trying to create an opinion favorable to the transfer of that road to the Canadian Pacific Railway. And, it was well understood that at any rate, certain members of the Conservative government then in power viewed it with favour, and, if local public opinion could be worked up in the maritime provinces favorable to the scheme, the government would have been willing to make the change. And if they did not make the change it is not because they were not willing but because maritime public opinion was hostile. I do not presume to make a definite statement as regards that, but only give it as current rumour and gossip in the maritime provinces at the time.

OBJECTIONS TO GOVERNMENT OWNERSHIP.

The objection to government ownership is one that can be considered easily in connection with the Intercolonial. A railway, in these modern times, does not confine itself to railway operation. Most of the successful railways find it necessary to go into other lines of business affiliated or connected with it, lines of business that a government could not well take up. Take a single illustration. The Canadian Pacific Railway to-day has a great hotel system, and I am sure that the managers of that great enterprise would say that they believe that the hotels that are established along the line of the Canadian Pacific Railway have a great deal to do with the development of its passenger traffic. If the Intercolonial were owned by a corporation to-day it would have to establish hotels. But, as it is a government work it cannot establish hotels, nor can it go into various lines of business which a private corporation could enter upon. One could multiply illustrations of the field into which the Canadian Pacific Railway has entered in all its ramifications but one will be enough. Now, the strongest men on the Conservative party are on record as being against this principle of government ownership. It is not a new question. The people of Canada have had it before them in one form or another for many a year. This parliament has had it before it, and a great many members of the Conservative party have considered it and placed themselves on record with regard to it; and I believe I am justified in saying that the public opinion of the Conservative party in Canada—and, of

course, I have no right to speak of it and can only give it as a passing opinion—the best minds of the Conservative party to-day are hostile to the principle of government ownership and operation.

CONSERVATIVES OPPOSED TO GOVERNMENT OWNERSHIP.

I can cite, without having quotations to give, the *Montreal Gazette*, one of the most highly respected of the Conservative journals. This newspaper is constant in its attacks on the principle of government ownership and its declarations that the government has no business to own and operate railways. And I venture to say that that paper represents the best class of public opinion in the Conservative party. We have in the ranks of the opposition an hon. member who is more or less an expert in the matter of railway matters. My hon. friend from South Lanark (Mr. Haggart), and I think I am justified in saying that, in all his past speeches he has never had a word to say in favour of government ownership of railways.

My hon. friend to-day will hardly claim that he is in favor of the principle of government ownership, and even in this debate, although allusion has been made generally to the question by my hon. friend in one or two cases, he has never gone beyond what I might call that flirtatious method in which the leader of the opposition is inclined to discuss it. They talk of government ownership, but take great care not to give evidence for it. They have quoted the opinion of my hon. friend the ex-Minister of Railways (Mr. Blair). One would think they would attach more importance to the opinions of eminent men in their own ranks. However, since they have quoted Mr. Blair, let me remind them that the last votes which Mr. Blair ever gave in this House, so far as I can see from the records, were two votes which he gave against motions in favour of government ownership.

SIR JOHN MACDONALD HOSTILE TO GOVERNMENT OWNERSHIP.

I have said that the strong men in the Conservative party have been against government ownership. We have had at an earlier stage, in the speech of the hon. member for South Essex (Mr. Cowan), a quotation from the speech of Sir John Macdonald which will bear repetition. It was from a speech delivered in 1881 in connection with the Canadian Pacific Railway:

The government has every right to use all their exertions in order to relieve themselves and the country of the obligation of building this road, (the Canadian Pacific Railway) and of the still greater obligation of running it. We see this in the Intercolonial and in every public work. Why, Sir, it is actually impossible for the government to run that railroad satisfactorily. The men we put on the road, from the porter upwards, became civil servants. If one is put on from any cause whatever, he is said to be a political hack; if he is removed it is said his removal was on account of his political opinions. If a cow is killed on the road a motion is made in respect of it by the member of the House who has the owner's vote as support. The responsibility, the expense, the worry and annoyance of a government having charge of such a work, are such that, for these causes alone, it was considered advisable to get rid of the responsibility.

The hon. gentleman there had reference to the attitude of his government on the question of the Canadian Pacific Railway.

HON. ALEX. MACKENZIE'S WORK UNDONE.

If we are to understand that these gentlemen have to-day become champions of government ownership, let me remind them that the government of the late Mr. Alexander Mackenzie built many miles of road as a government work, and the first thing the opposition did when they came into power was to present that road, to the value of \$37,000,000 as a free gift to the Canadian Pacific Railway. That is the record, Sir, of the Conservative party, and I have given the opinion of Sir John Macdonald. I have shown you that in carrying out that opinion, where the good, honest Mr. Alexander Mackenzie had built a government road and given the country the advantage, if it be an advantage, of government construction, these hon. gentlemen opposite came in and presented it as a free gift to the Canadian Pacific Railway. We need not go so far back as the opinions of Sir John Macdonald. We need not rely on the opinions of Sir John. That distinguished statesman has long since passed away.

We may get some information from the old veterans who are still to the fore, and whose opinion still weighs in the minds of the old Conservative party.

NEW "LIGHTS" OPPOSED TO MACDONALD AND TUPPER.

I am afraid the new Conservatism which presents the many sided view of this railway question they have given in their amendments and speeches will not agree with the opinions of the old Conservatives, Sir John Macdonald and Sir Charles Tupper. At a more recent date, in 1897, during the time of this government we had this question up again. Our government proposed to grant aid to the Canadian Pacific Railway to build what is called the Crow's Nest Pass Railway. In the debate that occurred on that important question, Sir Charles Tupper spoke as follows :

I learned with infinite pleasure that the government had abandoned the idea or intention of building this railway as a government work. I am quite aware that a portion of the press giving a considerable support to the opposition has put forward this policy of the construction of the road through the Crow's Nest Pass as a government work. I confess that I was astounded to find that, with the evidence that we had before us of the result of the construction and operation of government railways in Canada, a single intelligent man could be found in this House, or out of it, who was prepared to advocate such a policy in this case.

What will the old veteran say in London to-day if the news is carried over the cable that his unworthy successors have brought down a motion and presented it to this House which deals with a principle which he says no intelligent man could be found to support ?

We have already solved, we have set at rest for ever, in my judgment, in the mind of any reasonable or intelligent man—

I wonder whether this has any reference to the hon. gentlemen on your left to-day, Mr. Speaker ?

We have already solved, we have set at rest for ever, in my judgment, in the mind of any reasonable or intelligent man, the question whether it is better for Canada to construct a railway and operate it as a government work or by the aid of a private company.

Settle for ever ! Still these hon. gentlemen are trying to resurrect it to-night in a half-hearted way in the hope that they will fool a portion of the people of this country who have taken an interest in this question. Sir Charles Tupper continued :

I would deplore in the strongest manner any attempt in this country by any government, I care not who they are, or who they are opposed to, to construct another government railway. This is the position I take.

CONSERVATIVES VOTED STRAIGHT AGAINST PUBLIC OWNERSHIP LAST YEAR.

I want to ask the Conservatives of Canada, choose you this day whom you will serve, the veteran leader who led you through many a fight to victory, or the new men who have come forward to-day with this kaleidoscopic picture of a many-sided railway policy winding up with something like a declaration in favour of government ownership ?

But there is no reason why we should rely on the old veterans. We have the counsel of these venerable men and it is right that we should quote them, but then we may recur to modern times. Let us see in more recent times what were the views of hon. gentlemen opposite. I will confine myself now to the discussion of this very question. Only a few months ago, after our contract with this company was signed, after we had presented it to parliament, after we had debated it for several weeks, one hon. gentleman in this House who believed in government ownership, rose in his place and put on record an amendment setting forth that principle, I allude to the hon. member for Winnipeg (Mr. Puttee). Here is the motion which he made in the latter part of last session :

By reason of the growth in population and the rapid development in the productiveness and trade of Canada and especially the western part thereof, the time is opportune for the adoption of a definite policy of government construction and operation of railways under a properly safeguarded civil service system, put entirely beyond the influence of partisan politics.

That is the motion which was moved by my hon. friend (Mr. Puttee) several months ago, while this question was before us as a part of the record on this very measure. And what does the record tell us ? I find that that motion was voted down in this House by a majority, and I find that among the men who voted against that

motion was the railway expert of the opposition, the hon. member for South Lanark (Mr. Haggart). My hon. friend from Compton (Mr. Pope) made a two hours' speech the other day on government ownership, but three or four months before the hon. member in this House voted against government ownership. I see the veteran from Halton (Mr. Henderson) is in his seat to-night. We shall hear from him no doubt upon this subject.

Mr. HENDERSON. Certainly.

Mr. FIELDING. And I have to remind him that only a few weeks ago he voted against a straight motion for government ownership.

Mr. HENDERSON. Oh.

A LONG LIST OF THEM.

Mr. FIELDING. My hon. friend from North Lanark (Mr. Rosamond) is in his place to-night. He may need to be reminded that he voted against government ownership. I do not see the genial face of my hon. friend from Northumberland (Mr. Cochrane), but some of his friends may remind him, lest he goes astray, that he voted against government ownership only a few weeks ago. The late lamented Mr. Cargill was amongst those who recorded his vote against government ownership. The hon. member for Charlotte (Mr. Ganong) voted against government ownership. The late Minister of Public Works (Mr. Tarte) only a few weeks ago voted against government ownership. I find that the hon. member for West Durham (Mr. Ward) voted against government ownership. I find that my esteemed friend from Sunbury and Queen's, New Brunswick (Mr. Wilmot), who is now manifesting a warm interest in government ownership, voted against government ownership only a few weeks ago. I hope my hon. friend will not forget that fact when the vote is taken to-night upon this amendment. My hon. friend from Northumberland, New Brunswick (Mr. Robinson) is not here, but he was amongst those who voted against government ownership only a few weeks ago. My hon. friend from Nicolet (Mr. Ball), who, I think, is here, also voted against government ownership. The name of my hon. friend the leader of the opposition does not appear in that vote. He was absent, but I am going to pay him the compliment of believing that if he had been present he would have voted with his expert, the hon. ex-Minister of Railways and Canals. Seeing my hon. friend from Sunbury and Queen's in his place, reminds me that in the speech which he made recently in the debate, in which he suddenly expressed opinion favourable to government ownership, and a very sudden change it was, as I have pointed out, he said upon that occasion that he was in favour of government ownership on the condition that you put your road into the hands of a commission absolutely independent of the government.

QUEER GOVERNMENT OWNERSHIP.

Would my hon. friend tell me what kind of government ownership that may be, if it is placed in the hands of a commission absolutely independent of the government? What is the underlying principle of government ownership? It is the control of these great public utilities by the people. Whether it is in the municipal council, the city or the town council, or the provincial or national government, public ownership means public control by the people, and public control by the people means public control by parliament, and public control by parliament means public control by the government, who are a committee of parliament. The present system may be bad enough in dealing with corporations, but heaven preserve us against such a monstrosity as government ownership placed in the hands of a commission absolutely independent of government or parliament.

RECORD OF MANITOBA CONSERVATIVES.

I believe that the Conservative party has a further record on this question of government ownership. I have been dealing chiefly hitherto with what has occurred in this House. I was reminded to-day that the Conservative party in one of our provinces had dealt with this question. I am only speaking from general

recollection and information, but I think I am correct in stating that the present Conservative party in the province of Manitoba adopted the platform upon which they appealed at the elections, and that platform included the following statement :

The adoption of the principle of government ownership of railways in so far as the circumstances of the province will admit, and the adoption of the principle that no bonus should be granted to any railway company which does not give the government of the province control of rates over the lines bonused, together with the option of purchase.

Such was the platform. I remember my hon. friend, the railway expert of hon. gentlemen opposite, telling us a good story one day of a coloured man on the end platform of a car that somebody wanted to stand on. He said : Massa, you bettah git into de car. The person asked : What is the platform for, and the coloured man replied : Well, sah, platforms are to get in on and not to stand on. Evidently this platform in the province of Manitoba was a platform to get it on, because no sooner had they got in on this platform than they immediately repudiated government ownership, and began to give reasons why government ownership was not a good thing. I find that the Prime Minister of Manitoba, Mr. Roblin, made an explanation of the policy which he adopted when he made an arrangement with the Canadian Northern. He argued then that the policy which he had adopted was better than public ownership. He said :

Now the question I proposed to myself was why would we want the Northern Pacific as a government road? We realized that we could not operate it and secure such material benefit for the people of the country as we desire without subjecting ourselves to all the dangers which threaten to overtake government operation of roads as shown in other portions of Canada. We realized that it was not wisdom to undertake the control of the road and operate it ourselves and make it part of the political organization of the day.

So that we find that in almost the only province in which our Conservative friends hold power they got into power by the proclamation of their policy of government ownership, and having got into power they immediately began to give reasons why government ownership is a bad thing. When we put this in connection with the little incident I mentioned before, and in connection with the action of Mr. Mackenzie in building many miles of government road, and of the friends of hon. gentlemen opposite in immediately handing it over as a free gift to the Canadian Pacific Railway, I think we have very good evidence as to the disposition of hon. gentlemen opposite in relation to government ownership.

A RIDICULOUS PRETENSION.

But I think I ought to go back and make another use of the incident to which I have already referred. I have difficulty in quite understanding which of the opposition policies I should speak to, and so I have to speak to them all in turn. Therefore, I want to go back to the policy as advocated by my hon. friend from East Hastings (Mr. Northrup). We are to give over to the Grand Trunk Railway Company, this soulless corporation, this American corporation, as described by my hon. friend the leader of the opposition, this hostile corporation—as described by many hon. gentlemen opposite—with large government aid, the construction of a line from North Bay to Winnipeg, and from Winnipeg to the Pacific coast. That is the last declaration of hon. gentlemen before this amendment on the question of government ownership. Surely, Mr. Speaker, in the presence of a record like that, no man in this country is going to assume for one moment that hon. gentlemen have given this subject the serious thought and deliberation which they should give to a great question of this character, and I venture to say that the suggestion already made, the proposition—if it be a proposition—that the Conservative party in the face of that record, is to become the champion of government ownership, is a pretension that will be received with just ridicule and condemnation by the intelligent people of this country.

THE COST OF THE NEW ROAD.

I realize, Sir, that I am rather occupying too much time. Perhaps I may plead that hon. gentlemen opposite have spoken very frequently, while, excepting a few re-

marks at the committee stage, I have not hitherto occupied the attention of the House on this question. I want to invite the attention of the house for a short time to the question of the cost of this road, more particularly as reference has been made to it very repeatedly by hon. gentlemen opposite, most of whom have undertaken to accept and adopt certain figures which were read at an early stage of the discussion by my hon. friend the leader of the opposition. Now, my hon. friend, in his statement, has spoken of the obligations of this enterprise as being from \$155,000,000 to \$171,000,000. The word 'obligation' is used by my hon. friend in a way that might mislead. I know that my hon. friend would not say anything to mislead, but it is important, in considering this matter, to understand what the obligation of the government really is to which my hon. friend referred, and to understand that, while the government undertake to do certain things, they on the other side, have made provision to receive certain moneys and certain credits, and it is not until you have taken both sides of the account and struck your balance, that you have a true statement of what the obligations of the government are. If a merchant were called upon to render his account, and if he charged his customer for everything he received at a high price, and then charged him with a number of things he had not received, and then forgot to credit the items on the other side of the account, the result would be as fair a statement as the calculation which many of the hon. gentlemen opposite have presented in regard to this matter.

THE COUNTRY'S OBLIGATIONS.

I want to look for a little while at what our obligations are. It is true that we undertake to build the eastern division of the road, but it is also true that beyond providing seven years' interest on that division, we are under no obligation whatever. We undertake to build the road, but we have provided for a tenant to occupy it. If a man owns land and he undertakes to build a house which will improve the value of his land generally, even if he had not a tenant in sight it might be a very good transaction; but if the owner of the land has a tenant in sight to take a long lease on favourable terms to the owner, would it not be ridiculous to say that the man who built the house was improvident? We have provided for the building of this eastern section, and we have provided for giving seven years' interest free, but we have made provision for a good tenant who is to pay us our rental after the seven years, at what we regard as a fair rate. My hon. friend the leader of the opposition, in his first speech, which his friends have used generally—some of them magnified it and probably gave it a colour which the hon. gentleman did not intend for it—my hon. friend (Mr. R. L. Borden) commences his first plunge into financial delirium—I pay him the compliment of saying that it is not half as wild as that of his friend from West Toronto (Mr. Osler)—my hon. friend (Mr. R. L. Borden) begins by estimating \$40,000 per mile, which he says is a moderate estimate, for the construction of a road from Moncton to Winnipeg. The hon. gentleman did not give us a scintilla of evidence to back up that statement, although I think that the hon. gentleman should have named some authority for such a large estimate. I am bound to say from all the information I am able to get, that his estimate is entirely unwarranted. Last year in this House, I estimated the cost of the road from Quebec to Moncton on a basis of \$25,000 per mile, on what I considered good engineering authority, but I added that that was for a railway of about the same, or perhaps a little better character than the Intercolonial Railway. I realized, however, that we wanted to make this new road a very excellent road in every respect, and I added twenty-five per cent to that estimate, and made my calculations on the basis of \$31,250 per mile for that section. The leader of the opposition called it \$40,000 per mile, but he gave not a shadow of authority in support or his figures.

AS TO THE GRADES.

Mr. R. L. BORDEN. Has the Minister of Finance any engineer's report which says it can be built, on grades of four-tenths per cent, for \$31,250 per mile.

Mr. FIELDING. My hon. friend and I have some little Irish about us, and I

will answer his question by asking another. Has he any expert authority for putting the cost at \$40,000?

Mr. R. L. BORDEN. Yes, I have.

Mr. FIELDING. The hon. gentleman has not given it to us.

Mr. R. L. BORDEN. Neither has my hon. friend given us his authority.

Mr. FIELDING. I will give my hon. friend my authority, but he is not willing to give us his authority. Ten or twelve years ago a road was surveyed from Edmundston to Moncton by a reputable engineer, Mr. Adams Davy. Mr. Davy reported to his company that the country was not a difficult one, and that a satisfactory road suitable for through traffic and of reasonable grades and curvatures could be built at a moderate cost. In that report the figures do not appear to be mentioned, but the company for whom Mr. Davy made the report afterwards made an application to parliament and they estimated the cost of the road at \$25,000 per mile. When companies are making applications for railway subsidies, they do not usually underestimate the cost of a road. The road surveyed by Mr. Davy was from Edmundston to Moncton which is the most difficult part of the section between Quebec and Moncton. A road from Quebec to Edmundston would be less costly, and therefore if a road from Edmundston to Moncton equal to the Intercolonial Railway could be built for \$25,000 a mile, a road from the Quebec bridge to Moncton could probably be built for somewhat less per mile.

Mr. SPROULE. What was the date of this engineer's report?

Mr. FIELDING. About 1890.

Mr. SPROULE. The Minister of Finance is aware that railroad building is more expensive now than it was then.

Mr. FIELDING. On the contrary, I can tell my hon. friend that while certain commodities are dearer now, yet the improved machinery and facilities which science enables us now to employ, has brought about the result that railroad building is no more expensive to-day than it was several years ago, but rather less. Then, last year I estimated that the road from Quebec to Winnipeg would cost on a basis of \$28,000 per mile. I made that estimate, not because I believed that the country was any more difficult, but because it was less accessible and there might be a greater cost for getting supplies. Again, in order to provide a fine grade of road, I added one-quarter to the estimate, and I assumed that the road would cost \$35,000 per mile. The leader of the opposition made it \$40,000 but gave no authority whatever for his theory.

CHIEF ENGINEER SCHREIBER'S VIEWS.

I stated last year that my information as respects the estimate of \$25,000 per mile for the one section and \$28,000 per mile for the other, was obtained from an eminent engineer, and I think I said my information came from Mr. Collingwood Schreiber, the chief engineer of government railways. I was then asked if I obtained a written report from Mr. Schreiber, and I said I had not. Anticipating that the same question might be asked again this year, I asked my hon. friend the Minister of Railways to obtain from Mr. Schreiber a statement of his views on the matter, reminding him of the information he gave me last year. Mr. Schreiber has addressed to the Minister of Railways the following letter, which deals entirely with the original estimate of \$25,000 and \$28,000 per mile:

Office of the Deputy Minister and Chief Engineer
Ottawa, Ont., 17th May, 1904.

Hon. H. R. Emmerson, Minister of Railways and Canals,
Ottawa, Ont.

Sir,—In compliance with your request that I should put in writing the information orally given by me to Mr. Fielding last summer, while he was acting minister of this department, in respect of the estimated cost of constructing the eastern division, between Moncton and Winnipeg, of the proposed Grand Trunk Pacific Railway, I would state as follows: premising that the character of railway I had in view was a substantially built railway, with maximum grades of less severity, and curves of greater radius than those on the Intercolonial Railway.

As to the section between Moncton and the south approach to the bridge now in course of construction over the River St Lawrence at Quebec, I advised Mr. Fielding that from my personal knowledge of the general configuration of the country, and from information gathered from the writ-

ten reports of the various engineers who have traversed the district, I had arrived at the conclusion that the cost of construction should not exceed \$25,000 per mile.

As to the section between Quebec and Winnipeg, I considered this section on the assumption that the line would probably follow the height of land from a point some distance from Quebec to a point north of Sudbury, and thence to Winnipeg, passing north to Lake Nepigon. I availed myself of the information contained in various engineer's reports on surveys made of the country lying between the neighbourhood of Sudbury and Winnipeg, and the conclusion I reached was that the cost of construction need not exceed \$28,000 per mile, and I so informed Mr. Fielding.

I would say that I am still of opinion that a road of the standard above indicated can be constructed at these figures.

I have the honour to be, sir, Your obedient servant,
COLLINGWOOD SCHREIBER, *Chief Engineer.*

Hon. gentlemen will observe that Mr. Schreiber is dealing with a road of less severe grades and somewhat better in its character than the Intercolonial; but not wanting to be confined to a road of that character and wanting to allow a liberal margin for a better road, I added in both cases twenty-five per cent to the first estimate making my calculation \$31,250 per mile from Moncton to Quebec, and \$35,000 per mile from Quebec to Winnipeg.

MR. BORDEN'S EXCESSIVE ESTIMATES.

In conversation with Mr. Schreiber I asked him whether he considered the allowance I made in that estimate a liberal one, and he said that he authorized me to say that he did; and I heard a prominent railway contractor say that he would be very glad to take contracts under these circumstances. So I think my hon. friend has magnified his first cost in that respect; and if he gets an excessive first cost, it follows that he gets an excessive cost for interest; and so, having started wrongly, he gets astray in the whole calculation. An hon. friend suggests that perhaps I should ask my hon. friend at a later stage to give us his expert who says that it cannot be done under \$40,000 a mile. We will hope to receive that. I find that the hon. leader of the opposition has estimated the Quebec-Moncton section, 400 miles, at \$40,000 a mile, making \$16,000,000; a fair estimate would be, 400 miles, at \$31,250 a mile, \$12,500,000; excess of Mr. Borden's estimate, \$3,500,000. My hon. friend's estimate of the section from Quebec to Winnipeg, 1,475 miles at \$40,000 a mile, amounts to \$59,000,000. A very liberal estimate would be 1,475 miles at \$35,000 a mile, or \$51,625,000; showing an excess in Mr. Borden's estimate on that section of \$7,375,000. So that the excess of my hon. friend's estimate of the cost of the eastern division from Moncton to Winnipeg, amounts to \$10,875,000; and of course if my hon. friend puts that into his capital account, he immediately proceeds to put in a sum for interest based thereon; and so one wrong step leads to another, and so he gets astray in the whole calculation. My estimate of the cost of the eastern division is as follows:

Interest during construction capitalized	7,031,975
Capital account, actual outlay	\$64,125,000
Total capital account	\$71,156,975

There is a question about the three years' interests which is to be paid if the road earns it; and if it does not earn it, it is to be capitalized and carried into the capital account. The hon. leader of the opposition takes for granted that it will not be earned, and he simply adds it to his account. Whether it is earned or not, it is at the most only an investment, on which we receive interest.

THE QUEBEC BRIDGE.

But worst of all is the statement which the hon. gentleman makes in regard to the Quebec bridge. Last year I dealt with that matter at a time when there had been no special legislation with respect to it. It was a fair question for debate what the relation of the Quebec bridge was to this transcontinental scheme. For convenience of calculation I put into my statement \$2,000,000 as the proportion fairly changeable to the eastern division for the Quebec bridge. I stated at the time that I thought that was too liberal, and that I would not like to be tied to that amount, in the future. But my hon. friend the leader of the opposition is not content with that liberal allowance; he coolly carries to the outlay on this transaction the whole issue of bonds for the Quebec bridge. On account of the bridge he carries into his calculation \$6,978,319, of which \$6,678,200 is for the issue of bonds and \$300,519 for interest. Now, I do not hesitate to say that nothing could be more grossly unfair than the insertion of that item in the hon. gentleman's calculation, and I am sure that when the matter comes to be considered, my hon. friend will be shocked at his own conduct. The fairest way would be to leave the Quebec bridge out of the transaction altogether. It is not a matter arising out of this transcontinental scheme. The Quebec bridge project has been before the country for some years. It has been acknowledged as an obligation by both political parties. Several years ago, before this govern-

ment came into power, Sir Charles Tupper went to the city of Quebec, and made a great public speech, in which he declared that it was the policy of the Conservative party to build the Quebec bridge; and more than that, my hon. friend the leader of the opposition himself last session, went down to Quebec and made a speech when he wanted to please the electors of that city, and this is what he said: "Moreover, the extension of the Intercolonial Railway coupled with the completion of the Quebec bridge, to which both political parties are committed, may mean much for the future of Quebec."

AN UNWARRANTED CHARGE.

If both political parties are committed to the Quebec bridge, what right has my hon. friend to charge it as part of the transcontinental railway? The most that anybody can say in relation to the Transcontinental Railway and the Quebec bridge is that the adoption of this great transcontinental scheme has created an additional reason for the Quebec bridge—not only an additional reason why we would build it, but an additional reason why when built it shall be a self-sustaining public work. Was that all? The hon. gentleman came back from his Quebec speech and sat in this House and let the Quebec bridge Bill go through without opposition. The members of the opposition voted for the Quebec bridge bill, and they share with us the responsibility for every dollar of that expenditure. What, then, are we to think of the hon. gentleman who treats it as part of this abominable transcontinental scheme which he wants to defeat by his amendment? Sir, if it is a part of this transcontinental scheme, the hon. gentleman and all his followers have an account to settle with the people of this country, because when they go on the public platform and condemn this scheme, men will rise up and say, 'Why do you condemn it? You voted for a part of that scheme, that is, the Quebec bridge.' The hon. gentleman will say that has nothing to do with the transcontinental scheme at all. The answer will be, 'Why then do you charge it up against the transcontinental scheme? I venture to say that my hon. friend, with his attention drawn to it in this way, cannot show the shadow of a reason why he should add six or seven millions of dollars to his calculation on that account.

THE ALARMIST MR. OSLER.

But the hon. gentleman started out with only a little less zeal than the hon. member for West Toronto (Mr. Osler) who made the cost of the eastern division \$120,000,000. He started out to make up an alarming statement to the people of this country; and, not content with adding \$10,000,000 to the fair cost of the eastern division, he adds six or seven millions more by including the Quebec bridge, which he voted for himself.

Now, the government's obligations in this matter, as I have already stated, is confined to the seven years' interest. Let us not get away from that. If the Grand Trunk Pacific Company fulfil the obligations which they have undertaken by this contract, then the only obligation that this government will be called upon to meet will be seven years' interest on three-fourths of the cost of the mountain section and seven years rental on the eastern division. It admits of no debate. Can we safely assume for the purposes of the calculation that the scheme is to work out successfully, and the Grand Trunk Pacific Railway Company will fulfil its obligation? I believe we can do so, for several reasons.

WHAT MAKES FOR SUCCESS.

First we have the engagement of eminent, responsible men of honourable reputation, who entered into the agreement with the full confidence and belief that, in the great development of this country, the scheme will be made a success. Secondly because each one of us, as he looks at the expansion of Canada which is going on now, as he sees the evidences of new life, hope and confidence which have come into this country since the right hon. gentleman (Sir Wilfred Laurier) became First Minister, must have an abiding faith that this scheme is going to prove successful. Then there is a third reason which my hon. friends opposite are bound to accept. Every argument they have made as to the profitable character of the enterprise to the Grand Trunk must be based on the assumption that the Grand Trunk Railway has fulfilled its obligations and paid every cent. If the Grand Trunk Pacific or the Grand Trunk Railway, as holders of the common stock, are to make one cent out of this enterprise, they must fulfil every obligation they are under to this government. They cannot make a cent until they do so. The Grand Trunk Railway and the Grand Trunk Pacific must see that the interest is paid on the western division, and that we are not called upon to pay it. They must see that the rental is paid on the eastern section and that we are not called upon to pay it. And until both these obligations are discharged, not one dollar can be made by the promoters of this enterprise. Therefore I am justified in saying that the whole argument of hon. gentlemen opposite, who have labored so hard to prove that the promoters of this company in the Grand Trunk Pacific and the Grand Trunk Railway are going to make a lot of money, can only be based on the scheme becoming a success and the government fully protected.

FULL OBLIGATIONS OF THE COUNTRY.

On the assumption therefore that the company will fulfil its obligations, I want to make a summary statement of the obligations which the government is assuming. In the first instance, the government must build the eastern division, but it has a tenant who will pay the interest on the cost. The government then has to assume the obligation of guaranteeing the bonds on the prairie section to the extent of \$13,000 a mile, but no one doubts that that section will pay its interest from the beginning. Then we are bound to guarantee three-fourths of the cost of the mountain section, but we believe that there again the interest will be paid, and that we are not going to be obligated in the proper sense of the word. Assuming then that all these obligations will be met, our sole obligation is the seven years interest. Last session my right hon. friend, the leader of the government, made the statement that we could provide for the obligations entailed by this scheme out of one year's sur-

plus. The statement which my hon. friend made in that off-hand way was absolutely and literally correct. I showed that by setting aside some \$13,000,000 or \$14,000,000, which was somewhat less than our surplus, we could provide for the payment of the seven years interest which we are under obligation to give to the company. By our agreement we give then seven years free rental on the eastern division, and seven years free interest on the mountain section of the western. I pointed out, upon the authority of an actuary, that by laying aside \$13,000,000 or \$14,000,000 we could provide for the complete payment of that obligation and that therefore that was the measure of what we would have to pay. I have been asked to revise that statement, and I am glad to be able to inform the House that the result of my revision is that the figures are not materially changed by the supplemental contract. I strike out of the calculation the Quebec bridge, which, as I have clearly shown, has no part there, and when I do that I find that the possible increase which may result from the changes made in the contract do not materially change the figures presented last year:

Prarie section; 1,000 miles; the government to guarantee three-fourths of the cost, not exceeding \$13,000 a mile.

The amount which the government has to guarantee on this section is thus limited to \$13,000,000. The company will pay the interest on this from the beginning, and therefore there will be no burden whatever on the government.

Mountain section, 480 miles. In the calculations I made last year, my figures for the section from Quebec to Winnipeg were somewhat larger than those of some hon. gentlemen, but for the mountain section they were somewhat smaller.

Mr. R. L. BORDEN. Are these estimates for a four-tenths per cent grade?

Mr. FIELDING. They are estimated upon the larger sum \$35,000 per mile for the section from Quebec westward and \$31,250 per mile for the section from Quebec to Moncton.

A FAIR AND REASONABLE ESTIMATE.

Mr. R. L. BORDEN. Has the hon. gentleman any report of any engineer which says that the line can be built for that sum with a four-tenths grade?

Mr. FIELDING. No, but I have the statement of a very eminent engineer that the allowance I made of 25 per cent above the first figure was a fair and reasonable allowance for that purpose.

Mr. R. L. BORDEN. Is that the Deputy Minister of Railways.

Mr. FIELDING. Yes, Mr. Schreiber. I stated that I allowed 25 per cent extra for the better grade, and he said that was a fair allowance. For the mountain section I am taking the highest figures of hon. gentlemen opposite. We estimated last year roughly that \$40,000 per mile would cover the cost. My hon. friend from Hamilton (Mr. Barker) relying on the statement attributed to Sir Charles Rivers-Wilson that the road will cost \$50,000 per mile, plus interest on construction, made the cost \$56,000 per mile. I may point out that the company has only power, under its charter, to issue bonds to the extent of \$50,000 per mile, and as it has made no application for an increase, I think we may fairly assume that it does not expect the road to cost more than \$50,000 per mile including the interest. I think I might have made the computation on the basis of \$50,000 a mile, but in all these calculations I wish to be on the safe side. I take, but under protest, the estimate of my hon. friend from Hamilton of \$56,000 per mile, which would cost \$26,880,000. On this the government guarantees three-fourths in cash or \$20,160,000.

Assuming a possible discount of five per cent on the bonds issued, it would require additional bonds to the amount of \$1,061,052, making a total issue of bonds to be guaranteed by the government of \$21,221,052. Annual interest on \$21,221,052 at three per cent is \$636,631. The government pays interest for seven years (all other interest being paid by the company) as its contribution to the work.

To provide at once this interest for the seven years it would be necessary to lay aside now the sum of \$3,177,794.

THE SURPLUS WOULD PAY IT.

A summary briefly of the figures show the following:

Total present sum required to cover seven years' interest (all other interest being paid by the company) on cost of eastern division.....	\$10,655,562
Total present sum required to provide government portion of seven years' interest (all other interest being paid by the company) on cost of mountain section, western division.....	3,177,794
Total present sum required.....	\$13,833,356

That is to say, if, out of our large surplus this year, we should set aside \$13,833,356, it would provide for the full payment on the seven years' interest which is all the obligation that the government are to bear as respects the whole line from Moncton to the Pacific.

Mr. BELL. At what rate of interest does the hon. minister calculate it?

Mr. FIELDING. Three per cent.

Mr. BELL. You expect to realize that?

Mr. FIELDING. I think it as fair a rate as can be taken. If we have to pay high interest when we borrow, we shall receive high interest when we invest, so we shall get the benefit of it, I hope, on one side of that account.

COST OF NEW LINE COMPARED WITH THE C. P. R. GRANTS

Hon. gentlemen opposite have been taking exception to our making comparison between the cost of this enterprise and the cost of the Canadian Pacific Railway under their administration. They always become restive when we make these calculations. Now, Canada has had only one great transaction of this character, and it seems to me it would be fair and reasonable to make our comparisons with that transaction. If there are new conditions, by all means let us take them into ac-

count. There are some new conditions undoubtedly that should be taken into consideration. For instance, when the government of that day by the bargain with British Columbia in 1871, committed the country to the building of the Canadian Pacific Railway, we had a population of 3,547,000. To-day we have a population of about 5,500,000. That is a consideration that ought to be kept in mind in considering the ability of the country to undertake this great work. When the government committed the country to the building of a transcontinental railway in 1871, the revenue of Canada was about \$19,250,000. We are asking the people to undertake the construction of a second transcontinental railway when our revenue is \$70,000,000. When the government of that day committed the country to the construction of the Canadian Pacific Railway, the total trade of Canada was \$170,000,000. We are asking the country to commit itself to another transcontinental railway when the trade of Canada has reached \$457,000,000. The late government committed the country to building a transcontinental railway when the bank deposits of the country had reached the large sum—for it was a large sum—of \$62,500,000. We are asking the country to accept the responsibility of a second transcontinental railway when the bank deposits are \$439,000,000. When the arrangement was made by the late government with the Canadian Pacific Railway Company for the construction of a transcontinental railway—no, not for a transcontinental railway, but for a railway which began away up in Ontario and ran thence to the Pacific, and not a scheme like the one now before this House—they gave that company \$25,000,000 in hard cash. We are proposing as I have shown by the statement I have read to assume an obligation equal to a present payment of between \$13,000,000 and \$14,000,000.

GOVERNMENT RAILWAYS GIVEN AWAY.

That is the whole transaction; when we tell you that, we tell you the beginning and the end of the obligation which the people of Canada are to assume. When the late government entered into the contract with the Canadian Pacific Railway Company they gave up about \$37,750,000 worth of completed government-owned railway as a free gift to the company. We do not give up anything of the kind—there is no such item on our side of the account. When the late government made that contract with the Canadian Pacific Railway Company, they gave them 25,000,000 acres of land. We give this company not a single acre. When the late government made the contract with the Canadian Pacific Railway Company, they gave the company freedom from customs taxation. We give this company not a dollar of such aid. When the late government made that arrangement with the Canadian Pacific Railway Company they gave the company exemption from railway competition for twenty years. There is no monopoly in the contract which we put before parliament. When the late government made their contract with the Canadian Pacific Railway, they gave them exemption from taxation on the land of an empire for twenty years, and the people of the Northwest Territories know to-day to their bitter sorrow what that exemption means. There is no such exemption in this contract before the House to-day. We are not afraid to compare our transaction with theirs. We are not afraid to compare it either as respects its money expenditure, its exemptions from taxation, its grants of land, its freedom from monopoly. In all these things we present to the people a contract which may well be compared with that which hon. gentlemen opposite made years ago. I am quite willing that due allowance should be made for the changed conditions, but, making that due allowance we must reach the conclusion that we are arranging for the carrying out of a great enterprise at a comparatively small cost.

A MISLEADING OPPOSITION COMPARISON.

Well, another comparison has been made. My hon. friend, the railway expert of the opposition (Mr. Haggart) made a statement in debate that has been taken up and repeated in the press and in this House. Speaking on the 6th of April, he said as reported in "Hansard":

The Grand Trunk Company came to this government for the purpose of getting the ordinary subsidies given to railways for the purpose of extending their railway from North Bay to the Pacific coast, and the present scheme was foisted upon them by the government.

He says the Grand Trunk came to us and offered to build the road from North Bay to the Pacific for the ordinary subsidy. I quote also from the hon. member for Compton (Mr. Pope) in this House. Speaking on the 15th of April in this House he said:

The Grand Trunk Railway Company were willing to build a railway from North Bay to Winnipeg under the ordinary conditions. Why this government did not wish them to do so is more than I can understand.

The hon. member for Compton thought this should be done—nothing about government ownership in his mind then. He spoke to us for an hour or two the other night in favor of government ownership, but only a few days before he had rebuked us because we did not allow the Grand Trunk to take this as a private enterprise and build from North Bay to the Pacific. But the point I wish to make at this time is that these two gentlemen, prominent members of the opposition, and they have been followed throughout this whole discussion in parliament and the press—declared that the Grand Trunk came to us and offered to build the road from North Bay to the Pacific for the ordinary subsidies? What are the ordinary subsidies? From \$3,200 per mile to \$6,400 per mile according to the cost of construction of the road. It is a variable figure. As spoken of it is commonly \$3,200 per mile, but there is a sliding scale by which if the road is a costly one, the subsidy may run up to \$6,400 a mile. That is the statement of hon. gentlemen opposite, a statement on which they have founded a large part of their criticism. They have made figures to show that by the payment of the ordinary subsidies allowed under our railway grants, we could make a contract with the Grand Trunk Pacific Railway Company to build a railway from North Bay to the Pacific. They complained that they did not accept the offer, and with that statement for a foundation of their argument they go through the country, making comparisons between that scheme as they say it was and the cost of the scheme we are presenting to the House. We find ourselves in this difficulty: The Grand Trunk Pacific made a proposition to the government marked "confidential." As it was not accepted, we did not think

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We bring do writers to offer wtl the ordie CONFIDE TO

Sir,—Yo railway fr coast, for t 1st. Tha Bay, a seco facilities r through A 2nd. Th a line fro at or near rd. Th to be calle 4th. Th concession both at th 5th. Th been mad 6th. Th and in op 7th. Th 8th. Th territory; of traffic, as the go 9th. Th Grand Tr and open 10th. T the propo (a.) Th in addit (b.) Th contract (c.) Th free, if g (d.) Th other pr capital st establish they are the Crov pation. And y

No tween t you, Si ask the Pacific tion fr which i refuse t acres o but wh mile is he mad with th given i genera acre w grants to such Ti miles. \$6,400 acres.

it was important to bring it down, and did not ask permission of the writer to bring it down at an earlier stage. It had no value in this matter until the question was raised by my hon. friends opposite who made the extraordinary statement that we had been offered by the Grand Trunk the construction of that road for the ordinary subsidies of our common railway grants.

THE REJECTED G. T. R. OFFER.

We have applied to the representative of the Grand Trunk Pacific Company for permission to bring down that document. The word 'confidential' is on it but we have the permission of the writers to lay it before parliament. I shall now read it, and the hon. gentlemen can compare that offer with the statement they have made throughout this country that we were offered this road for the ordinary subsidies. The document is as follows:

CONFIDENTIAL.

Montreal, Que., November 3rd, 1902.

TO THE RIGHT HONOURABLE SIR WILFRED LAURIER, G. C. M. G., P. C.,
Premier of the Dominion of Canada, Ottawa, Ont.

Sir,—Your petitioners desire to memorialize your government in regard to the construction of a first-class line of railway from the northern terminus of the Grand Trunk Railway, at, or near, North Bay, Ont., through to the Pacific coast, for the reasons and upon the conditions herein set forth:

1st. That it is considered very desirable and in the public interest that there should be, without any unnecessary delay, a second trans-continental railway reaching from the Atlantic ocean to the Pacific ocean, in order that additional facilities may be provided for the large growing business of the Northwest, which might otherwise find its outlet through American channels.

2nd. That your petitioners propose, as soon as authorized by your government, to undertake the construction of such a line from North Bay, Ont. (or some other point north thereof, to be defined), to the Pacific coast, the terminus to be at or near Port Simpson, with all necessary branches along the route, to be designated.

3rd. That your petitioners, therefore, ask that their application for authority to construct such a line of railway, to be called the "Grand Trunk Pacific Railway" shall be granted.

4th. That your petitioners will be prepared, immediately an agreement is entered into by the government, and the concessions hereinafter mentioned are sanctioned by an Order in Council, to place a corps of engineers in the field, both at the eastern and western ends and at other points on the projected line.

5th. That the routes to be selected shall be submitted to and approved by the government, after proper surveys have been made.

6th. That as soon as the plans and routes are approved, work shall be commenced and the road shall be completed and in operation within a period of five years from the time the Act is in force.

7th. That all the work shall be subject to the inspection and approval of the chief engineer of the government.

8th. That in order to provide for connection with the Atlantic sea-board all the year round and through an all-British territory route, your petitioners will be prepared to enter into an arrangement with the government for an interchange of traffic, or other satisfactory agreement with the Intercolonial Railway at Montreal or to consider such other proposal as the government may submit.

9th. That your petitioners would have the advantage of all the eastern connections, in Ontario and Quebec, of the Grand Trunk Railway, and by this means on the completion of the transcontinental line there would be established and opened up a complete system from ocean to ocean.

10th. That the conditions referred to in clause 4, upon which your petitioners would undertake the carrying out of the proposed work, may be set forth as follows:

(a.) That the Dominion government will grant a cash subsidy to your petitioners of \$6,400 per mile of railway, and in addition 5,000 acres of land per mile.

(b.) That the payment of the carriage of the mails shall be calculated on the same basis as provided for under the contract made with the Canadian Pacific Railway Company.

(c.) That rails and materials of every kind, used in the construction of the railway—if dutiable—shall be admitted free, if such material cannot be obtained in Canada upon equally favourable terms.

(d.) That the Grand Trunk Pacific Railway and all stations and station grounds, work shops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof, and the capital stock of the company, shall be for ever free from taxation by the Dominion or by any province hereafter to be established or by any municipal corporation therein; and the lands of the company in the Northwest Territories (until they are either sold or occupied) shall also be free from such taxation, for twenty years after the grant thereof from the Crown.

Your petitioners ask that your government will give the prayer of this petition their early and most earnest consideration.

And your petitioners will ever pray.

On behalf of the petitioners,

GEO. A. COX,
CHAS. M. HAYS,
WM. WAINWRIGHT.

OPPOSITION VERY FAR ASTRAY.

Now I want my hon. friends to look into this matter a little further and see the difference between the offer of the Grand Trunk as they have stated it and the offer as it really is. I have shown you, Sir, that they ask maximum subsidy of the Railway Act which is \$6,400 per mile. They also ask the exemptions with regard to customs taxation, such as were granted in the case of the Canadian Pacific Railway and such as we have refused to grant them under our contract. They also ask exemption from taxation, particularly in the matter of lands in the Northwest Territories an exemption which has been the cause of great difficulty in the Northwest Territories, and which we emphatically refuse to grant hereafter to any company whatever. And then they ask that we shall give them 5,000 acres of land per mile. Five thousand acres of land for one mile of railway might not alarm anybody but when you multiply that by the mileage of a long line of railway you discover that 5,000 acres a mile is a very considerable amount. The hon. member for Compton (Mr. Pope) in the speech which he made the other day on the value of the aid granted by Canada to railways during past years dealt with the question of both lands and money and he computed the value of the lands which we have given in bygone years at \$2 per acre and I do not think that was an unfair calculation. If it will be generally admitted that \$2 per acre was a fair estimate as respects lands granted in the past, \$3 per acre would not be an unfair estimate, but a very moderate estimate, as to the value of lands to be granted now and hereafter. I do not think the hon. member for Compton (Mr. Pope) would object to such a calculation as that. Let us see how it works out.

The distance from North Bay to Winnipeg is 1,012 miles. From Winnipeg to the Pacific 1,480 miles. The total distance of the line proposed by the Grand Trunk is 2,492 miles. 2,492 miles at \$6,400 per mile amounts to \$15,948,800. 2,492 miles at 5,000 acres per mile amounts to 12,460,000 acres. 12,460,000 acres at \$3 per acre amounts to \$37,380,000.

Thus the proposal of the Grand Trunk Company which the hon gentlemen opposite described as being a proposal to build for the ordinary railway subsidies, was a proposal which demanded from us in lands and money, placing a very moderate value on the lands, a total amount of \$53,328,000. For a transcontinental railway? No, for a railway which would begin 1,000 miles from the sound of the Atlantic waves, which would begin at North Bay and go to the Pacific ocean. We were to pay \$53,328,000 for a part of the transcontinental railway, while we present to the House to-day a scheme which gives us a whole transcontinental railway at a cost of about \$13,000,000. There is no question in the proposal of advances or loans or guarantees; there was nothing coming back on the other side of the account, no rental to be paid to us in the future, no interest to be paid to us on the prairie section or the mountain section or any other section. It was to be a clean, straight, free gift of \$53,000,000 in money and property for a piece of a transcontinental railway, instead of \$13,000,000 or \$14,000,000 for a magnificent scheme for a railway from ocean to ocean on British territory.

TRULY A NATIONAL POLICY.

Never before was such a truly national policy presented to this parliament as that which we have presented in this transcontinental railway scheme. From ocean to ocean it has commanded the admiration and confidence of the people. British Columbia is practically unanimous in support of it; as a Conservative editor in that province has said, the people of British Columbia should be a unit for this scheme and the men in public life who oppose it will as they should go down to defeat. Come down to the Northwest Territories and Manitoba and the people hail this scheme as a new line of competition, a new outlet for the people of that region who want to send their products to market. Come down to the province of Ontario. Opposition members from Ontario say there is nothing for their province in this scheme. Read the testimony of the president of the Board of Trade of Toronto, Mr. Ellis, who says that this is not only a great scheme for Canada, but a great scheme for Ontario, and a great scheme for its capital city of Toronto. Come down to the province of Quebec and where is the man in that province who dares to hold up his head against this scheme? A handful of men who by some accident have struggled into parliament from the province of Quebec are found to-day apologizing for their opposition and moving amendments, declaring where this road ought to go. The province of Quebec is a unit in favor of this scheme and in the provinces down by the sea, in the public press, in the independent press, in the boards of trade, in the public bodies that represent public opinion irrespective of party, there is abundant evidence that shows public sentiment is in favor of this scheme. It is indeed truly a national policy and one which demands and will receive the confidence and approval of the people. Sir, the people are not going to worry themselves over small and petty criticisms. They are not to be disturbed by the ill-natured suggestions such as that which my hon. friend the leader of the opposition had the bad taste to indulge in to-day, when he hinted at corrupt transactions in connection with this great scheme. It ill becomes my hon. friend, to whom has descended the title to the leadership of the Conservative party, to send such jibes across the floor of this House. Does he forget the record of the Conservative party on the Canadian Pacific Railway? My hon. friend may not have been with them in those days, but if he occasionally identifies himself with their past policy and desires to share in their virtues he must be content to be reminded of some of their sins.

A DARK PAGE IN HISTORY RECALLED.

I will remind him as a suggestion that he should not have sent such a taunt across the floor of this House that the darkest page in the history of this country, a page which made every Canadian ashamed as he went, abroad, was the page which told the story of the political corruption of the Conservative party in the first stages of the Canadian Pacific Railway. There is no 'send along another ten thousand' telegram in this transaction, and the hon. gentlemen opposite have extraordinary audacity when they presume to make any suggestion of that kind in the light of the history to which I have made this faint reference. My hon. friends opposite need not expect that they are going to disturb the public by their amendments or by any number of amendments. We heard one hon. gentleman state last night that they had moved twenty-one; I do not know whether that number is correct or not, I believe that the Liberal party moved nearly that number away back in 1881, and if the old veterans will not be offended, let me say that the greater part of these amendments are not held in the most precious memory of respect to-day. They have been forgotten. Perhaps the public were unjust, but the public have been cruel enough to forget these amendments and to-day there are not many men who could tell us what they were all about. Twenty years hence the 21 amendments of hon. gentlemen opposite will be forgotten, and if brought to memory, they will only be regarded with curiosity as a part of the history of the period. I believe—I hope that this is no irreverence—that if we were to bring down the Ten Commandments and the Lord's Prayer, and place them before parliament, my hon. friend the leader of the opposition and my hon. friend from Hamilton (Mr. Barker), could devise amendments to both of them. I admit that their power of devising amendments is great and that no scheme which we could bring forward would not be susceptible to treatment of that character. But the people of Canada will not bother about amendments of a petty character. Where the amendments are grave and serious they will treat them gravely and seriously. But they will not be misled by such petty criticism as has been given to this great measure. They will see and fully appreciate the nobility of the scheme. They will realize that the measure is one which has much to do with the making of this country, with the building up of a new nation on this northern half of the American continent, and when the time comes, and I cannot doubt that before long it will come for a formal expression of their judgment, they will say that my right hon. friend who leads the government of this country and who has done so much in a short time for the upbuilding of this Dominion, has through the enactment of this legislation given the crowning proof of his courage, his patriotism and his sagacity.