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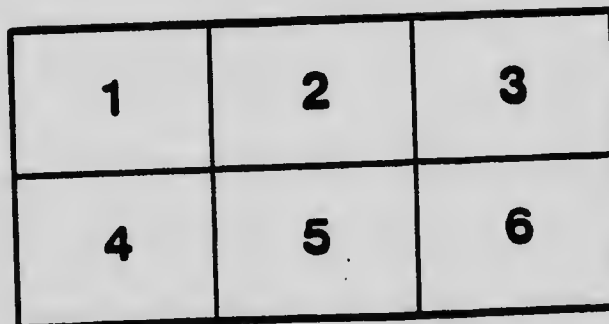
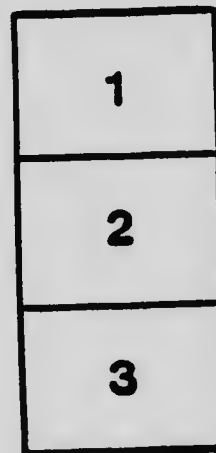
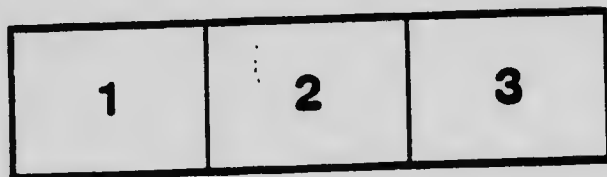
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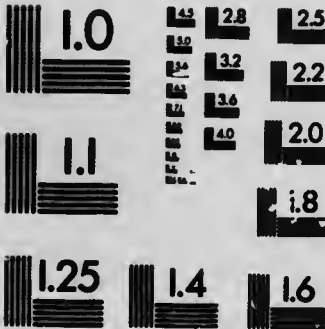
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House of Commons Debates

SPEECH

OF

RIGHT HON. SIR WILFRID LAURIER,

P.C., G.C.M.G.

ON THE

TRANSCONTINENTAL RAILWAY

A LINK UNITING THE PROVINCES ON
CANADIAN SOIL

TRANSPORTATION TO THE MARKETS OF THE WORLD

THURSDAY, JULY 30, 1903

OTTAWA
GOVERNMENT PRINTING BUREAU
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House of Commons Debates

THIRD SESSION—NINTH PARLIAMENT

SPEECH

OF

RIGHT HON. SIR WILFRID LAURIER,
P.C., G.C.M.G.

ON THE

TRANSCONTINENTAL RAILWAY

OTTAWA, THURSDAY, JULY 30, 1903

The PRIME MINISTER (Rt. Hon. Sir Wilfrid Laurier). Mr. Speaker, I move for leave to introduce a Bill to provide for the construction of a National Transcontinental Railway. The Bill which I have the honour to place in your hands is divided into two parts. The first provides for the creation of a commission to be composed of three members, and to be empowered to build a certain portion of the railway which is mentioned in the Bill, the title of which I have just given. I do not know that at this moment it would serve any good purpose to go minutely into the dispositions of this part of the Bill. They are such as are to be found in Bills of this character, to empower the commissioners to do a certain work, and they define their powers and their obligations.

The second part of the Bill provides for the ratification of a contract which has been entered into between the government and certain gentlemen now seeking incorporation under the name of the Grand Trunk Pacific Railway Company. This Bill will have to be supplemented by resolutions, which I will place on the Order Paper to conform with our rules of procedure in such cases. The House has been impatient, and not unnaturally, to be informed of the leading features of the policy which we have to present with regard to the building of another transcontinental railway. It will be my duty now to inform the House and to give it all the knowledge it is in my power to give at this moment, in order to satisfy a very legitimate curiosity.

V 64-1½

A NATIONAL NECESSITY.

First, Sir, perhaps it would not be amiss if I were to address myself at once to a question which has come to us from different quarters, and which may find an echo within these walls. Why this new enterprise? Why this expenditure? Why should parliament be called upon to assent to such a policy as is here indicated? We ask parliament to assent to this policy because we believe—nay, we feel certain, and certain beyond a doubt—that in so doing we give voice and expression to a sentiment, a latent but deep sentiment, which is to-day in the mind, and still more in the heart, of every Canadian, that a railway to extend from the shores of the Atlantic ocean to the shores of the Pacific ocean, and to be, every inch of it, on Canadian soil, is a national as well as a commercial necessity. That such a road must be built, that it is, in the language which I have used, a national and a commercial necessity, that it is a corollary of our status as a nation that it is a requisite of our commercial development, is a proposition to which, up to this moment, I have heard no dissent.

HAVE DELIBERATED; NOW ACT.

Exception has been taken to the immediate necessity of building such a road, exception has been taken to the policy which we have to suggest for the immediate construction of such a road; but as to the idea itself I have never heard a word of op-

position, nor do I believe that such a word will be heard in the debate. The first of these objections, that is to the immediate construction of such a road, can be disposed of, I believe, with a single observation. To those who urge on us the policy of to-morrow, and to-morrow, and to-morrow; to those who tell us, Wait, wait, wait; to those who advise us to pause, to consider, to reflect, to calculate and to inquire, our answer is: No, this is not a time for deliberation, this is a time for action. The flood of tide is upon us that leads on to fortune; if we let it pass it may never recur again. If we let it pass, the voyage of our national life, bright as it is to-day, will be bound in shallows. We cannot wait, because time does not wait; we cannot wait because, in these days of wonderful development, time lost is doubly lost; we cannot wait, because at this moment there is a transformation going on in the conditions of our national life which it would be folly to ignore and a crime to overlook; we cannot wait, because the prairies of the North-west, which for countless ages have been roamed over by the wild herds of the bison, or by the scarcely less wild tribes of red men, are now invaded from all sides by the white race. They came last year 100,000, and still they come in still greater numbers. Already they are at work opening the long dormant soil; already they are at work sowing, harvesting and reaping. We say that to-day it is the duty of the Canadian government, it is the duty of the Canadian parliament, it is the duty of all those who have a mandate from the people to attend to the needs and requirements of this fast growing country, to give heed to that condition of things. We consider that it is the duty of all those who sit within these walls by the will of the people, to provide immediate means whereby the products of those new settlers may find an exit to the ocean at

THE LEAST POSSIBLE COST.

and whereby, likewise, a market will be found in this new region for those who toil in the forests, in the fields, in the mines, in the shops of the older provinces. Such is our duty; it is immediate and imperative. It is not of to-morrow, but of this day, of this hour and of this minute. Heaven grant that it be not already too late; heaven grant that whilst we tarry and dispute, the trade of Canada is not deviated to other channels, and that an ever vigilant competitor does not take to himself the trade that properly belongs to those who acknowledge Canada as their native or their adopted land. Upon this question we feel that our position is absolutely safe and secure; we feel that it corresponds to the beating of every Canadian heart.

With regard to the plan which we have adopted for the construction of the road,

there may be honest and honourable differences of opinion. The House knows there have been already such differences of opinion, honourable and honest, because it has been our misfortune to lose one of our colleagues upon this question. We make bold to say, however, that we stand upon very firm ground, and it will be my duty to present to the House the reasons which have led up to the policy which we have adopted and the reasons which we can invoke in favour of its support.

INTERCOLONIAL NOT BUILT FOR TRANS-CONTINENTAL TRAFFIC.

Our conception that this road, in order to give to the people the full benefit which they have a right to expect from it, should extend westward from the heart of the maritime provinces, from the town of Moncton, at the juncture of the two lines which proceed from Halifax and from St. John. I know very well that amongst those who oppose our policy there are a good many who maintain that it is sufficient that such a road should be constructed from Quebec westward to the Pacific ocean; that there is no need whatever of extending that railway from Quebec to Moncton because, between Quebec and Moncton, there is already the Intercolonial Railway. Sir, the answer which we have to make to this objection is plain, obvious, categorical, peremptory and paramount; the answer is that the Intercolonial never was intended, and never was conceived, and never was built for transcontinental traffic. The Intercolonial was first conceived as a military road. It was built and located for political reasons, not from any commercial considerations. Far be it from me to cast any aspersions upon the memory of those who conceived and carried out this very useful enterprise. But if the truth must be told, it must be said that those who conceived and carried out the Intercolonial added to its length, to its normal length, several hundred miles. I will not quarrel with them at this stage. The reasons were political, and they were reasons we can all understand. If that railway was located where it is to-day it was simply because it was desired to give railway facilities to the groups of population which inhabit the northern section of New Brunswick and the south shore of the St. Lawrence. Far be it from me to blame the judgment of those who carried out that enterprise; but the action which they took affords us a lesson which we should not forget at the present time. The action which they took is a lesson to us who are to-day entrusted with the destinies of this nation, as the trustees of the people, that in building a transcontinental railway we have to build not only for the time being, but for the morrow as well, and not for one locality, but for the whole of Canada. Sir, the men of 1867 built for the condition of things which they found in 1867; but

we the men of 1908, have to build for the condition of things which exists in 1908, and not only for that condition of things, but also for a condition of things that we see looming up in the near future.

NEW FARMS, &c., THE JUSTIFICATION.

The line which we propose will extend from the Quebec bridge down on the southern slope of the mountains which extend through the counties of Lévis, Bellechasse, Montmagny, L'Islet, Kamouraska and Téniscouata up to the town of Edmundston. At the town of Edmundston that line will connect with the system of railways which now gives direct connection with St. John. From the town of Edmundston the railway will proceed eastward to the town of Moncton; it is impossible to say at this moment by what route, perhaps by Chipman, or in the vicinity of Chipman. At all events, from this point it is impossible exactly to locate any precise line, or to say where it will be ultimately. Suffice it to say that we desire to have the best and the shortest line between Lévis and Moncton. This is the line which would have been adopted in 1867, but in 1867 the settlements within the territory which will be covered by this line were few and far between. If there were any at all they were certainly very few in number. But, that condition of things has been changed since. The surplus of population north of the chain of mountains has overstepped the mountains, and is to be found upon the other side. They have occupied the fertile valley which is now rapidly settling up. New farms are being established, new parishes are springing up and, therefore, this is our justification, for this road will serve a local as well as a national purpose. But, we will be told—we have been told already—that by building such a line we are paralleling the line of the Intercolonial Railway. I have already taken issue with my late colleague the ex-Minister of Railways and Canals (Hon. Mr. Blair), and once more I beg to take issue with him upon this point. If you will look at the map you will perceive that the Intercolonial Railway, when it leaves the station at Halifax, proceeds almost directly in a straight line to the head waters of the Bay of Fundy, which it reaches at Truro. From Truro the line proceeds in an almost due west course to Moncton. From Moncton it strikes northward to the waters of the Baie des Chaleurs. Upon reaching the waters of the Baie des Chaleurs, it hugs the shore very closely until it comes to the confluence of the Restigouche river. At the Restigouche river the line strikes northwards again and follows the waters of the St. Lawrence river to Chandlère Junction, a little west of Lévis. Thus, the line makes a long loop towards the north, it describes almost a complete semicircle, and the distance cover-

ed by it is no less than 488 miles. If it were possible to have a line of railway in a direct course from Lévis to Moncton it would be possible, I believe, without any exaggeration, to abridge the distance almost one-half, but, unfortunately, and I say it frankly to the House, it is not possible to have an absolutely direct line, or the shortest line possible between Moncton and Lévis, and if you will know the reason, you will find it at a glance at the map, and you will find it in the blunder which was made by British Diplomacy in setting our boundary line by the Ashburton Webster treaty. No one can look at that map, without feeling a sentiment of rage, almost akin to indignation. But, it is no use to go back to what has been done. We have to take facts as they are, we have to submit to the inevitable and to the fact that the boundary line of the state of Maine has been projected through our territory within a distance of about 45 miles of the St. Lawrence. We have to follow the line of the state of Maine, and following that line we believe we can abridge the distance between Moncton and Lévis by from 120 miles to 140 miles. Between these two lines of railway, the one extending northward along the shore of the St. Lawrence, and the line which is now laid down on the map, there will be a distance at every point of at least 30 miles, and at some points of at least 75 miles. It is impossible, under these circumstances, therefore, to say that the second line will parallel the Intercolonial Railway. First of all, how can we say that the line is parallel at all? What is the definition of a parallel line? I could not conceive that one line is paralleling another because they start at the same point and end at the same point, but they only become parallel lines when it is possible for the people living between these two lines to use either the one or the other of them. This is a condition which does not apply to the present line which we are contemplating. There will be a distance of 30 miles, which alone would prevent communication from one to the other, but, in addition to that, between these 30 miles, there is a chain of mountains which it is very difficult for people to overcome. Therefore, I say it cannot be fairly stated that this line is going to parallel the line that we already have in existence. I stated a moment ago that the line of the Intercolonial Railway was placed where it is for political reasons. Certainly, those who built that line, those who conceived it, those who planned it, never contemplated at the time that the day would ever come when it would be used for transcontinental transportation, yet, scarcely had the last rail been put down, scarcely had a train commenced to run upon it when it was discovered that the long, tortuous meanders of the line were a serious impediment to trade, even to the comparatively small trade

of the Canada of that day. An agitation immediately commenced in the maritime provinces, in the province of Quebec and even westward in the province of Ontario, to have a shorter line built between the centre of confederation and the eastern ports of Canada. Those who were in the House of Commons in the years 1880, 1881, 1882, 1883 and 1884 will remember that almost every session allusion was made to the fact that the Intercolonial Railway could not serve the purposes of the growing traffic of Canada, and that we had to find a shorter line of railway than we then had. The feeling became so acute, the agitation became so strong, that the government of Sir John Macdonald had to give heed to it, and in 1884 the following resolution was introduced by Sir Charles Tupper, then Minister of Railways and Canals:

SIR JOHN A. MACDONALD AND SIR CHARLES TUPPER.

For the construction of a line of railway connecting Montreal with the harbours of St. John and Halifax, by the shortest and best practicable route, a subsidy not exceeding \$170,000 per annum for fifteen years, or a guarantee of a like sum for a like period, as interest on bonds of the company undertaking the work.

Mark the language of this resolution.

For the construction of a line of railway connecting Montreal with the harbours of St. John and Halifax, by the shortest and best practicable route.

There was an admission that the line of the Intercolonial Railway was not the shortest and best practicable route, that it could not serve the purposes of the growing trade of that time, but, strong as is the admission contained in the resolution, it is perhaps still better that I should give the commentaries made on that occasion by Sir Charles Tupper himself to illustrate and develop the thought that is there contained. He said:

Then a very strong feeling has grown up in the maritime provinces, and not only in the maritime provinces, but throughout Canada, because I believe that from British Columbia down through the North-west Territories, through the province of Ontario, and in the province of Quebec, there has been a strong and general sentiment that this great interoceanic line of the Canadian Pacific Railway would be incomplete if we were obliged to have our Atlantic terminus in a foreign country. I believe the sentiment is not at all confined to the provinces of Nova Scotia or Prince Edward Island, or the province of New Brunswick, but I believe it has taken just as deep a hold of the minds of our friends of the other provinces almost as it has in the maritime provinces. Although every effort has been made to render the operation of the Intercolonial Railway as successful as possible, although more has been accomplished in the development of the country, in the development of the trade and business of the country, through the agency of the Intercolonial Railway than any person on either side of this House a few years ago supposed to be possible, still we

have found we were too heavily handicapped by the distance, and that we could not, reluctantly as we are driven to the conclusion, we have been driven to the conclusion by the force of circumstances and by the practical results, that it is impossible for the ports of St. John and Halifax to compete with the nearer ports of Portland and Boston, in the United States.

Under these circumstances, the attention of the government has been drawn, as I have said on one or two occasions before in this House, to the best means by which we might secure a realization of that which we all desire, the Atlantic terminus being in Canadian territory as well as the Pacific terminus, and thus be placed in a position to fairly compete for the transcontinental trade and traffic that we all know must flow over that line.

I have stated the position in which this question stands from its national or larger point of view, and I believe I may confidently rely not only upon the kind support of our friends on this side of the House for carrying out a measure which has been considered by the government in all its aspects and in all its bearings with a view to the promotion of the best interests of the country, but I believe I can rely with equal confidence upon the support of gentlemen opposite in carrying out what we all recognize as most important, making a complete line of communication through Canada, and enabling us to have the great ocean termini on the Atlantic as well as on the Pacific within our own borders.

From Montreal, Halifax will be brought within 672 miles, and it is found practicable to obtain a line which will bring the port of Sydney under the effect of this subvention, within 774 miles. There will thus be saved in the present distance from Montreal to Sydney 219 miles, in the distance from Montreal to Halifax 173 miles, and the distance to St. John will be reduced 159 miles. I have only to read these figures to the House, in order to show that the government, in asking for this aid in extending practically the terminus of the Canadian Pacific Railway, involving as it will the transport of the traffic of both the Grand Trunk Railway and the Canadian Pacific Railway down to our own coasts, and our own ports in the maritime provinces, are asking aid which will, without any question, assure the completion of that work. I have already stated that it is proposed that this shall not only be the shortest line to Montreal, but the shortest line to Quebec.

In fact I believe that, within a very brief period—I have stated four years as the term of these resolutions—this line of communication will be perfected and we will have the satisfaction of finding that we have the complete realization of our hopes and expectations in reference to the transcontinental traffic of the Canadian Pacific Railway being brought down to our own ports. The questions with which I have been dealing up to this point, of course, are based upon broad and national considerations. They are founded upon a policy that is recognized and has been recognized from the first as the first duty that we owed to the country, and that is to be obtained by the construction of a national line of railway the closest possible intercommunication between one section of our country and another. The great disadvantage under which Canada has laboured, if it may be regarded as a disadvantage, was the remoteness of important sections of our common country from one another, and we have all

regarded it as a first duty we owed to the country to endeavour to remove and obviate that as far as possible by diminishing the distance between all the important points of communication in the several sections of our country, thus bringing them as closely as we could together. Not only commercially but socially, the greatest possible advantage may be fairly expected from shortening the distance of intercommunication between the great commercial centres of the country and the outlying portions of it.

Now, Sir, in this long extract which I have read from that important speech of Sir Charles Tupper, the central idea is that the mode of communicating with the maritime ports over the Intercolonial Railway was inadequate on account of its abnormal length, and that it was the duty of the Canadian parliament and the Canadian people to at once provide for a shorter route of communication between the west and the east. This policy was never dissented from; it was accepted immediately. But, I would call the attention of the House to one thing which is noticeable, which perhaps has escaped the attention of gentlemen on the other side, but which did not escape our attention when we were sitting on that side—it is noticeable that whilst Sir Charles Tupper lays great stress upon the fact that our national harbours must be upon Canadian territory and that we should have a shorter line of railway between St. John and Halifax he specially avoided any reference to the equally great necessity that that line of railway should be on Canadian territory.

Some hon. MEMBERS. Hear, hear.

The PRIME MINISTER. Sitting as we were on the opposition side of the House we were not slow to point to this omission. We called the attention of the government to it, and as we received no satisfaction, then I, sitting in the seat now occupied by my hon. friend from Jacques Cartier (Mr. Monk), moved the following amendment because we had reason to believe as it actually turned out to be true afterwards, that it was the intention of the government of that day not to build the short line of railway upon Canadian territory but upon American territory. I moved:

WHEN IN OPPOSITION.

That the said resolution be not now read a second time, but that it be referred back to a Committee of the Whole with power to amend the same by providing that the route for the line of railway connecting Montreal with the harbours of St. John and Halifax, for which a subsidy of \$170,000 a year for 15 years is provided, should be subject to the approval of parliament.

I am sorry to say that this motion was defeated. If it had not been defeated, if the policy which was there enunciated had been implemented, probably it would not be my duty to-day to ask this House to vote

money for the building of another line between Quebec and Moncton, for the line would have been built on the very ground where we now propose to locate it. However, the motion was defeated. And in order to obtain the majority of parliament to vote against this motion, the government had to promise and it made the promise on the floor of this House, that during the recess between that session and the following session, surveys and explorations would be made by competent engineers to discover if we could not have a better route than the one which was indicated as we understood, across the state of Maine. During the recess in the summer of 1884 several exploring parties went out and their reports can be found in a return which was brought down in the session of 1885 being a:

Return to an Address (Senate) presented to His Excellency the Governor General, dated the 17th March last; praying His Excellency to cause to be laid before this House copies of the reports of the various surveys made by engineers under the direction of the government for a line of railway connecting Montreal with the harbours of St. John and Halifax by the shortest and best practicable route including the reports of Messrs. A. L. Light and Vernon Smith on the lines surveyed by them, respectively, running up the valley of the Etchemin river and from Canterbury, N.B., to the northern end of Chesuncook Lake, in the state of Maine.

In the session of 1885, the government came down with the policy which had been foreshadowed the previous year, that is the policy to build a short line of railway, not upon Canadian territory but across American territory, in the state of Maine. The resolution was introduced by Sir Charles Tupper and it was in these terms:

Also for a line of railway connecting Montreal with the harbours of St. John and Halifax via Sherbrooke, Moose Head Lake, Mattawamkeag, Harvey, Fredericton and Salisbury, a subsidy not exceeding \$80,000 per annum for 20 years, forming in the whole, together with the subsidy authorized by the Act 47 Vic., cap. 8, a subsidy not exceeding \$250,000 per annum, the whole of which shall be paid in aid of the construction of such line for a period of 20 years, or a guarantee of a like sum for a like period as interest on the bonds of the company undertaking the work.

Well, Sir, we took strong exception to this policy and that exception was formulated in an amendment which I myself moved from the opposition benches and which was in these words:

In the opinion of this House, additional surveys are requisite in order to a sound decision for the short line railway, and it would be premature to adopt any line before further surveys have been made.

The surveys which had been made had not been complete. The line was simply surveyed in a portion of the province of Quebec and very little in the province of New Brunswick. We therefore demanded before

the policy was adopted to run that line of railway across the state of Maine, that new surveys should be made so that we might come to a better understanding of the question and arrive at a more proper decision. Again, I am sorry to say, this motion was voted down and the policy was adopted of building the short line of railway across the state of Maine. Now, Sir, it has been more or less in the air for the last twenty years that the government of Sir John Macdonald assented very reluctantly to the policy of building the short line of railway across the state of Maine. There has been a tradition in the air for a great many years that that policy was imposed upon the government by a gentleman who was then a very powerful member of the administration. As to that, however, I have nothing to say. Whatever may have been the reason, the policy was adopted of building the short line of railway across the state of Maine. Now, Sir, in the resolution which I have just read to the House, I want at this moment to call attention to a particular phase of it.

The resolution called for a line of railway connecting Montreal with the harbours of St. John and Halifax, via Sherbrooke, Moosehead, Lake Mattawamkeag, Harvey, Fredericton and Salisbury. It was supposed that these words, Harvey, Fredericton and Salisbury has been inserted in order to give a shorter route to Halifax. I ventured at the time, in the speech which I delivered in support of my motion, to point out that these words seemed to be an after-thought. I did not believe that they were genuine. I supposed that they were a blind, and I expressed my opinion accordingly. The suspicion to which I gave expression called for an answer from the government which was given by Sir Hector Langevin, and it was in these words:

Well, I am sure the hon. gentleman will be pleased to hear the declaration which the government makes through me, that in the arrangements to be made with the company to build the railway, to take advantage of this vote of money, of \$250,000 during twenty years, the government will take care to secure the completion of the railway, not only to Mattawamkeag, but also to Salisbury, and if that is not secured, there will be no subsidy given. We must act in good faith; the faith of parliament is pledged, and we must take care that that money is employed as parliament wishes.

These were very strong words; but it turned out afterwards that my suspicions were correct, and that these words were introduced simply as a blind, because this promise, which was made solemnly on the floor of parliament, and to which the faith of parliament was pledged, never was implemented; and the line through Harvey, Salisbury and Fredericton has not been built to this day. Whatever may have been the reasons which militated against the government implementing that promise so solemnly made—made with all the sacredness which ought to attach not only to the

word of the government, but to the word of parliament—whatever may have been those reasons, I do not know; but some years later (it took four or five years to complete the line by way of Sherbrooke and Mattawamkeag), about the time that road was completed, in the session of 1880, Sir John Macdonald, under the strong pressure which was brought to bear upon him by the parties whose interest it was to have this railway built from Harvey to Fredericton and Salisbury, introduced into this House a resolution to the following effect:

That it is expedient that a railway should be constructed as a government work, between a point of junction on the New Brunswick Railway, at or near Harvey, in the province of New Brunswick and a point of junction with the Intercolonial Railway at or near Salisbury, in the said province, or somewhere between Salisbury and Moncton, and that the sum of \$500,000 be granted towards the construction of the said railway.

This was another effort to implement the solemn promise which had been made on the floor of parliament. That Bill passed this House. The resolution was introduced, adopted, and put in the shape of a Bill, which was sent to the Senate. But that happened in the Senate which rarely happened in those days; the Senate rejected the Bill thus solemnly introduced by the government. Whatever may have been the reasons, whatever may have been the whispers in the ears of senators, whatever may have been the influences which caused the Senate thus to rebel against the policy of the government, it is not for me to say; I have no particulars on this point to offer. But certain it is that in the following year a company was formed, known as the St. Lawrence and Maritime Provinces Railway Company, which tradition says was acting under a tacit understanding between the Grand Trunk Railway Company and the government of Sir John Macdonald for the construction of a line of railway from the town of Edmundston to Moncton. If that railway had been built, it would have provided a shorter line of communication by way of Halifax, Moncton, Edmundston, and Rivière du Loup. The line was surveyed, and I have the report of the engineer in charge, Mr. Davy, who said that a good line could be found between Edmundston and Moncton. Here is his language:

The total length of the line surveyed from Grand Falls to Berry's Mills was 166 miles, and adding thirty-six miles from Edmundston to Grand Falls, and seven miles from Berry's Mills to Moncton, the total distance from Edmundston to Moncton would be 209 miles, which would make the distance from Montreal to Halifax, by the Grand Trunk, to Chaudière Junction, the Intercolonial to Rivière du Loup, the Temiscouata Railway to Edmundston, and the proposed line to Moncton, and thence by the Intercolonial to Halifax, 759 miles in all.

If, however, the line from the Grand River north of the Elison Range, which, as I have al-

ready stated, I explored myself and with an assistant engineer, be adopted, a saving of distance of at least ten miles would be obtained, and the improvement of the line at the de chute River, recommended by Mr. Cranston, would also affect a saving of distance, so that, in my opinion the total length from Edmundston to Moncton may be reduced to 199 miles, or 749 miles from Montreal to Halifax. Time did not allow for our making a complete survey of the line by these alternative routes at the two points I have referred to, but I believe that when made it will result in the saving of distance already stated.

However, Sir John Macdonald died shortly afterwards, and the scheme fell through.

THE LIBERAL POLICY.

Now, Sir, the policy which we propose, apart from all other considerations, may be taken as a step, tardy though it be, to implement the solemn pledge which was made in 1835. I confess, Sir, that perhaps this of itself would not be a sufficient reason, though in one respect it ought to be a sufficient reason; because, if there is one thing as to which the parliament of Canada ought to be firm, it ought to be that the solemn word of parliament is sacred, and that every promise made by parliament should be implemented.

But, Sir, there is another consideration of a far more important character than this, to which it is now my duty to call the special attention of parliament. When Sir Charles Tupper in 1835, speaking from the place from which I now speak, stated that the Intercolonial Railway, located as it was, could not perform the service we expected from it, that it could not give thorough satisfaction in the way of providing transportation for the growing trade of Canada, he stated a proposition to which, no exception was taken to it then, no exception can be successfully taken now. But, Sir, there is something more than that. When Sir Charles Tupper stated also at that time that it was essential to the welfare of the people of Canada that the terminus of any transcontinental railway that we might have should be in Canadian territory, in Canadian waters, he simply voiced what is the conscience of the Canadian people. I am sorry that Sir Charles Tupper did not with equal firmness insist that not only should the terminus be in Canadian territory, in Canadian waters, but that the route itself should be in Canadian territory. When he agreed that the line should be in American territory, Sir Charles Tupper went back on the heart and conscience of the Canadian people.

Now, Sir, we lay it down as a principle, upon which we are to be judged by friend and foe, that we are to have a transcontinental railway, that its terminus must be in Canadian waters, and that the whole line, every inch of it, must be in Canadian territory. We say further that such a line is a

necessity of our commercial independence. Sir, I am surprised at the levity displayed by some hon. gentlemen on so grave a question. What have you to say to-day to this? What are your minds running to when you have facts staring you in the face which show you that at this moment Canada is not commercially independent of the United States? What is our position to-day? From the early days of railway development of this country, we have been dependent on American good-will for the transportation of our goods across American territory. From the early days of Canadian railway development, we have been forced to make use of American territory and harbours. The American government granted us the bonding privilege. They granted us the privilege of using their harbours for our imports and exports without paying them tolls and customs dues. But my hon. friends opposite are aware that this privilege has always been held over our heads by the American authorities as a sword of Damocles. My hon. friends on the other side are aware that the abrogation of this privilege has been used again and again as a threat to obtain from us concessions. Why, Sir, it is only last week that an American citizen of great influence wrote a letter to the London 'Times,' in which he reviewed the policy we have offered to the British government. When in England last year, the Canadian ministers at the intercolonial conference made this proposition to the British authorities:

The Canadian ministers stated that if they could be assured that the imperial government would accept the principle of preferential trade generally and particularly grant to the food products of Canada in the United Kingdom exemption from duties now levied or hereinafter imposed, they would be prepared to go further into the subject and endeavour to give to the British manufacturer some increased advantage over his foreign competitors in the markets of Canada.

OPINIONS OF UNITED STATES PRESIDENTS AND OTHERS.

This policy is to-day attracting the attention of the civilized world. It is being submitted to the British electorate, and it is this policy which is reviewed by an American citizen, Mr. Andrew Carnegie, in the great exponent of public opinion in England, the London 'Times.' Mr. Carnegie states the reason why the British public and the Canadian electors cannot give heed to this policy which I have just outlined, cannot go forward with it, cannot undertake to give the British people a preference in return for a preference from them, because the American citizen has a weapon in his hands which he can bring down upon the head of the Canadian people, and that weapon is the bonding privilege. Mr. Carnegie, in a letter, which I find summarized in

some newspapers, uses this very striking and significant language:

A word from the president cancels the privileges now generously extended to Canada of reaching open American ports through American territory with all her exports and imports free of duty for five months in the year when her own ports are ice-bound. She sees the privilege all the year. President Roosevelt is the last man I could think of who would hesitate a moment to say the word, but even he and all his cabinet would be powerless to resist the imperious demand that at least we should not furnish the weapon that enabled another power to wound us. The withdrawal of the privilege given to Canada would probably be sufficient to satisfy Great Britain that the American people were in earnest. Negotiations would soon begin, and the privilege so rashly distributed would be restored. Simultaneously peace would reign, but the bitterness created would remain for years to retard the return to the present unusually cordial relations so wantonly impaired.

Let me observe that if we have used American ports, it is not because for five months in the year our own ports are ice-bound. Everybody knows that our ports in winter are just as open as the American harbours. Everybody knows, except Mr. Andrew Carnegie and the hulk of American public opinion, that if we have used American ports and the bonding privilege, it was not because our harbours were ice-bound in winter, but simply because we had no railways to reach them. In the face of this, are the Canadian parliament and people going to stand on their manhood and place us in such a position that at all times of the year, not only by one railway, but by two or more, we shall have access from January to December to our own harbours, and be able to say to our American neighbours: 'Take off your bonding privilege whenever it suits you, we are commercially independent.'

Hon. gentlemen opposite may ask: Who is Mr. Andrew Carnegie, he is simply an American citizen, he is not speaking for the nation? Sir, when men speak, who are in the position of Mr. Carnegie, we must take it for granted that they know something of the public opinion of their country. We know that Mr. Carnegie, unfortunately, is not voicing his own opinions alone, but the opinions of a large section of the American people, because the ideas to which he has given expression have been again and again expressed in the American press. We cannot take a step to better our position, to improve our trade, but we are told from the American side that we had better look out, because, forsooth, the bonding privilege will be taken from us. When, in 1866, Sir Charles Tupper thought of asking for tenders for the fast Atlantic service—a thing with which, after all, the American public have nothing whatever to do, a thing which is purely a measure of domestic concern—we were told by the American press that if we dared to go on with that project, the

bonding privilege would be removed. The New York 'Sun,' which is an American of Americans, and a good exponent of American public opinion, which voices the sentiments and even the prejudices of the American people—and I do not use the word 'prejudice' in an offensive sense, because prejudices are sometimes only the exaggeration of a noble feeling, and I do not blame any one for having prejudices in his heart, they being frequently the result of education and other circumstances—but the New York 'Sun,' speaking of the project of a fast Atlantic service between England and Canada, made use of the following language:

The route by the new steamship line from Liverpool to Halifax and thence by Canadian Pacific Railway to Chicago would be shorter than the route to and through New York, and hence its advantages are obvious. Goods and merchandise would be carried from Halifax to Quebec through American territory and protection of the bonding privilege, and accordingly the Canadian Pacific Railway would be able to profit largely by their transportation westward.

Here is a condemnation of the policy which had been adopted a few years before, of having the Canadian Pacific Railway built across the state of Maine:

The privilege thus conferred by us is already essential to the prosperity of that company. This road could not run without it. The Canadian Pacific Railway therefore lives and prospers by our assistance and direct assistance. We furnish it with feeders and traffic essential to its existence; yet it was built and is maintained as a military road along the northern border, and as a tie binding together in political combination, the widely separated Canadian provinces with a view to the strengthening of the Dominion against us in the event of a war with England. This military and political road, sustained by American bounty in the form of bonding privilege, is consequently a permanent menace to us. Its very existence is a distinctly hostile demonstration.

Will our government furnish the new steamship line with what amounts to another subsidy, and insure the prosperity of the military and political road by continuing to grant the bonding privileges, which Canada is already using to the disadvantages of our own railroads?

Sir, I am told, and perhaps I may be told again: This is simply the opinion of a journalist. Why, Sir, if the expression of this opinion only came from private citizens, as Mr. Carnegie, if it were confined to newspapers, as the New York 'Sun,' perhaps we might pass lightly over it and not feel much apprehension upon the subject. But what will you say when I bring to your attention the expressions of the highest in the land, of those in authority, of those who are in a position to speak for the American government and the American people? What will you say when I bring you messages of presidents of the United States and reports from the American Senate? In the month of August, 1883, President Cleveland sent the following message to Congress:

The value to the Dominion of Canada of the privilege of transit for their exports and imports across our territory, and to and from our ports, though great in every respect, will be better appreciated when it is remembered that, for a considerable portion of each year, the St. Lawrence river, which constitutes the direct avenue of foreign commerce leading to Canada, is closed by ice.

During the last six years the imports and exports of British Canadian provinces carried across our territory under the privileges granted by our laws, amounted in value to about two hundred and seventy millions of dollars, nearly all of which were goods dutiable under our tariff laws, by far the larger part of this traffic consisting of exchanges of goods between Great Britain and her American provinces brought to and carried from our ports in their own vessels.

The treaty stipulation entered into by our government was in harmony with laws which were then on our statute-book, and are still in force.

I recommend immediate legislative action conferring upon the executive the power to suspend by proclamation the operation of all laws and regulations permitting the transit of goods, wares and merchandises in bond across or over the railways of the United States to or from Canada.

This was the language, the peremptory language of the president of the United States. Now, it is, perhaps, not out of place, nay, it is extremely important, to make clear what was the cause which brought President Cleveland to hold such a threat over our heads? The cause was the fact that we would not agree—the Canadian government, the Canadian people, would not agree—to the abrogation of the Fisheries Convention of 1818. Under the convention of 1818, American fishermen are granted certain privileges in Canadian waters. They are allowed to make use of the shore of Nova Scotia and New Brunswick for certain purposes—for wood, water, repairs and shelter. They are not allowed to make use of that coast to buy bait or to land their fish. The Americans have applied to us again and again for these two privileges, the privileges of buying bait in Canadian territory and the privilege of landing their cargoes of fish. We have refused, unless we were given some compensation. We have always been ready to negotiate with them. We have told the American fishermen again and again: We will share with you our advantages, if you will share with us your advantages. On the coast of Nova Scotia, we have a basis for the operations of fishermen, and Canadian fishermen have the advantage that they can use the coast to supply themselves with bait and to land their cargoes of fish. The American fishermen have the advantage of having a market in their own territory. We have told them again and again: Yes, we are ready to agree with you; give us the opportunity of sharing with you your market, and we will give you the privilege of sharing with us the advantages of our base of operations. That was a fair proposal.

But it never was acceded to, it never was accepted. But, because we would not agree to give away our birthright, we were threatened by President Cleveland with the withdrawal of the bonding privilege. Nor is that all. A few years afterwards, in the session of Congress of 1892, a report was brought down to the Senate from the Committee on Interstate Commerce again dealing with the bonding privilege. This time, the reason why this threat was held over our heads was, not on account of the fishery question, but on account of the railway question. The American railways wanted to have certain privileges upon our territory that we were not prepared to give them; and, because we would not give them these advantages, because we were not ready to make the soil of Canada, for railway purposes, part of the territory of the United States, again we were threatened with the removal of the bonding privilege. This was the conclusion of the report I have referred to:

The committee therefore recommend that either such a license system shall be established as will be applicable to the Canadian railroads doing business in the United States, or that some other plan, not injurious to the general trade and commerce of the country, be adopted which will secure to American railroads an equal chance in competition with Canadian railroads. Such action, in the judgment of the committee, is in the interest not only of American railroads, and especially American trans-continental lines, but in the interest of American commerce and of the general prosperity of the American people.

Even that was not all. In the following year, President Harrison again approached the subject, and again approached it in the same hostile spirit, and approached it, as the committee of the Senate had done, from the point of view of American railways. He made the following recommendation to Congress in a message dated November, 1893:

The statutes relating to the transportation of merchandise between the United States and the British possessions should be the subject of revision. The treasury regulations have given to these laws a construction and a meaning that I do not think was contemplated by Congress. A policy adapted to the new conditions arising in part out of the construction of the Canadian Pacific Railroad, should be declared, and the business placed upon a basis more just to our people and to our transportation companies. If we continue the policy of supervising rates and requiring that they shall be equal and reasonable upon the railroads of the United States we cannot in fairness at the same time give these unusual facilities for competition to Canadian roads that are free to pursue the practices as to cut rates and favoured rates that we condemn and punish if practised by our own railroads.

I regret that circumstances prevented an earlier examination by me of these questions, but submit now these views in the hope that they may lead to a revision of the laws upon a safer and juster basis.

AN ALL CANADIAN ROUTE.

Fortunately, Sir, up to this moment, we have escaped the danger with which, on repeated occasions, we have been threatened. But, Sir, what would happen if at any moment there should come one of those frenzies, one of those periods of excitement which we have seen sometimes amongst nations, the American nation included? At any moment we may be deprived of the bonding privileges which we have had up to the present. The only way whereby we can contemplate such a contingency with equanimity is to provide against it, and to have upon our own territory all the facilities by which we can get access to our own harbours. Sir, our relations to-day with our American neighbours are friendly; they were never more so, and I hope they will so continue. For my part—I never made any secret of it—I have the greatest possible admiration for the American people. I have always admired their many strong qualities. But I have found in the short experience during which it has been my privilege and my fortune to be placed at the head of affairs, by the will of the Canadian people, that the best and most effective way to maintain friendship with our American neighbours is to be

ABSOLUTELY INDEPENDENT OF THEM.

These are the reasons why we apply to parliament to give its countenance to the policy which I have outlined, a policy which will give to this new Transcontinental Railway its terminals in our own harbours, and an all-Canadian route to reach them.

Now, Sir, let me call your attention to some of the objections taken against this proposition, which we have seen and heard in the press? They tell us: If you build this railway right through you will injure the Intercolonial. Sir, I do not admit that we would injure the Intercolonial, because I have no doubt and I submit it to the judgment, the intelligence and experience of every man in this House, that there will be trade and business enough coming from the west, not only for one road but for two roads, if not more. But, after all, I say to our friends on the north shore who may perhaps feel that the Intercolonial might be prejudiced by this new line, that there is nothing to be feared in this respect, because the new road will not prejudice the constituency which is served by the Intercolonial; the business of the new road will be created by the road itself, it will be a business which is not in existence to-day. Again, let me say this to the members of the House, and I submit it to the Canadian people as well, that even if the Intercolonial were injured to some extent, were to lose some traffic, let me ask this question: Does the Intercolonial exist for the Canadian people or the Canadian people for the Intercolonial? Are we to

be told that if we made an error we cannot correct it, if we injure somebody we cannot repair the injury? Sir, are we to be told that if we are to have traffic from the east to the west, the people of the west must not have the benefit of the shortest route, or that the people of the east must not have the benefit of this western line? No, Sir, if it comes to be a question between the management of the Intercolonial and the interest of the Canadian people, we leave the issue in perfect confidence to the judgment of the Canadian people.

Now, Sir, I have to pass to another point of this scheme. The public has been made aware already, by the correspondence which has been exchanged between myself and my hon. friend the late Minister of Railways and Canals, that it is proposed to divide this line of railway which is to extend from Moncton to the Pacific ocean, into two sections. One section, that from Moncton to Winnipeg, is to be built by the government; the other section, that from Winnipeg to the Pacific ocean, is to be built, owned and operated by a company. I know that this policy has already been the subject of much criticism. We are told that we are keeping to ourselves the unproductive portion of the road, while we are leaving to a company the productive portion of it. This criticism might have a good deal of force in it if we were ourselves to operate the line which is to be built by the government. But we have made a contract whereby this line is to be operated, not by ourselves, but by that company, which agrees to pay us a rental at the rate of three per cent per annum upon cost of construction. Therefore, let our friends on the other side of the House, and let our friends on this side of the House also, take note of this fact, that with the exception of a few years of interest, to which I shall allude later on, we shall have this portion of the railway built by the government from Moncton to Winnipeg without the cost of one dollar to the Canadian people. We shall have to advance the money, and we shall have to pay interest upon it, but we shall receive interest upon it at the same rate; so that whatever we give with one hand we shall receive back with the other. To this extent there is no risk whatever assumed by the Canadian government or the Canadian people.

But, why did we keep this section of the road in our hands? Why did we not give it to the company to build as the other section? We did it because we want to keep that section of the line which is to be the exit of the productive portion of the west, in our own hands so as to be able to regulate the traffic over it. The prairie section will be teeming with business, as we know; it will be teeming with activity, as we know. Already there are three lines of railway, the Canadian Pacific Railway, the Great

Northern and the Canadian Northern; and this one will be still another. Other roads are also going to be built there to meet the increasing wants of the people. The Canadian Pacific Railway has its exit on the north shore of Lake Superior; those other railways have no exit. It is our intention that this road shall be kept and maintained under our supervision, so that all railways may get the benefit of it, so that the Canadian people may not be compelled to build another road across that section of country. This is the reason why we have adopted a policy which I shall supplement later on by other explanations.

WILL CREATE TRADE.

Now, I will be asked: Why do you not retain also the western section? Why do you not continue building by the government the railway from Winnipeg to the Pacific ocean? We came to the conclusion to have that railway built and operated by a company for the reason that we do not believe, under existing circumstances, and for many years, perhaps for many generations to come, it will be possible, with such activity as may be developed in that section of the country, successfully to operate it as a government road. I may be biased and prejudiced on this question. I formed my opinions some years ago, and perhaps I may be permitted to relate a personal experience which went far to form my own conviction in this regard. In the fall of 1896, Mr. J. R. Booth, of this city, invited me to visit his railway, the Canada Atlantic Railway, which was then in process of construction. I accepted the invitation. The road had been built almost to the shores of the Georgian bay, perhaps within half a mile of it. When we left the train we walked to the shore of the lake, a bleak shore with not a building upon it. Mr. Booth said: this is the terminus of my railway. I asked Mr. Booth: Where is the trade to come from? His answer was: 'I have to create it, I have to collect it from Port Arthur, from Duluth, from Chicago and from both sides of the lakes. I will have to build elevators, I will perhaps have to buy wheat in order to furnish trade to my railway.' Then, I say, it dawned upon me that no government under such a condition of things, with everything to create, could successfully operate a railway in a new country like that. When this railway is taken to Port Simpson, there will be the same thing which I found on the Georgian bay in 1896—a bleak shore with nothing upon it. Everything will have to be created. Wharfs, warehouses and sheds will have to be built, elevators will have to be provided, branch lines will have to be constructed, possibly hotels may have to be built and managed, steamships will have to be built or chartered and trade will have to be brought from all points of Asia. Would any one tell me that government

management, under such circumstances, could do justice to the undertaking in such a big question as that? Would any one tell me that the management, even were we to put it in the hands of a commission responsible to parliament, having to come here for appropriations for this and for that, would have that elasticity which would be a condition essential to the successful management of such a road? Would parliament be willing to give power to the Minister of Railways and Canals, or to the commission, to build or acquire steamships, or would parliament give power to send agents across to the coast of Asia, to Japan, to China and elsewhere to collect trade? Would parliament, in its disposition, as I have known it for many years, be willing to give the government power to go into the business of hotel keeping and hotel building? I doubt it, and for all these reasons we have come to the conclusion that it is better and preferable in every possible way that such a railway should be built and operated by a private company. Now, I shall come to this subject again, at a later period in my remarks.

A NATIONAL CHARACTER.

It is about time that I should touch upon another branch of the subject. An accusation has been made against us, which, perhaps, may have caused some uneasiness and trepidation among those who do us the honour to give us their support in this House and out of it, and which would have been serious enough if there had been in it any basis of truth. But, I am happy to say that for that charge as for many others, there is not even a shadow of foundation. It has been stated and restated in all possible tones from the plaintive wail to the indignant protest that we are launching into railway construction of gigantic magnitude, through a country of which we know absolutely nothing, and without taking the usual elementary precaution of having a previous exploration. I say again there is not a shadow of truth in this charge as I shall show later on. But, before I proceed any further, let me say that the conception which we have of this work which we are now contemplating is very different from the conception entertained of it by some of our critics. Most of our critics look upon this scheme simply as a commercial venture to be judged by the only rule of profit and loss. We look upon it as a work of a national character necessitated by the status of Canada in the year 1903, just as the Intercolonial Railway was necessitated by the status of Canada at the opening of confederation, and just as the Canadian Pacific Railway was necessitated by the status of Canada a few years after confederation. Sir, when the conference met in 1864 which laid down the basis of confederation, it passed a resolution affirming

the necessity of the immediate construction of the Intercolonial Railway. It passed this resolution without waiting to have surveys and explorations of the ground to ascertain whether or not all parts of this railway would be equally productive. It passed this resolution as it conceived it to be a work of political necessity, and if it was a work of political necessity it had to be built, cost what it might. When, a few years later, upon the accession of British Columbia to this confederation, the government of the day pledged themselves, and wisely pledged themselves, in favour of the building of a highway across the Rocky mountains, in order to bind the new province by the Pacific to the rest of the Dominion, they did it although they supposed that all sections of the country would not be equally productive, but they did it in the faith that the weaker sections would be carried by the stronger sections. If our conception of this railway is the correct and true one, as we contend it is, that it is a work of a national character, then, it follows that this railway has to be built from ocean to ocean to connect the tidal waters of the Atlantic with the tidal waters of the Pacific though we know in advance, though we are sure that all sections of it will not be equal in fertility, in resources and in productiveness. In that consideration alone there would have been cause sufficient for us to go on with this work without any previous explorations, but I have to say this more that we have a wealth of information on this subject. We have more information upon this scheme than ever was possessed by former governments when they decided upon the Intercolonial Railway or the Canadian Pacific Railway. I do not expect even the most fastidious of our critics will ask us that we should have had an exploration across the prairies. They are satisfied that we have enough information now to deal with this question so far as the prairies are concerned.

COMPLETE INFORMATION.

But, I shall be asked: What about the Rocky mountains? My answer in regard to the Rocky mountains is that we have mountains of information. We have mountains of books, pamphlets and reports—books, pamphlets and reports from traders, from explorers, from engineers. From the early days, when the French settled upon the shores of the St. Lawrence, the constant aim of those hardy pioneers was to reach that western sea now familiar to us, at that time unknown, and which inspired the awe of everything unknown. Samuel de Champlain devoted years to the task in the hope of finding a passage to the sea. Robert Cavalier de La Salle lost his life in the attempt. Another man, LaVerendrye, took an overland journey to reach it by exploring the prairies, and his two sons, on the

1st January, 1748, were the first Europeans to cast eyes upon the Rocky mountains. LaVerendrye himself lost his life like Robert Cavalier de La Salle in the attempt to get to the Pacific ocean. After the country had passed under the sovereignty of the British Crown the task was resumed by Scotch traders established in Montreal, and in 1793, Alexander Mackenzie was the first white man to reach the Pacific ocean across the mountains by the overland journey. Many private individuals subsequently attempted and performed the same feat. The last of them was Captain Butler, of the British army, who in the winter of 1872 crossed the continent from Fort à-la-Corne at the forks of the Saskatchewan by way of the Peace river to the Pacific ocean.

In that year, 1872, the Canadian government undertook a systematic and scientific exploration of the whole northern region from Lake Abitibi westward to the Pacific ocean. From the year 1872 to the year 1890 no less than twenty-eight expeditions were organized to visit, explore, and report upon that country. Their reports are all available to us now and during that time the sum of no less than \$5,000,000 was expended for that purpose. Now, one district was specially examined at that time and that was the northern section of the Rocky mountains. Several passes, and all the passes north of the Kicking Horse Pass were examined and especially the Pine River Pass and the Peace River Pass. Mr. Marcus Smith, Mr. Camhie, Mr. Hunter, Mr. Gordon, Mr. Horetzky and several other, all engineers of eminence, crossed and recrossed that territory and became as familiar with it as they were with the streets of Ottawa. Any one who to-day would care to look into the reports now accumulated in the archives of the Railway Department will know that country just as he may know his own home. These explorations show conclusively that the best of all these passes may be found either in the Pine River Pass or in the Peace River Pass. It is not only a fact that there is a very successful way of crossing the Rocky mountains either by the Pine river or by the Peace river, but on both these rivers are to be found lands as fertile as the lands of the Red river or the Saskatchewan.

It is of some interest to follow the area of wheat produced on this continent from the early days of the 19th century. Wheat-growing first began on the shores of the St. Lawrence; from the shores of the St. Lawrence it passed to the Genesee Valley in the state of New York; from the Genesee Valley it passed to the Ohio river; from the Ohio river to Illinois; from Illinois to Minnesota; from Minnesota to Dakota and from Dakota to Manitoba and the Northwest Territories, where it now is. The wheat area is fast advancing towards the Saskatchewan river and in a few years it will pass over to the Peace river and to the

Pine river valleys. And when the Red river and the Saskatchewan river territory have been exhausted for wheat production and have been given to mixed farming, then the Peace river and the Pine river territory will become the wheat producing centre of the world. Instead of giving my own opinion on this, it is perhaps better that I should give the language used by the explorers employed by the government of that day. But before I go into that, let me quote the language of Captain Butler who was the last of the individual explorers to whom I have alluded. In the appendix to his work 'The Wild North Land,' Captain Butler writes in the following pregnant language:

But should this Indian Pass at the head of the Pine river prove to be, on examination, unfit to carry a railroad across, I am still of opinion that in that case the Peace river affords a passage to the western ocean vastly superior to any of the known passes lying south of it. What are the advantages which I claim for it? They can be briefly stated.

It is level throughout its entire course; it has a wide, deep, and navigable river flowing through it; in its highest elevation in the main range of the Rocky Mountains is about 1,300 feet; the average depth of its winter fall of snow is about three feet; by the first week of May this year the snow, unusually deep during the winter, had entirely disappeared from the north shore of the river, and vegetation was already forward in the woods along the mountain base.

But though these are important advantages for this mountain pass, the most important of all remains to be stated. From the western end of the pass to the coast range of mountains, a distance of 300 miles across British Columbia, there does not exist one single formidable impediment to a railroad. By following the valley of the Parsnip river from 'the Forks' to Lake Macleod, the Omineca range is left to the north, and the rolling plateau land of Stuart's lake is reached without a single mountain intervening; from thence the valley of the Nacharcole can be attained, as we have seen in my story, without the slightest difficulty, and a line of country followed to within twenty miles of the ocean, at the head of Dean's Inlet.

I claim, moreover, for this route that it is shorter than any projected line at present under consideration; that it would develop a land as rich, if not richer, than any portion of the Saskatchewan territory; that it altogether avoids the tremendous mountain ranges of Southern British Columbia, and the great gorge of the Fraser river; and finally, that along the Nacharcole river there will be found a country admirably suited to settlement, and possessing prairie land of a kind nowhere else to be found in British Columbia.

That, Sir, is the opinion of a traveller of eminence, but let me give now the opinion of a professional engineer. Mr. Gordon, whose report is to be found in Mr. Fleming's report for 1880, says:

Were it necessary or expedient to find a course for the Pacific Railway, as far north as the Peace River Pass, a comparatively easy route is offered in this direction. Even at the wildest and most rugged parts of the pass, the mountains are almost invariably fringed by flats or by gentle slopes of varying width. One

or two avalanche courses, a few ravines, and occasional projections of rock would form the chief difficulties, which are apparently much less serious than many obstacles that have been overcome on other Canadian railways. At its higher or western extremity the pass is not more than 1,650 feet above the sea level, and the current of the river, which is very equable, is not more than from four or five miles an hour, where it cuts through the mountain range. East of the pass, for fifty miles, till the canyon is reached, the engineering difficulties would probably be not much greater than those presented by an open prairie. But the chief difficulty on this route would be found at the base of the canyon where the river sweeps round the base of a solitary massive hill, known as the Mountain of Rocks, or the Portage Mountains, just above the Hudson's Hope; yet even here, although the work would be heavy, the difficulties would be by no means insuperable.

Mr. Cambie, in the same report, says:

The Peace river, which is the lowest known pass through the Rocky Mountains, offers a wonderfully favourable line for a railway through that range, and for sixty miles east of its main summits.

Mr. Marcus Smith, in the same report for 1878-9, says:

This can undoubtedly become the great wheat-producing province of the Dominion. In aid of its development, it possesses a noble and navigable river, which runs through its centre, affording easy means of collecting its produce, and bringing it cheaply to some convenient point, where it could be received by the railway.

Mr. Marcus Smith, referring to the Pine River Pass route in another report, says:

There is further the important consideration that, in the place of a bleak sterile country the line by the Pine river route would traverse an area of remarkable fertility—the fertile belt, or wheat-producing country, extends nearly 300 miles further to the west, before the Rocky Mountains are reached, than by the route over the Yellowhead Pass; a corresponding reduction being made in the breadth of sterile country to be crossed in the Rocky Mountain district.

Now, Sir as to Port Simpson, which is to be the terminus of this railway. It is also important to know what is the opinion of the engineers who surveyed the country at the time of which I have spoken. Mr. Fleming, in his report for 1878-9, says:

Port Simpson is possibly the best harbour on the mainland. . . . of all the terminal points projecting on the mainland and on Vancouver Island, Port Simpson is most conveniently situated for Asiatic trade.

Mr. Marcus Smith, says:

There is really no harbour in the coast of the mainland of British Columbia, with the exception of Port Simpson, slightly situated for purposes of foreign commerce. . . . It is easily approached from the ocean, and is the nearest to the coast of Asia of any harbour in British Columbia.

Again in another report written in 1878-0, Mr. Marcus Smith says:

Port Simpson may possibly be considered at present, too far north for the terminus of the

Canadian Pacific Railway, but it is important that the fact should be borne in mind, that by virtue of low altitudes and consequent easy gradients, together with the moderate character of the works required to reach it, this terminal point offers advantages which would enable a Canadian line to defy competition for the trade with China and Japan.

This is not all. The section of country east of the city of Winnipeg and extending to Lake Abitibi was also explored by the engineers of the government at that period. In order to save time I will not refer to the opinion then expressed; but I will come to the information which has been collected by the government of the province of Ontario, which in 1900 organized a special expedition entrusted to carefully selected commissioners for the express purpose of visiting and reporting upon that section of country between Lake Abitibi and the western boundary of the province of Ontario. In their report the commissioners speak as follows:

AGRICULTURAL LAND.

The great clay belt running from the Quebec boundary west through Nipissing and Algoma districts and into the district of Thunder Bay comprises an area of at least 24,500 square miles, or 15,000,000 acres, nearly all of which is well adapted for cultivation. This almost unbroken stretch of good farming land is nearly three-quarters as great in extent as the whole settled portion of the province south of Lake Nipissing and the French and Mattawa rivers. It is larger than the states of Massachusetts, Connecticut, Rhode Island, New Jersey and Delaware combined, and one-half besides of the state of New York. The region is watered by the Moos river, flowing into James bay, and its tributaries, the Abitibi, Mattagami and Missinable, and the Albany and its tributaries, the Kenogami and Ogoke. Each of these rivers is over 300 miles in length, and they range in width from 300 or 400 yards to a mile. They are fed by numerous smaller streams, and these in turn drain numberless lakes of larger or smaller size, so that the whole country is one net-work of waterways, affording easy means of communications with long stretches fit for navigation. The great area of water surface also assures the country against the protracted droughts so often experienced in other countries. The southern boundary of this great tract of fertile land is less than forty miles from Missinable station on the Canadian Pacific Railway; and the country north of the height of land being one immense level plateau sloping off towards James bay, the construction of railways and wagon roads through every part of it would be a comparatively easy matter.

In the small part of the district of Rainy river which was explored, the proportion of good land is not so great, but the clay land in the townships around Dryden was found to extend north in the valley of the Wabigoon river, with an area of about 600 square miles, or 384,000 acres. There are also smaller cultivable areas at various other points.

THE CLIMATE.

Another important fact established by the explorations is that the climate in this north-

ern district presents no obstacle to successful agricultural settlement. The information obtained completely dispels the erroneous impression that its winters are of Arctic severity and its summers too short to enable crops to mature. The absence of summer frosts noted by the explorers and the growth of all the common vegetables at the Hudson Bay posts must disabuse the public mind of this erroneous impression. The 50th parallel of latitude passes through the centre of the agricultural belt, and the climate is not much different from that of the province of Manitoba, lying along the same parallel, with this exception, of course, that the winter is tempered by the great spruce forests and the presence of so large a proportion of water surface. The country, too, has an abundance of wood for fuel, building and commercial purposes, and plenty of pure water every where.

THE TIMBER.

Another point equalled only in importance by the existence of a vast area of agricultural land in this country and its moderate climate is the fact that it is largely covered with extensive forests of spruce, jackpine and poplar. The value of this class of timber, as everybody knows, is increasing every day and the market for it is widening; and rich, indeed, is the country which has boundless resources in these varieties of woods. In the district of Nipissing, north of the Canadian Pacific Railway line, there is estimated to be at least 20,000,000 cords of pulp-wood; in the district of Algoma, 100,000,000 cords; in the district of Thunder Bay, 150,000,000 cords; and in the district of Rainy River, 15,000,000 cords; a grand total of 285,000,000 cords. The pine region does not seem to extend much beyond the height of land, but on this side, in the country around lakes Temagaming and Lady Evelyn, and to the north, an area of red and white pine of fine quality was explored and estimated to contain about three billions of feet, b.m.

WATER POWERS.

A feature of this region, which it is well to note from an industrial point of view, is the existence of many falls on the rivers and streams. These will no doubt be utilized with advantage in the creation of economical power when the country comes to be opened up.

CONCLUSION.

It was not expected, of course, that the parties would be able to make a thorough and exhaustive exploration of all the territory assigned to them, and the estimates here given of what has been reported are very conservative. Totalling up the figures here quoted, however, we have over 25,000 square miles of good fertile land, or over 16,000,000 acres, and 285,000,000 cords of spruce or other pulp-wood. There are also numerous smaller areas, both of timber and land, which are not included in these figures, but which will all be available when the development of the country takes place.

The country east of Lake Abitibi, in the province of Quebec, has also been explored, and explored several times. It was in the possession of the early French settlers, no far back as two hundred years ago. The

French, I believe, had a port on Lake Abitibi in the seventeenth century. But it is difficult to summarise all the information with regard to that country, collectable in books of exploration. The Quebec government has had it explored in the last few years by an engineer of eminence, Mr. O'Sullivan, and his opinion has been summarized by another engineer, Mr. Doucet, in the following language :

From Roberval (which is a station on the Quebec and Lake St. John Railway) to the western limit of the province of Quebec, a distance of some 375 miles the line runs through a good farming country, the soil being chiefly clay.

TO TAP RICH AND FERTILE TERRITORIES.

I need not continue the quotation, because what follows is simply an amplification of this sentence.

To recapitulate what I have stated on this subject :

It is established that the railway can be easily built across the Rocky mountains by way of the Pine river or the Peace river.

It is established that along these rivers will be found rich prairies equal in fertility to the best land along the Saskatchewan river and the Red river.

It is established that the railway built by way of either the Pine river or the Peace river would place us in communication with the famous Omineca district, famous for its gold mines, which to-day are idle because it is impossible for the miner to get access to them with his tools and provisions, but which probably, the moment we secure access to them, will become valuable and develop into another Klondike.

It is established that the region between Winnipeg and Quebec is a fertile clay belt, rich in good land, rich in timber, rich in water-powers, rich in all those resources which go to make a fine agricultural and industrial country. In fact, it is only within the last four weeks that an important authority on the lumber trade, the 'Lumberman' of Chicago, stated that this section of country would become the source of supply for the future wood-pulp and paper industry of the world.

Such being the facts, what is the conclusion to be drawn from them? The conclusion seems to be obvious and imperative: That is, that we must at once provide for a railway to tap these rich and fertile territories. I will not dwell upon facts which are well known and patent to everybody. Our fertile prairies are becoming settled, and are going forward by leaps and bounds. Thousands and hundreds of thousands of immigrants are coming in every year. For one, two, three generations, at least, and perhaps more, these new settlers will grow cereals, and probably not only cereals. They will have need of everything required by civilized men. They will have need of clothing, furniture and every other kind of manufacture. Then, Sir, what shall

we do? Shall we allow them to be supplied by our American neighbours, or shall we provide a railway which will enable our manufacturers in Ontario and Quebec to supply them with what they shall require? There is one thing above all which will be their chief need, and that is lumber. They must have lumber for their houses, their barns, their stables, and all their buildings. Where are they to get it? Not from the section of country where they live and work, for the lumber is not there.

But luckily for us, the other sections of the road, the section between Moncton and Quebec and the section across the Rocky mountains, are rich in lumber of every kind; and the moment the road is open there will be established at once an important trade between all the sections covered by the railway. Nor is that all. There is another branch of trade which seems to be forgotten or passed over at present, but which is also of the greatest importance. I refer to the cattle trade. I need hardly tell you, Sir, that the foothills of the Rockies are perhaps to-day the best grazing lands under the sun, and the herds of domestic cattle in those grazing districts are becoming as numerous as were the buffaloes of old. The breeders must find an exit to the ocean. This new line, by its shortness, directness and climatic conditions is an ideal line for the cattle trade. The shipper, when he lands his cattle at Quebec, St. John or Halifax, will have them in the ideal condition of being able to set at once to sea without any loss of weight.

There is another consideration, in some respects even more important, and that is the trade of the Orient. All nations at this moment are competing for the trade of Japan and China, and there is no nation so well situated as Canada to capture that trade. Take a look at the map, and you will find that the route from Europe to the Canadian harbours is the shortest of any of the routes available to European merchants. Take the route which will be opened by this new railway, and you will find that it is the shortest of all the lines across the American continent. Again look at the map and you will find that the route from Port Simpson to the coast of Japan is the shortest of all the routes to that country from the American continent. All these considerations led us to the conclusion that it is our imperative duty not to wait until to-morrow, but to provide at once for the building of such a railway as I have indicated, if it is possible for us to obtain it on reasonable conditions.

It now becomes my duty to lay before the House the conditions on which we are to have this railway built; and, unless I am greatly mistaken, they will astonish friend and foe by their superior excellence. I shall have the honour, before resuming my seat, to lay on the Table a contract entered into between

His Majesty the King, acting in respect of the Dominion of Canada, and herein represented and acting by the Honourable William S. Fielding, acting Minister of Railways and Canals, of the first part; and Sir Charles Rivers-Wilson, C.B., G.C.M.G.; the Rt. Hon. Lord Welby, G.C.B.; John A. Clutton-Brock, Joseph Price, Alfred W. Smithers, all of the city of London, England; Charles M. Hays, Frank W. Morse and William Wainwright, all of the city of Montreal, in the Dominion of Canada; and John Bell, of the city of Belleville, in the said Dominion, representing herein and acting on behalf of the Grand Trunk Pacific Railway Company, a company to be incorporated by Act of the parliament of Canada at the present session thereof.

A FINE CONTRACT.

I may say at once that one of the first sections of this contract is to provide that the capital stock of the Grand Trunk Pacific Railway, which in the Bill before the House to-day is \$75,000,000, is to be reduced to the sum of \$45,000,000. Of this sum \$45,000,000—\$20,000,000 shall be preferred stock and \$25,000,000 common stock; and I would ask special attention to this feature of this common stock; It is provided that the whole of the \$25,000,000 shall be acquired and retained at all times by the Grand Trunk Railway itself. When we were approached by the gentlemen associated with the intended Grand Trunk Pacific Railway with the view of coming to an arrangement for the building of this line, strong and responsible as were the gentlemen connected with the enterprise, we told them that we would not act with them separately or individually. We told them that we would not act with them unless they brought into this enterprise the old Grand Trunk Railway, well tried, with a foothold in every city, town, village and hamlet in the provinces of Ontario and Quebec, and there is the consequence of this first covenant between the corporators and ourselves. Then the preamble of the contract recites:

Whereas, having regard to the growth of population and the rapid development of the production and trade of Manitoba and the North-west Territories, and to the great area of fertile and productive land in all the provinces and territories as yet without railway facilities, and to the rapidly expanding trade and commerce of the Dominion, it is in the interest of Canada that a line of railway, designed to secure the most direct and economical interchange of traffic between eastern Canada and the provinces and territories west of the great lakes, to open up and develop the northern zone of the Dominion, to promote the internal and foreign trade of Canada and to develop commerce through Canadian ports, should be constructed and operated as a common railway highway across the Dominion, from ocean to ocean, and wholly within Canadian territory.

Section 2 provides that the line is to be divided into two sections—the eastern section, from Moncton to Winnipeg; and the western from Winnipeg to the Pacific

ocean. Another clause provides also that the western section shall be divided into two sections—the prairie section and the mountain section.

As I indicated a moment ago, it is our intention that the government shall build the eastern section from Moncton to Winnipeg, but it shall be leased to and operated by the Grand Trunk Pacific Railway. It is also provided that the western section, from Winnipeg to the Pacific ocean, shall be built, owned and operated by the Grand Trunk Pacific Railway.

Before proceeding further, perhaps it would be advisable to give to the House the respective covenants of the government and the company with respect to the building, owning and operating of the western section. If I do that, the other covenants with regard to the eastern section shall be better understood. It is provided in the contract that the government will undertake to guarantee the bonds of the Grand Trunk Pacific Railway for the construction of the western section to the extent of 75 per cent of the cost of construction, the liability in no case to exceed \$13,000 for the prairie section and \$30,000 for the mountain section per mile. It may be asked if the aid of the government is to be given only to secure the construction of 75 per cent of the road, where is the company going to get the other 25 per cent? The answer to that is this: That it is provided in the contract that the company shall be authorized to issue a second series of bonds which are to be guaranteed, not by the government, but by the old Grand Trunk Railway Company of Canada. Let me read here to the House this section, as it is an important one:

Inasmuch as the bonds to be guaranteed by the government only make provision for a part of the cost of construction of the western division, the company hereby agrees that the Grand Trunk Railway Company of Canada shall guarantee bonds of the company for the balance required for the construction of the said western division, exclusive of the said twenty million dollars required for first equipment, which the company is required to provide under paragraph 22 of this agreement, and the company may issue a second series of bonds, to be guaranteed as aforesaid by the Grand Trunk Railway Company of Canada, to be a second charge upon the property described in paragraph 25 (b) hereof, and to be subject to, and to rank upon, the said property next after the said bonds so to be issued and guaranteed by the government.

I need not dwell upon the importance of this covenant on the part of the company. It practically takes away from the guarantee of the government all risk. There is not a dollar to be advanced by the government. We do give our credit and nothing else. And our guarantee of seventy-five per cent of the construction of the road is to be supplemented by the credit and all the backing of the Grand Trunk Railway Company itself.

The company is to provide, upon the completion of the road, equipment to the amount of \$20,000,000. Let me quote the contract on this also—section 22:

The company shall equip both divisions of the said line at railway with modern and complete rolling stock suitable and amply sufficient for efficient operation and handling of all classes of traffic to the satisfaction of the government, and the first equipment for the completed road shall be of the value of at least twenty million dollars, of which not less than five million dollars worth shall be supplied for the operation of the eastern division of the said railway, and the said five million dollars worth of rolling stock, together with all renewals thereof and additions thereto, shall be marked as assigned to the said eastern division and shall be held to be and form part of the equipment of the eastern division of the railway during the said period of fifty years and shall be used as the equipment appertaining thereto, according to the ordinary practice of railways during the said period of fifty years.

Now, Sir, I have to call the attention of the House to another important provision. We undertake to guarantee the bonds. But it is an important question, what is to be the character of the road? The answer is this: The character of the road to be constructed by the Grand Trunk Pacific Company, between Winnipeg and the Rocky mountains is to be the same as that of the road between Montreal and Toronto.

Mr. MACLEAN. Double track?

The PRIME MINISTER. The hon. gentleman (Mr. Maclean) speaks too soon.

The company shall lay out, construct and equip the said western division of the said railway to a standard not inferior to the main line of the Grand Trunk Railway Company of Canada between Montreal and Toronto, so far as may be practicable in the case of a newly constructed line of railway, but this section shall not be held to oblige the company to construct a double track railway.

And I would add 'before the time has come for it.' Now, it will be asked: What is to be the liability of the government, what are they to contribute to the building of this railway, for they must contribute something? What they contribute is simply this—the payment of the interest for a certain number of years. It is provided that the bonds shall run for fifty years. During the first seven years, the company are not to be called upon to meet the interest, which is at three per cent; that interest will be met by the government. After seven years the company shall pay the interest, if the proceeds of the road are sufficient to earn three per cent. But, if the proceeds are not sufficient to earn three per cent, the payment shall be made by the government. But, at the end of three years, the government shall be recouped every cent by the company. It is important that, from this point, I should give the very section of the contract:

The government shall pay the interest upon an amount of bonds equal to the principal of the bonds guaranteed by the government on account of the construction of the mountain section, accruing due during the first seven years from the date of the issue of said bonds, and shall not have recourse against the company for any interest so paid. After the expiration of the said period of seven years, the company shall be primarily liable to pay the said interest, and should default be made by the company in payment thereof, or of any part thereof, the government shall pay the same and take up the coupons representing such interest, and any moneys so paid by the government under its guarantee, whether for principal or interest of the said bonds, shall be held to be paid in discharge of the liability of the government, but not in discharge of the liability of the company with respect to the said bonds, and any moneys so paid by the government shall continue to be a charge under the said mortgage, to be given to secure the said guaranteed bonds hereinafter mentioned, and the government shall be subrogated to all the rights of the holders of the said bonds, the interest upon or the principal of which shall have been paid by the government, and the government shall in respect of all moneys which it may so pay, be in all respects, in the position of holders of bonds in respect of whose bonds default has been made to the extent of the moneys so paid by the government, subject to the following proviso and exception, namely: That the government shall not, during the next succeeding period of three years following the period of seven years above mentioned, be entitled to exercise any rights of foreclosure or sale against the company or to take possession of the said railway, if the default of the company consists in failure to pay during the said period of three years the interest upon an amount of bonds equal to the principal amount guaranteed by the government on account of the construction of the said mountain section, but any moneys so paid by the government shall be repaid by the company to the government in the following manner: At the end of the said period of three years the whole amount so paid by the government shall be capitalized and shall be repaid by the company to the government with interest at the rate of 3 per centum per annum, or the company may, at its option, repay the same in forty equal annual instalments, with interest at the rate aforesaid, or may give to the government bonds for the said interest so capitalized, payable in forty years from the date thereof, with interest at the rate aforesaid; in any event, the interest so capitalized and the bonds so to be given therefor, if any, shall continue to be secured by the said mortgage to secure the bonds guaranteed by the government, hereinafter mentioned, and the said mortgage shall contain proper provisions to that behalf.

Mr. SPROULE. That only applies to the prairie and the mountain sections?

The PRIME MINISTER. To the mountain section only. Now, what is the disposition for the prairie section? The disposition with regard to the prairie section is that the company shall pay interest from the issue of the bonds; the government will pay no interest at all upon the prairie section. Now, Sir, what is the liability incurred by the government for

the construction of this road from Winnipeg to the Pacific ocean? Assuming that the road across the mountains is 600 miles long, the cost of construction will be \$18,000,000, and the total interest for three years will be \$3,780,000. This is the whole of the liability which is incurred by the government for the construction of the railway from Winnipeg to the Pacific ocean.

I pass now to the eastern section. It is provided that it shall be operated by the company under a lease. As we are to build a railway that they are to lease it from us at the rate of three per cent per annum, we have thought it advisable that they should have a joint voice with us in the construction of it. Therefore, section 7 provides:

In order to insure, for the protection of the company as lessees of the eastern division of the said railway, the economical construction thereof in such a manner that it can be operated to the best advantage, it is hereby agreed that the specifications for the construction of the eastern division shall be submitted to, and approved of by, the company before the commencement of the work, and that the said work shall be done according to the said specifications and shall be subject to the joint supervision, inspection and acceptance of the chief engineer appointed by the government and the chief engineer of the company, and, in the event of differences as to the specifications, or in the case the said engineers shall differ as to the work, the question in dispute shall be determined by the said engineers and a third arbitrator, to be chosen in the manner provided in paragraph four of this agreement.

When completed, the company will lease the road and will pay to us a rental at the rate of three per cent per annum upon the cost of construction, whatever that may be. The same abatement of rent is provided also as in the case of interest on the western section. During seven years the company will be exempt from the payment of rent. For three years the company will be bound to pay the revenues and tolls of the road if they amount to three per cent; and if they fail to amount to three per cent, then the difference between the revenues gathered and the three per cent will be capitalized and added to the cost of construction, and the company will pay interest upon it. So that here again the whole of the liability which is incurred by the government for the building of that section from Moncton to Winnipeg is simply seven years of interest. The sum total of the money to be paid by the government for the construction of that line of railway from Moncton to the Pacific ocean will be in the neighbourhood of \$12,000,000 or \$13,000,000, and not a cent more. Now, Sir, what is \$13,000,000 in the year 1903? It is about the surplus of our revenue over the expenditure. The surplus for this year will pay for the construction of this road. I will come presently to the objections which I see in the faces of hon. gentlemen opposite. They will ask me: What guarantee have you that the company will be able to pay that rate of interest?

I will come to that presently. But let me first give to the House the provision we have made for the use of the railway for traffic by other roads. It is our intention that this line of railway shall be a common highway for all the railways who want to use it, and for this purpose we have made a provision in the contract in the following language:—

24. The said lease shall also contain proper and usual provisions.

(a.) Reserving to the government in respect of its ownership, present and future, of the Intercolonial and any other line or lines of railway, running powers and haulage rights over the said eastern division upon equal terms with the lessees, subject to such reasonable restrictions as may be necessary to secure safety and convenience in the operation of all the traffic over the said division and subject to the payment by the government to the company of such reasonable compensation as may be agreed upon between the government and the company:

(b.) Reserving power to the government to grant running powers and haulage rights sufficient to enable any railway company desiring to use the said eastern division or any part thereof, to do so upon such terms as may be agreed upon between the companies, or, in case of their failure to agree, then upon such terms as may be deemed reasonable and just by the government, having regard to the rights and obligations of the lessees:

(c.) Securing to the government, in respect of its ownership as aforesaid, running powers and haulage rights over the western division, or any portion thereof, upon such terms as may be agreed upon between the government and the company:

(d.) Securing to any railway company desiring to make use of the same, running powers and haulage rights over the said western division, or any portion thereof, upon such terms as may be agreed upon between the companies, or, in case of their failure to agree, then upon such terms as may be deemed reasonable and just by the government.

(e.) Securing to the company running powers and haulage rights over the Intercolonial Railway, or any portion thereof, upon such terms as may be agreed upon between the government and the company.

So that under this agreement an Intercolonial train can leave St. John or Halifax and proceed all the way to Port Simpson. Under this agreement, a train of the Great Northern or of the Canadian Northern can enter upon this road at any point and go as far as the maritime provinces. So we have guarded this point in every way, and I believe that in this respect the provisions we have made will command the full satisfaction of the Canadian people. But coming back to the rental, I may be told, you have taken provision, you say, that the rental shall be paid by the company for all the time the bonds run, with the exception of seven years. What guarantee have you that this will be implemented? We have taken precautions upon this point, which I will now recite to the House.

25. For the purposes hereinafter in this paragraph respectively defined, the company

may and shall create mortgages to trustees as follows:

(a.) A mortgage which shall be a first charge upon the railway, undertaking, equipment and property, tolls, rights and franchises of the company, including all equipment and property to be thereafter acquired by the company (but not including branch lines exceeding six miles in length or the revenues therefrom or the franchises in connection therewith, or such additional rolling stock as may, with the assent of the government, be designated and marked by the company as constituting the equipment thereof, and not including ships or any municipal or provincial grants of land, by way of bonus or subsidy, to the said company other than for railway purposes) to secure the payment of the said issue of first mortgage bonds guaranteed by the government.

(b.) A mortgage which shall be a second charge upon the property covered by the mortgage provided for by paragraph 35 (a), save and except the rolling stock constituting the equipment of the eastern division, to secure the bonds to be guaranteed by the Grand Trunk Company of Canada as aforesaid.

(c.) A mortgage which shall be a charge upon the rolling stock constituting the equipment of the eastern division next after the charge mentioned in paragraph 35 (a.) to secure to the government the rental payable in respect of the eastern division, the efficient maintenance and continuous operation of the said eastern division, and the observance and performance by the company of the terms of this agreement.

THE COUNTRY PROTECTED BY THE CONTRACT.

Now, you see we have provided a special mortgage to force the company to implement the conditions imposed upon it, and especially the operating of the railway. But, I may be asked: Will this be sufficient? There is a mortgage of \$5,000,000 upon the rolling stock; will this be sufficient to force the company to implement its promise to operate this road? We have far more in this undertaking than the simple mortgage to which I have alluded. We have the interest of the company itself to operate this road. No one doubts that the interest of the company would be to keep the traffic of the Grand Trunk for that railway. The company will take it over its present line to North Bay, from North Bay over the road which is now being built by the Ontario government, and then, transferring it at the junction of this road with the proposed road, it will send it westward to the Pacific ocean. I wish to make myself understood. The Grand Trunk Railway Company has an immense interest in getting to the fields of the prairies. Its trade to-day is in the province of Quebec and in the province of Ontario. It will take this trade from Toronto, from Montreal and from points eastward to North Bay, from North Bay, it will take it over the new line being built by the Ontario government to the point of junction with the present road, and then westward to the prairie section. Its interest there is manifest. It must operate that portion of the road. Otherwise it would never

have gone into this contract. This contract is to give it the privilege of taking its traffic in the prairie section from Ontario and Quebec, but the condition is this, that it shall operate not only that section of the road, but the whole of the road from Winnipeg to Moncton. It cannot default upon the eastern part, because, if it defaults upon the eastern part, it defaults upon the western part. It cannot default upon one part without defaulting upon the whole and therefore, we hold them tight to their bargain, and they cannot deviate from it.

There is another important provision as to rates and tolls. We have provided in section 39 that the rates and tolls are to be under the direct control of the government, or, when the commission has been organized, of the commission. We thought it advisable at one time to follow the suggestion which had been made by my hon. friend the hon. ex-Minister of Railways and Canals (Hon. Mr. Blair), to which he referred in the correspondence exchanged between him and me, to force the company to give us part of its profits upon the western section, but, upon consideration, it is our intention, instead of forcing the company to give us a portion of its profits when the profits reach a certain reasonable point, to use them in such a way as to compel a decrease in the rates which are chargeable to the people who use the railway.

Now, there is another feature of this contract to which I shall call the attention of the House. If we have gone into this contract, our intention has been, as stated in the preamble, to force traffic in Canadian channels and through Canadian waters. We have made it a special condition of the contract and this condition is expressed in section 42 as follows:

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.

Section 43. The company further agrees that it shall not, in any matter within its power, directly or indirectly advise or encourage transportation of such freight by routes other than those above provided, but shall, in all respects, in good faith, use its utmost endeavours to fulfil the conditions upon which public aid is granted, namely, the development of trade through Canadian channels and Canadian ocean ports.

Now, to show that this is not simply an idle covenant, but that we mean what we say, and intend to implement it, I have to call the attention of the House to another disposition of this contract whereby we force the company to procure all the ships necessary at both ends of the line on the Pacific and on the Atlantic as well as on the St. Lawrence, to accommodate all the trade that is offered.

Section 45. The company shall arrange for and provide, either by purchase, charter or otherwise, shipping connections upon both the Atlantic and Pacific oceans, sufficient in tonnage and in number of sailings to take care of and transport all its traffic, both inward and outward, at such ocean ports within Canada, upon the said lines of railway, or upon the lines of the Intercolonial Railway, as may be agreed upon from time to time, and the company shall not divert or, so far as it can lawfully prevent, permit to be diverted, to ports outside of Canada any traffic which it can lawfully influence or control, upon the ground that there is not a sufficient amount of shipping to transport such traffic from or to such Canadian ocean ports.

There is another provision which I am sure will be welcomed by the hon. member for Cornwall and Stormont (Mr. Priagle), and it is that the company shall buy all its supplies in Canada. There is another covenant, and it is the last of those which I shall call to the attention of the House at this moment, to this effect:

The company shall within thirty days after the passing of the Act confirming this agreement and of the Act incorporating the company hereinafter referred to, deposit with the government \$5,000,000 in cash or approved government securities, or partly in cash and partly in such approved securities, at the company's option, as security for the construction of the western division and for the first equipment of the whole line of railway, as provided for in this agreement.

CONTRASTED WITH THE C.P.R.

Now, Sir, these are the salient features of the contract which we have made with the Grand Trunk Pacific Company. Compare its terms with the terms which were granted to the Canadian Pacific Railway Company in the session of 1880-1881.

Twenty-five million acres of land were granted to the Canadian Pacific Railway—not an acre of land is granted to the Grand Trunk Pacific Railway Company.

Twenty-five million dollars was paid in cash to the Canadian Pacific Railway Company and works were handed over to that company which had been built by the Canadian government at the expense of the Canadian people, the cost of which was at least, if my memory serves me, \$35,000,000.

Therefore the cash aid which was given to the Canadian Pacific Railway Company was in the neighbourhood of \$60,000,000—the cash subsidy which is promised and which is to be given under this contract to the Grand Trunk Pacific Company will not exceed \$13,000,000 or thereabouts.

Under the contract with the Canadian Pacific Railway Company for 20 years there was an exemption of competition—in this contract there is no exemption whatever. Everybody is free to compete with the Grand Trunk Pacific Railway Company and the Grand Trunk Pacific Railway Company has to face competition from whatever quarter it may come.

Exemption from taxation was given to the Canadian Pacific Railway Company in a manner that is felt even to this day in the North-west Territories and Manitoba—not one dollar of exemption from taxation is given to the Grand Trunk Pacific Railway Company.

Now, Sir, I think under such circumstances that I can appeal with some confidence to the judgment of the House to ratify, and to ratify with earnestness and with joy the contract which I have the honour to lay upon the Table. Canada has made greater sacrifices, I imagine, than any other nation in the world for the benefit of her people, in building railways. These sacrifices were rendered necessary on account of our geographical position. We border on a powerful country which had a long start on us in the march of progress and which was in such a condition that it could well afford to leave railway construction to the unaided effort of private enterprise. These greater sacrifices on our part were rendered necessary likewise by the immensity of our territory, by the sparseness of our population, and the imperative duty which was cast upon us of blinding together all the groups into which our country is divided. Sometimes, indeed more often than otherwise, the terms granted for railway construction in the past were excessive and perhaps extravagant. But, looking back upon the history of the past we can all see that even in the face of these excessive terms the result has been beneficial.

We offer to the House to-day a contract which is free from all clauses which were the blemish of former railway contracts, and which is far superior to them in every other respect. Sir, it can well be said that of all the inventions for which the last century has been famous, perhaps the one invention which has had the greatest potentiality for civilization has been the discovery of the locomotive and the railway. Justice McCarthy in his 'History of our own times' writes, that when Sir Robert Peel was summoned from Rome to London to assume office as Prime Minister, he travelled in the same manner exactly as 1,500 years before Constantine had travelled from York to Rome to become Emperor. The writer remarks that each traveller had only the power that horses and sails could lend to speed him on his way, but, had Sir Robert Peel made the journey a few years afterwards he would have covered the distance in the space of about forty-eight hours. The railway has been the great

agency of civilization in the last century. It has done more to bind nations and nations together than any other human agency. It has removed old prejudices by enabling peoples and nations to know more of each other, and it has made union possible where but for its aid ignorance would have continued to sow its seeds of discord and strife.

UNITING THE COUNTRY.

The Canadian confederation would have been a union on paper and a union on paper only, but for the fact that the Grand Trunk Railway, and the Canadian Pacific Railway and the Intercolonial Railway brought all parts of our country together to act in union and to beat with the same heart. This new railway will be another link in that chain of union. It will not only open territory hitherto idle and unprofitable; it will not only force Canada's trade into Canadian channels; it will not only promote citizenship between old Canada and new Canada but it will secure us our commer-

cial independence, and it will for ever make us free from the bondage of the bonding privilege. For that reason alone, in my estimation, it would be worth all the sacrifices and far more than we are called upon to make.

Some hon. MEMBERS. Hear, hear.

The PRIME MINISTER. Sir, it is therefore with a firm heart that I offer this scheme to friend and foe; it is with a firm heart that I present it to the Canadian people.

Some hon. MEMBERS. Hear, hear.

The PRIME MINISTER. I am well aware that it shall not be received everywhere with the same feelings. I am well aware that it may scare the timid and frighten the irresolute; but, Sir, I claim that every one who has in his bosom a stout Canadian heart will welcome it as a scheme worthy of this young nation for whom a heavy task has no terrors which has the strength to face grave duties and grave responsibilities.

