9

OFFICIAL REPORT

OF THE

DEBATES

OF THE

HOUSE OF COMMONS

OF THE

DOMINION OF CANADA

FOURTH SESSION—NINTH PARLIAMENT

4 EDWARD VII., 1904

VOL. LXIV

COMPRISING THE PERIOD FROM THE TENTH DAY OF MARCH TO THE TWENTY-FIFTH DAY OF APRIL, INCLUSIVE

PARLIAMENTARY COUNSEL
HOUSE OF COMMONS

OTTAWA
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1904

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OF THE

RIGHT HONOURABLE SIR WILFRID LAURIER

P.C., G.C.M.G., K.C., D.C.L. (*Oxon.*)

AT THE OPENING OF THE

FOURTH SESSION OF THE NINTH PARLIAMENT

1904

CABINET FORMED JULY 13, 1896

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FOURTH SESSION, NINTH PARLIAMENT

1904

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ALPHABETICAL LIST

OF THE

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FOURTH SESSION, NINTH PARLIAMENT

1904

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EARLE, THOS.—Victoria, B.C.
GERVAIS. H.—Montreal, St. James.
HOLMES, ROBT.—Huron, W.
LARIVIÈRE, A. A. C.—Provencher.

MACDONALD, P.—Huron, E.
MONET, D.—Laprairie and Napierville.
ROCHE, WM. J.—Marquette.
RUSSELL, B.—Hants.
SCOTT, WALTER—Assiniboia, W.
SUTHERLAND, R. F.—Essex, N.
TAYLOR, GEO.—Leeds and Grenville.

Chairman:—L. N. CHAMPAGNE—Wright.

ERRATA—VOL. I.

Col. 1025—22nd line from top for "quill" read "guile."

Col. 1025—6th line from bottom "$18,250,000" should read "$18,850,000."

Col. 1373—6th line from top for "31" read "$31\frac{1}{2}$."

House of Commons Debates

FOURTH SESSION—NINTH PARLIAMENT

HOUSE OF COMMONS.

THURSDAY, March 10, 1904.

The Parliament, which had been prorogued successively from the twenty-fourth day of October, 1903, and thence from time to time to the tenth day of March, 1904, met this day for the despatch of business.

The members of the House being assembled,

The Clerk of the House, Thomas Barnard Flint, Esq., M.A., LL.D., D.C.L., said : I have the honour to communicate to the House the following letter, which I have received :—

Office of the Governor General's Secretary,
Canada,

OTTAWA, March 9, 1904.

Sir,—I am directed by His Excellency the Governor General to inform you that the Chief Justice of Canada, in his capacity as Deputy Governor, will proceed to the Senate Chamber to open the session of the Dominion parliament on Thursday, the 10th inst., at 3 o'clock p.m.

I have the honour to be, sir,
Your obedient servant,

(Signed.) F. S. MAUDE,
Major.
Governor General's Secretary.

The Clerk of the House of Commons.

A Message was delivered by the Gentleman Usher of the Black Rod, as follows :—

The Chief Justice of Canada, in his capacity as Deputy Governor, desires the immediate attendance of this Honourable House in the Senate Chamber.

Accordingly the House went up to the Senate Chamber, when the Speaker of the Senate said :

Honourable Gentlemen of the Senate :

Gentlemen of the House of Commons :

I have it in command to let you know that His Excellency the Governor General does not see fit to declare the causes of his summoning the present Parliament of Canada until the Speaker of the House of Commons shall have been chosen according to law, but to-morrow at the hour of three o'clock in the afternoon, His Excellency will declare the causes of his calling this parliament.

And the members being returned to the Commons Chamber,

VACANCIES.

The Clerk of the House, standing on the lower step below the Speaker's Chair, said : I have also the honour to announce that the following notifications of vacancies which have occurred in the representation have been received :—

Of Henry Cargill, Esq., member for the electoral district of the East Riding of the county of Bruce, by decease ;

Of Joseph Alexandre C. Madore, Esq., member for the electoral district of Hochelaga, by the acceptance of an office of emolument under the Crown, to wit : the office of a Puisne Judge of the Superior Court of the province of Quebec ;

Of Oliver Simmons, Esq., member for the electoral district of the East Riding of the county of Lambton, by decease ;

Of Pierre R. Martineau, Esq., member for the electoral district of Montmagny, by decease ;

Of Donald Farquharson, Esq., member for the electoral district of Queen's West, P.E.I., by decease ;

Of Hon. Andrew George Blair, member for the electoral district of St. John (city), by resignation ;

Of Hon. Michel E. Bernier, member for the electoral district of St. Hyacinthe, by acceptance of an office of emolument under the Crown, to wit : the office of a Railway Commissioner under the Railway Act, 1903 ;

Of Hon. Henry R. Emmerson, Esq., member for the electoral district of Westmoreland, by the acceptance of an office of emolument under the Crown, to wit : the office of Minister of Railways and Canals

Of Hon. L. P. Brodeur, member for the electoral district of Rouville, by the acceptance of an office of emolument under the Crown, to wit : the office of Minister of Inland Revenue ;

Of Rodolphe Lemieux, Esq., member for the electoral district of Gaspé, by the acceptance of an office of emolument under the Crown, to wit: the office of Solicitor General of Canada.

Of Henry G. Carroll, Esq., member for the electoral district of Kamouraska, by the acceptance of an office of emolument under the Crown, to wit : the office of Judge of the Superior Court of the province of Quebec ;

Of Duncan C. Fraser, Esq., member for the electoral district of Guysborough, by the acceptance of an office of emolument under the Crown (a judgeship) :

NEW MEMBERS.

The Clerk said : I have also the honour to announce that I have received from the

Clerk of the Crown in Chancery, certificates of the Election and Return of the following Members :

Of Hon. Louis Philippe Brodeur, for the electoral district of Rouville

Of Hon. Henry R. Emmerson, for the electoral district of Westmoreland ;

Of Ernest Lapointe, Esq., for the electoral district of Kamouraska ;

Of Armand Lavergne, Esq., for the electoral district of Montmagny ;

Of Joseph E. Armstrong, Esq., for the electoral district of the East Riding of the county of Lambton ;

Of Hon. Rodolphe Lemieux, for the electoral district of Gaspé ;

Of L. A. Rivet, Esq., for the electoral district of Hochelaga ;

Of J. B. Blanchet, Esq., for the electoral district of St. Hyacinthe ;

Of Honoré Gervais, Esq., for the electoral district of Montreal, St. James ;

Of John W. Daniel, Esq., for the electoral district of St. John (city) ;

Of Horace Haszard, Esq., for the electoral district of Queen's West, P.E.I., and

Of James J. Donnelly, Esq., for the electoral district of the East Riding of the county of Bruce.

The Clerk also said : The following members have signed the roll and taken the Oath, and are entitled to take their seats : Messrs. Lapointe, Daniel, Blanchet, Broduer, Armstrong, Emmerson, Lemieux, Gervais and Haszard.

ELECTION OF SPEAKER.

The Right Hon. Sir WILFRID LAURIER (Prime Minister). Mr. Flint, during the recess it was the pleasure of His Excellency the Governor General to call to the Privy Council and the Cabinet Mr. Brodeur, who at the first meeting of this parliament after the general election had been elected Speaker of this House. Our first duty, therefore, is to appoint a Speaker. I believe I am expressing the sentiments of both sides of the House when I state that Mr. Brodeur discharged the duties of the high office to which he had been called in a manner which was eminently satisfactory to all sides of this House, and that in the discharge of those duties he displayed the qualities which should be inherent in the office—above all, those of dignity and impartiality. We have reason to belive that the same qualities will be found in a like degree in the person of Mr. Belcourt, member for the city of Ottawa, and therefore I offer the name of Mr. Belcourt as a fit and proper person to be the Speaker of this House. I move, seconded by Sir Richard Cartwright :

That Napoleon A. Belcourt, Esquire, member representing the electoral district of Ottawa, do take the Chair of this House as Speaker.

Mr. R. L. BORDEN (Halifax). Mr. Flint, before the motion is put I desire to say that I do not rise for the purpose of offering any opposition to the motion which has been proposed by the right hon. the Prime Minister. I believe that the hon. gentleman whose name has been proposed is in every way worthy of our confidence and of the trust which the House proposes to place in his hands. The dignity which is thus conferred upon him is great, but the responsibility is not less great. He represents not only those with whom he has been politically associated, but also those who sit on this side of the House. He thus stands between the majority and the minority as the guardian of the honour and dignity of the House in every respect. It is necessary that he should preside over the House not only with dignity and learning, but also with wisdom and tact. In extending my congratulations to the hon. gentleman, let me say that I do so with every confidence that he will, in every possible sense, fulfil worthily the responsibilities which are thus to be placed upon him.

Motion agreed to.

And the Clerk of the House having declared Mr. Belcourt duly elected, he was conducted to the Chair by the Prime Minister.

Mr. SPEAKER ELECT, standing before the Chair said :

(Translation.) The great honour which the House has just conferred upon me does not for one moment cause me to forget or overlook my unfitness and unpreparedness for the performance of the honourable but difficult duties of the Chair. Consequently, I request, and confidently entertain the hope, that the hon. members will on all occasions extend to me their indulgence and support in upholding the honour, dignity and integrity of the House. I shall follow the example of my predecessors, and particularly of the hon. gentleman who has just vacated the seat, and who discharged with such brilliancy the duties which I am now called upon to fulfil ; and I shall endeavour to exercise on all occasions the strictest impartiality.

I wish to offer to the House my humble and grateful acknowledgments for the great honour which they have conferred upon me by unanimously electing me to be their Speaker. The keen sense I feel of my own unfitness and unpreparedness is only relieved by the hope, which I am confident I may entertain, that the hon. members of the House will on all occasions extend to me that indulgence and support, without which I would fail to perform, to the satisfaction of the House and my own, the very honourable and very difficult duties of the Chair. In that expectation and in the determination to exercise on all occasions the strictest possible impartiality, and to follow the example of my predecessors, and more particularly of the hon. gentleman who has lately vacated the seat which I am now privileged to occupy, perhaps I may venture

to hope that the best traditions, the honour and dignity and the integrity of the House will be always preserved and maintained.

ADJOURNMENT—ALASKAN BOUNDARY AWARD.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. R. L. BORDEN. Before the House adjourns, might I put a question to my right hon. friend. I understoood that all the correspondence and papers relating to the Alaskan boundary question were to have been printed and distributed during the recess. That, I believe, has not been done, and I would be glad to know from my right hon. friend when these papers will be placed before the House. I believe they have already been laid before the imperial parliament, but there are not copies available for the members of this House with the exception of two or three in the library.

Sir WILFRID LAURIER. I may inform my hon. friend that a portion of the papers is now in the hands of the printers and will be down probably this week. Later on I expect to bring down another batch of the same correspondence.

Motion agreed to, and House adjourned at 3.25 p.m.

HOUSE OF COMMONS.

FRIDAY, March 11, 1904.

The SPEAKER took the Chair at Three o'clock.

THE SPEECH FROM THE THRONE.

A Message was delieved by Ernest J. Chambers, Esquire, Gentleman Usher of the Black Rod :

Mr. SPEAKER—I am commanded to inform you that His Excellency the Governor General desires and awaits the attendance of your honourable House in the Senate Chamber.

Accordingly the House went into the Senate Chamber.

And the House being returned.

CONTROVERTED ELECTIONS.

Mr. SPEAKER. I have the honour to inform the House that I have received from the judges selected for the trial of election petitions, pursuant to 'The Dominion Controverted Elections Act,' certificates and reports relating to the elections :—

For the electoral district of the North Riding of the county of Ontario ; and

For the electoral district of the North Riding of the county of Grey.

by which the said election petitions were dismissed.

FIRST READING.

Bill (No. 1) respecting the administration of Oaths of Office.—Rt. Hon. Sir Wilfrid Laurier (Prime Minister.)

THE SPEECH FROM THE THRONE.

Mr. SPEAKER. I have the honour to inform the House that when the House did attend His Excellency the Governor General this day in the Senate Chamber, His Excellency was pleased to make a speech to both Houses of parliament, a copy of which is as follows :—

Honourable Gentlemen of the Senate :

Gentlemen of the House of Commons :

In again meeting you in parliament, it is our first duty to express our heartfelt thanks to a beneficent Providence for the abundant harvest with which the country has been favoured during the past year, and for the general prosperity that prevails in all parts of the Dominion.

It is very gratifying to note that the yearly increasing trade of Canada which has been so marked a feature of the past six years, gives no indication of any abatement, while the number of settlers seeking homes in Manitoba and the Territories is without a parallel in the history of the country. These two very important facts lead irresistibly to the conclusion that long before the Transcontinental Railway, authorized by parliament at its last session, can possibly be completed, its urgent necessity as a medium for carrying the products of the west to our own Atlantic ports will have become apparent, independently of the many benefits that will follow from the opening up for colonization and for various enterprises of the northern parts of Quebec and Ontario.

The agreement made with the Grand Trunk Pacific Railway Company regarding a new transcontinental railway, contained certain stipulations which in effect required the Grand Trunk Railway Company of Canada to become a party to that agreement and to assume heavy obligations in respect thereof.

Further consideration of the agreement by the representatives of the Grand Trunk Railway Company and my government has resulted in showing the desirability of certain amendments to the contract which, having been approved by my government and subsequently by the board of directors and the shareholders of the Grand Trunk Railway Company, will be submitted to you for ratification.

The sum of $5,000,000 in cash has been deposited in the Bank of Montreal in accordance with the provisions contained in the original and supplemental agreements with the company.

A Militia Bill will be introduced containing several important amendments to the present law rendered necessary by the growth of the force and calculated to promote its efficiency.

A copy of the award defining the boundary between the Dominion and Alaska, and other papers connected with the controversy, will be laid before you.

In view of the widely extended settlements now forming in the Territories, it will become necessary to increase the strength of the North-west Mounted Police Force, and authority will be asked for that purpose.

Gentlemen of the House of Commons :

The accounts of the past year will be laid before you. I am glad to say that the revenue

will exceed the expenditure, leaving a balance to be applied in reduction of the public debt.

The estimates for the coming year will be laid before you at an early date.

Honourable Gentlemen of the Senate :

Gentlemen of the House of Commons :

After the long protracted session of the last year, when so many important matters were dealt with, it is not probable that your duties will involve your being detained on the present occasion for any lengthened period. I commend, however, to your best consideration the subjects to which I have referred, and I invoke the Divine Blessing on your deliberations.

MEMBERS INTRODUCED.

Louis Alfred Adhémer Rivet. Esq., member for the electoral district of Hochelaga, introduced by the Rt. Hon. Sir Wilfrid Laurier (Prime Minister) and Hon. Sydney Fisher (Minister of Agriculture).

Armand Lavergne, Esq., member for the electoral district of Montmagny, introduced by the Rt. Hon. Sir Wilfrid Laurier (Prime Minister) and Mr. Louis Lavergne.

Horace Haszard, Esq., member for the electoral district of West Queen's, P.E.I., introduced by Hon. H. R. Emmerson (Minister of Railways and Canals) and Mr. McKinnon.

Joseph E. Armstrong, Esq., member for the electoral district of the East Riding of the county of Lambton, introduced by Mr. R. L. Borden and Mr. Clancy.

James J. Donnelly, Esq., member for the electoral district of the East Riding of the county of Bruce, introduced by Mr. R. L. Borden and Mr. Clarke.

John Waterhouse Daniel, Esq., member for the electoral district of St. John city, introduced by Mr. R. L. Borden and Mr. Lefurgey.

SPEECH FROM THE THRONE—GRAND TRUNK PACIFIC AGREEMENT.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) moved :

That the speech of His Excellency the Governor General to both Houses of Parliament of the Dominion of Canada, be taken into consideration on Monday next.

Mr. R. L. BORDEN (Halifax). Before the motion is adopted I would like to bring to the attention of the right hon. gentleman (Rt. Hon. Sir Wilfrid Laurier) the fact that reference is made in the speech to an agreement between the government and the Grand Trunk Pacific Railway Company, or gentlemen representing that company ; and I would like to know if it is the intention of the government to place that agreement upon the Table of the House before the address is taken into consideration ? As this is a subject of considerable importance, I should think it only right that the House should have the advantage of perusing the agreement before we enter into consideration of the speech from the Throne.

Sir WILFRID LAURIER. I may inform my hon. friend (Mr. Borden, Halifax) that the message he refers to will be laid on the Table before the end of this sitting.

Motion agreed to.

SELECT STANDING COMMITTEES.

Sir WILFRID LAURIER (Prime Minister) moved :

That Select Standing Committees of this House for the present session be appointed for the following purposes :—1. On Privileges and Elections. 2. On Expiring Laws. 3. On Railways, Canals and Telegraph Lines. 4. On Miscellaneous Private Bills. 5. On Standing Orders. 6. On Printing. 7. On Public Accounts. 8. On Banking and Commerce. 9. On Agriculture and Colonization—which said committees shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the House ; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

Sir WILFRID LAURIER moved :

That a special committee of five members be appointed to prepare and report with all convenient speed a list of members to form the select standing committees ordered by this House on Thursday, February 13 instant, such select committee to be composed of the following members : Sir Wilfrid Laurier, Mr. R. L. Borden, Sir Richard Cartwright, Hon. James Sutherland and Hon. John Haggart.

Motion agreed to.

OFFICIAL REPORT OF THE DEBATES.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) moved :

That a Select Committee be appointed to supervise the Official Report of the Debates of the House during the present session, with power to report from time to time, to be composed of Messrs. Ball, Champagne, Charlton, Clarke, Earle, Gervais, Holmes, LaRivière, Macdonald, Monet, Roche (Marquette), Russell, Scott, Sutherland (Essex) and Taylor.

He said : This is the same committee as last year, with the exception that Mr. Gervais takes the place of Mr. Madore.

Motion agreed to.

REPORT PRESENTED.

Report of the Joint Librarians of Parliament.—Mr. Speaker.

MESSAGE FROM THE GOVERNOR GENERAL—SUPPLEMENTAL AGREEMENT *RE* GRAND TRUNK PACIFIC RAILWAY.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) delivered a Message from His Excellency the Governor General.

Mr. SPEAKER read the Message as follows :—

MINTO.

The Governor General transmits to the House of Commons an agreement made between His Majesty the King and the Grand Trunk Pacific Railway Company dated March 8, 1904, varying in some respects the provisions of the agreement between His Majesty and Sir Charles Rivers Wilson and others representing the said company, a copy of which forms the schedule to the Act 3 Edward VII., chapter 71, and he recommends the same for the favourable consideration of that honourable House.

Government House,
Ottawa, March 11, 1904.

Mr. R. L. BORDEN. Might I ask the right hon. gentleman (Rt. Hon. Sir Wilfrid Laurier) if he has had the amended agreement printed, notwithstanding the rules, which otherwise make it necessary to send it to the Committee on Printing ?

Sir WILFRID LAURIER. I am informed that the order has been given for the printing of this document, and it probably will be distributed on Monday.

ADJOURNMENT—PAPERS *RE* THE ALASKA BOUNDARY AWARD.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) moved the adjournment of the House.

Mr. R. L. BORDEN. Before the motion is adopted, I would like to say that I understood from my right hon. friend yesterday, that the papers relating to the Alaskan Boundary Treaty and Award would be laid upon the Table of the House this week. Perhaps my right hon. friend meant some later date. They have not been laid upon the Table of the House up to the present time.

Sir WILFRID LAURIER. I expected that these papers, a portion of them, the award at all events, would be laid upon the Table this week. It may be that I am mistaken ; at all events, hon. members will have them in their boxes I hope at a very early date.

Motion agreed to, and House adjourned at 3.55 p.m.

HOUSE OF COMMONS.

MONDAY, March 14, 1904.

The SPEAKER took the Chair at Three o'clock.

RAILWAY ACT, 1903, AMENDMENT.

Mr. E. A. LANCASTER (Lincoln and Niagara) moved for leave to introduce Bill (No. 2) to amend the Railway Act, 1903. He said : Mr. Speaker, this Bill will be found by the House to be necessary on account of a decision of the Supreme Court rendered since the prorogation of parliament last fall. The object is to amend the section of the Act of 1903 in regard to trains crossing the highway at rail-level within the incorporated limits of cities, towns and villages. Until last session the law was that trains were not allowed to run at a higher rate of speed than six miles an hour in the thickly peopled portions of cities, towns and villages unless protection were provided by watchmen and gates. When we were revising the law last session it had been decided by the Court of Appeal in Ontario that it was for the judge —or jury, in a case tried by jury—to decide whether protection was required at any crossing where an accident happened if the rate of speed exceeded the statutory limit. Last session Hon. Mr. Blair, then leading the government in regard to railway measures, induced this House to increase the limit of speed at these crossings to ten miles an hour. I believe that, had this House known or suspected that the Supreme Court would reverse the decision of the Court of Appeal of Ontario, this Act would have been amended by the unanimous decision of both sides in this House in the way I here propose. It works out in this way : The Supreme Court having decided in the way it has, the section as it stands is of no practical value and should either be removed from the statute-book, or this amendment should be made to it, in order to give it the effect originally intended. The effect of my amendment would be that, if the speed of ten miles an hour is exceeded at a crosing at rail-level within the incorporated limits of a city, town or village, the railway company must maintain a watchman at that point. Too many people are being killed by reason of the speed at which trains run within the incorporated limits of cities, town and villages. There is an outcry because of trains running over these crossings at forty or fifty miles an hour, with no protection for the public provided. I am not advocating the limiting of speed, but only seeking to provide that if they exceed ten miles an hour at crossings within incorporated limits, the railway company shall provide watchmen. They can run without watchmen if they run at no more than ten miles an hour ; but if they wish to increase the speed within incorporated limits, they must have watchmen at all points where they cross the highway at rail-level.

Motion agreed to, and Bill read the first time.

FIRST READINGS.

Bill (No. 3) to amend the Criminal Code, 1892.—Mr. Lancaster.

Bill (No. 4) to amend the Act respecting certificates to masters and mates of ships.—Mr. Lancaster.

ADDRESS IN ANSWER TO HIS EXCELLENCY'S SPEECH.

The House proceeded to the consideration of His Excellency's speech at the opening of the session.

Mr. G. D. GRANT (North Ontario). Mr. Speaker, I beg to move that a humble address be presented to His Excellency the Governor General in reply to the speech from the Throne. In accepting this task, I do so with a proper sense of the honour done to the riding I represent in this House. But, before proceeding further, Sir, will you permit me, with all respect, to reiterate the congratulations already extended to yourself on your accession to the Chair. And allow me to assure you, Sir, if the assurance may come from so obscure a member as myself, that this House is confident that in your capable hands the historic office will not suffer in either dignity or authority.

It is with feelings of genuine pleasure, too, that we learn that your eminent predecessor is not withdrawing his services from the country, but, on the contrary, is to devote in another sphere of usefulness his very great abilities to the service of the Dominion.

Since we last assembled here—and by the way that is not so very long ago—no event of paramount importance to Canada has transpired. That expression of Thomas Carlyle's, (which I shall slightly misquote):

> Happy that nation whose annals are dull

may with some degree of truth be applied to Canada. During the past year Canada has pursued the even tenor of her way ; she has followed her wonted course of peace, prosperity and progress. A bountiful harvest has been safely garnered, as His Excellency so well says in the speech from the Throne. Our citizens have pursued their wonted vocations undisturbed, adding to their own wealth and to the wealth of the nation. While this has been the happy state of affairs with us it has not been so abroad. The dark cloud which for many months and even years had been threatening the peace of the far east has at last broken and devastating war holds sway. Perhaps it may not be amiss to express the hope that the time is not far distant when an honourable peace may be consummated, that war and carnage may soon cease and that those two great nations, at present arrayed against each other can without sacrifice of self-respect, adjust their differences and for the future vie only in the peaceful battles of commerce and the promotion of the happiness of the human lot in that eastern sphere. Whilst in that conflict we in Canada have neither part nor lot, it is perhaps well to remember that our oriental trade is by no means contemptible, and that for the past few years it has been on the increase. We may be assured that all necessary steps will be taken for the preservation of our interests, and I have no doubt also that on the cessation of hostilities efforts will be made for the expansion and enlargement of our trade in what must be for us the very valuable markets of the east. Though, as I have said, Canada has neither part nor lot in that conflict, one cannot premise when, sooner or later, the mother country, Great Britain, may be involved in difficulties in the far east. We hope that such an event will not occur at this juncture, and that Britain will not become involved in the conflict, but if unhappily Great Britain should become involved—which Heaven forbid—how important becomes Canada. It will be the ground over which armies and supplies must be transported to the scene of action. If at some future time a difficulty should arise in that same part of the globe, and Great Britain should become embroiled therein how important become our highways from the Atlantic to the Pacific and of what inestimable value would be a second or third highway across the continent, remote from the frontier, not easily liable to attack and all on Canadian territory. We hear much in these days about colonial contributions to imperial defence, and I should be the last to minimize its importance. But, Sir, what better contribution could we in Canada make to that end than the construction of another safe highway across our continent whereby we both build up our own country and provide a great utility for the empire in time of necessity. But more of this again.

When this House prorogued last autumn, the international tribunal, which had for some months been sitting in London in regard to the Alaskan boundary question reached a decision and published their findings. I shall not say that the decision of that tribunal was not received with disappointment in Canada, but, Sir, I feel that I can say that after the first and very natural feeling of regret had passed over our country no petulant voices of exasperation were heard, and it is reassuring to know from those whose opinions in such matters are worth having, that the two islands in the Pacific awarded by the tribunal to the neighbouring republic are not of paramount strategic importance and do not dominate what may be, and probably will be, the terminus of the new transcontinental railroad. The final outcome of the Alaskan boundary award was received with regret but not without dignity by the people of this country. When the international boundary is finally delimited in terms of the decision of the tribunal, it is satisfactory to reflect that hereafter there can arise no other or further question involving a boundary dispute. We cannot afford either to contemplate or allow any encroachment upon our coast lines, be it on the Atlantic

or the Pacific side. After that boundary line is finally determined we shall be sovereign over all territory north of the international boundary between us and the neighbouring republic, except such parts as have already been awarded as the property of other nations. And is it too much to hope that in the near future an amicable adjustment of what has for many years been a difficulty on our eastern coast, the shore difficulty of Newfoundland, may be reached ? True it is that we are not directly interested, but the adjacent colony of Newfoundland is vitally interested, and the excellent relations now existing between Great Britain and old France may lead to an amicable adjustment of that long-standing difficulty and so pave the way for the entry of that ancient and rugged colony of Newfoundland into this confederation, its natural home. Thus, too, will be consolidated all the British possessions in this part of the globe, bound together by a common allegiance and determined to maintain both their own integrity and, as far as in them lies, the integrity of the mighty empire to which we are so proud to belong.

Looking at His Excellency's speech I note, and I come naturally now to the subject—the introduction this session of a Militia Bill. I am not advised what the particular provisions of this Bill may be ; suffice it to say that it is said to be for the betterment and the enlargement of the efficiency of the force. I am not one of those who believe that a standing army is the greatest blessing that a nation can have. We all know, and it is a truism, that modern Europe is suffering to-day from the canker of militarism run mad. For that reason thousands of Europeans are daily leaving the shores of their native lands and seeking, in our western world, homes where they may labour and enjoy the just rewards of their daily toil without the clank of arms ever sounding in their ears. But, there is a sane middle course to be followed and that middle course I trust Canada and the advisers of the government in military matters will take. Canada must be prepared to defend herself at least by land should occasion arise. For that purpose we should not stint our provision for the maintenance of our citizen soldiers.

Mr. Speaker, an occasion such as this is a proper time, I presume, to take a general survey of the condition of the country, both as to its trade, its resources and its prospects When some months ago the trade returns of the past fiscal year were made public and it was found that Canada's foreign trade to June 30, 1903, had reached the unprecedented total of $467,000,000 many persons thought that high-water mark had then been reached. For some years prior to 1897 the trade of Canada had been stationary or showing only slight advances. Each year of the seven last past, the trade returns have recorded a phenomenal growth, but predictions were freely indulged in that the growing time was about spent. Many prophecies were indulged in, dark prophecies of impending commercial disaster were made and we were warned to prepare for adversity. We were told that in the American republic these ominous signs were apparent. Have these predictions been verified by the facts ? Have these predictions in the slightest degree been borne out by what has transpired since they were made ? They have not, but on the contrary, the facts have disposed entirely of these dark prophecies of evil. Let me refer just for one moment, and I shall not weary the House, to the statistics for the current year, the fiscal year which we are now in. I find that already for the first half of this current fiscal year our trade has been as great, and that, Sir, despite these dark prophecies, it has been $12,000,000 greater than that of the corresponding period of the last fiscal year. I refer, of course, to our aggregate foreign trade and if the present ratio of growth be maintained—and there is no reason in the world why it should not be—I do not think that I am going too far in saying that at the end of this current fiscal year we shall likely see the aggregate foreign trade of Canada touching the half billion mark. Now, take the question of our revenues. Have they sagged or diminished ? Do they give any indication that we are going behind as was darkly hinted some few months ago ? By no means. For the first eight months of the present fiscal year the revenues of Canada exceeded by $3,200,000 those of the same months of last year, thereby proving conclusively that those prophets, who told us that unless we mended our fiscal ways disaster must soon overtake us, did not know what they were talking about. I have heard it said, and I believe with correctness, that we are to have a surplus this year vaster that has been.

This is a good time to take stock nationally. Let us look for a moment and see how our trade has grown during the last six or seven years. I find that our total aggregate foreign trade during 1903 was $43,000,000 ahead of the trade of 1902, and I find that it has increased over the trade of 1895 by $244,000,000, or 108 per cent. I am not saying anything new when I point out that our proportionate increase in trade has exceeded that of any of our commercial competitors. Our neighbours in the United States, for instance, in the same period of time that I have mentioned, have increased their total trade by only 47 per cent, while Great Britain, during the same seven years, has increased her total trade by 26 per cent. Nor is this phenomenal prosperity and growth confined to any one branch of industry. I single out particularly the great basic industry of agriculture and I say advisedly, believing it to be true, that never before have the farmers of Canada been so prosperous as they are at the present time. During the fiscal

year 1903 the farmers of this country exported of their own produce $114,000,000 worth, there being an increase of $18,000,000 over the previous year's export and an increase of $64,000,000 over the export of 1896. I need not go into the different articles. I need not quote the returns of the different products, but when we remember that in 1903 our farmers and cheese men sold of cheese $24,000,000 worth, of butter $7,000,000 worth, of hams and bacon $16,000,000 worth, of wheat $24,000,000 worth, and of cattle $11,000,000 worth, it will convey to us some faint idea of the growing importance of the industry of agriculture and furthermore of the splendid strides it has been making during the past few years in Canada. Being myself a solicitor, practising in a small way in a country town, I have some practical knowledge of what the farmers, at least of my own province, are doing. I can say from my experience and knowledge of the state of affairs in the province of Ontario at least, and I doubt not but what it is true of the other provinces, that the farmers are paying off their mortgage indebtedness and paying it off very rapidly. Mr. Speaker, if a farmer comes into a solicitor's office to borrow money to-day it is not because he is going behind. It is because he wants to buy the fifty acres next to him or the 100 acres across the road, and the man who has sold the fifty or 100 acres to him is not going away to Dakota disgusted and disgruntled, but very likely he is retiring with a competence to live in comfort in the adjoining town, or if a young man, is going to our Northwest there to join in making a home amongst the many hundreds and thousands who are settled in that fertile country. Why do I quote these figures ? It is not for the purpose, let me assure you, Mr. Speaker, of recording any party advantage, or of building an argument thereon—and I quite confess an indisputable argument might easily be built thereon for the retention of the present government and its policy—but for the purpose of strengthening and confirming, if it were necessary, the conviction of every one, that it is a good thing to be a citizen of Canada in this fair day of hope and progress.

Sir, let me refer to our great western country. The speech from the Throne would have been singularly lacking had it not spoken of the wonderful growth which Western Canada has experienced. I hesitate to quote figures ; I hesitate to set an array of statistics before the House on such an occasion ; but I cannot refrain from giving a few figures which bear on the development of the West. When I state, that the immigration to Canada last year (1903) comprised 128,000 souls, it will be apparent at a glance that there has been a great influx of settlement, and I may add that two-thirds of these new comers were English speaking citizens. These figures show an increase over the figures of the previous year of 44,000, or more than fifty per cent, and they represent eight times the number who came to Canada in the year 1896. Why, Sir, last year, from the United States alone, 47,000 immigrants came to settle in Canada, and so far as we know these belong to the most desirable class that we could possibly attract to our country. And how has this happened ? Has the Canadian west not been there from time immemorial ; have these fertile prairies not been there ever since there has been a Canada ; ever since there has been a government of Canada ! How is it that only of late years has that long dormant land awakened up to settlement ! I trust, Sir, that I am not going beyond the reasonable bounds of courtesy and etiquette to be observed on such an occasion when I say that the credit of that splendid development and growth is due largely to the vigorous policy and generous treatment which the Department of the Interior has meted out to that western country. Why, for the fiscal year 1903, we find that there were 31,383 homestead entries taken out in that western land, being more than double the entries of the year previous and eighteen-fold greater than the entries for the year 1895-6. And, Sir, I have made inquiry and I find that for the first eight months of this year there have been over 16,000 entries, and the great rush which is confidently expected this spring, will no doubt insure that the figures for the current year will greatly outstrip those for the year I have just mentioned. Is it not reassuring to remember that during the year last past, there was made available and open for settlement, in fact disposed of for settlement in our great West, nine and a quarter millions of acres ? In this is included of course the land sold by the colonization companies, the railway companies having land grants, the Hudson's Bay Company, and our own Department of the Interior. The Department of the Interior alone disposed of for settlement over 5,000,000 acres of land last year. This was an increase over the year 1896 of fifty-fold and more. Now, Sir, when we remember that the total yield of wheat in that western country was between 60,000,000 and 70,000,000 bushels last year, we perhaps can form some idea of what a fabulously rich asset we have in Manitoba and the Territories. I might multiply figures and quote statistics further, but I shall have mercy upon the House, and I shall content myself with saying, that the growth and the expansion recorded by our great west during the past three or four years, is unparalleled by any country in the history of the world. There is this to be said : that both Manitoba and the Northwest Territories are, as time goes on, getting more independent ; I mean in a financial way, and nowadays, it would take more than one bad harvest to seriously hamper any of the western provinces. Such, Sir, is the story of our west, and I have but touch-

ed the fringes of the more prominent evidences of its growth. This is the land which is calling upon us at the present moment for increased railway facilities. Shall we close our ears to its cry ? Does not the enormous contribution of that fertile land to the wealth of our nation entitle it to consideration, at our hands ? If, Sir, we are to bind the west to us ; if we are to share with the west in the rich fruitfulness of that country, we must hasten to equip lines of communication and means of transportation. I believe, Sir, in fact I know, that such is the purpose and intention of this government.

I now pass to a moment's consideration of what is known as the transcontinental railway question. After the very full consideration given to this subject last session, but little need be said now. The House is already in possession of the proposed modifications of that contract, modifications and alterations that leave the contract of last year in the main untouched. It is not necessary for me to reopen the chief issue. It is the determination of the government to construct or to have constructed another transcontinental railway, and I think I may fairly say that this policy receives endorsement on all sides. West of Lake Superior there are no two opinions on the question and by common consent it would seem that the people of the west entirely disregard politics in their strongly expressed desire for the railway. I take it, too, that in the older provinces of the Dominion there are no two opinions on the main question. Our present needs and future possibilities demand increased transportation facilities. Our political future depends very largely on the solidarity of this confederation, and the unity and solidarity of confederation can be promoted no better, than by the construction of a railway highway from ocean to ocean, touching each province and traversing all Canada. It then comes down largely to a question of method and means. To that issue is the question narrowed down. I do not know that the purpose of the government with respect to the eastern portion of the railway needs any justification from me at this juncture. Already this House has voted its approval. I as a member of this House have endorsed the project by my vote, and I believe that my constituents approve of my action in that regard. But, Sir, there was a great deal said last session touching the wisdom of building through the newer or northern part of Ontario, and we heard much from gentlemen opposite reflecting upon the wisdom of that course. Let me say Sir, that in my humble opinion, lapse of time, and further inquiry have but confirmed and established the wisdom of that policy. More than that ; it seems to me that there is no feature of the whole scheme which can so appeal to a resident of the province of Ontario, as the proposal to build this railroad from the Manitoba to the Quebec boundary, across new Ontario. We have heard the familiar cry ring in our ears that there is nothing for Ontario in the project. Nothing for Ontario in this project ? Is it nothing for Ontario, that our province shall have opened up and placed in the way of development, hundreds of miles of territory now an unsettled wilderness ? Is it nothing for us that the mining, the timber, and the agricultural resources of that long unexplored land shall at length be exploited ? Is it nothing for us, that the undoubted fertile belt of that great northern half of Ontario shall be thrown open to the settler? Is it nothing for Ontario that for a certainty along the line of the proposed new railway there shall spring up towns and villages where the forest and mineral wealth of the great region shall be converted into manufactured products ? Nothing for Ontario! Surely, Sir, it is a narrow and contracted vision that can see nothing for Ontario in such a splendid prospect.

What, Sir, is the only inference to be drawn from such expressions ? Must it not be this—that those from whom such expressions are heard have no abiding faith in their province ? Must it not be that they doubt the wealth of that region, and practically say that one-half of the province of Ontario is worthless ? If, Sir, we are really convinced that the great northern half of Ontario is a barren wild, an impenetrable waste, pledged for all time to the red deer and the moose, to be traversed only by the Indian or by some adventurous trader ; if, Sir, we are of opinion that it is an unkind and inhospitable region unsuited for the habitation of man, then, in Heaven's name, let us admit the fact to each other, and let us sit down with folded arms and confess that we cannot extend settlement to the north, that so far as the province of Ontario is concerned, real progress and development are at an end. But if, on the other hand, we have a strong faith in the resources and possibilities of that region—if we believe, as those about me from Ontario and from other provinces do believe, that New Ontario may, by bold and wise measures, be made a greater Ontario—if we have enduring confidence in the heritage bestowed upon us by Providence, and in the skill and pluck of our people to use these splendid possessions, then, Sir, our duty is plain ; our duty is to go ahead.

We are told of engineering difficulties, of insuperable natural barriers. Where and what they are, Sir, I have yet to learn. They are not to be found on the charts and maps of surveyors and explorers. I fear that they exist only in the mind of the doubting Thomas who lacks the courage to address himself to the problem of his country's development. We are told, too, that the proposed line through New Ontario and New Quebec will be snowbound for four months out of the twelve. How singularly astray is such a prediction, when we remember that this winter, which has been rather a severe one, the northerly railways

of Canada have been those most free of interruption by snow and storm. The main line of the Canadian Pacific Railway, running through the northern part of the province of Ontario, has been very slightly impeded; and I am told on very good authority that the Quebec and Lake St. John Railway, probably the most northerly one in Canada, running for a distance of about 200 miles from Quebec to Roberval, has run every train, both freight and passenger, on schedule time throughout the whole of the year. And that railway, I believe, runs through a country very similar to that which will be traversed by the eastern division of the Grand Trunk Railway. Therefore we may dismiss that bogey from our minds.

The government is to be commended, in my humble opinion, for holding intact the main features of the contract of last year. The variations of the contract are not in any way material, and do not in any manner tend to jeopardize the successful issue of the project. As these modifications and alterations have been published in full, and are on the desk of every hon. member, I shall not weary the House by going into them in detail. Perhaps the most important amendment is that which relates to the guarantee of the bonds of the mountain section. By the original contract the government agreed to guarantee the bonds of that section to the extent of $30,000 a mile. Under the amended agreement the guarantee will be for three-fourths of the cost of construction; it may be more or it may be less than $30,000 a mile. Then the time for the completion of the western division is extended from 1908 to 1911. In view of the delays that have unavoidably taken place, that extension can, of course, be quite justified. The original contract, as you will perhaps remember, did not provide a time limit for the construction of the eastern division. While the Grand Trunk Pacific Company were bound to construct the western division within a certain time, the government were not bound by a time limit for the construction of the eastern division. Under the amended contract, as I read it, it is provided that in the event of the western division being completed and equipped with rolling stock to the amount of $15,000,000 before the eastern division is completed by the government, the company shall be entitled to the return of the $5,000,000 deposit, which, by the way, has been put up in cash as provided by the original contract. It will be noticed, however, that the original obligation to equip the line to the amount of $20,000,000 of which $5,000,000 is assigned to the eastern division, remains to be complied with when the eastern division is completed by the government. These two amendments, with the additional amendment regarding the holding of the common stock by the old Grand Trunk Railway Company, are, to my mind, the three important amendments. But, I repeat, these amendments leave the main features of the contract of last year undisturbed. We had, I believe, an advantageous contract with the Grand Trunk people last year; I believe we have an advantageous contract with them this year. The contract remains in all essential respects just as advantageous a contract for the country as it stood before.

Among other matters of a domestic nature that were freely discussed during the late recess, was the ever-present question of the tariff. Now, Sir, even among those who clamour for a stiff and arbitrary advance of the tariff all along the line, there is by no means unanimity as to what change or changes should be made. Of course, the ultra-protectionists clamour for a very substantial increase all along the line. Other promoters of the agitation single out special industries which they assert are suffering by undue competition from without. The great mass of the consumers of this country have not yet been heard from, nor do they possess any organization by which they can, as a body, make their wants and wishes known. The consuming public have not the opportunity of recording their views at conferences or conventions, as other interests have. The great body of the people can express their convictions and their wishes on this and kindred matters only at the polls.

Now, Sir, I do not for one moment say that the existing tariff is a perfect tariff. A perfect tariff—that is, one to suit all the different sections of this great country, with its frequently changing conditions, and its many diverse interests—could only be framed and put into operation by perfect men; that is to say, by a government composed of perfect members.

Well, Mr. Speaker, I quite admit that the present administration is about as perfect an administration as ordinary human limitations will allow; but, I do not claim for them that they have been able, or will ever be able to form a tariff that will suit everybody, all the manufacturers and all the consumers, always and at all times. I do put forward this claim, however,—and I say it with the assurance derived from the records—that the present tariff, on the whole, has been a very satisfactory tariff for Canada. And on what do I base this claim? First and foremost, our present tariff has been a good revenue producer. It has fulfilled one of the main functions of a tariff in that it has produced abundant revenue. I have already referred in part, to the figures since 1897, and I need not speak further of our constantly enhanced receipts from customs. When I say broadly that the Minister of Finance was able to declare last year a surplus of fourteen or fifteen millions and this year will be able to show even larger surplus, and when I say that we are told on authority that there will, in all probability, be a further reduction

of the debt besides the $6,500,000 paid off last year, I think that the claim made for the present tariff that it has been a good revenue-producer is well founded. Therefore an increase in the tariff, an arbitrary advance, is not required for the purpose of raising sufficient revenue. To judge by another, and perhaps equally proper, standard, —the effect of the tariff upon our trade— we find that the tariff of 1897 has been on the whole, a satisfactory tariff. I have already quoted to you the increase of Canada's foreign trade for last year, and have given you the comparison between that and the year 1896, the year before the present tariff came into operation. Since the inception of the present tariff, our trade, as I have said, has well nigh doubled. Surely Sir, the fiscal policy of the present administration, judged by its fruits, is deserving of commendation from the people of this country. It will be hard to convince any reasonable elector that a tariff policy under which our revenue has shown phenomenal increase from year to year, and under which our trade has shown steady and rapid progress, has been a mistaken policy. Were the revenue sagging, were trade at a standstill or declining, there might be some force in the demand for a change in our fiscal policy looking towards an increase in the tariff.

Still, it may well be that, so far as certain branches of industry or manufactures are concerned changes are desirable and proper. I feel sure that, in due time, these cases will have the attention of the government. In seven years' time, conditions necessarily change ; and where such changes have occurred they should be noticed and provided for. To my mind, those who are promoting a high-tariff agitation make a great mistake in demanding extreme measures. I do not think that the manufacturing interests of this country are at all a unit in asking for a great and arbitrary advance in the tariff. The overwhelming majority of the manufacturers at the present time are doing well, they are enjoying prosperity and are selling more goods than ever before and at better prices. Moreover, their financial position is greatly improved, and their collection returns have been more satisfactory than ever before. Then, we should not overlook this fact that constant agitation for tariff change, just like constant change itself, is apt to be disturbing, disquieting, and harmful to trade. Sir Edward Grey, the other day, in a speech on the fiscal question in Great Britain, said truly that repose, and not agitation is necessary to the sound development of trade. In the tariff, in my opinion, permanency and stability are to be desired, but careful attention and relief in special cases are not to be denied. That the tariff should be in Canada a political issue, seems, of course an absurdity. And yet we have it so. On the whole, I believe, considering the geographical situation of the various provinces, our tariff is fairly satisfactory, bearing as it does, not too severely on any one class or section, yet giving reasonable protection to our industries.

During the late recess, the fiscal controversy in Great Britain attracted a good deal of attention in Canada. It did more than that—it attracted to England some of our Canadian public men, who were anxious to enlighten the British elector in his choice of a fiscal policy. Now, we Canadians must always be vitally interested in the trade policy and trade questions of the motherland. Our commerce is affected, our political relations with the old land are vitally concerned. Whether or not our advice to Great Britain in the premises should be given, whether or not that advice can, in good taste, be given, and whether or not that advice, even if volunteered, will be heeded the least bit on the other side of the water, I shall not say. But it still remains that we have much concern with the ultimate outcome of that controversy. To my mind, the attitude of Canada to this great question should be a waiting attitude. As yet, no details of preferential trade propositions have been made known upon which one could offer an intelligent opinion or form a clear conclusion. The programme is yet nebulous. But we can go thus far—we can say that with the idea of closer trade relations with other parts of the empire we greatly sympathize ; but we await particulars ; formulate your plans and we will discuss them. Our union with the empire in heart and in aspiration is already indissoluble. If we are to be more closely united in trade, we in Canada will maintain the attitude of being willing, at any time to discuss such a proposition with the mother country. Such has been our attitude in the past, such was our attitude in the inter-imperial conference. And it is fitting, in this connection, to remember that Canada was the first to extend, freely and of her own accord, preferential treatment to British trade. It is for the mother country to move first for the adoption of what must be for her a fiscal revolution. Have we something substantial to offer the mother country in return for what may prove a sacrifice on her part ? That is a subject for discussion. Our attitude, I say, should be the attitude of waiting, ready, if necessary, to take counsel with the motherland and ready to discuss the furtherance of inter-imperial trade and the strengthening of inter-imperial ties.

But I have already transgressed the limits of the time that I might properly occupy on such an occasion as this. The second last clause in the address I desire to call attention to, and I am sure that my hon. friends on the opposite side will not be annoyed if I should ask their special attention to this clause, which I shall take the liberty of reading :

Hon. Gentlemen of the Senate :

Gentlemen of the House of Commons :

After the long protracted session of the last year, when so many important matters were dealt with, it is not probable that your duties will involve your being detained on the present occasion for any lengthened period.

I have no desire to make any invidious references or enter into any particulars, but simply throw out the suggestion to hon. gentlemen opposite, in the best of good feeling, that they would deserve well of their country if they would unite with gentlemen on the treasury benches in the endeavour to carry out the wish expressed by His Excellency and thus prove that the hope he indulged is not a vain one. I might perhaps enlarge on this theme, but I find that I am exceeding the limit of time at my disposal. Once more the representatives of the people are gathered together in parliament to devise measures for the good of our country. Never before in the history of this Dominion has its outlook been so bright. With the public treasury overflowing, with the fertile areas of our western country rapidly filling up with home-seekers and home-makers, with settlers and capital seeking our shores, surely it is incumbent on us to devise liberal measures, measures commensurate with the growth of Canada and her prospects, to meet the increasing demands of our rapidly increasing trade. All irritating questions of a racial and sectional type being happily out of the way, clean gone for ever, I fervently hope, Mr. Speaker, —thanks in the main to the master mind which has guided the destinies of this country since the Liberal party have come to office—we may confidently look forward to a lengthy period of national growth and prosperity. The people of Canada need have no fear for the future, if measures bold and wise be devised for our development. In the great task of building up a nation on the northern half of this continent we must see that we lay the foundation strong, firm and sure. Let us be true to our splendid traditions, let us use wisely the magnificent heritage with which Providence has endowed us, and we cannot fail, in our day and generation, to contribute much to the up-building of our beloved Canada.

Mr. L. A. RIVET (Hochelaga). (Translation.) Mr. Speaker, the task which devolves upon me of seconding the address in answer to the speech from the Throne carries with it a responsibility, the thought of which impresses me particularly. I would have been tempted to avoid it had I not been assured of your indulgence and prompted by a deep sense of my duty towards my province and my country. I must say, however, that the able and eloquent remarks just made by the hon. member for North Ontario (Mr. Grant) have rendered that task much easier for me to fulfil.

At the outset, allow me, Sir, to heartily congratulate you on your election to the exalted position which you occupy. Your choice as Speaker of this House has been welcomed with the greatest joy throughout the country. It was especially gratifying to the two great provinces of the Dominion to which you belong, having been born and brought up in the one, and being a most distinguished representative of the other. All are assured that, following in the footsteps of your predecessor, you will display in the fulfilment of your duties perfect courtesy and a deep knowledge of parliamentary and constitutional law.

My colleague, the hon. member for North Ontario, has expressed intense satisfaction at the prosperous condition of our country. I need not say that I am in this respect entirely in sympathy with him. That prosperity which is apparent not only to the citizens of Canada, but to strangers as well, could not but attract the attention of His Excellency the Governor General, and the reference to it in the speech from the Throne is the mere official recording of the most salient and general feature of this period of our history. Yes, Mr. Speaker, it is with a sense of legitimate pride that every Canadian witnesses the marvellous development of this country since 1896 and the position it has attained in the movement impelling all nations towards social and economic progress. We are proud to point out to that marvellous impetus, to that remarkable spring in all spheres of national activity. I welcome that unexpected increase in our trade, which has more than doubled in the space of eight years. I greet with joy the abundance and comfort enjoyed by our farming community, whose members are no longer, at regular intervals, reduced by emigration. I rejoice at the sight of all these new industries springing up throughout the land, the prosperity of each and all of which adds to our public wealth.

It is also a comforting sight to observe the labouring man, no longer obliged, as in days bygone, to seek under distant climes the means of sustenance which could not be found at home, but enjoying in his own country, through the use of his brains and muscle, better wages and a more pleasant life than could be had in a foreign land. I rejoice at learning that the tide of emigration towards the great republic to the south of us has changed to a return homeward of our people and to a current of foreign immigration directed towards our rich western plains. I am proud to notice that, by means of such development and such progress, Canada has taken a place among the nations which have a part to play at the opening of the present century. But, in the presence of this new manifestation of strength and vitality which breaks forth in all domains of society, in the presence of my country changed into an immense hive,

wherein the bees of agriculture and of industry turn out the honey of welfare and prosperity, in the presence of that striking metamorphosis of our national life, after giving free vent to the admiration and joy with which my heart overflows, I feel the need of investigating, and I investigate, the causes of such a sudden and thorough transformation.

Where, Sir, is the magic wand which has effected this prodigy ? With my hon. friends on the other side of the House, I notice in the first place the action of Divine Providence. I agree with them that Providence which has watched over the cradle of our infant nation, watches over its growth and development and visibly takes it by the hand on the road that leads up to the great future which is in store for it. But Providence, which existed previous to 1896, had not waited till then to show its beneficient and protecting hand. There must then be other causes for that marvellous progress ; and in accord, once more, with all the hon. members of this House, I may point out the characteristic qualities of all the races which inhabit this Dominion, viz.: activity, thrift, private enterprise and energy together with the clearest conception of fellowship, imagination and passion tempered by reason ; the daring spirit which makes for progress combined with the notion of present needs ; lastly, a practical turn of mind along with a love of the ideal, and above all,—and that is indispensable in our country,—union and peace among the various nationalities, happy to work together towards the upbuilding of a great, happy and prosperous nation. Add to those various qualities, the development of education throughout the body social, whereby the humblest as well as the greatest, the poorest as well as the richest, are enabled to draw on the treasures of energy and ability that constitute the intellectual heritage of the Canadian people. Therein is to be found, no doubt, one of the main causes of national prosperity.

There is still another cause, and at the risk of drawing both a denial from some of our friends on the opposite side, I shall mention the wise and progressive management of the Liberal government. While our opponents, wrecked by the people's will on the desolate shores of opposition, retained those cut and dried notions and indefinite theories from which the country had suffered so much, the leaders of our great party entrusted with the management of public affairs introduced and pursued a sound policy, founded on a clear perception of the needs of the various classes. Once in power, the members of the Liberal party judged that they were bound to exercise that power for the benefit of the people who had entrusted them with it. They judged that above mean party cravings, above sectional disputes, there should be a national programme, a work of material and social reformation, the carrying out of which required the co-operation of all people of good will and of all talents.

Agriculture was waning ; the Canadian Sully, our clear-sighted minister of Agriculture, enacted in its behalf measures destined to help in a large measure its progress. Imbued with that patriotic idea that farming constitutes in this country the principal source of public wealth, this same minister, through the establishment of a complete chain of cold storage, favoured the sale of our dairy products on the European markets, found new openings for other agricultural products and thus ensured to our farming community an era of progress the beneficent effects of which they feel.

The new trend imparted to our fiscal policy by the hon. the Minister of Finance, by interfering with monopolies, left, however, large manufacturers in a position to reap fair profits. Small industries were threatened with extinction in the weakening atmosphere of excessive protection ; through a wise modification of the tariff, possibilities hitherto unforeseen were offered to them, with a wider range under the sun of competition and liberty than trusts had been willing to allow them.

Under the Conservative rule the workingman was at the mercy of these trusts ; the Liberal government ensured him fairer wages and better protection in cases of unfair dealing on the part of the employer.

The public treasury was no longer the aim and prey of party hacks. The surpluses which replaced deficits were used in equipping our ports, building our canals, improving our transportation system over land and water, in subsidizing great undertakings of public interest and developing the natural resources of the country. The public revenue increased to a surprising extent, was applied to a gradual reduction of the national debt. Public credit was restored, the commercial independence of the country obtained, the sphere of action of the Canadian nation enlarged, thanks to the insight and enlightened patriotism of the eminent statesman who holds the reins of government.

Such is, Mr. Speaker, the part taken by our leaders in the gigantic development of Canada since 1896. Of course, previous to that, there existed in the make up of our people great stores of strength and energy ; but they remained dormant, unsuspected and unused, pending the moment when, under the impulse of an outward force, they would shine in the full light of day and give to the various manifestations of our national life an incomparable breadth and brilliancy. That new factor which has awakened the latent energies in the souls of the people and led them on in the path of an unheard of progress, is the far-seeing management of the men whom our country

chose as its leaders on the 23rd of June, 1896, and in whom to-day it has deservedly put its faith.

The most important measure announced in the speech from the Throne is, no doubt, the ratifying of the amendments made to the agreement with the Grand Trunk Pacific Railway Company for the construction of the transcontinental railway.

I wish, in the first place, Mr. Speaker, to express my deep satisfaction at the fact that these amendments do not in any way alter the original policy of the government on that national issue, and do not alter any essential feature of the agreement originally passed with the company. It is specially gratifying to me to note that the government persist, in spite of some interested criticisms, in their intention to build the eastern section of that great line. The building of that section, the main object of which is to give to our western farmers an all-Canadian railway line operated throughout the year and leading to our seaports, and also to develop those immense regions of northern Ontario and northern Quebec, seems to become more and more a plain necessity. I do not ask for better proof than the statements made before the Canadian Club, on the 24th February last, by Sir Sandford Fleming, our ablest expert in Canada. The statements on which that eminent authority based his approval of the building of the whole transcontinental in accordance with the government plan, have been published in the newspapers, and I need not repeat them here. I shall be content with saying that the force of such testimony is unquestionable. On the other hand, Dr. Bell, the noted geologist, has given recently on the agricultural, mineral and forest wealth of that eastern region an opinion which corroborates the testimony of Sir Sandford Fleming.

We have been apprised, Mr. Speaker, of the motives which have suggested that great plan of a new transcontinental railway. To connect the shores of the Atlantic to those of the Pacific by a new and all-Canadian route, to open up for settlement immense regions abounding in mineral, agricultural and forest wealth, to ensure new outlets for the products of the west, where immigration from Europe and the United States is constantly pouring in; lastly, to ensure the commercial independence and liberty of Canada. Such were the main reasons which the Prime Minister pointed out to the House in commendation of the scheme. These reasons, which the whole country approved of a few months ago, are to-day as cogent as ever. Let the transcontinental railway be built at once, such is the general wish of the people, as expressed by the result of the by-elections and voiced by enlightened business men and our ablest and most reliable experts in Canada.

As regards the amendments made to the agreement, they will, no doubt, have the approval of parliament. Those amendments are of such a kind as to leave no place for conflicting opinions. The terms of the contract were so much in favour of the government, certain conditions were so stringent on the company, that one could foresee how difficult it would be for the company to carry out the whole of its obligations. Unfortunately, those fears materialized. In spite of their good will and good faith, the company were at first unable to make the cash deposit of five million dollars required by law. However, the recent and happy news of the replacing of the interim deposit by a legal one will be gratifying to the country as a whole. The increase in the government guarantee as regards the mountain section, which, as intimated officially a few days ago, forms one of the proposed amendments, will be approved of by all who will take the pains to investigate the immense difficulties which the company may encounter in the building of that part of the road.

The new recourse granted to bondholders is evidence of the wish of the government to protect more effectively those who are willing to invest their funds in the carrying out of this national undertaking. On that point, as on many others, England is letting us have the benefit of her practical ability and of her old-time experience in the management of public affairs. Our leaders could not seek inspiration at a better source or find a nobler example to follow. The additional delay of three years granted to the company for the building of the western section is a change of small importance, which only shows the willingness of the government to grant all the necessary liberty in the carrying through of a work which will last for centuries.

In short, all these amendments are commendable, inasmuch as they are in accord with the spirit of the original agreement, and are further evidence of the government's resolve to carry through an undertaking from which all parties interested are destined to reap great advantage. For those reasons, Sir, it would be desirable that no voice should be heard in this House in opposition to the Act introduced by the government.

My task would be incomplete, Mr. Speaker, if I did not make reference to a question of the greatest interest to the electoral division which has chosen me as its representative. That question, raised by our opponents, old

and new, was hotly discussed in the county of Hochelaga, where the manufacturing industry holds a foremost place. I refer to the fiscal policy. As a matter of fact, the platform of the opposition had for its sole feature one plank, which, under a pompous name, trumpeted all over the constituency, became the by-word forced on my opponent; that sole plank was protection.

In the name of that old word, full of magic for those who are ignorant of political history previous to 1896, an attempt was made to secure the endorsement of the electorate for an out-and-out protective policy, slavishly imitating that of the great country to the south of us, where its systematic carrying out is causing the most disastrous of commercial and industrial disturbances. Vote for protection as they have it in the United States ; such was the pass-word of the Conservative, or rather of the protectionist forces in the electoral division of Hochelaga. That riding, Sir, is one of those in Canada where manufacturing has attained the greatest development, a riding where that campaign of out-and-out protection had undoubtedly the greatest chance of success, assuming, as claimed by our friends on the other side of the House, that the country was dissatisfied with the present fiscal policy. The result of that campaign was the return of the Liberal candidate by a strong majority. I have no hesitation in saying that, barring a few minor details, easy of adjustment, the manufacturers and business men of the county of Hochelaga are satisfied with the fiscal policy introduced in 1897. If I needed a better proof than the verdict of February 16th, 1904, I would point to the increasing prosperity of the larger as well as the smaller establishments under the Fielding tariff: I would point out to the considerable increase in the business carried on by these mills and manufactures, the owners of which, previous to 1896, claimed that the country would be ruined should the Liberals come into power.

Must we then say, Mr. Speaker, that the present tariff should not be altered in any way ? I do not think so. As all human achievements, the tariff is perfectible, liable to be improved now and then by changes necessitated by the law of competition and the fluctuations of trade. I know that just now a certain number of manufacturers, in Hochelaga and elsewhere, are calling for some changes in the tariff. I am confident that their representations, if found just and fair, will be favourably considered by the present government, and will be dealt with in that spirit of justice to which they are entitled, and which, thanks to God, has never been refused them.

Before concluding, Mr. Speaker, I wish to express my deep satisfaction at the remarkable success of the Liberal party in most of the by-elections which have taken place since the last session. The result of these elections clearly indicates the firm faith which the electors have in the government. And how, Sir, could it be otherwise ? Does not the Liberal party embody to a greater degree than any other political group, the sentiments, the opinions and the aspirations of the various races inhabiting the Dominion ? By its traditions, by its battles in favour of popular liberty, by its inception of all movements that have brought about the political, intellectual and social emancipation of our people, by the principles of order, toleration, harmony and progress, which are at its foundation ; lastly, by the integrity, devotedness and political ability of its leaders, is not that party the natural guide of our young nationality towards the great future awaiting it ?

Mr. Speaker, the men who govern this country have a lofty mission to fulfil, that of welding these heterogenous elements into a great, happy and proud nation. That task, on the 23rd of June, 1896—an ever memorable date in our political annals—the electors of Canada have gloriously conferred on the Liberal party, so worthy of that honour. Since that day has the Liberal party acted unworthily ? To that question the great voice of the people, several times consulted, has answered : No. For, Mr. Speaker, the Liberal government, under the guidance of that distinguished statesman, whose name is the symbol of honour and victory, has pursued and pursues the fulfilment of that mission with a measure of success that other nations envy.

May I be permitted to express to that eminent statesman my joy at seeing him once more fully restored to that state of health and vigour required to successfully carry out the work of national reformation and emancipation which he has undertaken with the co-operation of his colleagues. From one end of the Dominion to the other, where he maintains harmony, peace and prosperity, there is an ardent wish that he continue for many years to occupy the exalted position which the best interests of Canada require him to occupy.

My task is over ; but before taking my seat, I wish, on the threshold of this important career which is opening before me, express an altogether personal feeling. Entrusted with the mission of taking part in the proceedings of an assembly which has charge of the future of the nation, I feel a heavy responsibility resting upon me. The task of a public man in a mixed community

like ours is both complicated and difficult. Shall I discharge it worthily ? I venture to hope so, by following in the footsteps of the distinguished men who preceded me in this House, and taking inspiration from the lessons in patriotism, honour and loyalty, which they are giving to their fellow-citizens in the exercise of their functions. Under those circumstances, I shall deem myself happy for having accepted the mandate confided to me, especially if, in the carrying out of that mandate, I can contribute in some measure to the enlargement of the social, intellectual and economic estate of our beautiful country.

I have stated in my own tongue, that in undertaking the most important and delicate task of seconding the address in reply to the speech from the Throne, I was prompted by my desire to fulfil a duty to my province and to my country. In the first place, Mr. Speaker, allow me to renew the expression of my deep satisfaction at the prosperity of this country, which satisfaction has been voiced by the speech from the Throne. I am proud to think that owing to the condition of our national trade, which since 1896 has expanded by leaps and bounds—to the springing up of new industries all over the land—to the state of comfort and prosperity which characterizes the farming community—to the increased wages, and steady employment of the labouring classes, and to the marvellous development of all the great sources of public wealth, Canada has taken the front rank amongst the most prosperous nations of the world. But, if it is a source of gratification and pride to see the magnificent progress of this country, it is also a duty to investigate the causes which have promoted such a progress and development. In common with our friends of the opposition, I admit that to Providence who protects nations as well as individuals is primarily due the abounding prosperity of our country. But, Sir, Providence helps those who help themselves; and it must be confessed that, with the assistance of Providence, two other great causes have chiefly contributed to the upbuilding of Canada in the past seven years. These are the sterling qualities of the great races which compose our population, and the honest and progressive administration of the present government. I have already referred at some length, in my own tongue, to the record of the Liberal administration, and time prevents me from again detailing what the Laurier government has achieved for Canada during its seven years of power. I need only say that such a record is written in the comfortable home of the artisan, on the smiling countenance of the farmer, and the swollen bank account of the trader and manufacturer. I have said that the presence of two great races is an element of strength. I am not unmindful

that our enemies say that it is a source of weakness. But who can say, Sir, that it has been a source of weakness to the motherland whose people spring from the fusion of many races ? We French Canadians admire the spirit of enterprise of our English speaking brethren, who invest and risk their fortunes in great undertakings which develop the country, as, on the other hand, we are inclined to believe that our English friends may have, in some respects, something to learn from us. Each race has its own peculiar virtues, and peculiar defects, and the more these races intermingle, the more they learn to respect and esteem each other. Sir, it is the duty of the statesman, nay, more, it is the duty of every citizen, to promote the harmony and unity between the various elements of our population, without which it is impossible to build up a great and united Canada. The founders of the Dominion, peering into the future, saw this clearly, and framed confederation on the broad lines of mutual forbearance, respect and trust between all the races. Their faith has been amply justified, for even the slowness of our earlier growth has not been without material advantage, since it has unquestionably given steadiness and maturity to political thought. We have now developed the inspiration of a large national life. Vast undertakings—I have already referred in my own tongue to one of the greatest of them, the Grand Trunk Pacific—are now entered upon, with the keenest confidence that they will be executed with success.

We have established a system of waterways which penetrate from the Atlantic into the very heart of the continent, to prairies which are the greatest undeveloped wheat area in the world.

We are supremely fortunate in our national resources. In the present state of affairs in the east it is opportune to remember that both on the Atlantic and Pacific we possess some of the finest naval bases in the world. On the Atlantic coast, in immediate proximity to harbours open the year round, we have inexhaustible supplies of coal, and in British Columbia and Vancouver Island we have, practically speaking, the only coal to be had on the Pacific coast.

On political lines Canada has been the first to prove, by actual experience on a large scale, the adaptability of the federal system to British methods of representative and responsible government.

Founded, as I have said, on the broad lines of mutual forbearance and trust amongst the great races, each with a glorious heritage of undying achievements, the faith of the fathers of confederation in the great destinies of the Dominion, is now being amply realized, for in material development, in constitutional organization,

and in the spirit of her people, Canada has reached a stage that few nations attain before centuries of growth.

Every Liberal reviews with pride and satisfaction the contribution his party has made, and is continuing to make in the work of building up this great Dominion along the broad lines I have outlined.

Before concluding, I wish to say, Sir, that I esteem it the greatest privilege of my life that my fellow citizens, English and French, have given me a mandate to take part in the proceedings of this House, although at the same time I feel deeply the heavy responsibility which they have thereby placed on my shoulders. The role of a public man, especially in a country with a mixed population like ours, is both complex and difficult, I shall, however, endeavour to render myself worthy of it, in following the brilliant example of those great men who have preceded me in this House, and inspiring me with their lofty ideals of patriotism, honour and loyalty.

I desire now to quote an adaptation of the great English poet, Alfred Tennyson :

"Shall we not thro' good and ill,
Cleave to one another still.
Canada's myriad voices call
Sons be welded each and all,
Into one Imperial whole,
One with Canada heart and soul ;
One life, one flag, one fleet, one throne,
Canadians, hold your own."

Mr. R. L. BORDEN (Halifax). Mr. Speaker, let me in the first place pay a tribute of respect to the memory of one of our colleagues who sat on this side of the House, the late Mr. Simmons, member for the east riding of Lambton, who, although his voice was not very often heard in this House was nevertheless recognized by every one of us as a man of strong, shrewd common sense, excellent business abilities and whose kindly and genial disposition endeared him, I am sure, to every member of this House whether he sat to the right or the left of the Speaker.

Let me also join in the congratulations expressed by my hon. friend who has just taken his seat, to my right hon. friend the Prime Minister (Sir Wilfrid Laurier) on the complete restoration of his health. I am sure that however we may be divided in our party sympathies or affiliations, there is no man on the other side of the House more ready or anxious to congratulate my right hon. friend than is every member who sits on the left of the Speaker. Let me also say that I desire most sincerely and heartily to congratulate the mover and seconder of this address. My hon. friend Mr. Grant—I beg his pardon, I should say the hon. member for North Ontario—I got into the habit of referring to him as Mr. Grant during a little campaign in that county, and had the result of that campaign been as I then desired, it would have prevented me from enjoying the acquaintance of that hon. gentleman in this House. I became a very good friend of that hon. gentleman on that occasion and I trust that these friendly relations will always continue notwithstanding our political differences. I congratulate him upon the graceful and very well worded speech which he has made today, although I am sure he cannot expect me to coincide absolutely with every sentence contained in it. I desire also to congratulate my hon. friend who has just taken his seat, the hon. member for Hochelaga (Mr. Rivet) upon the polished speech which he has delivered in his own language and I trust I am not saying too much in that regard, although I am somewhat a novice in that beautiful language which he speaks so perfectly. But specially let me congratulate him on the fluency with which he has addressed us in the English tongue, and I may say that the command of that language which he has evinced this afternoon almost puts to shame some of the members of this House who claim that language as their mother tongue. Now, my hon. friend from North Ontario seems very desirous indeed that the suggestion in the speech from the Throne that we should have a short session should be fully carried out. Let me point out to my hon. friend and to the hon. member for Hochelaga that they do not seem to be very desirous of accomplishing that end themselves, because, while complimenting them on the excellent addresses they have made, I have not failed to notice that they seemed desirous of arguing all over again in this debate upon the address, the question of the transcontinental railway. I would have thought that my hon. friend from North Ontario, at least, had had enough of the argument of the details of that measure during the last two months of the past session, but it appears that he has not had enough of it, and he has extended a very plain invitation to hon. gentlemen on this side of the House to argue once more, in the debate upon the address and before the question has been reached on the order paper, not only the principle but the details of the measure which was so thoroughly discussed during the past session.

I can hardly think that my hon. friend from North Ontario could be sincere in the hope which he has expressed as to the probable length of the session. Let me say however that I do most sincerely congratulate my hon. friend from North Ontario upon the boldness with which he referred to certain matters as to which both my hon. friend the Minister of Finance (Hon. Mr. Fielding) and my right hon. friend the Minister of Trade and Commerce (Rt. Hon. Sir Richard Cartwright) should be somewhat sensitive. He referred to a revenue tariff which he says is a great

revenue producer, inasmuch as it has produced an enormous surplus this year and will continue to do so in the future. Until my hon. friend had spoken, we had supposed that the perfection of a revenue tariff was to so frame that tariff as to make the revenue equal, and no more than equal, to the needs of the public, but my hon. friend is perhaps a little too young in public life to remember that the hon. Minister of Finance and the right hon. Minister of Trade and Commerce declaimed against these surpluses in the most strident tones in days gone by. They said that they were simply sums plundered from the pockets of a long suffering people, and that if these surpluses should be piled up in the future in this way it simply meant so much money abstracted from the pockets of the people and the query of these hon. gentlemen was : How long will the country be able to stand a drain of that kind ? My hon. friend from North Ontario referred to the great prosperity of the country and my hon. friend from Hochelaga spoke of the smile upon the face of the farmer. Let me say to my hon. friend that the smile upon the face of the farmer is never broader than when the members of the government and hon. gentlemen on the other side of the House claim that this prosperity is due absolutely to their policy. It is true, Mr. Speaker, that we have prosperity in this country, and no one is more thankful for it than the Conservatives throughout the country. No one is more thankful for it than the gentlemen who sit on the left of Mr. Speaker, but let me say to my hon. friend from North Ontario, that I think it is due to causes, for the most part, very much beyond the control of any government and to causes which have created prosperity not only in Canada, but throughout the world. As far as the Northwest Territories of Canada are concerned, let me also say that I would have supposed that the splendid crops which we have had in the Northwest during the three past years have had more to do with the prosperity of the country and with the splendid immigration which has gone into that country than has any administrative act of the party now in control of public affairs.

Now, having said so much, let me, before discussing the matters referred to in the speech from the Throne, call the attention of the government and the country to the fact that this session is once more called at an inexcusably late date. Last year the session of parliament opened on the 12th of March. In speaking in the debate upon the address, I made no reference to the lateness of that session, because we had all been sorry to learn at that time that the health of the right hon. Prime Minister (Rt. Hon. Sir Wilfrid Laurier) was not all that could be desired. That difficulty has been removed. My right hon. friend has been restored to health and yet this parliament has been summoned to meet His Excellency on the 10th of March this year. We all know that the sessions of parliament in this country cannot be concluded in a few weeks. We all know, as the right hon. Prime Minister said only two years ago, that an ordinary session of this parliament must extend to about five months. That was my right hon. friend's view when he introduced a measure into this House for the purpose of increasing the indemnity of members of this House from $1,000 to $1,500. He has called us here on the 10th of March with every expectation that we shall have a session of five months' duration, according to his own view, and I would like to know from my right hon. friend when he comes to address the House, why it is that this session has been so unduly postponed. Could I suggest the reason to my right hon. friend ? If I am to believe the hon. Solicitor General (Hon. Mr. Lemieux) it was the intention of the government at the end of the past year to have gone to the country. My. hon. friend, the Solicitor General, stated in so many words that the right hon. Prime Minister of this country proposed to give as a new year's gift to the people of Canada, a general election. Possibly that may be an excuse for the lateness of the session. I do not know whether my right hon. friend will be inclined to rely upon that as a reason. Possibly he will and possibly he will not, but, however, whether the Solicitor General was correct or not, the government, if they had any such intention, have shrunk from an appeal to the people of the country, and in view of what has taken place during the past few weeks we all conclude that the government shrank from that appeal with very good reason. We have had certain by-elections during the past few weeks and I did not observe in the speech of my hon. friend from North Ontario, or in the speech of my hon. friend from Hochelaga, any congratulation extended to the government upon the results of these elections. We have had these congratulations in very bountiful profusion on former occasions, but I observed that on this occasion these hon. gentlemen wisely kept silence as to the results of these by-elections. A change has come over some of the constituencies in this country. Three years ago the constituencies which have recently been called upon to elect members to this House returned a Liberal majority of 5,300 votes as against a total Conservative majority of 264 votes, while, in the elections which have recently taken place, there was a total Liberal majority of 1,717 votes and a total Conservative majority of 1,060 votes, indicating a reversal of opinion in regard to the policy of the government of very considerable moment in this country. I would have been inclined

to have asked my hon. friend from North Ontario why it is that with such an abounding prosperity in the country ; with the wisest government, according to his view, that could be devised under human conditions, this somewhat singular reversal of opinion should have been experienced. I think it was my hon. friend from Hochelaga (Mr. Rivet) who declared that this government is almost as absolutely perfect as we can expect in this world.

Mr. HAGGART. He shakes his head.

Mr. R. L. BORDEN. I do not wonder that my hon. friend (Mr. Rivet) disclaims it, and I apologize to him; it was the hon. gentleman from North Ontario (Mr. Grant) who said that the government is as perfect as it humanly can be. And yet with all this abounding prosperity and this immaculate government, what is the secret of this singular reversal of opinion at by-elections which in this country in the past have notoriously gone in favour of the government of the day. My hon. friend the Minister of Customs (Hon. Mr. Paterson) was very anxious at the close of last session to test this transcontinental railway measure before the people, He was loud in his challenges to us, that on the earliest possible occasion we should come before the electors and debate the Grand Trunk Pacific policy. Well, the hon. gentleman has been in East Lambton, and in East Bruce, and he has had an opportunity of explaining the advantages of this statesmanlike measure with all the force and vigour of which he is so peculiarly capable. But the Minister of Customs only succeeded by his efforts in quadrupling the Conservative majority in East Bruce and in increasing the previous Conservative majority in East Lambton by more than 300 votes. I do not know if the Minister of Customs will be so loudly boastful with his challenges in the future. However, that may be, there is one constituency in Canada which has given its opinion in strong and unmistakable terms as to the merits of this transcontinental railway measure. I refer to the city of St. John now represented by my hon. friend (Mr. Daniel). I suppose that my hon. friends on the government benches are not so sensitive that I may not remind them, that a majority of nearly 1,000 for the Liberal candidate in 1900, has been converted into a majority of nearly 300 for the Conservative candidate in 1904.

And, Mr. Speaker, it does seem to me that the government of this country paid a somewhat big price for the purpose of endeavouring to save themselves in the city of St. John. We know what took place here last session. We know of the resignation of my friend, Mr. Blair, as Minister of Railways and Canals, and we know of the speech which he made during the past session; and I may say, Sir, that in the appointment of Mr. Blair to be chairman of the railway commission,—a very important tribunal in this country,—we have as extraordinary an incident as ever was known in our public affairs. What was the attitude of Mr. Blair with regard to the scheme which was then proposed by the government ? His attitude is well known not only in this House but in this country. He had been Minister of Railways from 1896 to the summer 1903. As Minister of Railways he had acquired an experience in respect to transportation matters in Canada which was not possessed by any other member of the cabinet. But when the time came for him to decide whether or not he could support the policy of the government, we found him resigning his portfolio as Minister of Railways, and becoming a private member of this House. And we found something more. We found Mr. Blair denouncing, in the most unmeasured terms the proposal which the government brought down and which he could not support. I shall quote a few of the references of Mr. Blair to the scheme. The legislation of last session created a most important tribunal in this country. That tribunal has judicial functions as important as are exercised by any court known in this land. In appointing a gentleman to the position of chairman of that commission, the government ought to select a man of experience in railway affairs, a man of the utmost possible integrity, a man of calm and reasonable judgment, a man, like Cæsar's wife, above suspicion. Let us consider the action of the government in appointing Mr. Blair to be chairman of that commission in connection with what Mr. Blair said, not only of the measure itself, but of his colleagues in the government. And let us see what possible excuse there could have been for the government appointing that gentleman with these words unretracted. Last session Mr. Blair said :—

> What does the right hon. gentleman mean when he says :
>
> We cannot wait because time does not wait.
>
> I think, Mr. Speaker, and I say it with all respect to my right hon. friend, that it would have been as correct if not so poetic for him to have said : We cannot wait because Senator Cox cannot wait. * * * * It must be because there is an absence of real, good, substantial argument to sustain the case itself, and my hon. friends feel obliged to appeal to the prejudices and feelings, and to arouse the passions of the people of Canada in order to carry through a measure which, on its merits, they would have no hope whatever of carrying.

These are the words of Mr. Blair who has been appointed by this government to the chairmanship of one of the most important judicial tribunals in Canada. And what further have we from the gentleman who has been appointed to this position of trust ; as a man possessed of the experience and judgment necessary to fill such a high position. Mr. Blair continued :—

Now, I want to know also, in all calmness and all frankness, from the members of this parliament, from whence comes this irresistible and compulsive pressure under which we must drive this thing through now ? The thing was never mooted before, and the government took no action, until the Grand Trunk Railway conceived that it would be in their own interest to have the railway project liberally aided by the parliament of Canada which they desired to promote. That is the secret of the whole business ; that is where it originated. All the other considerations fell upon unheeding ears. All these dangers never struck our minds, never seem to have entered into our calculations ; it never occurred to us that we were under such imminent peril ; it never was suggested by any one that the great future of Canada, the very life of Canada was at stake—until the Grand Trunk Railway Company made a call and laid their proposition before my hon. friends and colleagues of the government.

And, Mr. Speaker, how was that language understood by members of the government? There could be but one meaning attached to a portion of these remarks of Mr. Blair. What meaning was attached to this language by members of the government themselves in this House—and I call special attention to the fact that these words of Mr. Blair stand unretracted and not withdrawn before the government and before the people of Canada. Here is what my hon. friend the Minister of Justice said about it ; this is the sense in which he understood Mr. Blair's words. Speaking in the session of 1903, as reported at pages 9017 and 9018 of Hansard, he said this :

> With reference to the ex-Minister of Railways and Canals, it seems to me—and I regret he is not here to-night—that he might have found some better explanation of the course adopted by the government than to suggest that we were moving forward at the beck and call of Senator Cox. It seems to me that the hon. gentleman owes it to himself, owes it to this country, owes it to the respect his ex-colleagues bear for him, and which he is presumed to bear for them, to explain what he meant. We should stop here now this cry which has gone forward throughout the country that this scheme is one propounded by Senator Cox for his personal benefit. We should stop the suggestion, the vile contemptible insinuation, that we are acting from unworthy motives.

Mark the words, Mr. Speaker: 'We should stop the vile, contemptible insinuation that we are acting from unworthy motives.' So that my hon. friend the Minister of Justice, speaking for the government, attributed to Mr. Blair the charging against his late colleagues not only of an unwise measure, but of unworthy motives ; and, as I said before, Mr. Blair has not withdrawn one word of those charges. And yet this government has appointed him to the chairmanship of that railway commission. What further did the Minister of Justice say on that occasion ?

> If the ex-Minister of Railways and Canals was serious, this is the place, and now is the time to make a charge, if he has one to make and to prove it. It is unfair that that expression should be allowed to travel throughout this country and furnish a text for every Tory scribbler who wants to attack the Liberal party. I say now that I defy the hon. gentleman to make or successfully maintain any charge against the government in this connection, and I say that this is the place and now is the time to make good any charge if he has one to make. On the same day, when the hon. gentleman used the expression I have quoted in this House, in another place, under this same roof, a similar expression was used. One could understand that a gentleman, speaking at the time under the influence of the generous hospitality of the leader of the opposition, should so far forget himself in an after-dinner speech as to make use of an expression of that sort, but it is unpardonable on the part of an hon. gentleman who came here carefully prepared to deliver a speech, and in cold blood make such an unfounded insinuation.

Has that insinuation been withdrawn, Mr. Speaker ? Are the government able to point to one word of Mr. Blair withdrawing it ? Have the government in their possession any written retractation by Mr. Blair of the language he used in that speech ? If not, it does seem to me an extraordinary incident that a gentleman who made charges of that kind against his late colleagues should be appointed to a position of trust and confidence without first being called upon to retract those charges and withdraw those insinuations. But that is not all. My hon. friend, who now so worthily fills the position of Solicitor General (Mr. Lemieux) at that time, a private member of the House, although known to be in the confidence of the government, referred to Mr. Blair in these terms :

> In fact the temper that permeates the whole speech of the ex-minister shows that the true inwardness of his resignation has not been yet revealed to us. His speech is full of dread and alarm, as it is full of bitterness. It is an onslaught on his colleagues, and it would reflect on the Prime Minister, if we did not know the Prime Minister and his colleagues as well.

Now, let me quote again, in a somewhat different aspect, the language of Mr. Blair, and let us see how far the government were justified, in view of the quotations which I shall give, in appointing this gentleman to the position he now fills. I would have supposed that a man called to act as chairman of the Railway Commission of Canada, a commission with such important duties, such wide functions and jurisdiction, must, at least, in the opinion of the government, be a man whose judgment in matters of transportation would be worth something. I would have supposed that the government would not appoint to that position a man whose judgment was of no value or whose opinion could be influenced by passion or self-interest. We were told during the last session, and we have been told today by the mover and seconder of this address, that this transcontinental railway scheme is one of great value to the country.

We were told by my right hon. friend last session that not only was it a wise and statesmanlike measure, but that it was absolutely necessary for the salvation of the country, that by this great measure we were to guard against the danger of the suspension of the bonding privilege by the United States. By his appointment to the chairmanship of the Railway Commission, Mr. Blair has been certified by the government to be a man in whose judgment and integrity they have full confidence. Well, let us hear the opinion of Mr. Blair, reiterated over and over again, of this statesmanlike measure of the government. He says in his speech :

My quarrel with the government so far as this portion of the undertaking is concerned, rests almost entirely upon the consideration that they are plunging headlong into this thing, in a most unwise, injudicious, and unbusinesslike way, when by a little pause, by a year or two of delay to get information, we might be put in possession of facts which would justify us in proceeding.

Then, he continues :

A more absolutely unworkable, and in the opinion of every railway man in the country, a more senseless suggestion it would be difficult to make.

Further on he says :

We are being led in a kind of hysterical frenzy, it seems to me, to adopt ideas that are wholly and absolutely impracticable.

He continues :

Is there a well-grounded fear that the Grand Trunk Railway Company will not allow us, two or three years, hence, to build and make them a present of this line, that they will not accept it ?

Further on he says :

But, Sir, I maintain that in respect to this duplication of the Intercolonial Railway by the extension from Quebec to Moncton, there is no necessity, there is no reason, there is no justification, there is no object, good bad or indifferent, to be attained. Yes ; it is absolutely useless. It is a total and absolute waste of the public money. It is not only a destruction of the Intercolonial Railway, but it is a sheer unjustifiable squandering of the public money.

This is the gentleman who has been summoned by the government to preside over the deliberations of the Railway Commission and to mete out equal justice to the railway corporations on the one hand and to the people of this country on the other. Again he says :

And now, Sir, the people who live along the Intercolonial Railway are to be deprived of these advantages without rhyme and without reason, without a particle of justification and without a particle of warrant, and while the government is doing this, they are at the same time wasting a vast amount of public money in order to do it.

Further on :

We are saying that we did not know what we were doing—that we did not care what we were doing. It suits our purpose now to destroy entirely what we have done, and to belittle all that has been the result of our last policy. That is what is being proposed in this policy to-day. I protest against it. * * * * This proposal is absolutely unjustifiable, and the people of this country will not stand it. Not all the influence which the Grand Trunk Pacific Railway can bring to bear on the electorate will justify the outrage proposed to be perpetrated.

The experiences of my hon. friend the Minister of Customs in East Lambton and Lambton and East Bruce would seem to bear out the prophecy Mr. Blair then made. Further on he says :

It is not a commercial line we are building, it is a political line. * * * * Put this question how you will, turn it over, turn it back, examine it right and left, inside and outside, it fails to present to me—I do not know how it may appear to other hon. gentlemen in this House—a single redeeming feature in any phase of it from beginning to end.

Then, in conclusion, he says :

We are spending the money and we are getting nothing for it. I know whereof I speak in this regard. I am satisfied that the position I take is sound and cannot be controverted.

Well, Sir, that was not all. The government replied to Mr. Blair. How ? By charging him with unworthy motives. I do not wish to weary the House by reading a number of extracts which I have under my hand, but I may quote at least one or two. The hon. member for North Norfolk (Mr. Charlton), who, I regret to learn, is not in very good health, and not able to be present, but whose health I trust may be soon restored—that hon. gentleman was put up by the government to reply to the ex-Minister of Railways (Mr. Blair). And what was the reply of the hon. member for North Norfolk to the charge of unworthy motives made by Mr. Blair against his former colleagues ? I take it for granted that the hon. member for North Norfolk spoke on that occasion with the approval of the government, and I find that this was the reply he made. I find on reference to page 8490 of 'Hansard' that the hon. member for North Norfolk used this language :

His position yesterday, lacking as it did that dignity which ought to pertain to the position of a gentleman who resigns on high patriotic and moral grounds, and the bitterness of his attack convinced me that there is something beneath and beyond the ostensible reason assigned for his leaving the cabinet.

Perhaps it would have suited my hon. friend, the ex-Minister of Railways better if he had had the disposal of the contracts for building that road, but I think it will be constructed fully as cheaply under the arrangements arrived at.

The answer, therefore, to Mr. Blair was the tu quoque argument. The hon. gentleman attributed to Mr. Blair motives which are unworthy certainly of any member in this House, and particularly of any member of a cabinet entrusted with the granting of

public contracts. Then the hon. member for North Norfolk continued as follows :

There is no subsidy in this contract. Now, Sir, I desire to refer to the wise provisions in the public interests contained in this agreement. Care has been taken in this respect. We have not a Minister of Railways and Canals with carte blanche in the construction of a trans-continental line. This would be a very pleasant condition, no doubt, for a public official to occupy.

And the present Minister of Railways and Canals (Hon. Mr. Emmerson) said :

And in that very attitude, it seems to me, he shows an inconsistency which would almost lead one to conjecture that the real cause of his resignation was not the building of another line from the province of Quebec to the maritime provinces.

And my hon. friend from Hants (Mr. Russell) was particularly bitter. I shall not quote his words, but they can be found by any hon. gentleman who desires to examine 'Hansard.' And my hon. friend from Victoria (Hon. Mr. Ross) used the following language with regard to Mr. Blair.

Hon. Mr. ROSS. And I stand by it now.

Mr. R. L. BORDEN. The hon. member for Victoria tells us that he stands by these words :

I wonder if he had been asked to be the leader of this great commission that is to conduct this railway policy, what his conduct would be and where we would find him now. Well, let me say to them that an ex-Minister of Railways and Canals does not count much in this country now, and when a man loses his seat in the government he loses his power and his influence.

That was the view of the situation entertained by my hon. friend from Victoria (Hon. Mr. Ross). The matter, therefore, stood in this position. There was a charge of absolute folly, of an absolute waste and squandering of public money made by Mr. Blair against the government. Not only that, but there was the charge, as interpreted by my hon. friend the Minister of Justice (Hon. Mr. Fitzpatrick), of unworthy motives in the making of this contract, which has been so much lauded. The government proposed to bring on an election. About that there cannot be much doubt. We have it on the authority of my hon. friend the Solicitor General (Mr. Lemieux). We also have the fact that campaign literature was distributed throughout the country. We also had the government putting up their candidates in the majority of constituencies, and making every possible preparation for a general election. But, if all tales be true, a man came from New Brunswick and told my right hon. friend that that province was not in very good shape, and could not be counted on if Mr. Blair should take a part in the fight. What followed ? It was felt that it would be much better to have Mr. Blair disappear, and negotiations were entered into with the view of procuring his silence. And with all these charges of unworthy motives and absolute folly unretracted and still ringing in their ears, the government appointed this gentleman to one of the highest positions at their disposal. I do not know what explanation my right hon. friend will give us, but this much must be said of Mr. Blair, that if the government have given him this certificate, both of ability and character, by appointing him chairman of the Railway Commission, every one of these hon. gentlemen opposite who attacked him, every one who called him shifty, as the hon. member for Hants did, and who belittled him in every way and imputed unworthy motives to him—every one of these gentlemen must do one of two things. They must either rise in their place and condemn the government for having appointed Mr. Blair to that position or apologize to Mr. Blair for the unfounded attacks they had made on him.

Mr. Speaker, the commission which has been appointed is one which has most important judicial duties to perform, and certain administrative duties also. It will have control over vast public and private interests, and it should be composed of men of the highest ability and absolutely beyond suspicion. Mr. Blair has charged the government with unworthy motives. He has denounced their transcontinental railway scheme as a wanton and senseless waste of public money. Not one of these charges has he ever retracted. On the other hand, the government have declared that Mr. Blair was actuated by unworthy motives. The men they put up to reply to Mr. Blair belittled him in every possible way. They called him shifty, insincere, and even treacherous. Yet the government have appointed this man to this important position. Was it or was it not their object to remove Mr. Blair by this means from their path in the province of New Brunswick and throughout the country ? Can any other conclusion than that such was their object be drawn by any fair minded man in this House or country ? If there be any other conclusion which can be drawn, I have no doubt that my right hon. friend (Sir Wilfrid Laurier), with that ability and ingenuity which always characterizes his utterances in this House, will be able to devise some reason for the appointment to this commission of a gentleman so opposed to the railway policy of the government.

This commission is an important one, and when the government, during last session, called upon us to vote large salaries for the men who were to compose it, there was not very much opposition from this side of the House. There was not from myself any word of protest. We realized that the men who should be called on to perform the duties of that commission ought to be men who would command a liberal salary. But, if I might venture to make a suggestion it seems to me that when the Appropriation Bill for that purpose was before the House,

we hardiy expected that men such as those who have been appointed to assist Mr. Blair would have been selected.

I have not one word to say against either of these gentlemen. My friend, Hon. Mr. Bernier, filled the position of Minister of Inland Revenue very creditably, I think, but I do not know that he is a man who has had much experience in railway matters. And I venture to say, speaking of him and of Mr. Mills, that gentlemen might have been found anywhere throughout this country, equally capable of performing their duties, as members of the Railway Commission, for one-half the salaries voted for the members of this commission last year. I do not know wherein the special strength of the Railway Commission is to be found as at present constituted. Has any of these gentlemen appointed to the commission—outside of Hon. Mr. Blair at least—any special experience in railway affairs? Is there one of them who has studied the question of transportation, who can unravel the mysteries of railway accounts? Or, so far as that is concerned, are we to have, in effect, a fourth member of the tribunal, a man trained in railway work, a man who has not only a theoretical but a practical acquaintance with the problems of transportation, a man who will be able when called upon to perform the duties which should be performed by the members of this commission? So far as I am concerned, I did not expect that the commission would be constituted just in this way, and I should doubt very much, under its present constitution, whether we shall receive from that tribunal all the benefits we were led to expect when the measure was brought before the House.

Now, having said so much, let me come to the question of the transcontinental railway itself. And let me say, first, that I do not understand that this is the time for me to discuss the details of the measure which is to be submitted by the government. I do not propose to follow the example of the mover and seconder of the address in that regard; but I do propose to ask the government a question and to place before them certain pronouncements of their own during the past session. I would ask the government why it was that any changes whatever were necessary in this measure which was heralded to us during the past session as the very acme and climax of statesmanship? Now, there is no doubt that the government, last session, regarded this contract as absolutely fair to the Grand Trunk Railway Company. I have under my hand the statement of more than one member of the government in that regard. My right hon. friend the Minister of Trade and Commerce (Rt. Hon. Sir Richard Cartwright) stated in so many words that this was a contract not only of great advantage to the government, but also very advantageous to the Grand Trunk Railway Company as well. I will quote his words, because he spoke well on in the debate and after mature consideration. He said, as reported at page 9361 of 'Hansard,' 1903:—

> I believe a really good bargain may be one which is to the advantage of both parties. I think that this is notably an instance of this sort.

And I want to press upon the attention of my right hon. friend (Rt. Hon. Sir Wilfrid Laurier) and want him to answer if he can when he comes to address the House, this fact, that the government stated, explicitly and definitely over and over again, during last session, that the Grand Trunk Railway and the gentlemen whose names were affixed to the contract were absolutely bound, that the Grand Trunk Railway Company had had submitted to them every syllable of that contract, and not only that, but, as the Minister of Finance (Hon. Mr. Fielding) said the interpretation of the Grand Trunk Railway Company of the provisions of that contract was exactly the same as the interpretation of the government. So, we have two propositions—first that this was an absolutely fair contract to the Grand Trunk Railway Company and to the Grand Trunk Pacific Railway Company, and, second, that the gentlemen named in the contract, gentlemen interested in the Grand Trunk Railway Company, were absolutely bound by the provisions of the contract and could not possibly get rid of the obligation. Let us see what these hon. gentlemen said. My hon. friend from North Norfolk (Mr. Charlton) said:

> It required the credit of the Grand Trunk Company of Canada, standing behind the Grand Trunk Pacific, to consummate this bargain. It would have been done, in no other way. We have the entire strength, resources and character of the Grand Trunk Company of Canada behind the Grand Trunk Pacific; the two are united together—a fortunate occurrence of circumstances a rare opportunity which the government has had the wisdom to seize upon; and by seizing upon it they have secured the construction of a transcontinental line upon terms that are, to say the least, surprisingly favourable.

And he said, further on:

> But we have perfected an arrangement which we might not have been able to make twelve months hence. We have got into this arrangement a great company which perhaps might then see the matter in a different light, or possibly not be in a position to take hold of the contract and enter into the stipulations it has done. When you have a good thing, take it.

And my hon. friend the Minister of Finance (Hon. Mr. Fielding) said:

> But, Sir, we give them this contract, made in good faith not with empty promoters, not with people who are irresponsible, but with men who are the most capable railway men in Canada, with men who have given every guarantee of good faith, with men who are prepared to back our undertaking in a manner no company ever did before.

And the hon. Minister of the Interior (Hon. Mr. Sifton) declared—and I have his words under my hand—that this proposition

submitted by the government with regard to the Grand Trunk Pacific Railway Company was an infinitely better proposition than that which the Canadian Pacific Railway Company had, so far as the prospects in the Northwest were concerned. He pointed out that this railway was going through a better country and going through it at a time when the country was being rapidly settled ; and he showed, to his own satisfaction and, I think, to the satisfaction of every member on both sides of this House, that the proposition was one which must result in very great financial profit to the Grand Trunk Railway Company and the people interested in it. And he said this also :

> And yet, we are asked to believe that after a little while the Grand Trunk will fail to carry out its contract, and it wont go on. What does that argument amount to ? What is the Grand Trunk going into this scheme for ? It is because it has a magnificent system of railways in the eastern portion of Canada, because there is an enormous and growing traffic in the west, the Grand Trunk wants to get in there, and by means of this railway is going to get in. Moreover, its thousands of miles of railway all over Canada are going to be connected to the growing trade in western Canada, they are going to do a large and profitable business in consequence. * * * * And it is only by carrying out the terms of this contract that they can get any business from the west, or over the western line. So I think it must be clear that we may feel ourselves reasonably safe and reasonably well protected.

And the Minister of Agriculture (Hon. Mr. Fisher) who spoke late in the debate and after mature consideration, said :

> Sir, we make a clean-cut proposition embodied in a contract signed and sealed with a reputable corporation of great resources, which is going ahead with the project as rapidly as possible.

And what did my hon. friend the Minister of Customs (Hon. Mr. Paterson) say ?. I have no doubt he has forgotten it by this time. Let me remind him :

> The government's plan is there, in black and white, duly signed—signed by men of repute, signed by the ablest railway men of the world, I believe.

Why did not the government call upon these men of repute to carry out the contract without change ? For—not to go into the details of the contract—every one knows that every single change proposed to be made in the contract is a concession to the Grand Trunk Railway Company. If this is 'there in black and white,' and signed by these able men, why has the government seen fit to throw away a good bargain and make it worse for the people of this country than it was before. My hon. friend the Minister of Customs continued :

> These men are not mere promoters. Mr. Charles M. Hays was declared by the hon. member for East York (Mr. Maclean) two years ago to be the ablest railway man on the continent. Sir Charles Rivers-Wilson is known. Mr. Wainwright is known ; Mr. John Bell, of Belleville, is known. These are the men who have signed that contract, and under that contract there is to be provided a line from ocean to ocean, with its steamers on the Pacific to trade with the Orient, with its steamers on the Atlantic to carry the products of our western fields and of all portions of the Dominion to the furthermost portions of the earth. That is what our scheme means.

Why was it not carried out ? These prophecies sound much like the prophecies of hon. gentlemen opposite with regard to the fast Atlantic service six years ago. There is a marked similarity between the words of the Minister of Customs which I have quoted and the words of the Prime Minister in Toronto, in 1897, when he declared that the fast Atlantic service was an accomplished fact.

But that is not all, Sir. My hon. friend the Minister of Finance (Hon. Mr. Fielding) is on record ; when I desired to incorporate into that measure a provision making certain provisions of the contract binding on the Grand Trunk Railway, my hon. friend the Minister of Finance said :

> We have no assurance of officials that is not expressed in the words of the contract.

That is to say that everything in the words of the contract, relating to the Grand Trunk Railway represented the assurances of the officials of the Grand Trunk Railway. The language of my hon. friend means that or it means nothing and there are other quotations from the words of the Finance Minister which I have not under my hand even stronger in that regard than those I have just read.

And what did the Prime Minister say ? He said :

> I do not deny that the Grand Trunk Railway is at the bottom of this enterprise, and that being so if the Grand Trunk Company undertakes to manage that line and pay a rent for it, it seems to me that any man of intelligence must see that they must use that road or otherwise they would have to operate it at their own loss. Why should the Grand Trunk go into that enterprise if it does not mean to carry it out? * * * 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.

If that provision of the contract was binding surely the whole contract was to be binding and surely the Grand Trunk Railway Company could not deviate from one single provision of the contract if they proposed to carry that out.

Well what happened ? It seems that about the time the government intended to bring on the elections, from which, as I have already said they afterwards shrank, it was considered desirable that the deposit required by the contract should be put up. Accordingly, an official statement was handed out by the government on the eigh-

teenth of last December, was printed in every government organ throughout the country and was commented on in the editorial columns of the government press as indicating that this enterprise was going on without amendment and in its entirety, and that substantially the security required by the contract had been put up. Here is the official statement handed out by the government, which I am quoting from the Toronto 'Globe' of December 19, 1903 :—

The Grand Trunk Railway Company has deposited one million pounds of their guaranteed stock as security for the carrying out of the agreement entered into last session between the government and the Grand Trunk Railway Company subject to ratification of their shareholders at a general meeting. Inasmuch as the contract requires cash or government securities for deposit, legislation will be required to confirm the acceptance of the securities which have been deposited, though such securities are worth to-day more than par and their value is unquestionable.

Now that was the government's view of the position. The Grand Trunk Railway were prepared to go on, they had gone on by depositing not five million dollars in cash but by depositing their guaranteed securities to the extent of one million pounds sterling, and these were alleged in the government press throughout the country to be worth more than that amount of cash.

What was the view of Mr. C. M. Hays, the able manager of the Grand Trunk Railway ? He confirmed the statement of the government and said this, as reported in a leading organ of the government, the Toronto 'Globe,' after his return from Great Britain. Mr. Hays is quoted as follows :—

The Grand Trunk Pacific will certainly be built, said Mr. Hays. The Grand Trunk never had any difficulty in raising the money, and will not have any in carrying out the transcontinental project. The securities deposited with the government are better than the cash equivalent. They were deposited because of convenience, not because of any failure to raise the money. There was a delay of a few days, but the time allowed by the government was rather limited. Neither have we violated any moral obligations to the shareholders of the Grand Trunk or broken faith with the government. The Grand Trunk possessed these securities for the purpose of the company and they were utilized.

As to the building of the road, the construction will be begun in the spring. Our first object will be to get the east connected with the Great Lakes for summer traffic and then to give Winnipeg connection with the east. The people of the west want more railway facilities and we intend to give it to them as quickly as possible.

Now what does all this mean ? It means in the first place that the government of this country, not only through private members on the other side of the House, speaking with the approval of the government, but through ministers of the Crown as well, declared that this contract was not only perfectly fair but of great advantage and profit to the Grand Trunk Railway Company. In the second place, by an official statement of the government it was declared that the Grand Trunk Railway Company on the 18th of December put up one million pounds sterling of guaranteed securities as the deposit required by the terms of the Act, and the government accepted that deposit ; and Mr. Hays, speaking of the deposit, said it was perfectly regular and within the power of the Grand Trunk Company, and that construction would be begun in the spring, not under the terms of any amended contract, but under the contract as it was approved by this House. What then has happened ? If Mr. Hays and his associates were ready to go on and had deposited these securities, if the railway was to be commenced in the spring, and to be constructed with all possible speed, how does it happen that the government of this country has gone to the Grand Trunk Railway Company and apparently asked them to accept further concessions for which the Grand Trunk Railway Company had never asked. If we are to believe Mr. Hays, and he is a gentleman worthy of every belief, the Grand Trunk Railway did not ask for any amendment at that time ; they had put up their one million pounds of guaranteed stock and the government had accepted that and all that was necessary in order to carry through the scheme in its entirety without any concessions in the future, was legislation in this parliament confirming the deposit with the government of that guaranteed stock. Under these circumstances how can it be that the government is coming to the people and to the parliament of this country and asking that any change whatever should be made in the provisions of this contract which was heralded to us, not only in parliament but out of parliament, as the very acme and climax of statesmanship. The contract has been changed; I will not enter into details, but it has been changed in the very teeth of declarations of this government during the past session, and it has been changed under remarkable circumstances. The first announcement of the changes comes not from the government of this country but from the president of the Grand Trunk Railway, who heralds these changes to the people of Canada. It is he who announces that this contract, made under these conditions, this contract so advantageous for the Grand Trunk Railway, this contract which the Grand Trunk Railway Company is perfectly willing to carry out is not to be adhered to but that further concessions, the effect of which we cannot yet understand or fully appreciate are to be made to the Grand Trunk Railway Company ; apparently without any request whatever from them, if we are to believe the statement of Mr. Hays to which I have just alluded. I think that in reference to all of this, some information will be required from my right hon. friend the Prime Minister.

If this contract was a good one for the Grand Trunk Railway, why should the government give to the Grand Trunk Railway further concessions? If the Grand Trunk Railway Company were bound by the terms of this contract, why should the government amend it? If the promoters of this contract, bound by the terms of the contract, put up £1,000,000 of guaranteed stock, why did not the government avail themselves of that security which they had accepted, and why did they not insist that the contract should be carried out? Why have the government gone to the Grand Trunk Railway Company and pressed further concessions upon them? Have these amendments been made at the instance of the Grand Trunk Railway Company, or the promoters of the Grand Trunk Pacific Railway Company? Are the negotiations in writing? If so they must certainly be laid on the Table of the House and we must find out whether or not the statements made in December last by the government on the one hand and by Charles Hays on the other hand are true or not. The elections were then impending. The Solicitor General has told us so. I suppose that my right honourable friend will not impute any want of knowledge to a gentleman so soon to be taken into the cabinet? The elections were at that time impending. Then we had this guarantee of stock put up, then we had the assurance of Mr. Hays that the railway would be carried through under the contract without amendment, and then we had the press of the government throughout the country declaring that the contract would be carried out as then contemplated and that no change or amendment was to be made, or was necessary.

My honourable friend from North Ontario very properly called the attention of the government to certain matters which were not mentioned in the speech from the Throne. I do not know whether or not he desired to reflect upon his leaders in that regard, but he found it necessary to mention the acquisition of Newfoundland and tariff revision and one or two other matters which were not referred to in the speech from the Throne. I observe that there is no reference to tariff revison in the speech from the Throne. The year before last the explanation was put before the people of the country that the members of the government were going to attend the colonial conference, and for that reason, it was said, it would be inexpedient to make any revision of the tariff. Last year the hon. member for North Norfolk (Mr. Charlton) speaking in the debate upon the address, said that no tariff changes should be made during the session because of the approaching meeting of the joint high commission to negotiate with the government of the United States. This year both these excuses fail unless my right hon. friend is prepared to say that a further meeting of the joint high commission is intended. I do not know whether any such meeting is intended. I really do not know whether that commission is still in existence, or whether it has been expressly dissolved, or has become a nonentity by eflux of time, but it is a long time since its deliberations have been carried on. However that may be, no excuse of that kind appears, and we have heard some remarkable statements from different members of the government as to the tariff. My right hon. friend last session folded his arms and in a somewhat dramatic style gave thanks, that having begun life as a protectionist, he had now become a free trader, and he reproached me, because, as he said, exactly the opposite result had obtained in my case. But, my right hon. friend has spoken since then. The other day in Montreal he told us that he was neither a protectionist nor a free trader, but a practical man. He is not in accord with one of his colleagues and I am astonished that the hon. Minister of Marine and Fisheries (Hon. Mr. Préfontaine) still continues to hold his portfolio because he has been preaching a strong protectionist doctrine in the province of Quebec. I think that the Minister of Inland Revenue (Hon. Mr. Brodeur) has also been making some pretty strong declarations in that province, declarations absolutely inconsistent with the doctrines of my right hon. friend, especially inconsistent with the speeches of my hon. friend the Minister of Finance in the campaign in Yarmouth 15 or 18 months ago, and more particularly inconsistent with certain campaign literature which is being distributed by my hon. friends opposite throughout the western part of this country, where a strong free trade sentiment is supposed to prevail. I have been fortunate enough to obtain a copy of this valuable document. I have no doubt that my right hon. friend has a large supply of this literature, but in case he has not, I may be able to send a copy over to him.

This document consists for the most part of quotations from speeches from myself, Mr. Pope, Mr. Bell, Mr. Northrup, Mr. Sproule, Mr. Clarke, Mr. Clancy, Mr. Blain, Mr. Taylor, Mr. Brock and Mr. Henderson, in which we have expressed our opinion that we should have a policy in Canada which would afford adequate protection to all the industries of this country and would give the Canadian market to Canadians in respect to all the legitimate industries of this country. After quoting these opinions, the document which has been extensively circulated in the west proceeds as follows:

Summarizing the situation, several things are clear.

It is delightful to have my hon. friends on the other side of the House clear on any question that arises, and especially on this question. This, I think, is the first occasion on which there has been any clear statement of their views since 1896. These conclusions are divided up into paragraphs.

It is something like the platform adopted at the Ottawa conference, and for the benefit of the House and to remind my hon. friend of the policy of his party in the west, at least, I will read these paragraphs one by one.

1. The Conservatives by formal resolution and by speeches in parliament, have declared for high protection ; for a tariff according to their leader, Mr. R. L. Borden, as high as the United States tariff, which averages over fifty per cent.

2. The Conservative policy is the same as that of the Canadian Manufacturers' Association, whose only purpose is to increase, by means of the tariff, the price of all goods they have to sell.

3. The Liberal policy is directly opposed to the policy of protection. The Conservative papers and politicians recognized this and vilify Messrs. Sifton, Fielding and Fisher and other ministers who have prominently championed the consumers.

4. Support of the Conservatives means support for a policy that will increase the price of all manufactured goods.

It must not be amiss in passing to remind the House that since this government came into power the price of nearly all commodities in Canada has increased by forty or fifty per cent.

5. Support of the Liberals means support for a policy calculated to make necessities low priced.

6. No matter what individuals may say, the two parties stand distinctly divided on the tariff. The Liberals for low tariff, the Conservatives for high tariff, and any voter who is interested in tariff matters can therefore have no difficulty in expressing his opinion at the poll.

We are glad, I may say, to have this clear and distinct exposition of the policy of the Liberal party in regard to the tariff, an exposition which none of the Ministers of the Crown have had the courage to make up to the present time. I trust that my right hon. friend will not pain my hon. friend the Minister of the Interior (Hon. Mr. Sifton) by repudiating any part of this programme and I should feel pained if my reference to this literature should result in any divergence or any friction between the hon. Minister of the Interior and my right hon. friend. I trust, therefore, that, when my right hon. friend arises in his place, he will at once accept this platform which has been laid down for him by his friends in the west under the guidance of the hon. Minister of the Interior and that he will at last explain to the people of this country in the terms of this document exactly what the Liberal policy is and will be.

At six o'clock, House took recess.

After Recess.

The House resumed at Eight o'clock.

Mr. R. L. BORDEN. Mr. Speaker, immediately before the House took recess at six o'clock, I had called attention to the absence of any mention of tariff reform in the speech from the Throne ; an omission which caught the eye of my hon. friend from North Ontario (Mr. Grant), who specially referred to the subject. I regret that my hon. friend is not in the House just now, for I wish to say that I do not think he was quite himself when he was referring to the fact that the Hon. Geo. E. Foster had during the past year gone to the United Kingdom, on request, I believe, and delivered certain speeches there in favour of mutual preferential trade within the empire. I would have thought that my hon. friend (Mr. Grant) might have spared any sneer, if it were intended as a sneer, as to that ; because I think that without regard to party we may all be proud that Mr. Foster, speaking in the mother country as a Canadian, was considered, next to Mr. Chamberlain himself, as the ablest and most eloquent advocate of that great policy of mutual preferential trade.

Now, there is one matter which was referred to in the speech from the Throne in somewhat peculiar terms, and I call attention to it on account of the remarks of my hon. friend from Haldimand (Mr. Thompson) last session. We are told in the speech :—

> A Militia Bill will be introduced containing several important amendments to the present law rendered necessary by the growth of the force and calculated to promote its efficiency.

My hon. friend from Haldimand, who speaks with the authority of an expert and who has taken a greater interest in this subject than perhaps any other hon. gentleman on that side of the House did not seem to consider last session that there had been any very effective growth of the militia force. I quote from Hansard what he then said :

> I have said that we are called upon to furnish the skeleton of a skeleton. I now state that we have actually turned out the shadow of the skeleton of a skeleton. Can anything so ghostly be longer called a militia force.

The hon. gentleman from Haldimand thus pronounced himself in the House, and no reply was given to him owing to the unfortunate absence at the time of the Minister of Militia ; but in the face of that, we are told that a Militia Bill will be introduced because it is rendered necessary by the growth of the force. I shall be prepared, however, to give the fairest possible consideration to any measure of the government which will tend to the efficiency of the militia force, and in saying so, I am speaking for my hon. friends on this side of the House, in so far as I at present know their views.

There is another remarkable omission in the speech from the Throne, and that is the utter absence of any reference whatever to the great question of provincial autonomy, which so especially concerns the people of the west. I believe that at the present time the people of the Territories are almost a

unit in demanding for themselves the same powers of self-government which are enjoyed by the people of the older provinces. The Minister of the Interior (Hon. Mr. Sifton) recognized some time ago—whether he does now or not—the importance of this subject, because on the 21st of March, 1901, three years ago, in writing to the premier of the Northwest Territories he said :

> I may say that I realize very fully the difficulties of the position in which the government and legislative assembly of the Northwest Territories is placed, and I admit that there is very much in the suggestions which are made in your letter and in the memorial regarding the necessity of a change in the constitutional and financial position of the Territories.
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> Without at the present moment committing myself to any positive statement I am prepared to say that the time has arrived when the question of organizing the Territories on the provincial basis ought to be the subject of full consideration. It would appear to me that the better way of bringing the matter to a more definite position would be to arrange for a conference upon the subject between the representatives of your government and a committee of council representing the federal government.

That meeting has, I believe, taken place. The matter has been occupying the attention of the government for three years. My hon. friend from North Ontario (Mr. Grant) said that the question of tariff revision was now about to occupy the attention of the government. Well, if the government do not proceed any more rapidly with tariff revision than with provincial autonomy, three years will elapse before there will be any tariff revision and I do not know how much longer afterwards. Sir, the people of the Northwest Territories are entitled to the same rights of self-government as are enjoyed by the people of the older provinces. According to the census and according to the estimate made by the government of the number of settlers who went into that country last year, there are no fewer than 350,000 people in the Territories, and I have no double that by midsummer the population will perhaps be 400,000. Why should not the right of self-government be granted to them ; why should they not have the same rights over their public domain, their lands and minerals as are enjoyed by the provinces of eastern Canada ? Why should not the people of the Northwest Territories be entitled, if they see fit, to incur debt for the purpose of giving to themselves adequate railway development. The railway which is proposed by the government is a single line of railway running across the continent and no such line of railway unless it has sufficient branches, can ever meet the needs of the people of the Northwest Territories. They know best what they desire in that respect. They know what branch lines are necessary ; and if the people of Prince Edward Island, if the people of British Columbia, a province with a small population but with enormous resources ; if the people of the maritime provinces are entitled to deal with their lands and minerals ; if they are entitled to incur debt for railway development and for other necessary purposes ; why should not 400,000 people in the Territories have the same right. On what principle, for what reason is this right denied to them ? At present they have no right to incorporate a railway company ; they have no right to control their public lands or minerals ; they have no power to incur debt; they cannot incorporate a manufacturing company, or a transportation company, or a telegraph company, or an irrigation company, as stated by the Prime Minister of the Northwest Territories, and as I believe stated correctly. This matter has been under the consideration of the government, but it has not been deemed worthy of even passing mention in the speech from the Throne, three years after the Minister of the Interior said that it should receive the immediate attention of the government. And Sir, when last session the right hon. the Prime Minister was quoted as having expressed his belief, that many years should elapse before the people of the Northwest Territories ought to enjoy these full rights of self-government ; he reiterated his approval of that sentiment by saying 'hear, hear,' in response to my hon. friend from Marquette (Mr. Roche). On the other hand, the Minister of Finance (Hon. Mr. Fielding) led us to believe, so far as one can understand his language, that this question would be taken up by the government during the coming session. An election was then considered somewhat imminent—I do not know whether that fact had any influence on the Minister of Finance at that time—but at all events, we have the usual spectacle that whenever the language of the Prime Minister is quoted as favouring the delay for many years in granting self-government of the Territories; against that is quoted the language of the Finance Minister which points to an exactly opposite conclusion. I would have thought, Sir, that this question of provincial autonomy was worthy of mention in the speech from the Throne, but it may be that I have misunderstood the attitude of the government on that policy. Let me refer for a moment to the attitude of the Minister of the Interior. Last year I advocated in this House that the people of the Northwest Territories might well be entitled to the control of their own public lands and minerals ; and I pointed out cogent reasons why the people of the Territories should not longer remain in tutelage, and should not for ever be under the control of the federal government. I took occasion to refer to certain safeguards which might be employed by this government so that the handing over of these Territories to the control of the people of the province might not be attended with any danger to the public interest. And, Sir, if anything were necessary to make it plain that this government

did not intend to give to the Territories that full measure of control, which is intrusted to the people of the older provinces, it is the language of the Minister of the Interior last year in the debate on the Transcontinental Bill. What he said then was that this measure would not be of any cost to the people of Canada, because the sale of certain lands in the Northwest Territories which were not reserved for settlers would more than pay the total cost. In order that I may not do my hon. friend any injustice, let me quote his language, which is reported at page 8680 :

What I desire to say is this : There is probably, out of that 50,000,000 of acres of odd-numbered section—the even-numbered sections are kept for the poor man's homestead—20,000,000 or 25,000,000 at the present so far removed from communication as to be absolutely of no money value whatever. But in my judgment, within ten years from the time this railway is completed, 20,000,000 acres of land owned by the government at present will have acquired a value at least of $3 per acre. That is not a thing about which there is any question. We have seen it happen before, and we know it will happen again. I have quoted this to the House to show that, so far from the railway costing the people anything, the fact will be that the enhanced money value of the property of the government will be four times as great as will be necessary to pay for the road.

And in connection with the same matter he pointed out that he was about to bring in a measure providing for the sale of these lands. Therefore he clearly contemplates the policy of depriving the people of the Northwest Territories for all time to come of that control of their public lands, mines and minerals which is enjoyed by the people of every other province.

There is another matter to which I think we might have had some reference in the speech from the Throne ; and we are entitled to at least some expression of intention with regard to it from my right hon. friend when he comes to address the House. The hon. member for North Norfolk (Mr. Charlton) last year introduced a Bill for the purpose of amending the election law, and after some debate upon the measure, my hon. friend the Minister of Finance (Hon. Mr. Fielding) took it up, and spoke very forcibly and very wisely with regard to it. He referred to the evils which had manifested themselves throughout the country in connection with election matters, and appealed to hon. members on both sides of the House to earnestly take up the question and devise a measure which would put an end as far as possible to those scandals which have for years disgraced the proceedings of our election courts. My hon. friend said :

We must recognize, from the revelations of the election courts, that there have been manifestations in connection with elections which must be a cause of regret to men on both sides ; and if we approach the subject dispassionately, with a desire to bring about some improvement, I think something might be done.

Among other things my hon. friend spoke of the evil of trading off, as he termed it, election petitions. His language on that point is so forcible that I think it worthy of quotation :

With regard to the trading off of election petitions, it does seem a public scandal ; but on the other hand one-half of the petitions are filed without any knowledge or information, and there is no great harm in withdrawing them. But with a proper administration of our election laws, we might save a great deal of scandal and trouble that now exists. We should make an attempt in a non-partisan spirit, and if our hon. friends opposite will receive the suggestion in that spirit, we would be glad to meet them in a committee and undertake to bring about a reform in the law, not simply to the extent to which the hon. member for North Norfolk desires, but beyond that in other directions that may make for purity in elections.

I supported my hon. friend the Minister of Finance in the endeavour, but I regret to observe that there is no mention of it in the speech from the Throne, and up to the present time we have had no expression of any intention on the part of the government to deal with this very important subject.

There is another matter to which no reference is made in the speech from the Throne, though it was the subject of a good deal of jubilation on the part of my hon. friends in days gone by. I do not know whether it has become so old that my right hon. friend has forgotten it ; but there was a time when we on this side of the House were taunted that this government, in the wisdom of their statesmanship, had solved the fast Atlantic service question in a way which should put us to the very blush. My right hon. friend was not so silent on this subject in days gone by, when the Minister of Trade and Commerce and other members of the government taunted us on this side of the House with what had been accomplished by the government. And now the subject is deemed of such little importance that it is not even mentioned in the speech from the Throne. Last year the hon. Postmaster General (Sir William Mulock) congratulated himself and the government and the country that not one single step had been taken in the direction of a fast Atlantic steamship service. What was the tone of my right hon. friend a few years ago ? Does he remember the day when he produced before a Toronto audience that famous telegram from the Minister of Finance ? Does he remember what he said on that occasion ?

To-day I have a telegram from my friend and colleague, Mr. Fielding, the Minister of Finance, to this effect : 'Peterson has made to-day the deposit required by the contract.'

We have it announced in the speech from the Throne to-day that the Grand Trunk Pacific Company have made the deposit required by their contract. Well, I trust that more may be accomplished by the present deposit

than was accomplished by the former one; because all that was accomplished by the former deposit and by the guarantee was that three or four years afterwards the guarantee was given up, and some five years afterwards we were called upon to vote an appropriation to return that deposit with interest. My right hon. friend on that occasion went further. He said:

> It is with joy indeed that I welcome this explosion of satisfaction at the announcement that this scheme has not failed, but that it is to be carried through. I know that in some quarters this idea of having this passenger traffic amongst us was not popular; but, Sir, let me say to you that if there is a patriotic idea in the land it is the idea that we should not only carry the freight, but carry the passengers between America and Europe. We can do it, we ought to do it, and now it is no longer in doubt.

I may mention for the benefit of my right hon. friend that that speech was made by him on the 7th day of October, 1897, just six years and a half ago. The language of my right hon. friend on that occasion was eloquent. It almost reminded one of some of the eloquent phrases in which he introduced the transcontinental railway measure last year. In fact, I do not know that at any time in his speech of last year he soared to greater heights than he did when he told the country that the fast Atlantic service was no longer a matter of doubt. Well, what have the government accomplished since? Has any step been taken? A good deal of water has run under the bridges since that time; the Boer war has been begun and ended; but nothing has been done for the fast Atlantic service. What do the government propose to do? Have they anything to say to the House with regard to this measure which is important not only to the maritime provinces, but to every province and every individual in Canada?

My hon. friend from North Ontario (Mr. Grant) referred also, and I trust in no fault-finding spirit, to the fact that the government had made no mention in the speech from the Throne of any step being taken towards rounding off this Confederation by including in it the Island of Newfoundland. I commend my hon. friend from North Ontario for the independence he has shown in calling attention to this omission in the speech from the Throne. It is worthy of the high opinion I have always had of that hon. gentleman, that he should have called the attention of the House to the omission of this all-important matter. Newfoundland has been called the 'sentinel of the St. Lawrence.' I should like to see it called the 'sentinel of Canada' in the St. Lawrence, and to see this confederation rounded out by bringing that island in as a part of this great Dominion of which we are all so proud. In the debate on the speech from the Throne last year, I did suggest to the government that it would be a step worthy of our country if Canada would take the initiative and approach the imperial government for the purpose of having settled once for all that troublesome question of the rights of the subjects of France on the shores of Newfoundland, and then submit such terms as would be acceptable to the people of Newfoundland and induce them to enter this Dominion. Indeed some time ago it was announced in the public press that the government were taking some steps in that direction, but there is no reference to anything of the kind in the speech from the Throne. I trust that the government have not been idle, and that my right hon. friend will be able to give us some information on this all-important subject.

I have already referred to the position of the Joint High Commission. It was stated by the hon. member for Norfolk last year in the debate on the address that the Joint High Commission would probably meet again in the near future, that statement was not contradicted by any member of the government, and I would like once more to ask my right hon. friend in what position that commission now stands. Is it still constituted and can it still be called together? If so, is it the intention of the government to take any further steps to have that commission meet again? My right hon. friend's memory cannot be so short that he does not recall the days gone by when he taunted the Conservative administration with not being able to come to a conclusion with the government of the United States about certain matters of interest to both countries. Surely he does not forget that, if the current report were true, a man went from the then opposition ranks on one occasion to Washington for the purpose of informing the government of the United States that better terms could be made with Canada after my right hon. friend came into office. I do not know whether that rumour was true or not, but I do know that these hon. gentlemen boasted of what they would accomplish if they only came into power and presented their sunny ways to the people of the United States. True, my right hon. friend has changed his opinion, as he frankly acknowledged to this House on more than one occasion, and he now finds that the people of the United States are disposed to have in view solely their own interests, and that any one advantage which the people of Canada might be able to offer to them, would be of infinitely more value in bringing about a bargain than all the sunny ways that even my right hon. friend is able to place at the disposal of the government of that country. My right hon. friend the Minister of Trade and Commerce (Sir Richard Cartwright) still clings to his old delusions, because only a few weeks ago he declared in Toronto that one reason why we might take up this great question of mutual preferential trade within the empire was that it eventually might bring

about reciprocity between this country and the United States. Well, Mr. Speaker, I think we should approach the subject of mutual preferential trade on a higher ground. I think we should approach it in the hope and belief that by closer commercial ties between the colonies and dependencies of the empire and the mother country herself, we shall strengthen the ties that bind together all portions of the empire; and, if we look at the question merely from a material point of view, surely my right hon. friends the Minister of Trade and Commerce and the Prime Minister must admit that our market is in the mother country and not in the United States. And surely they must know that in the markets of the mother country, the strongest and most formidable competitors we have are the people of the United States. Therefore, when my right hon. friend the Minister of Trade and Commerce (Sir Richard Cartwright) proposes mutual preferential trade within the empire solely as a means of procuring reciprocity with the United States, I for one entirely disagree with him.

Let me now come to another subject, which has been before the Joint High Commission, and as to which my right hon. friend has made some rather important declarations, not only in this House, but on more than one occasion during recess. My right hon. friend says that he stands for greater power to negotiate treaties on behalf of Canada. If I understand him rightly, he wants Canada to have the absolute right to negotiate her own treaties with all countries, and that that right should in no respect be overborne or done away with by any imperial influence. Well, my right hon. friend has not always acted in that spirit because, when I took the ground during last session, and I think in the session before, that this government, in disallowing certain legislation of the province of British Columbia, was going beyond what the public interests demanded, he took the ground that the action of the government was governed entirely by imperial interests. I have never objected to imperial interests being considered, but I pointed out on that occasion that the very legislation which had been disallowed in the province of British Columbia had been allowed by the imperial government itself in other dependencies of the empire. I will stand for any greater powers which may be required for the fuller development of our national life. My right hon. friend looks upon the freedom of Canada as a gift. I consider it a birthright. He says that he gave a preference to the mother country because of the gift to us by the mother country of our splendid freedom. I submit, Mr. Speaker, that our freedom is not a gift but a birthright, and I consider further that the rights we have acquired with regard to the negotiating of treaties are not a gift but our own birthright, which comes to us gradually with the development of the country. Does my right hon. friend not know that in 1871, Sir John Macdonald was a commissioner to negiotiate a treaty with Washington? Does he not know that since 1880 Canada has not been included in any treaty without her consent? That was due to the initiative of Sir Alexander Galt. Does he not know that Sir Alexander Galt and Sir Charles Tupper negotiated since then treaties with France and Spain? Does he forget that Sir Charles Tupper went as Canadian commissioner to Washington in 1888, and that in the Joint High Commission itself, out of the five men who represented Canada, four were Canadians? My right hon. friend is trying to draw a red herring across the trail of the government in this regard.

The results of the Alaskan boundary commission—which I shall not discuss to-night, because the papers are not before the House—have been, in some respects at least, unfortunate for this country and have given rise to great dissatisfaction. My right hon. friend, either in an ebulition of anger or for the purpose of diverting the attention of the country from the question at issue, said we should have greater treaty making powers.

Now, I want to point out to my right hon. friend that the whole question of the Alaskan boundary was confided to Canada for the purpose of negotiating with the United States. A commisison was appointed in which there were four Canadians and one British commissioner, Lord Herschell; and to that commission were entrusted the most full and absolute powers with regard to the negotiations concerning the Alaskan boundary. Does my right hon. friend say that he objected to the presence of Lord Herschell on that commission, or that Lord Herschell in any way hampered or disagreed with the Canadian commissioners in the negotiations that went on? I do not think that he will say that, and I will tell him why. When a commission had to be appointed under the treaty with regard to the Alaskan boundary, it was my right hon. friend and his government who asked that one British commissioner at least should be appointed, Lord Alverstone, the chief justice of Great Britain. Surely, if one British commissioner was demanded by this government in a commission of three, my right hon. friend cannot complain of the presence of Lord Herschell in the commission in Washington. Last year the right hon. gentleman Rt. Hon. Mr. Wilfrid Laurier(was inclined to blame me because I said that I thought it would be well if this government had suggested to the imperial government that three Canadian commissioners should be appointed. He construed that into a charge against Lord Alverstone. I denied that my suggestion involved any such charge, and I deny it now. It is no insult to Lord Alverstone to say that I

thought that, under a treaty so greatly concerning the interests of Canada, and relating to a question which was more thoroughly understood in Canada than anywhere else, it would be a proper thing, especially on the invitation of the British government, to ask that three Canadian commissioners be appointed. And I may remark in passing that my hon. friend the Minister of the Interior (Hon. Mr. Sifton) who, I thought, spoke wisely on the question of the Alaskan boundary before the Canadian Club of Ottawa, remarked, in confirmation of my statement, that he would not have regarded it as revolutionary if the request had been made that three Canadian commissioners should be appointed. I agree with the Minister of the Interior that such a request would not be revolutionary. But, returning to the subject, I was discussing what took place in the proceedings of the Joint High Commission in connection with this question? My right hon. friend the Prime Minister laid before this House the protocols which were passed between the British commissioners and the United States commissioners, and the very first subject dealt with by the commission, according to these documents, was the Alaskan boundary. My right hon. friend wants Canada to negotiate her own treaties. But did not Canada on that occasion have the fullest possible opportunity to negotiate a treaty with regard to the Alaskan boundary? There are the protocols quoted in the speech of my right hon. friend two or three years ago, showing that this subject was first of all approached in the negotiations between the British and American commissioners. I would ask him, then, what greater treaty-making powers we could have than those conferred by the appointment of that commission? And what took place? After long delay, long deliberation, long negotiation, my right hon. friend and his colleagues surrendered to the foreign office of Great Britain the powers which had been conferred upon them in this matter. They themselves asked, as no agreement could be arrived at between the commissioners on either side, that the question should be relegated to the foreign office. And it was relegated to the foreign office. Well, while these negotiations were going on—I do not know whether they were going on before the commission or in the foreign office—a very important application was made by the United States. The United States desired Great Britain to make a certain modification of the convention known as the Clayton-Bulwer treaty. What was the position the British government took with regard to that? I will not quote again the language of Lord Lansdowne, which I have under my hand and which I quoted last year. Let it be sufficient to say that Lord Lansdowne, so far as one could understand his language, took the ground that until some arrangement was made for the adjustment between the two countries of the Alaskan boundary, the British government did not see its way clear to yield to the suggestion of the United States with regard to the Clayton-Bulwer treaty. That was, in effect, the language of Lord Lansdowne, and if my right hon. friend denies that that was its effect, I will read what Lord Lansdowne said and leave the House to judge. Well, one would suppose that, in a situation like that the government of this country would at least have supported energetically and earnestly the government of the mother country. But, do we find that to be the case? No, Sir. We find that when this matter was brought to the attention of my right hon. friend in the House he declared that Canada had no direct interest in the Clayton-Bulwer treaty and there was no reason why the modification of that treaty should be delayed until the United States had come to some reasonable agreement with regard the Alaskan boundary. I think my right hon. friend lost an opportunity there. Is not Canada directly interested in a canal across the Isthmus? Why is the United States interest in this matter regarded as direct and important? Because the United States has great possessions on the Atlantic and on the Pacific, and hopes in the future to grasp a very considerable portion of the trade with the Orient. But is not Canada in the same position? Has not Canada great possessions on the Atlantic and on the Pacific, and did not my hon. friend from North Ontario describe in glowing terms this afternoon the share that Canada is to have in the trade of the Orient? Well, the Clayton-Bulwer treaty was denounced. Denounced apparently with the approbation of this government, without any further effort being made than to have an adjustment of this Alaskan boundary. And then came the question of a treaty with the government of the United States respecting the Alaskan boundary. I went over this matter somewhat fully last year, and I shall not deal with it at length on this occasion. But there are one or two despatches to which I would invite the attention of the House. We have in the library of parliament correspondence respecting the Alaskan boundary which has been placed before the parliament of the United Kingdom, although it is not in full before this House at present. It is from the correspondence I am quoting. There is a despatch of this government to the colonial office on the 13th of January, 1903, which is, in part, as follows:—

> Referring to the last proposed Alaska Boundary Treaty, a draft of which you submitted to me, my ministers are satisfied with the question to be submitted to the Tribunal, but they still

have the same objection to the composition of the proposed Tribunal, and before assenting to it they would hope that another effort should be made to have the questions to be adjudicated upon submitted either to a Board of Arbitrators composed in part of independent jurists, not subjects of either state, as proposed in my despatch to Mr. Chamberlain of November, 1901, or to the Hague Tribunal.

On the 23rd of January, 1903, this government sent a despatch to the colonial office as follows :

My ministers, whilst still regretting that proposed Tribunal will not be constituted so as to insure certainty of a final decision being reached on the reference, being satisfied with the terms of that reference, will agree to accept Treaty as contained in the draft submitted to them.

With regard to composition of Tribunal, my ministers are of the opinion that it is premature to adopt any final arrangement, it is sufficient now to have it clearly understood that members of the court to be appointed by His Majesty shall be jurists of repute, and British subjects.

Now at page 44 of the correspondence brought down you have the treaty, and the last article of that treaty is as follows :

The present convention shall be ratified by His Britannic Majesty and by the President of the United States, by and with the advice and consent of the Senate, and the ratifications shall be exchanged in London or in Washington so soon as the same may be effected.

Now, I again suggest to my right hon. friend that after he had told the people of this country that he would in no wise recede from the position which he had taken in the negotiations of the Joint High Commission when he had come to the House over and over again with that assurance—and I have his words under my hand—it is remarkable that he did not take the same precaution which was adopted by Sir John A. Macdonald in 1871, and that he did not have this treaty made subject to ratification by the parliament of Canada as it was subject to the ratification by the Senate of the United States. My right hon. friend had made strong pledges to parliament in that regard. He said :

I have only to say this, however, that the attitude that we have taken has the approbation of the people of Canada generally, and it is an attitude which must and will be maintained to the end.

What was that attitude ? The attitude of the government was that they would not submit this question to a tribunal composed of an equal number of arbitrators on each side, but that they would insist that there should be an umpire for the purpose of final decision. With regard to the composition of the tribunal I did propose that three Canadians should be appointed, and I proposed that for the reason that we had before this parliament the despatch of February 26, 1903, from the Colonial office to this government in which the Colonial office as distinctly and plainly as words could express, it left to this government the whole question of the appointment of commissioners on that tribunal. I shall read that portion of that despatch which is pertinent.

His Majesty's government are, therefore, virtually in the position of having to choose between breaking off the negotiations altogether or of accepting the American nominations and appointing as their colleagues representatives appropriate to the altered circumstances of the case. The first alternative they would regard as a grave misfortune to the interests of Canada, and they would prefer that the inquiry should proceed in the confident hope that it would not prejudice Canadian or British interests, since, in the event of failure, much important information on the controverted points would be collected and placed before the public, thus facilitating a reasonable settlement of the question at some future date.

I am not now discussing the results of the commission which have been regarded throughout the country as somewhat unfortunate. Let me say, so far as my right hon. friend's demands for greater treaty-making powers are concerned, that I cannot conceive how greater treaty-making power could be given to this Dominion of ours than was conferred upon it when my right hon. friend and three of his colleagues were appointed on that commission and given full power to deal with this question. My right hon. friend is concerned at the action of the foreign office, but when he considers the powers granted to him in this case surely he is precluded from raising this bugbear that Canada in respect to the Alaskan affair has been in any way coerced by the action of the British government. Now Canada must have the right to be consulted, fully and absolutely consulted, in all treaties that concern her interests. I stand as strongly for that as my right hon. friend or any hon. gentleman in this House. But when we speak of making independent treaties let us remember that it is the king who makes treaties and that he makes them upon the advice of responsible ministers. Let us remember that when a treaty is violated and a war has to be declared on account of that violation it is the king who declares war and on the advice of responsible ministers. And let us remember that when peace happily comes it is the king who makes it and again upon the advice of his responsible ministers. The interests of Canada, it seems to me, can be served without in any way breaking through this constitutional usage. The interests of Canada it seems to me have been served by the very rights given to the government in the appointment of four commissioners at Washington. While I am prepared to stand with my right hon. friend for any further treaty powers necessary for the purpose of the full development of our national life, I am not prepared to coincide in something I do not understand and which

the right hon. gentleman has not made very plain.

In conclusion I wish to go back for a moment to a subject which I have already mentioned, the attitude of this government in the first place with regard to the amendment to the Transcontinental Railway Act, and in the second place to the appointment of Hon. Mr. Blair as chairman of the Railway Committee. Does my right hon. friend remember his language of last year ? Does he remember his words when he said :

To those who urge upon 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.

Mr. Speaker, I would like to inquire in view of that language of my right hon. friend how it is that when this measure was consummated by the signing of this agreement, when that agreement bound the gentlemen who were parties to it, when these gentlemen declared that this road was to go on, when these gentlemen put up a guarantee representing one million pounds sterling, when they declared through their official head that they were prepared to go on with the railway this spring without amendment, how is it that my right hon. friend has called to them : Wait, wait, wait, till we get before parliament and give you further concessions. What about the flood tide then ? He did not then regard the flood-tide but hastened the opening of parliament in order that there might be further amendments.

But, at that time he said further :

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 may not be already too late ; Heaven grant that whilst we tarry and dispute, the trade of Canada is not deviated to other channels.

Then he insisted upon haste. Now he says, " Wait, wait, wait, until we once more go before parliament with practically a new measure, and can insert in this agreement a provision providing that this railway shall be completed not in 1908, but in 1911. He now says wait, wait, wait until we can attach a provision to this contract by reason of which the completion of this road should be delayed for three years beyond the time in which it was to be completed if the contract as originally designed had been carried out.

Last year when he called upon us to ratify this measure he did so in very earnest terms. He said :

I can appeal with some confidence to the judgment of the House to ratify with earnestness and with joy the contract which I have the honour to lay upon the Table.

I suppose my right hon. friend will call upon us to receive with even greater earnestness and with redoubled joy the amendments which he will shortly propose to the consideration of this House. I do not know whether we shall all radiate with joy at these further concessions to the Grand Trunk Railway Company. Possibly hon. gentlemen on the other side of the House who declared this to be a heaven born measure last year will now declare it to be a measure that it is absolutely necessary to amend in the best interest of the country by giving further concessions to that company. I imagine that will be the attitude of my hon. friends opposite. I remember very well their attitude of last year.

But, passing from that, what must have been the attitude of my right hon. friend when he offered the chairmanship of the railway commission to my friend Mr. Blair ? What was the interview which took place ? No account of it has been divulged to the public. We can only draw upon our imaginations and I would suppose that my right hon. friend must have addressed the ex-Minister of Railways and Canals in some such words as these : Sir, you have impugned our motives, you have declared them unworthy, you have attacked with great bitterness our great transportation project which we regard as absolutely necessary to the salvation of this country. You have assailed it with ridicule, you have declared it to be born of madness and hysteria. You have pledged your faith as a man versed in railway matters that it is a wanton, scandalous and unjustifiable waste of public money ; therefore, we think, that, in the best interests of the country you are the most suitable person to appoint as chairman of the great commission. If my friend, Mr. Blair, showed a little modest hesitation in accepting the position, my right hon. friend could proceed as follows and I suppose he must have proceeded as follows : He could have said : Especially is this a suitable appointment since we also have declared that you are acting from unworthy and improper motives since we have declared that you resigned because we were afraid to entrust you with the expenditure of public money upon a great enterprise such as this, and because you are a man of narrow views, small and shifty, swayed by passion and prejudice and unworthy to unloose the latchet of the shoe of the prime minister. In view of all this your are an eminently proper person to appoint as chairman of this high judicial tribunal. Lest I may be accused of exaggeration in this statement, let me quote the

literal statement of my hon. friend from Hants (Mr. Russell) who expressed himself as follows :—

It may well be that no more differences of opinion could have inspired the ferocity of his attack upon his former leader, or betrayed him into the mistake of sneering at the man whom this country delights to honour, and whose shoe latchets the hon. gentleman might well consider himself honoured in being permitted to unloose.

Well, I suppose that my right hon. friend the prime minister, having placed all these considerations fairly and fully before Mr. Blair, must sum it all up in this way : In view of all this you are an eminently proper person to appoint as the chairman of this high judicial tribunal which shall deal perhaps more than any tribunal in the country with the rights and even with the lives of the people. This, I suppose, must have been the interview which took place between these two hon. gentlemen; at least, if I have not correctly interpreted the interview it would be well that my right hon. friend should explain to the country what did take place, what led to this appointment. In the absence of this explanation, I believe the people regard it as a somewhat extraordinary and even painful episode in public affairs that the government, after the expressions of opinion by Mr. Blair regarding them and after their expressions of opinion in respect of him, should have appointed him to this high position of trust and confidence which so directly concerns the welfare of this country. Mr. Speaker, I apologize to you and to the members of this House, for having so long delayed them and I take my seat trusting that my right hon. friend will be able to give that explanation to the House which will set at rest all these disquieting rumours which have so much disturbed the people of this country.

Sir WILFRID LAURIER (Prime Minister). Mr. Speaker, even though my hon. friend the leader of the opposition (Mr. Borden, Halifax) endeavoured, upon one subject to which he reverted more than once during his speech, to be a little sarcastic, I do not think that after all I can find serious fault as to the manner of his delivery nor even as to the matter thereof even though I have to take exception upon some of the points which he endeavoured to make. Let me, in the first instance, refer to one criticism, not of very much importance, but to which, at all events, it is just as well to give a moment's attention here and now ; that is to say, to the summoning of parliament at a rather late season. My hon. friend has asked us why was not parliament summoned earlier. I think I can give to my hon. friend on this subject some very obvious and adequate reasons. The word 'adequate' is one as to which there has been a good deal of discussion, but I think it has more precision in my mouth than it has in his when it is applied to his own favourite doctrine of protection. My hon. friend remembered that last year parliament was also summoned somewhat late and for reasons which I gave at that time, reasons which do not exist to-day, because I have to say frankly that on that occasion it was due to the state of my health, whereas, on the contrary, I am happy to say that I cannot set down that reason at the present time. Let me say in passing that I have to thank my hon. friend for the kind reference which he made to that matter and I congratulate him upon the fact that in the discharge of the duties which are incumbent upon him he always manages to do so with a proper regard to the amenities of our parliamentary system. My hon. friend remembered that last year we were summoned somewhat late. An intimation came to us from the other side of the House that if we were to present certain measures the session must be protracted for a pretty long time and that if these measures were persisted in before we were allowed to separate the snow would again cover the hill tops. I may say to my hon. friends that they were as good as their word. They kept their pledge. They always keep their pledges——

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. In matters of obstruction.

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. When the day of prorogation came, and in fact, the snow whitened the tops of the hills and if we had remained a few weeks longer it would have also whitened the vales. Five months have not yet elapsed since the day of prorogation. My hon. friends should allow us some time to breathe. The members of this House, generally, are men of business. They have to earn their living, to attend to their own avocations and five months is not too long for the members of this House to attend to their own affairs before being called again to discharge the business of the country. I apprehend from what my hon. friend has said that it may be that the length of this session called at this moment may carry us into the season when members of this House would perhaps be better employed at their own business. There is a way, however, by which we can correct any inconvenience that may arise from the late summoning of parliament and that is by preparing for an early closing of it. If my hon. friend will not act altogether upon the reproach which he made to my hon. friend from North Ontario (Mr. Grant), if the speeches are not too long, if the floodgates of eloquence are kept under control, perhaps we may expect that this House shall not have a session of eight months, not even a session of five months, but that we may prorogue in time so that all of us may go to the country and enjoy the pure air in the leafy month of June.

Then, my hon. friend (Mr. Borden) passed to another subject and he was not sarcastic but jocose—jocoseness by the way is contagious on his side of the House. He was jocose about the result of the by-elections. Heaven forbid that I should grudge the joy of my hon. friend or his friends. If they are pleased, there is no reason why we should not be satisfied. There have been 12 by-elections—Westmoreland, Rouville, Gaspé, Queen's, Prince Edward Island, St. John, N.B., Kamouraska, Montmagny, St. Hyacinthe, St. James, Hochelaga, East Bruce, East Lambton ; and out of these twelve the Conservatives actually carried three, and lost nine. Their joy is unbounded, I suppose because they did not lose the whole 12 ; their joy is unbounded because they were simply snowed under a landslide, and not crushed out of existence under an avalanche. They see themselves carried into power upon the wave of a Conservative reaction. Far be it from me to begrudge them their joy ; let them have it to their heart's content. They are wise in rejoicing just now, because if they do not rejoice now they will never have an opportunity to rejoice at all. After the elections it will be too late and therefore let them avail of any little opportunity that they think they may have.

But, Sir, where is that Conservative reaction. Where is the Conservative party to-day ? I can speak for no province with marked certainty except my own, and I can say that there is no Conservative party in the province of Quebec. There is a new party there ; a protectionist party. Men who were to be Conservatives at one time, and who took pride, and properly so, in the name of Conservatives ; they have disappeared and they have been replaced by the Protectionist party. It is a new name. What's in a name ? The rose by any other name would smell as sweet ;—that is true of the rose, but it is not true of the Conservative party. They tried a new game ; they would not go before the electors in the old garb ; they selected a new name and a new garb. We know that in marine matters it sometimes happens that when a craft has been upon the sea for years, and has become disabled, leaky and discredited, then in order to impose upon the public she is put into dry dock, treated to a new coat of paint, the old name erased, a new name put on, and she then is launched upon a new career of deceit. Sir, that is what has taken place in the province of Quebec. The old Conservative hull had been discredited, the old Conservative craft was leaky ; they put her in dry dock, they gave her a new coat of paint ; they scratched out the name 'Conservative' and painted in the name 'Protectionist ;' but whether called 'Protectionist' or 'Conservative' the smell was no sweeter in the nostrils of the independent electorate. I am bound to say, Sir, that it did not smell any sweeter to the members of the Conservative party themselves—it simply stunk in their nostrils, and they would have none of it ; to their credit be it said. But, Sir, not only did they change the name of the craft, but they changed the captain as well. That gallant gentleman who had been put in charge of the ship under very painful circumstances, and who with great courage had taken hold of the helm, he was set aside and the old hull, without a captain on board, but commanded from the shore by a Junta, was launched, and started on its perilous and unknown voyage. Let me ask my hon. friends opposite if there is much to rejoice at in all this. No party, no leader, no policy ; because although they say they have a policy of protection, yet as I may show later on, they are not even agreed as to the kind of protection they want. For my part, I believe that we can view without any alarm the prospect which awaits us when the time comes to consult the electors as to the fate of the two parties in this country.

My hon. friend (Mr. Borden) passed upon pleasanter ground when he referred to the mover and the seconder of the address. My hon. friend from North Ontario (Mr. Grant) came to the House at the end of last session, and although he came to us late he gave a manifestation of his ability as a debater, and the speech which he delivered to-day, is simply a confirmation of the high esteem in which we already held him. As to my hon. friend from Hochelaga (Mr. Rivet) those who have had the pleasure of listening to him can testify that in the remarks which he made, he gave certain promise of much excellence in the future.

My hon. friend (Mr. Borden) after passing this pleasant episode came to the main point of his speech and he launched at once into an attack on the government for their selection of Mr. Blair as chairman of the Railway Commission. My hon. friend (Mr. Borden) asks : what reason could have influenced us in appointing Mr. Blair, after the attack which Mr. Blair made upon the railway policy which we presented to parliament last session. Let me say to my hon. friend (Mr. Borden) at once, that it is evident that he and I have not the same conception of the duties which we owe to the public men of this country. If I understood his remarks aright, he expected from us, and especially from me as leader of the government, that in the selection of the chairman of the Railway Commission we should be actuated by spite. I can tell my hon. friend (Mr. Borden) that we selected Mr. Blair because we believed there was not in Canada a better qualified and more competent man to discharge the duties of the office to which we have called him. And, Sir, if I were as good a scrap book man as the leader of the opposition, I could recall the eulogy which was passed upon Mr. Blair last session, from the ranks of the opposition. I could quote from hon. gentle-

men opposite as to the high qualities, the great talents, and the marked ability of Mr. Blair. I share in everything they said of Mr. Blair. I recognize him as a man of great ability, as a man of great talent; and I have no hesitation in saying that you cannot find to-day in Canada any one who is better endowed than Mr. Blair to be the chairman of the commission, and to administer the law of which he is the author. But, Sir, in my estimation, Mr. Blair made a great mistake last session. In my estimation he made the mistake of his life. In my estimation Mr. Blair should have risen to the occasion; an occasion worthy of his talents and of his great abilities. He failed to do so, and not only did he fail to do so, but my hon. friend (Mr. Borden) recalled language which I think was unworthy of Mr. Blair. But, Sir, because Mr. Blair had committed a grevious fault in my estimation; because he had spoken language which the leader of the opposition has tried to make out as offensive, whether it was meant to be offensive or not; and even if Mr. Blair had been ever so offensive, would I, as adviser to His Excellency the Governor General and as his chief adviser; would I have been worthy of the trust which is reposed in me by the people of Canada if I had allowed my own private resentment to weigh in the balance against the abilities of a man who was so well fitted for the position? Sir, my hon. friend sought to find unworthy motives for our appointment of Mr. Blair. My hon. friend came perilously near to being unparliamentary in his language. He did not dare to say so in so many words, but he endeavoured to convey the impression that we had appointed Mr. Blair as chairman of the Railway Commission simply for the purpose of removing him from our path, and preventing him from sitting with the opposition.

Some hon. MEMBERS. Hear, hear.

Sir WILFRID LAURIER. I have spoken their thoughts. Well, Sir, this is something we can debate here and now; we can have it out, and leave it to the judgment of both the House and the country. Was it to get rid of Mr. Blair that we appointed him chairman of the Railway Commission, when the fact is that Mr. Blair stated, not on one occasion only, but on many, that he sided with us on everything except the railway policy, and that he could not side with the opposition on their railway policy—why? Because the policy which has been proposed by the hon. leader of the opposition was in his eyes far more condemnable than ours; while in the letter which he addressed to his electors before accepting the office, Mr. Blair stated that he was alone on the question. He could not side with the government on their railway policy, but he could not side with the opposition on theirs, because their scheme was a mad scheme. Therefore why should we try to find motives or make insinuations when we have the plain fact that Mr. Blair could not act with the opposition?

My hon. friend said this afternoon that there were rumours of an election, and that somebody had come to the leader of the government and had said to him that it would go badly for the government in New Brunswick if Mr. Blair were let loose in that province, and therefore, he was appointed so that we should not have his opposition at the time of the election. But my hon. friend knows that there has been no election, and therefore there was no need of finding that motive. A moment later my hon. friend imagined a conversation as having taken place between Mr. Blair and myself, when I proposed that he should become the chairman of the commission. My hon. friend supposed that I had said, 'Mr. Blair, you have been offensive; you attributed to us motives;' and so on, and so on. Let me suppose that I give the true version of what actually took place between Mr. Blair and myself; it will not be very difficult. It is true, I may have said to Mr. Blair, 'I do not think you have acted in a manner worthy of yourself.' Mr. Blair may have said, 'I do not approve of your policy, but I approve still less of the policy of the opposition.' Then, I may have said to Mr. Blair, 'Though I do not believe you did yourself justice on that occasion, still, as I think you are perfectly well qualified to be chairman of the Railway Commission, I offer you the position.' This is something honourable, something that everybody can appreciate, and it is just as well to look for honourable motives when you can find them as dishonourable motives. This is all the explanation I have to give on this point, and it is unworthy of my hon. friend to try to find unworthy motives for a thing which is so natural as that which I have just explained to the House.

My hon. friend objects to the supplementary contract which we have made with the Grand Trunk Pacific Railway Company. He stated at the beginning of his remarks, and with some truth, that it was not perhaps opportune at this moment to discuss the supplementary contract, because it must come up later for discussion. In fact, there is already a notice on the paper to take up this question at the earliest possible moment. But after saying that we should not discuss the contract to-day, my hon. friend went on to discuss it, and in a manner which I fail to understand. My hon. friend speaks as if we have been begging the Grand Trunk Company to accept more generous terms than we gave them last year. The truth of the matter is that we had made with them a contract so binding that it could not be ratified by the Grand Trunk shareholders, and we had to make some modifications of it in order to secure its ratification. That is the simple fact of the matter, as will appear when the question is

brought to the attention of the House at the proper moment. I am surprised at my hon. friend supposing that we ran after the Grand Trunk Company in order to ask them to accept more generous conditions. Instead of that, representations were made to us by the representatives of the board that they could not finance the enterprise if we adhered to the rigid conditions we had imposed upon them ; and in order to facilitate the work, we came to the conclusion that we should make the modifications which we have placed before the House, and to which we shall ask the sanction of the House in a few days.

My hon. friend referred to several matters which he called omissions from the speech—the admission of Newfoundland into the confederation, provincial autonomy for the Northwest, the treaty-making power, and the joint high commission. There was no omission of these from the speech, because in my opinion none of them are subjects which should be included in the speech of the Governor General. They are all subjects familiar to the House, which will come in review at a later day every one of them, perhaps, except the subject of the joint high commission. As that subject will probably not come up again, I will speak of it now. I have only to say, in answer to the inquiry of the hon. leader of the opposition as to the position in which the joint high commission stands to-day, that it stands to-day just as it did in the month of February, 1899, when it was adjourned. It was adjourned subject to the call of the two chairmen or of the commission itself. My hon. friend wants to know what is to be our attitude—shall the commission be convened again or not ? I have only to repeat what I have stated before on the floor of this House and elsewhere, that it is not the purpose of the Canadian government to go to the United States for favours of any kind whatever. If it pleases the United States authorities to have the joint high commission re-convene—to have better relations established than those which we have had for the last few years, we are always ready to meet them and to receive their advances. But so far as the Canadian government are concerned, we have nothing to ask from our American neighbours. We want to be on good terms with them ; we are ready at all times to negotiate with them on fair terms, but we shall not take the initiative for new negotiations. If new negotiations are to take place, it must be on their initiative. We have received no invitation from them lately, and therefore so far as I know the joint high commission is not again to be convened.

With regard to the treaty-making power, I have only one word to say. I will not discuss that subject this evening ; it is of too great importance for that ; but I will welcome an opportunity later on to discuss it and to present it to the Canadian people. It is not a new subject ; it is a very old one. It has been a plank in the platform of the Liberal party for some thirty years. If I were to go back to the initiation of this subject, I would go back to the year 1870, when Mr. Huntington introduced a resolution claiming for Canada the treaty-making power. The subject was taken up later on by Mr. Blake, by my right hon. colleague the Minister of Trade and Commerce (Rt. Hon. Sir Richard Cartwright), and by the late Mr. Mills. My hon. friend asks : Have you not to-day all the powers you want ? Can you not be represented into any treaty which may be negotiated ? But while it is true that Canada would be invited into any treaty which might take place, in which our interests would be concerned, still we have believed in the past that this would not be sufficient for our national development, and that the day was coming nearer and nearer when we ought to have full treaty-making powers for ourselves. But, says my hon. friend, this would carry the right of peace and war. I can tell my hon. friend that he is under a very erroneous impression. We have no intention of acquiring any such right. Take the matter with which we have just been dealing, the matter of the Alaskan boundary treaty. What we want is the right of taking the initiative, of carrying on the negotiations, and of being responsible, but it does not follow that we want to dispense altogether with the power and authority of the mother country. On the contrary, never, in any resolution presented to it, was the Canadian parliament asked to claim the power of negotiating treaties without any reference to the authority of the Crown of England. All that was ever asked was that we should have the power to negotiate. I am sorry that I have not here the motion made on that subject by Mr. Blake in 1882, but I have the motion made by Mr. Mills in 1892, which is substantially the same. Mr. Mills moved :

> That it is expedient to obtain the necessary powers to enable Her Majesty the Queen, through her representative the Governor General of Canada, upon the advice of his Minister, to appoint an agent to negotiate commercial treaties with other British possessions or foreign states subject to the prior consent or subsequent approval of the parliament of Canada.

Mr. R. L. BORDEN. Has that right ever been denied to Canada ?

Sir WILFRID LAURIER. The right of negotiating our own treaties ?

Mr. R. L. BORDEN. Has what is asked in that motion ever been denied ?

Sir WILFRID LAURIER. It never was granted.

Mr. R. L. BORDEN. Has it ever been denied ?

Sir WILFRID LAURIER. It never was applied for yet.

Mr. R. L. BORDEN. It seemed to me that the growth of the country since 1882 had really given us that power without any formal motion and simply by the growth of constitutional usage.

Sir WILFRID LAURIER. I am surprised that my hon. friend should make any such statement in view of the facts in the case we are discussing. What are these facts? A treaty was negotiated between the British ambassador at Washington and the United States secretary of state, Mr. John Hay. That treaty had to be ratified by the constituent powers—the President and Senate of the United States—and His Majesty the King. Before it was ratified, the Canadian government made the strongest possible representations against its going any further on account of the personality of the men chosen as jurists by the United States. We sent despatch after despatch protesting that the selection made by the United States was a direct violation of the treaty. Nevertheless, the treaty was ratified by His Majesty the King upon the advice of his ministers. But, suppose we had had our own treaty-making power, suppose the matter had been in our own hands, that would never have happened. The reason we ask the power is that we may be the masters of the situation.

Mr. R. L. BORDEN. Why did not my right hon. friend guard against that by providing that the treaty should be ratified by the Canadian parliament?

Sir WILFRID LAURIER. That would not have met the case. The British government could have ratified that treaty against our advice and we would not be any more advanced. We would have the spectacle of the Canadian parliament on the one side and His Majesty the King on the other. That shows the necessity of our having the whole treaty-making power in our own hands, so that, from the first step to the last, we may be the masters and deal with it, subject to the advice of the King of England. However, I do not propose to deal at length with this question at present. The papers will be brought down at an early date, and then we can take up the subject again and discuss it at such length as its importance demands.

But when my hon. friend came to the subject of the condition of the country, on which my hon. friend from North Ontario (Mr. Grant) spoke with so much warmth and vigour, he could take no exception at all to the statement made regarding it in the speech from the Throne. In fact the condition of the country is simply marvellous. In no part of the world has there been any such development as there has been in Canada since 1896. Canada has developed in every direction in a manner which no one could have foreseen some few years ago. True, our hon. friends opposite are not disposed to give us any credit for that prosperity. They attribute it entirely to Divine Providence. My hon. friend says that Providence has been kind to us. I admit that. No one can deny that Divine Providence has been very kind indeed, and we certainly have to thank Providence especially for having inspired us to adopt the tariff we did in 1897. But gentlemen on the other side are not satisfied with the action of Providence. They do not think that Providence has done well. They think they can do better and say that Providence does not understand its business. My hon. friends have different methods from ours of dealing with the tariff. Our method is to revise the tariff when the time comes. My hon. friend blames us for having said nothing about the revision of the tariff in the speech from the Throne. I have only to say to him that I never saw a revision of the tariff announced in a speech from the Throne. That comes properly in the budget speech. Whether there is to be or not to be a revision of the tariff is a question to be discussed by the Minister of Finance when he presents his budget and not before. It would hardly be consistent with a proper understanding of parliamentary government to announce in the speech from the Throne that there was to be a revision of the tariff, or that there was to be no such revision. That would give rise to speculations one way or the other. It is never safe, therefore, to deal with this subject until the moment has come, and then everybody has to take the revision as it is given. But my hon. friend has a way of reforming the action of Providence, and his way of doing this is by providing the country with what he calls 'adequate protection.' But what is adequate protection? My hon. friend has spoken often of adequate protection, but he has always been very judiciously indefinite. 'Adequate protection' may mean everything or it may mean nothing—'you pays your money and you takes your choice.' The man who favours general revision is free to say, 'This is the thing for me; I am to have my most extravagant hopes realized.' On the other hand the man who wants but little change can say, 'I am satisfied with things as they are, and I know that very little change will be made.' But, though my hon. friend tells us little or nothing we know at last what 'adequate protection' means. The cat has been let out of the bag by the newspaper which has become the chief organ of the Conservative party, the Montreal 'Star.' That journal is fighting their battle all over the country and is giving to the electors the explanations which they cannot get from the leader of the opposition. If you

will look at the Montreal 'Star' any day for the last twelve months or so you will see at the head of the editorial page a standing pronunciamento :

TO THE GOVERNMENT OF CANADA.

Give the manufacturers, workingmen, and farmers of Canada the same kind of tariff as that which has made the United States the home of the most prosperous manufacturers, workingmen and farmers in the world.

'The home of the most prosperous manufacturers, the working men and farmers of the world.' I say the home of factions, combines and anarchists.

TO THE MANUFACTURERS OF CANADA.

Force the government to give you as good a tariff as that which has made the American manufacturers rich. When you get this tariff, pay your Canadian workmen American wages.

I pity the poor Canadian workmen if they get American wages instead of good Canadian wages.

TO THE WORKINGMEN OF CANADA.

Take a leaf out of the book of the American workingman. Help your employers to obtain for themselves and for you a Canada-for-Canadians tariff.

Why, Sir, is it at this moment, when the people and the government of the United States are endeavouring to free themselves from the shackles which have been coiled around them by the manufacturers, the trusts, the combines, which are the direct creation of the tariff that we are called upon to be so foolish and so criminal as to put our limbs into these shackles ? Is it at a time when manufacturers in the United States are closing their mills right and left that we are to adopt the policy which has brought about the distress that to-day exists in that country ? Is it at a time when American workmen have their wages decreased by ten, twenty or even forty per cent that Canadian workmen are asked to be so unmindful, so ignorant of their own interests as to adopt the American tariff ? No, Sir. For my part, much as I admire the United States—and I have never had any hesitation in declaring that I have the greatest admiration for that great people, for they are a great people, and no one can read their history without admiration of the qualities that they have displayed—great as is my admiration for the United States, yet, if we are to seek an example, it is not to the United States that I would look for it. We can do better. I do not want to seek my examples anywhere than in this land of Canada. We have better institutions and a better fiscal policy than theirs. We have a fiscal policy of moderation. Their fiscal policy is a policy of exaggeration. It has brought that country, I will not say to the verge of civil war. But to-day what do you find in the United States ? You find a condition which is not healthy, a condition different from that which you find in Canada. At the top of the United States social system you find the wealthy manufacturers, the monopolists, and combinesters who have made the country simply a tribute payer to their organizations. And what do you find at the bottom ? Almost anarchy, strikes almost in permanence ; you find labour institutions going the length of declaring a penalty against the members of their institutions who become members of the militia, thus refusing the very first duty that the citizen owes to his country. This is the condition which exists in the United States and this is the example which hon. gentlemen on the other side tell us we should follow. Far distant be the day when we shall seek an example of the United States to guide us in fiscal or in other matters. No, Sir, we will continue as we have commenced ; we will remain simply ourselves ; and, to use a good Canadian phrase, we will paddle our own canoe. We will continue the course we have advocated in the past ; we will maintain ourselves as we have commenced ; we will continue the policy of common sense, calmness and moderation which has already done so much for the Canadian people, for their fair name and for their general prosperity.

Mr. W. F. MACLEAN (East York). Mr. Speaker, if the leader of the opposition (Mr. R. L. Borden) was jocose, I must say that the leader of the House was only facetious. According to the speech from the Throne, parliament is assembled at this time of the year mainly to discuss the question of the Grand Trunk Railway. I propose to deal with that question, but first to say a few words in justification of the action of the present chairman of the Railway Commission. I believe that that gentleman was right, but that he did not go quite far enough in the solution of the question. We have been told for years that the transportation problem is the only problem before the people of Canada. And the Bill the government introduced last session is called the National Transportation Bill. Now, is that Bill or is the amendment as proposed here this session in any sense a solution of the transportation problem ? So far as I can gather, it is simply a proposal to build a colonization road through the back country of Canada. That is not a solution of the transportation problem. We have appointed commissions, we have spent millions of money in laying railways and digging canals, and yet the people of Canada from one end of it to the other are demanding to-day some kind of relief in regard to transportation. Hon. gentlemen opposite have made a deal with the Grand Trunk Railway Company of Canada. If they desired to improve the transportation of this country, if they desired to solve the great railway problem, they would have adopted as the basis of their proposition the nationalization of the old Grand Trunk Railway, the consolidation

of it with the Intercolonial railway and the operation of the combined railway as a complement of our canal system in this country. That would immediately have given the people an improvement in transportation and would have brought relief to the people of Ontario and it is in the province of Ontario and of Quebec that the real transportation grievance exists in this country to-day. They may have a grievance in the west, I grant that and I grant that we should open up our new country, but if you propose to deal with the transportation question, if you bring in a great policy involving the expenditure of $150,000,000 of public money and get only a colonization road in return as I believe you would under the measure now before Parliament, you have done nothing for the solution of the transportation problem. Had the government taken over the Grand Trunk—and I am prepared to verify what I before stated in this House, that the Grand Trunk proper could have been taken over on a rental,—immediately it was taken over it could have been consolidated with the Intercolonial. The combined roads could then have been connected with the Mackenzie & Mann system and this consolidated government system would have been in the Northwest in a single day and would have given relief from one end of the country to the other. This is the relief for which the people are looking; this is the relief for which the farmers are looking, a reduced rate on grain; people in Ontario are asking a reduction in freight rates and have any number of questions to bring before the Railway Commission, but so far as I can see there is no relief for them except by some measure of that kind I propose. It is a practical measure, a measure that gives immediate relief. Let us look at the facts in regard to transportation. We have in Ontario and all over the Dominion of Canada unlimited water powers that are nearly all in the possession of the people to-day and the way to solve this problem is to take advantage of the new discoveries of the day and the application of the principle of water powers to railways owned and controlled by the government; by this means you would give relief to all the people of Canada. There is no relief coming from the Grand Trunk Pacific road; on the contrary the Grand Trunk is getting an immense sum of money, and eventually they are to get the railway, while the people of Canada are getting nothing. There is no visible solution of the transportation problem and that is what the people of Canada want. The people desire relief applied to the existing railways in Canada not to some scheme laid out in the back country, in the wilds of the Northwest almost up to Hudson's Bay. There is no relief except on the lines I have suggested. Even if this Bill goes through—as I have no doubt it will—it will only make the problem harder, so that when we do tackle it—as we will some day have to tackle it—to a solution, we will have to take over this road which we are incorporating to-day and all of the expenditure put upon it. As I have said there is no way to give relief to the people of this country, especially in dealing with the Grand Trunk other than by the nationalization of this road, its consolidation with the Intercolonial Railway and the consolidation of the combined road with the Mann & Mackenzie system. That would give the people immediate relief and it was on just these lines that the hon. ex-Minister of Railways was working, and on which he differed with the government. Instead of making the mistake of his life I believe that the Hon. Mr. Blair took a good course and one that would have redounded to the interests of this country. How can you solve the transportation problem if you do not take over the existing railways? What is the great value of the Grand Trunk Railway to-day or of the Intercolonial as an asset of this country, in the settlement of the transportation question? It is the splendid position these roads now occupy. The value of the old Grand Trunk Railway consists largely in the terminals and ports which it possesses, the switching grounds in all the great cities. Let us take these over and make them a part of the national system and you have the great railway facilities of the Grand Trunk in Montreal and of the Intercolonial in St. John and Halifax and of the Grand Trunk in Toronto and in the other great cities utilized for the benefit of the people, and in this way, you would give the people of the country immediate relief.

Mr. CAMPBELL. Have you made an estimate of the cost?

Mr. MACLEAN. Yes, I have made an estimate of the cost, and I may tell my hon. friend that if the government had gone to the Grand Trunk people in London and said: We will assume your liabilities and make some small provision for the common stock, they could have got that road. Let me tell the hon. gentleman that it is not the Grand Trunk shareholders who pay for the maintenance of this road but the people in Canada who use the road. They have paid the debt and are paying the debt and should control the road and use it towards the solution of the transportation problem. My right hon. friend deprecated this action of the present chairman of the Railway Commission in leaving his government on that issue. Hon. Mr. Blair believed or was coming to the belief that national ownership was the real solution of the question. He took that view in this House and was prepared, I believe, to take over the Canada Atlantic Railway for the same purpose, and instead of making a mistake I say that he brought forward a policy which would have done a great deal for the immediate improvement of the transportation facilities of this country. He made no mistake, but on the contrary proposed something that was in

the interests of all the people. The characteristic of all the legislation and discussion before the world to-day is that it is moving on the lines of national ownership. Municipal ownership has done everything for the cities of Great Britain and the principle is spreading, in European countries they derive great benefits from the state operation of railways. In the United States they think they can secure a great measure of relief from the high charges of the railways if the railways were owned by the country. It may be impossible for them to accomplish that end now but it would be easy for us to take over the Grand Trunk Railway, to combine it with the Intercolonial and to make a national system not only giving the people reduced freights but making a road which would be a power in reducing the charges of the Canadian Pacific Railway of which the people in the west complain. That is practical politics, earnest politics, an endeavour to solve the transportation problem, and Hon. Mr. Blair was moving along that line but he got no credit for it and to-day is told that he made the mistake of his life. The people of Ontario and Quebec to-day are looking for lower passenger rates. Is there any way to get them other than to take over the railways ?. If the Grand Trunk be taken over and a passenger rate of 2 cents a mile be given on it, we would have every road in this country giving a 2 cents a mile rate. This would be going a long way in solving the transportation problem and in a moderate way it would secure the opening up of the back country of Canada. I think we should have a two cent rate and that it will come. Government ownership to my mind is the only way to obtain relief and I believe it is on lines of that kind that the people of Canada are looking for improvement. They want to have something done and this is the only way to bring relief to the farmer, to the man who raises stock.

We have great stock industries all over this country, in Quebec and Ontario, and the people engaged in these industries wish to get their cattle to market without having to submit to exorbitant rates and there is no way of accomplishing that result except by adopting the principle of government ownership and in that way giving the relief that these people require. The farmers are meeting all over the country asking for railway relief. They are meeting all over the Northwest Territories, and the constant cry is that they want a reduction in transportation rates. We are told in the address that in some way the Bill now before parliament will aid them because it will help to move the grain of the west. It may do so in a very modified form, but the real solution has not been arrived at, it will not come from this measure and it is not likely to come from any measure introduced by hon. gentlemen opposite. We have to nationalize the railways in order to improve the transportation of this country. The time has come when we should not only nationalize the railways but when we should nationalize the telegraphs and telephones of this country. Nothing of that kind is being attempted. We have been promised it for years but it does not come and yet this is a practical question and a question that the people are thinking of. The people want cheaper express rates. They cannot get them. The government have refused to put the express companies under the Railway Act although they introduced a measure last year. The right hon. Prime Minister says the chief work of his life will be the completion of this national transcontinental line. Again I tell him it is not a solution of the transportation question, again I tell him he is offering the people no relief, again I tell him he is giving the farmers no assistance, he is not dealing with the grievances of the people, he has not suggested any remedy, he has only complicated the situation.

Passing from the railway question there is another matter, a constitutional issue that ought very properly to come up at this time. I have read within the last few days with great interest a book recently published in Toronto by the late clerk of this House, Sir John Bourinot. Sir John Bourinot was a man who gave a great deal of time to the study of the public life of this country. In the last chapter of his book on the life of Lord Elgin he gives his conclusions, and just for two or three minutes I propose to direct the attention of the House to them. His findings, I consider, bear in a remarkable way upon some of the questions I have raised in the House. At page 247 of the book on the chapter comparing the American system with the Canadian system Sir John Bourinot says :

> The Canadian Minister—
>
> Referring to the Prime Minister.
>
> —having control of the finances and taxes and of all matters of administration, is directly responsible to parliament, and sooner or later to the people for the manner in which public functions have been discharged. All important measures are initiated by the cabinet, and on every question of public interest to ministers are bound to have a definite policy if they wish to retain the confidence of the legislature. Even in the case of private legislation, they are also the guardians of the public interests and are responsible to the parliament and to the people for any neglect in particular.

The right hon. Prime Minister has laid down the rule and that in regard to railway legislation, in some ways, neither he, nor his party, nor the government is responsible, that it is private legislation and we have been frequently told that in Ontario the government are not responsible. I disagree altogether with the doctrine and I am glad to see that the late Sir John Bourinot took the position

which I think is the correct one. He also goes on to say :

Responsible government makes the Premier and his ministers responsible for the constitution of the committees and for the opinions and decisions that may emanate from them. A government that would constantly endeavour to shift its responsibilities on committees, even of its own selection, would soon disappear from the treasury benches.

The right hon. Prime Minister has taken the position in this House in regard to the invasion of the municipal rights of the people of Ontario that what had been done had been done by committees of the House and that the government were not responsible. I disagree with him there and I quote this authority to show that he is responsible as are the Liberal party in Toronto where the municipal rights of the people are being equally invaded by the local legislature. In both cases these governments are responsible and must assume the responsibility. Going on to another page I find that Sir John Bourinot very properly points out certain weaknesses that exist in our government, some cure for which ought to be found. He says :

The (Canadian) system has assuredly its drawbacks like all other systems of government that have been devised and worked out by the brain of man. Any one who has closely watched the evolution of this system for years past must admit that there is a dangerous tendency in the Dominion to give the executive —I mean the ministry as a body—too superior a control over the legislative authority. When a ministry has in its government the appointment not only of the heads of the executive government in the provinces, that is to say, of the lieutenant governors, who can be dismissed by the same power at any moment, but also of the members of the upper house of parliament itself, besides the judiciary and numerous collectorships and other valuable offices, it is quite obvious that the element of human ambition and selfishness has abundant room for operation on the floor of the legislature, and a bold and skilful cabinet is also able to wield a machinery very potent under a system of party government. The House of Commons may be made by skilful party management a mere recording or registering body of an able and determined cabinet. I see less liability to such silent though potent influences in a system which makes the president and the house of representatives to a large degree independent of each other, and leaves his important nominations to office under the control of the Senate, a body which has no analogy whatever with the relatively weak branch of the Canadian parliament essentially weak, while its membership depends on the government itself.

There is a clear declaration by our leading constitutional authority as to the weakness of parliament as we have it in this country, and as to the weakness of carrying on the public affairs of this country, when the First Minister and the party in power resort, as they have resorted, —and I am not discriminating between the two parties—to the appointment of members of the House to the Senate and to the use of other influences by which the majority can weaken this House and increase the strength of the cabinet. I believe that the House is gradually giving its powers away to the cabinet in this country, a thing that it should not do. There is not sufficient independence in this House. There is not sufficient independence of the leaders, perhaps, on either side. There ought to be more independence, more respect for the powers of the House and less control by the government as pointed out by Dr. Bourinot. A dangerous condition of things has arisen in this country. The Senate has now a large majority appointed by the government. The government have lost no opportunity of interfering with the independence of this House. All these things are dangerous to the Canadian constitution and ought to have been avoided, and more especially they ought to have been avoided by men who profess to be Liberals and to live up to the old doctrine of responsible government. They are trying to get away from that doctrine. In the province of Ontario they are trying to put the responsibility on committees of the legislature, they are trying to evade responsibility and they are in this way allowing the municipal rights of the people to be taken away from them. An important question that is before the people to-day is the question of the rights of the people as against corporations, and if the Liberals in Ottawa do not intend to protect the rights of the people it will be disastrous to the best interests of the country. All we can see as the outcome of Liberal legislation at Toronto and also in this House is the distribution of the resources of the country among the rich corporations. Everything is given to them ; the people can get nothing. The people come to parliament and say that they want lower railway rates and that they want authority for the municipalities to undertake the management of certain public utilities. They cannot get the rights which they ask for while more money is being taken out of the treasury and handed over to private corporations. One hundred and fifty million dollars is to be given this session to the Grand Trunk Railway for a scheme presumably to solve the transportation problem but which does not solve it at all. The money is handed over, the corporations become more powerful and it is such corporations as these which have caused the degradation in public life on the other side of the line. It is not the tariff and the trusts that the Prime Minister says. It is the great corporations created by legislation to which are handed over the resources of the country.

And yet, no effort is being made in Canada to check that condition of affairs. We are rapidly passing to the same condition as that which obtains in the United States ; corporations control the legislature, they control the governments, they get everything they ask ; the people get nothing. More and

more of the heritage of the people is being handed over to the companies and no relief is afforded to the taxpayers. It is discouraging to a Canadian. Just think that this session, we are actually going to give the Grand Trunk easier conditions, under which eventually we will give them the railroad and we are to get nothing in return. What are the farmers of Ontario to get for the $150,000,000 in the way of facilities for transportation. No effort has been made to give them an Atlantic seaport with cheaper rates for their cattle and produce. Nationalize the Grand Trunk, consolidate it with the Intercolonial Railway, make two or three ports in the maritime provinces, take advantage of the splendid terminals and shunting yards of the Grand Trunk, and I venture to say that transportation rates in Canada will come down 33 per cent and perhaps 50 per cent and the government will have conferred a benefit on the whole people. But instead of that, what are we doing? Why, Sir, this session of parliament has apparently been called for nothing else than to reiterate the vote giving $150,000,000 of the money of the people to the Grand Trunk. It is a serious proposition; it is a question the people of Ontario have spoken on at the by-elections. They do not like the Grand Trunk proposition, they do not like it because it does nothing for them; they do not like it because after spending their money on it we are to hand over the railroad to a private corporation. The right hon. gentleman may say it is a grand project; that it is the great object of his life, that it is opening up the back country, but I might remind him that there are people who live in the front country, that these are the people who want relief, and that they cannot get relief from the Grand Trunk Railway. There is another thing I have not heard mentioned in the House or out of it, and the statement of the right hon. gentleman with regard to our treaty making power, brings it to my mind. I go a long way with him on that question, but let me ask him why he did not insert a provision in his bill compelling the Grand Trunk Pacific to have its headquarters in Canada. The feature of the Canadian Pacific Railway was that it was a national scheme, with its management and its directors in Canada. But what happened in the case of the Grand Trunk Pacific. After the contract had been signed, sealed and delivered by the Parliament of Canada, it had to be sent to the other side of the Atlantic for ratification by the Grand Trunk Company. The Grand Trunk Company repudiated the contract which was made by the Canadian parliament. That never should have happened. I trust that before the Bill goes through, the headquarters of the Grand Trunk will be fixed in Canada, so that we may know with whom we are dealing and so that the parliament of Canada may not in future be subject to the humiliation of having its decrees repudiated. It is not a satisfactory thing that the parliament of Canada should have its will subject to the ratification of Rivers-Wilson in London, instead of having the controlling body of the railroad here in Canada, so that we may deal with them as ordinary business sense would dictate.

I shall not refer to the Newfoundland question, but I wish to mention a matter in connection with the Hudson's Bay which I brought to the attention of parliament last session. After the confession the right hon. gentleman has made in regard to treaty making powers and as to how we have been ignored in the old land, I believe it is high time that we should take some steps to maintain our territorial integrity in the Hudson Bay country. Whatever the government may do in that direction I shall be only too glad to endorse it, and in view of the aggressive and outspoken neighbours we have south of the line, we must be up and doing, as we may have to make a fight to hold our own territory.

The right hon. gentleman told us that it was not the custom in a speech from the Throne to refer to the tariff. His memory is short, because in 1897 the speech from the Throne contained this pararagraph :—

> A measure will be submitted to you for the revision of the tariff which it is believed will provide the necessary revenue, and having due regard to the industrial interests will make our fiscal system more satisfactory to the masses of the people.

Are we then to take it for granted, that if there is no mention of tariff revision in the speech from the Throne, there will be no relief granted to the people of this country this session? Sir, the people of Canada demand more protection. They are not satisfied with what they have, and if Canada is prosperous to-day, it is because the Liberal party did not do what they said they would do when they sat in opposition. They then said that they would wipe the national policy off the face of the earth. They did not do so and to-day we have a united Canada in favour of a national policy for building up our own industries. The Liberal opposition antogonized the industries of this country; capitalists were afraid to invest; Canadian workmen were not sure of employment, but when the Liberals came to power they decided to uphold the national policy in a way, and they have since upheld it in a way. To-day we have a united Canada in favour of the national policy, and as I believe, in favour of a much more national policy than we ever had before. Let me remind the right hon. gentleman, that the United States is a difficult country to deal with in regard to trade matters. It is true they have been brought to a sense of their proper position by the threat of retaliation made by the Prime Minister of England. That has had a very great effect in promoting the idea of reciprocal trade among the

United States people. They sent the right hon. gentleman empty handed from Washington some years ago, if he had then threatened retaliation he might have accomplished something. It is the only way to bring them to time. The free traders of England see now that the only way to bring the people of the United States to their senses, is to treat them to a measure of retaliation. The tariff is effective, and the tariff will build up our country and build up our national industries. The people of the United States believe in it; England is coming to believe in it, and there should be more of it in Canada. There is ahead of Canada a very dangerous competition in the way of slaughter goods from the United States. They are in a worse plight than we are; their industries are being overworked and they have goods for export which they propose to dump on outside countries. The word 'dumping' is a familiar word to English politicians to-day. The people of England see that it has to be stopped, and a substantial tariff is the only way to stop it.

I am not afraid to say that the sentiment of my province is altogether in favour of increased protection. The farmers of Canada to-day are more and more protectionists. I believe the farmers of the Northwest are more and more protectionists. They believe a tariff can do something for them, and more than all, they believe that some kind of an imperial preferential tariff can do something for them. On that subject let me say just one word. We admit to-day that there is a political alliance between us and the motherland. We have got that far, and we are coming to believe in a defensive alliance, and I give the government credit for taking steps in that direction. It follows that where there is a political alliance, and a defensive alliance there must be a commercial alliance and that commercial alliance can be based on the principle of protection and on nothing else. It is not inconsistent with the principle of protection. We can still have protection in this country and at the same time give a preference to the motherland and all the other portions of the empire. I am confident that what the English people are coming to is the present political alliance strengthened by a defensive alliance and leading to a commercial alliance of some kind. Hon. gentlemen opposite were going in the wrong direction when they proposed to start with a commercial alliance with the United States. The people of this country would not have it, because they knew that if it began as a commercial alliance, it would end as a political alliance. At the present time the people of Canada from one end of the country to the other are in favour of a commercial union with the different portions of the empire, which will not require them to abandon protection, but which will give them a chance of holding their own against protectionist nations like the United States. The people of Ontario, the people of Quebec, the people of the maritime provinces, and the people of the Northwest expect an increase in the tariff to enable them to meet the competition of the United States, especially if they undertake to slaughter goods in our country, and desire to have a preferential arrangement with the mother country. Hon. gentlemen opposite may say that the country is prosperous. True, it is prosperous, but it could be made more prosperous. The Northwest would settle up more rapidly, we would have more factories and greater trade in the east, and we would build up Canada just as rapidly as the people of the United States have built up their country if we adopted more and more the principle of protection. As I said before, it is not so much the trusts in connection with the tariff as the monopolies in connection with great public utilities that are to be feared in both the United States and Canada. So long as we vote our money away to strengthen monopolies, as we are doing to-day, we shall do nothing to settle the transportation problem, but will only give monopolies greater power to grind down the people. Let us put a stop to that, and let the people's money be spent for the benefit of the people themselves. That is what I ask for, and that is what the people themselves are asking for. They are not asking for a husk in the shape of a back-country railway. They are asking for something for themselves; and if hon. gentlemen opposite had a transcontinental railway on national lines to offer them, they might reasonably ask for the support of the country. But they have nothing of that kind; they have only a great expenditure to propose in the interest of a private company.

The question of the autonomy of the Northwest Territories has been brought up. I do not know what is to be proposed this session with regard to that; but I stand here in favour of government by the people. The people of the Northwest are ready to assume the responsibility of their own government. They are as ready to do it as we in Ontario are determined to maintain the system we have here. Why cannot the people of the Northwest be given a government of their own? They are prosperous, they have schools and other things to carry on, and they can manage them for themselves as well as this government can do it for them. Why cannot the Northwest Territories be erected into provinces. The people are asking for relief and they cannot get it; but if the Grand Trunk or Canadian Pacific Railway want anything, you find the great Liberal party who are supposed to be champions of the people, turning handsprings to give them

everything they want. There is no legislature in this country to-day doing anything for the people, but every one of them is turning handsprings to distribute the resources of the country among the great corporations. That has got to come to an end. Perhaps the word 'Conservative' and the word 'Liberal' have passed out of usefulness in this country. Perhaps the day has come for a true national party—a party that believes in Canada, in the people, in the nation, and is prepared to do for the nation instead of doing for the corporations. If we are to take on true national greatness in this country, if we are to appreciate ourselves, we must use the resources of the country and the money of the people directly for the good of the people themselves, and not for making rich men and great corporations, who grind down the people. The day has arrived for bringing all that to an end, as you will find if you go about the country. The opposition in this House has declared in favour of public ownership in connection with the Intercolonial and its extension, and the people of the Northwest recognize that there is no solution of the transportation question except on national principles and they are all nationalists in that sense. The phrase is growing, and those who believe in it are increasing in numbers; and I believe to-day, as I have believed for some years, that the only way to solve these problems and to grant relief to the people is to move on national lines. Let us have a national tariff, let us have a national system of transportation, let us maintain the integrity of Canada on this North American continent. National propositions such as these will command the support of the Canadian people. It is on these lines that I have been appealing in my own constituency and my own province, and the people respond; and it is the men in this House who approach public questions on these lines who will be sent back here by the people. They cannot go on the old cries, because the people will not have them. The people are at last alive to the fact that so far the governments and the parties of this country have been working for the corporations, have been throwing away the resources of the country and have been doing nothing for the people directly. This, I trust, is coming to an end. I hope we can see the beginning of a great national movement on this side of the House. If the opposition start to educate the people on these lines, and oppose them to the lines proposed by hon. gentlemen opposite, the day of real relief and improvement will soon come for the people. I hope that day is at hand; and whether the election comes this year or next year, hon. gentlemen will find that it is only on these great national lines that they will command the support of the people of Canada.

Hon. Mr. HAGGART. At this late hour, with the consent of my right hon. friend, I would move the adjournment of the debate.

Sir WILFRID LAURIER. I have no objection, but I hope we will be able to keep later hours in the future. I would move in amendment that the following words be added to the motion:

That the order for the consideration of the motion for an address to be presented to His Excellency the Governor General in reply to his Speech, have precedence over all other business, except the introduction of Bills, until disposed of.

Amendment agreed to.

Motion (Hon. Mr. Haggart) agreed to, and debate adjourned.

ADJOURNMENT—GRAND TRUNK PACIFIC RAILROAD SURVEYS.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. R. L. BORDEN. Before the House adjourns, I would call the attention of my right hon. friend to the fact that since last session we have had announcements in the government press, which I assume to be authentic, that the line of the new Grand Trunk Pacific between Abitibi and Winnipeg, a distance of over eleven hundred miles, has been surveyed and the surveys turned over to the government by the Grand Trunk Railway Company. I am quoting from the Montreal 'Herald' of November 17th or 18th last, and that journal goes on to say:

Last spring, when the Grand Trunk first brought their scheme before parliament, which was then for a road from the west to North Bay, they sent in parties from Winnipeg to Abitibi to work east and west. They have now completed this work, and have placed the information in the hands of the government, which will greatly expedite the commencement of construction.

I would like to know whether any such surveys are in possession of the government, and, if so, whether the government will have any objection to laying them on the Table at an early date, so that they may be of assistance when we come to discuss the measure concerning certain amendments to the agreement with the Grand Trunk Pacific.

Sir WILFRID LAURIER. The government is not in possession of any such surveys.

Motion agreed to, and House adjourned at 10.30 p.m.

HOUSE OF COMMONS.

TUESDAY, March 15, 1904.

The SPEAKER took the Chair at Three o'clock.

GRAND TRUNK PACIFIC RAILWAY CORRESPONDENCE.

Mr. R. L. BORDEN (Halifax). Before the Orders of the Day are called, I would like to ask my right hon. friend the Prime Minister when he proposes to lay upon the Table of the House the correspondence with the Grand Trunk Railway Company, or with the promoters of the Grand Trunk Pacific Railway, to which he referred yesterday in his speech upon the address ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I cannot say exactly the day upon which it will be brought down, but it will be either before or at the time we take up the question. I shall be able to give an answer to my hon. friend later on.

Mr. R. L. BORDEN. It would be more convenient to the members of the House if we could have the correspondence a little before the day on which my right hon. friend proposes to introduce the resolution.

ADDRESS IN ANSWER TO HIS EXCELLENCY'S SPEECH.

House resumed adjourned debate on the proposed motion of Mr. Grant for an address to His Excellency the Governor General, in reply to his speech at the opening of the session.

Hon. JOHN HAGGART (South Lanark). Mr. Speaker, permit me in rising to take part in the debate on the address to first of all pay a compliment to the mover and seconder of the address. I listened with a great deal of pleasure to the remarks of both of these gentlemen. The hon. gentleman who moved the address (Mr. Grant), departing slightly from the usual order of things, spoke first of the Alaskan boundary award. He said, and I quite agree with him, that while the award is not the award which we expected, it is not as detrimental to the interests of Canada as was at first supposed. In reference to the award, the question naturally arose at a former session as to the treaty-making powers of the Dominion. I listened with a great deal of interest to the remarks of the right hon. gentleman who leads the government (Sir Wilfrid Laurier) upon that subject, but I must say that I did not understand him. The right hon. leader of the government stated that he wanted greater power of initiative in arranging treaties with foreign countries. We all know that the treaty-making power is vested in the king, that it is one of his prerogatives. Sometimes a treaty does not even require the assent of the Commons or of the House of Lords. It is only when a treaty deals with commerce or affects the subject in his relations to the Crown that it is dealt with by the British parliament. The right hon. gentleman stated that what he wanted was the power of making or initiating commercial treaties with foreign countries. But surely Canada now enjoys that power to the fullest possible extent. The imperial government in their communications with this government have always excepted from the operation of any treaty entered into by them with any foreign country the people of the Dominion of Canada, and unless we give our assent we are not included in its operation, and the imperial government have over and over again given to the Canadian government the power of appointing agents for the purpose of initiating or conducting such commercial arrangements as we thought best in the interests of this country. I myself last session asked why all of the papers in reference to the Alaskan treaty were not brought down, and the right hon. the Prime Minister said that he was awaiting the assent of the imperial government, and that if the imperial government did not give their assent he was going to bring the correspondence down, right or wrong, for the consideration of parliament. We have not had it yet. What was the fault he found in reference to the Alaskan treaty? The Alaska boundary question, and all the other subjects in dispute, were relegated to the commission which was approved of by the imperial authorities, and on which we had the nomination of two of the commissioners. They would not agree upon a treaty. Lord Herschell, in his statement to the Marquis of Lansdowne, said it was impossible to make an agreement with the Americans at that time, although I presume that every effort was made to come to an arrangement. Lord Lansdowne, in his letter to the British Ambassador at Washington, stated that before the Clayton-Bulwer treaty should be abrogated it was necessary that all of these subjects should be sent to the commission. We had the power in our own hands. Lord Salisbury said the same thing in an address which he delivered in England. He asked why it was that we were called upon to settle off-hand and at once the abrogation of the Clayton-Bulwer treaty, while other treaties and other matters which had been submitted to a commission for settlement had been delayed from time to time. Then the right hon. gentleman says that we had not fair play in regard to the commission. Had not the right hon. gentleman the appointment of one-half the members of the commission ? And did not he appoint two members of the commission who were Canadians, while Lord Alverstone, the third British commissioner, was appointed with the consent, or rather at the request, of the government of this country ? Then what fault is to be found with the imperial government when one half of the members of the commission were appointed under the authority of the right hon. gentleman who leads the government ?

The full charge of the case was given to the Canadian authorities. Part of the communication of the imperial authorities is now down and they stated in the communication that it might be impossible to agree upon the question, but that there might be such a threshing out of the question as would lead to a settlement at some future time. What fault was to be found with the imperial government in reference to the matter? The whole case was under the jurisdiction and control of the government of this country; yet they seem to find fault with the imperial government and make the result of this case a reason for demanding further treaty making powers. When the right hon. leader of the government was discussing the question of treaty making powers what was it that he wanted ?—the initiation of commercial arrangements with foreign countries. Every one of us knows that we have the power already. It is not that we have the power *per se*, but it is given to us at any time that the request for it is made. When an agent is asked for the purpose of negotiating a treaty with the Americans the request is granted at once. When an agent is requested for the purpose of negotiating a treaty with Spain authority is immediately given to the people of this country. When power is asked to negotiate a treaty with France an agent is appointed by the imperial government and we have all the power necessary for negotiation of such a treaty. That being so what is it that the right hon. gentleman wants ? There is nothing further that he possibly could require. We could not receive the power which he has asked because it would mean the separation of this country from Great Britain. We could not without separation have the full power of making treaties, of alienating territory if necessary and of doing what we pleased in making an arrangement with a foreign country.

I must say that the Bill presented to us at the present time for consideration is one of the most meagre I ever saw presented to parliament. The only question to be considered is that of authorizing some amendments to be made to the Grand Trunk Pacific Railway agreement and to consider a Militia Bill to be introduced containing—

> Several important amendments to the present law rendered necessary by the growth of the force and calculated to promote its efficiency.

I see that the right hon. gentleman and the government have put into the mouth of His Excellency the Governor General a statement in regard to a subject that I thought we had thoroughly threshed out in the debate of last session. This statement is that :

> Long before the transcontinental railway, authorized by parliament at its last session, can possibly be completed its urgent necessity as a medium for carrying the products of the west to our own Atlantic ports will have become apparent independently of the many benefits that will follow from the opening up of colonization and for various enterprises of the northern parts of Quebec and Ontario.

Does the right hon. gentleman still stick to the idea that the bulk, or any portion of the products of the Northwest Territories, will be carried by this railway from that country to the sea coast ? Has he read the speeches on transportation made by several gentlemen lately ? Has he read one in particular by the president of the Canadian Pacific Railway Company delivered before the Canadian Club in Toronto ? Has he read Sir William Van Horne's remarks upon the same subject ? Does he know at what rate grain was carried during last season from Port Arthur and Duluth to Montreal? During the whole season contracts were made for carrying grain from Duluth and Port Arthur to Montreal for 3½ cents per bushel, and in some cases they carried it for 2½ cents per bushel. Does the right hon. gentleman pretend that any railway that is constructed from Winnipeg to Quebec will be able to carry grain in competition with that route ? The fact of the matter is that the railways which have been built for the purpose of carrying that grain a portion of the way complementary to the water route from Port Arthur down to Montreal will find out that next season they will have very little to carry. The managers of these roads are becoming frightened about it. They cannot carry it profitably for three and a half cents or two and a half cents a bushel. The right hon. gentleman proposes some amendment to his scheme. The contract, as my hon. friend says, was too favourable. The right hon. gentleman found fault with my honoured leader because, in addressing the House he said that he was not going into the details of the scheme and that afterwards he did discuss the details of the scheme. My hon. friend did not discuss the details of the scheme at all. He asked why it was, that, after making an arrangement with the Grand Trunk Pacific Railway Company and after the right hon. gentleman's statement to the people of this country that a million pounds of the stock of the company had been deposited for the purpose of carrying out that arrangement, we should be asked to alter the terms of that contract and make them more favourable to the Grand Trunk Pacific Railway Company. That was the whole of the argument of my hon. friend because he said that he would wait until the whole of the scheme had been brought down as the right hon. leader of the government has given notice of a motion upon which the discussion of the whole question can take place. I stated in my remarks last year that the road from Quebec to Moncton would never be built. I see a plan proposed under this Bill which may enable the government to abandon not only that section of the road but the section north of Lake Superior. Why is it that the right

hon. gentleman is forcing this scheme upon the country at the present time? How does the present position differ from that which existed when he introduced his resolution in reference to the Canadian Pacific Railway? When it was proposed to build that road north of Lake Superior he introduced a resolution declaring that through that inhospitable and unsettled country no road should be built and that the money proposed to be expended in that direction could be expended in other directions with more profit to the people? The scheme which he proposes is one entirely differing from that which the Grand Trunk Pacific Railway Company proposed. The president of the railway company stated in his address: The plan which I propose is one for the purpose of getting from North Bay to Winnipeg, and of enabling us to build from Winnipeg through the prairie section of the country over to the Pacific ocean. The other part of the scheme, he said, was proposed by the right hon. gentleman who leads this government to the Grand Trunk Pacific Railway Company to be added to their scheme. There is no necessity for it, they do not need it, it is not part of their scheme at all, it is a proposition of the right hon. gentleman. The right hon. gentleman found fault with and criticised very severely the remarks of my hon. friend the leader of the opposition on the appointment of Mr. Blair as chairman of the railway commission. My hon. friend stated that that gentleman, speaking in this House as to the policy of the government in reference to the transcontinental railway, had insinuated—an insinuation declared by the hon. Minister of Justice (Hon. Mr. Fitzpatrick) to be unfounded—that this contract was being made for the purpose of benefiting private individuals. My hon. friend has pointed out that the charge has never been withdrawn by Mr. Blair. It still remains in force. But, the right hon. leader of the government says: Oh, because there might be a little private pique, or because he differs from me on a great political question, is that a reason why the country should not accept the services of the most intelligent and best informed man on railway subjects in the Dominion?

I deny that Mr. Blair is qualified for any such position. Judging by his management of the Intercolonial Railway, and the gross extravagance, and perhaps worse that he perpetrated in reference to that railroad, he is the last man that should be selected for a position of that kind. Let us see what is the opinion of the Prime Minister himself on this matter. When he conceived his transcontinental railway scheme did he consult Mr. Blair? Did he ask his opinion about it? The Prime Minister now tells us that Mr. Blair is better informed than any man in the country in railway matters, but the Prime Minister conceived and brought forth his railway project without the advice of Mr. Blair, and even without consulting him. If the chairman of the railway commission is so well qualified for the office he fills; if Mr. Blair is one of the best informed railway men of the country; then the inference is that the Prime Minister considers himself better informed in this respect, because he did not seek to have Mr. Blair reflect any of his light upon him? And as to Mr. Blair's colleagues on the railway commission what shall we say? There is Mr. Bernier, a very respectable man, who was Minister of Inland Revenue, and there is Mr. Mills, a gentleman about whom I know nothing. Even the warmest friends of Mr. Bernier never thought he had any qualifications for such an office. As to Mr. Mills, I never heard his name mentioned in connection with transportation matters; I heard he was connected with the Guelph Agriculture College, but I never heard that he had any qualifications to be a railway commissioner. These are the gentlemen we have had appointed to one of the most important courts of the land. My hon. friend the leader of the opposition has suggested that probably Mr. Blair was appointed, because it was expected there would be a general election last fall, and Mr. Blair having an influence in the province of New Brunswick, might exercise it against the government if he were not placated by this office. The right hon. the Prime Minister denies that allegation, but nevertheless it is believed by the people from one end of the country to the other. It is believed, and I think correctly, that Mr. Blair was appointed chairman of the commission in order to silence him during the election. Mr. Blair may be qualified as a lawyer, but as I said before, judging from his extravagant management of the Intercolonial Railway, he has no claim to be considered in any sense as an expert on railway matters. Taking it on the whole, there can be little doubt that the railway commissioners were appointed for political purposes and not because they were qualified to discharge the duties of the office. We have as chairman of that commission a gentleman who charged the government with entering into this transcontinental scheme for corrupt purposes; as the Minister of Justice interpreted his language. We have in Mr. Blair a gentleman with reference to whom the followers of the Prime Minister rose one after another in the House, and stated that the reason he was not continuing to support the government was because he would not have the letting of the contracts for the transcontinental railroad. Let me ask the Prime Minister, if he has ever really considered what the cost of a railroad will be from Winnipeg to Quebec, and from Quebec to Moncton. I wonder if he ever really intends to build any such railroad. Does he know that the railroad from Winnipeg to Port Arthur cost $80,000 or $90,000 a mile for grading? Has he looked at the expenditure on the railroad that

the Ontario government is building from North Bay to Lake Temagami ? Does he know that according to a return brought down to the Ontario legislature, that railroad will cost $27,000 a mile, in addition to $3,000 for equipment, making $30,000 a mile in all, and it is nothing but a colonization railroad at that ? It has gradients of from 1 to 1¼ per 100 feet, which is equal to from 66 feet to 67 feet in the mile, and abundance of them. It has curvatures to the extent of ten degrees. If the country from Winnipeg to Quebec were as favourable as the country through which the section of railway is being built by the Ontario government, it would cost $60,000 per mile to build a railway through it. The right hon. gentleman enters into a contract off-hand. He signs an agreement with the Grand Trunk Pacific Company to build this particular line, and give that company the working of it for a number of years. To my mind a more absurd contract never was entered into by any government. The contractors themselves do not want it. They do not want to operate that portion of the road from Winnipeg to Quebec and from Quebec to Moncton. They know perfectly well that for many years that road will be entirely useless to them. I see that the right hon. gentleman has a notice on the paper of a resolution with regard to this agreement, and when that comes up there will no doubt be an opportunity to discuss the matter fully.

The only other question of importance which is dealt with in the speech is the Militia Bill. We all hope that a proper Bill will be introduced. We on this side of the House believe that Canada should do her share for the defence of the empire. We believe that we should contribute something towards the defence of our sea coast, towards which the imperial government are contributing so much. They have a fleet on the Atlantic and another on the Pacific, and the sole purpose of the garrison at Halifax and the garrison at Esquimalt is to protect this country. While we form part of the empire, which I hope will always be the case, I believe we ought to contribute our fair share towards the defence of this country and to a certain extent towards the defence of the empire. As the right hon. gentleman has said, we should have the absolute control over the expenditure of our own contributions, but having that control, we ought to do something in the way of putting this country into a proper state of defence. In our militia force we should have something more than what was described last session by the hon. member for Haldimand (Mr. Thompson) as the shadow of a skeleton of a force. I am with the Minister of Militia in everything he can do to increase the efficiency of the force for the defence of this portion of the empire.

The speech is more remarkable for what it does not contain than for what it does contain. There is not a word in it with reference to the tariff. Surely we are not going to pass another session without some amendment to the tariff. I should judge that we are to have some legislation in reference to that matter, from the remarks of the Finance Minister in Montreal, in which he hinted at a revision of the tariff, as well as from the stronger statement made by his colleague the Minister of Marine and Fisheries (Hon. Mr. Préfontaine), to the effect that the anomalies which at present exist in the tariff will be removed, and that higher duties will be imposed where necessary for the purpose of protecting our industries. Other members of the government spoke in the same way. I am sorry to say that the speech of the right hon. gentleman who leads the government was not exactly in the same direction. He spoke of the terrible state of affairs existing in the United States, which he called the home of combines and anarchy. He was going to guard the people of this country against any such state of affairs. What he meant, if he meant anything, was that he does not intend to afford any assistance to the industries of this country, which are gradually being destroyed. Why is it that one statement is made by the right hon. gentleman in one section of the country while other members of the government make other statements in other sections of the country ? Is it for the purpose of catching all classes, or being all things to all men? The right hon. gentleman, wherever he is, suits his language to the feelings of the people of that section. The majority of his colleagues, or a great number of them, preach protection, while some of his supporters are against that villainous system, as it was described by the Minister of Trade and Commerce (Sir Richard Cartwright). I tell the right hon. gentleman that the people of this country are in favour of protection to Canadian industries. They know that these industries are suffering. They know that the redundant revenue of this country is partially due to the stoppage of these industries. Take, for instance, the woollen industry, one of the oldest in the country, established about forty years ago, an industry which gave to the people about as good value as was furnished by any other industry to any other people on the face of the globe—that industry has had to enter into competition with the shoddy goods manufactured entirely out of cotton in Yorkshire, and which are sold in this country at prices with which our woollen industry cannot compete, despite the fact that what the purchasers gain in price they more than lose in value. Thus the effect of the policy of the right hon. gentleman has been to close up one of the oldest and most important industries in this country and one which was giving to the people the fairest value for their money. What this government should do is to raise the tariff and thus prevent the importation of cheap, shoddy goods, and save our people

this taxation of $15,000,000 or $18,000,000 per year now levied on them in excess of what the necessities of the country require. Let the goods which pay those customs duties be manufactured in this country. The doctrine of free trade is played out, and our people are insisting upon the manufactured goods they consume being made in our own country. The ideal condition of any country is that in which the manufactures are centred in the cities and supply the rural parts in the cities and supply the rural parts in every direction. Those countries which are destitute of manufacturing industries are poor and unprogressive. What we require is varied industries, but, under the policy of the right hon. gentleman and his colleagues, that is most difficult to obtain. They throw out no hope of protection to our manufacturing industries. The words of the right hon. gentleman are in the contrary direction, and I presume it is he who guides the cabinet in that respect.

Then what has become of all the promises made by the right hon. gentleman and his friends? We were to have had reciprocity with the United States and a preferential arrangement with Great Britain. But, according to the right hon. gentleman, the High Commission is not going to sit any more. It is practically at an end. He tells us that, if the people of the United States wish to bring any matter before the Joint High Commission, the initiative must come from them. They, and not we, must make the first move. We may consider, therefore, that that commission is entirely at an end. We are then told to await developments in the imperial parliament. We are to find out what they intend to do in England before we make any move at all. Sir, the people of England are moving in a direction which meets with the approval of the majority of the people of this Dominion. The Rt. Hon. Joseph Chamberlain is giving expression to the opinions and the wishes of nine-tenths of the people of Canada. That right hon. gentleman holds that in order to have imperial unity, we must base it on something more than sentiment. We must have a tariff arrangement between the various colonies and the motherland. But the right hon. gentleman is doing nothing to promote any such arrangement. He will not even make public the views which he and his colleagues expressed at the imperial conference. He refused to give the imperial authorities permission to lay upon the Table of the Imperial House of Commons the correspondence and papers in connection with the proceedings of that conference. Why have we not got those? Why have we not got what the right hon. gentleman said over at that conference? Have we not the right to the views to which the right hon. gentleman gave expression at that conference, so that we may judge whether he then truly represented the views of the people of this country or not? There was nothing objectionable, from the point of view of imperial interests, to the publishing of those proceedings. The Secretary of the Colonies asked the different colonies for permission to publish them, but that permission was refused by the right hon. gentleman, and we are thus without the record. We therefore do not know to what extent the Rt. Hon. Joseph Chamberlain is voicing the opinions of the gentlemen who represented us at that conference in England. We cannot tell whether or not he is following in the footsteps suggested by them.

Then what about the economies which the right hon. gentleman promised? What about the reduction of the public debt? What about that excessive levying of customs taxes which the hon. the Minister of Trade and Commerce (Rt. Hon. Sir Richard Cartwright) was accustomed so vigorously to denounce in those days when he declared that a customs taxation of $37,000,000 was largely in excess of the requirements of the country, and that, if he ever had the power he would reduce it by $5,000,000 or $6,000,000? We hear nothing now of that comparison which the right hon. gentleman used to make when he compared the condition of the United States in 1845, when its population was over 20,000,000 and its expenditure only $26,000,000, with that of Canada. To-day we find a taxation wrung out of the people in the shape of excise and customs duties to the extent of about $15,000,000, or $18,000,000 in excess of the amount we used to levy when we were in office. The total expenditure in 1896 by the Conservative government was $41,702,353. The current expenditure was $36,949,142, which was about the average for seven years. In 1902, these gentlemen expended on current account $50,951,903, and on current account and capital account together $59,931,824. They voted for the purpose of expenditure during the year 1902 no less than $88,000,000. Yet these are the gentlemen who went from end to end of the country declaring that if they got into power they would reduce expenditure and reduce the public debt. Has the debt been reduced? On the contrary it has been increased. Has the expenditure been reduced? It has been increased from $37,000,000 to $51,000,000. I do not know what it will be for the current year, but in all probability, it will be largely in excess of that of the year before. But, to cover all this these gentlemen talk about prosperity. The mover and seconder of the address referred to it and the right hon. leader of the government said that Providence was on his side and there must be some reason for the country being so prosperous while he was in power. And what laudatory remarks we hear from gentlemen sitting behind the treasury benches. They would have us believe that this government was the greatest aggregation of intellect that ever governed the country. I remem-

ber that the hon. member for West York (Mr. Campbell) in moving the address last year stated that the greatest man that ever lived was the right hon. gentleman who leads the government. Our opinion of these hon. gentlemen is——

Mr. CLARKE. Don't say it.

Mr. HAGGART. Our opinion of this government is not exactly in line with that of their supporters. The right hon. gentleman may think that Providence is on his side in making the country so prosperous. It seems to me that Providence is kind to the country in giving us something to compensate us for having such a government. If we have a government so extravagant as this one is by the confession of its own members, if we have a government that continues customs taxes of so villainous a character that they bleed the farmers white, at least we have the compensating advantage that the country is prosperous in spite of the government. We are often told that Providence tempers the wind to the shorn lamb, and in this we have an example of it.

Now, I have already asked what legislation these hon. gentlemen have to pride themselves upon as being a contributory cause to the prosperity of the country ? Do they attribute that prosperity to their revision of the tariff in 1897 ? That was a reduction of our protective tariff by less than one-half of one per cent. Will they say that this is the cause of Canada's prosperity ? Sir, these hon. gentlemen have done nothing to assist the forces that have made us prosperous, as they have done nothing to carry out any single promise that they made to the people. Have we free trade as they have it in England ? What has become of reciprocity with the United States ? What has become of the preferential tariff with Great Britain ? What has become of the economies of all kinds that we were promised ? Not a single promise have they carried out. What new work have they initiated ? The only thing they have initiated is this proposed expenditure on the new transcontinental railway. We have not heard from the right hon. Prime Minister whether the amount to be paid by the people of the country towards this work is to be increased. He told us that this scheme which was to do so much for the advancement of the country, which was to more than double our available resources and yield us inestimable benefits, was to be had for a total expenditure on the part of the people of $13,000,000. Since then, a new arrangement has been made with the Grand Trunk Railway Company. Is that amount to be increased or decreased ? Are we still to have this inestimable advantage of a new railway from the Atlantic to the Pacific for $13,000,000, as promised by the right hon. gentleman, and as endorsed by the Finance Minister ? (Hon. Mr. Fielding).

Mr. CLARKE. He said $16,000,000.

Mr. HAGGART. I believe he did. He seemed to think that the Prime Minister's estimate for the building of a road from Winnipeg to Moncton and assisting the building of a road westward from Winnipeg to the Pacific ocean was not quite large enough, and so he carefully put his estimate at $16,000,000. That is another question on which the hon. gentlemen differ from the present chairman of the railway commission, Hon. Mr. Blair. That gentleman stated that the cost to the country, if it assumed these obligations, would be $140,000,000. That is a difference, between the Prime Minister and the Minister of Finance on one side and the gentleman who then occupied the position of Minister of Railways on the other side, of only about $125,000,000 in the estimated cost of building this road. The remarks of the Prime Minister and the Minister of Finance on this point were made with apparent earnestness. And yet, I think, more childish statements never were made in this House. The right hon. Prime Minister must have thought that the people of this country—to use a word of his own countryman—were the greatest gobemouches ever known. I venture to say that the expenditure of the country in carrying out this enterprise cannot be less than $140,000,000. We shall have an opportunity of discussing this matter when the alterations in the Grand Trunk Pacific scheme are presented to us. I would like to see the papers on the subject. The right hon. Prime Minister has promised that these papers shall be brought down before we are called upon to discuss the question. It is one of the most serious questions that has ever come before the people of this country—the expenditure at this time of an immense sum of money which might be spent in any of a hundred other ways far more to the advantage of the country.

The right hon. gentleman and his colleagues in this House are occupying a position which they obtained by false promises to the people of this country : not a single promise which they gave to the people of this country has been fulfilled. The people of the country are willing to forgive their change of face in reference to a protective tariff because nothing but ruin could come to the country had the hon. gentlemen carried out their principles. If they had adopted a policy of free trade or of levying taxes only on tea, sugar and spirits, permitting manufactured goods to come in free, they would have flung back the prosperity of this country fifty years. That change of face is to their credit and the people have forgiven them for adopting virtually the principle of protection which was enunciated and carried to its fruition by the gentlemen who preceded them. This country commenced to

prosper in 1895 and 1896 and continued to prosper on account of the protective policy of the Conservative party. As I stated before there was no change in the tariff, except a paltry change of not more than one half of one per cent which did not effect any of the commodities which come into the country. At the present moment they refuse to change or alter the tariff where changes are absolutely required in order to prevent several industries, especially the woollen industry, the oldest in the country from being wiped out. In my own county two woollen factories have been closed up for nearly a year, one of them in Almonte, owned by the Rosamond Co., the second largest woollen manufactory in this country, and this factory will continue closed until the tariff is amended. They cannot meet the competition of goods which are sent into the country for the purpose of being slaughtered. An amendment of the tariff will not make this country what he complains of in regard to the United States the home of factious combines and anarchy. That is certainly a complimentary remark to make of the people of the country to the south of us, an industrious people. I have never heard of anarchy in that country and although it may be the home of factious combines there is legislation against combines in the United States and that legislation is being enforced there and could be enforced here. What we want in this country and what we will have when the people again speak out is the preservation of the markets of our own country for our own manufacturers; that is the determination of the people of Canada. They will not be content to remain a purely agricultural and fishing community; they want various industries like other countries. The young men of the country want to engage in different industries. We can manufacture as cheaply, we can furnish as skilled labour as any other land, our people are as industrious as any other people, our resources are as great or greater than those of any other country on the face of the globe. Why is it we have not the opportunity of going forward and increasing the manufactures of our country? When they have an opportunity the people of this country will speak out and say that they will have our industries protected. This is the feeling from one end of the country to the other. Even the agricultural section of the Northwest Territories and Manitoba is in favour of protection of manufactures; my own province to a man is in favour of it, and if the right hon. gentleman had not led his followers to believe that the present tariff was all that was necessary for the protection of the industries of Ontario the government would be swept out of existence when they went to the poll. It is earnestly to be hoped that the people of this country will come to their senses in the election which is near at hand, and that they will punish false promises and broken pledges and will reward the men who speak truly to them, the men who carry out the promises they make.

Every one knows that the Conservative party of this country are in favour of protection and in favour of a closer union of this country and the imperial authorities; we are imperialists to a certain extent. There are in our ranks no members with the same sentiments as those of the hon. member who represents Labelle (Mr. Bourassa) and some of his followers. I judge from the remarks of that hon. gentleman that he is against a closer union between this country and the mother country and that he is in fact looking for the separation of Canada from the empire. I do not know that in this he is much in advance of the right hon. gentleman who leads the government, whom I have heard state that we must look to the future, that the day may come when the pear will be ripe and will drop from the parent tree, when we will bloom out into a nationality of our own and become a new union or a new United States in this section of the continent. The sentiment of our race is entirely different. We are for a closer union between this country and the motherland. I admired the right hon. gentleman when he said to the people of the motherland: Take us to your councils so that we may become part and parcel of the empire; let us be represented in the councils of the empire.

That is my sentiment and I believe it is the sentiment of the people of this country. It is the sentiment, I believe, of the right hon. Minister of Trade and Commerce (Rt. Hon. Sir Richard Cartwright), only he intends to carry it farther, not to confine it to imperial interests alone, but to correct the faults and mistakes that were made over a hundred years ago and bring about a closer union between all the Anglo-Saxon peoples, between the United States, Great Britain and Canada. That is quite Utopian, I think. There is no prospect of achieving that end. The only prospect within view is the one of bringing about a closer union between all parts and portions of the British empire. That is the policy of all empires on the face of the globe. All empires striving for existence are controlled by this policy. It is the policy of the Russians, of the Germans and of the French. Their policy is one of concentration and of the advancement of the race in every portion of the globe. Let us then do all we can for the purpose of having closer relations between this and all other countries in the empire. I, perhaps, have spoken at sufficient length upon this question, but I feel strongly in regard to it. I feel that the party in power at the present moment have not performed their duty to the people of this country. An enormous amount of taxes has been levied

on the people, far in excess of the requirements of the country. In this House the right hon. Minister of Trade and Commerce and his friends on the other side of the House claimed again and again that there could be no greater crime or blunder on the part of the Finance Minister than for him to overestimate and to take from the people of the country an amount greater than was justified by the requirements of the country. Here we have been told that the surplus in the treasury is $15,000,000 or $18,000,000. Why take this amount of money from the people ? Why not leave it in the pockets of the people ? Why not estimate what the requirements of the country are, and if you overestimate the amount should only be slightly in excess of what you actually require. It is a mistake on the part of the Finance Minister to take from the people more than is required or is estimated for I have heard the fault condemned again and again by members of the government. In conclusion I must say that we hope for a better day. There is going to be an election, perhaps this summer, and we hope that the people of the country will remember those who have proved false to their promises and will be true to those who have carried out every promise they have made and reward them according to their deserts.

Mr. T. CHASE CASGRAIN (Montmorency). Mr. Speaker, I congratulate the government on the new policy which they have inaugurated this session—the policy of silence. I may tell them that I have seen this policy carried out before under different administrations and it has always proved the presage and omen of their downfall. I hope the omen and presage will be the same this time as it has been in the past. The right hon. leader of the government (Rt. Hon. Sir Wilfrid Laurier) was good enough yesterday to occupy himself for a short time with what has passed lately within the ranks of the Conservative party. The right hon. gentleman is curious to know what is going on in the internal government of the party to which we belong and he was even kind enough to say that in the province of Quebec there is no more a Conservative party, there is no more a programme of the Conservative party and that there is no leader of the Conservative party. I would like my right hon. friend to direct his attention to what has taken place in his own party. We can conduct the affairs of our party, but I would like to inquire as to what has passed within the last five or six months within his own party. I would like to know whether the breaches that have existed in his own party have been healed. Everybody knows that when the hon. member for Montreal, St. Mary's (Hon. Mr. Tarte) left the administration the important question was put to my right hon. friend as to whom he would take from the ranks of his own party to replace the hon. member for St. Mary's. We still have in our minds the deputations of senators, of members of parliament and of influential men who were sent to Ottawa from the important city of Montreal and from other parts of the province of Quebec to protest against the entry into the administration of, or to confiding of an important portfolio to the gentleman who now occupies that position, the hon. Minister of Marine and Fisheries (Hon. Mr. Préfontaine). I would like to inquire from my right hon. friend whether these gentlemen have been satisfied. When the right hon. gentleman looked around him within the ranks of his own party in the province of Quebec it appeared as if he could find nobody in whom he had enough confidence to give the important spending department of Public Works which had been vacated by the hon. member for St. Mary's and it is within the remembrance of everybody that when the present hon. Minister of Marine and Fisheries went before his electors in the county of Maisonneuve he had to make the distinct promise and declaration that he was authorized by his leader to say that within a very short time an important part of the Department of Public Works would be confided to him. The election took place. This pledge which my hon. friend made—I am sorry he is not in the House now—to his electors, this promise, has not yet been implemented. There was a rumour last fall of an impending general election and that rumour took some consistence while the House was in session. What did my hon. friends do? They passed a statute chap. 53 of the statutes of last session which provides that.

> The Governor in Council may at any time transfer the management, charge and direction of any public work, or any power, duty, or function with respect to any work or class of works whether public or private, which is assigned to, or vested by statute in, any minister or department, to any other minister of department ; and from the date appointed for that purpose by the Governor in Council, such power, duty or function should be transferred to, and vested in, such other minister or department.

This was done for the purpose of making the people of the province of Quebec believe that within a very short time an important part of the Department of Public Works was to be transferred to the control of the hon. Minister of Marine and Fisheries, and to implement that promise, that declaration, that pledge which that hon. gentleman had said he was authorized to make when he went before the electors of Maisonneuve. May I inquire of the right hon. leader of the government whether that promise made to the electors of Maisonneuve has been fulfilled ; whether an Order in Council has been passed under the statute of last session and whether my right hon. friend has now enough confidence in the hon. Minister of Marine and Fisheries to

give him a part of this great spending department which was left vacant by the resignation of the hon. member for St. Mary's? These are questions which affect the internal government of the Liberal party. Probably it is, that, the late hon. Speaker of the House, the hon. Minister of Inland Revenue (Hon. Mr. Brodeur) having been taken in to the administration, those people in the province of Quebec who were a little afraid of the hon. Minister of Marine and Fisheries have had their fears appeased, and the respectability of the Minister of Inland Revenue has probably gone far in allaying the fears with which the people of Quebec were impressed when the right hon. leader of the government chose to take into his administration the hon. gentleman who now occupies the position of Minister of Marine and Fisheries. Let me tell the right hon. gentleman that if these pledges are to be implemented, if these promises are to be carried out, now is the time and the electors of Quebec will take no more such pledges or no more such promises even if my hon. friend the Minister of Marine and Fisheries says he is authorized to make them.

When I speak of the Minister of Marine and Fisheries—and again I say I regret he is not in the House to hear what I have to say—it recalls to my mind what took place last session in connection with the establishment of a line of steamers between Canada and France. Every one knows that when the Prime Minister proposed the adoption of this contract between a certain syndicate formed in France and the Canadian government, he took very good care to say that officially he did not know Mr. Carbonneau. But as soon as Mr. Carbonneau got back to France, he announced in his paper 'Le Canada', that he had been successful in the negotiations which he had carried on with the government of Canada, and that he had established a line of steamers between Canada and France. I would like the Prime Minister to tell me what has been the fate of this contract between the government and Mr. Colombier, or Mr. Carbonneau. The newspapeprs announce that Mr. Carbonneau is now in New York, and that he has come to this continent to perfect the arrangements with the government which he began last year. What has the Prime Minister to say to that?

Let me pass to another subject which is not mentioned in the speech from the Throne but to which the mover and the seconder of the address devoted a good deal of time. I refer to the prosperity of the country. Let me contrast the conduct of the present Conservative opposition, with the conduct of the Liberal opposition in this respect. When the Conservative party was in power and when the country was prosperous, the Liberals went from end to end of Canada preaching blue ruin and prophesying national bankruptcy if the Conservative policy were to continue. Look at the position of affairs to-day. Nobody in the land is more proud of the prosperity of Canada than are the members of the Conservative party in this House, and their followers in the country. And if the policy announced by the Prime Minister in 1895, when he promised to wipe out the last vestige of protection; if he had carried out that policy since he came to power, what do you think would have happened? What would have happened if he had carried out the policy announced by him in Winnipeg, when he declared the doctrine of protection is bondage. What would have happened had he not taken a leaf out of the Conservative book, and continued in a measure at least, the national policy which was inaugurated in 1878, and against which for 18 long years the Liberals ranted in season and out of season. The hon. member for North Ontario (Mr. Grant) and the hon. member for Hochelaga (Mr. Rivet) have spoken about the great surpluses of which the Minister of Finance can boast; but, Sir, these gentlemen were not in the House and they were probably not in politics when some of the leading members of the Liberal party had a different story to tell about surpluses. The Halifax 'Chronicle' which at the time I refer to was edited by the Minister of Finance (Hon. Mr. Fielding) had this to say, and it is interesting under present circumstances:—

> If these surpluses were created by the government in some magic way there may be in them a cause for thankfulness to Sir John Macdonald and his followers, but when it is considered that every dollar of the surplus is money taken out of the pockets of the people without a shadow of an excuse, money not required even by the reckless expenditure of the government, there is not much cause for rejoicing.
>
> That millions of dollars should be unnecessarily taken yearly from the consuming classes of the country, and this without being absolutely necessary, is a cardinal principle of the Finance Minister's, to which even his best friends do not unreservedly assent.
>
> They see that a surplus of millions at the capital is just so much money withdrawn from the trade of the country. How long can the Dominion stand the drain? Certainly not many years longer.

And this is what the Minister of Trade and Commerce (Rt. Hon. Sir Richard Cartwright) said in 1882:—

> I asked how the surplus was got. $1,100,000 was derived from two of the most odious and oppressive taxes which were ever imposed in any civilized country before, under similar circumstances at least, the taxes on breadstuffs and fuel. If he really wants to relieve the people, let him remove the taxes on breadstuffs and coal.

And if these gentlemen want us to believe to-day, that they are the real friends of the country, why do they boast of surpluses which are caused by this most odious and oppressive taxation, and why don't they relieve the people by removing the tax from breadstuffs and coal?

Hon. gentlemen on the other side of the House have also spoken of the increase of revenue, but this increase of revenue must have been brought about by what prominent Liberals used once on a time to call taxes. The Minister of Trade and Commerce has told us that taxation is an evil which nothing but the requirements of government can justify, but to-day we have more revenue than the strictest requirements of government justify. They tell us that the surplus is $15,000,000, and surely this has not been brought about by a tariff imposed simply for the purpose of raising a revenue. Why does not the Minister of Trade and Commerce abolish this evil now ? Let me tell him that in 1896, according to the government books, the taxation amounted to $3.94 per head of the population. And, although the Liberals of the day told us that this taxation was too onerous, the fact remains that in this year of grace 1903, the taxation is $6.76 per head of the population, or more than twice what it was in 1896. We were told by the two gentlemen who have addressed the House from the other side, that the tariff is as perfect as it possibly can be under the circumstances in which the country is placed. I was surprised to hear this from the hon. member for Hochelaga (Mr. Rivet) because he knows very well that whatever may be the opinion in other parts of the country, the constituency whence he comes does not consider the tariff perfect. Let me tell him, that if his majority in the recent election was reduced from 636 (the majority of the previous Liberal member) to 236, that reduction was due to the fact that the manufacturers and the workingmen of Hochelaga are not satisfied with the tariff. If the tariff is perfect, how is it that we have the Minister of Marine (Hon. Mr. Prefontaine) and the Minister of Justice (Hon. Mr. Fitzpatrick) going down to Quebec and saying that necessary changes are going to be made in the tariff. If the tariff is perfect, how is it that the Minister of Marine and Fisheries during the Maisonneuve election posed as a protectionist, willing to give protection to all the legitimate industries of the country ; although it is true that at the very same time the Minister of Agriculture (Hon. Mr. Fisher) and the Minister of Customs (Hon. Mr. Paterson) were in Argenteuil preaching the doctrine of free trade. Do not we know that for the last three or four sessions, deputation after deputation composed of both Liberals and Conservatives have waited on the government, asking that the tariff be increased? Is it not a fact that in this very House, we saw last session man after man rising from the Liberal benches, and warning the government that if the tariff be not increased on various articles, the doom of the government is sealed?

Sir, is it not a fact that certain industries in this country have gone to the wall because the government have refused to raise the tariff ? Is it not a fact that the manufacture of barbed wire in Canada has ceased because they took the duty off that article, with the only consequence that we pay more for it to-day than we did in 1896 ? Is it not a fact that the taking of the duty off binder twine has only had the effect of increasing the cost of the article to the consumer ? Our hon. friends last session sought to remedy the evil to a certain extent by giving a bounty to the binder twine industry. And what has become of the steel industry ? If this industry is suffering to-day, is it not admitted that it is due to the condition of the tariff ? If hon. gentlemen opposite had listened to the wise counsels of those who told them that by raising the duty they would establish this great industry in Canada, we should probably have had to-day at Sydney and at Sault Ste. Marie thriving industries affording labour and good wages to a vast number of our fellow-citizens. What has taken place in the cotton industry? In the very constituency from which my hon. friend from Hochelaga (Mr. Rivet) comes, shortly before his election, a meeting of the shareholders of the cotton industry there was held, and what was the declaration the directors of that establishment had to make to their shareholders ? It was that the profits were so small that they could pay no dividend. If hon. gentlemen opposite, instead of sticking to their doctrinaire free trade principles, had come to the relief of the cotton industry, such a thing could not have happened. My hon. friend from South Lanark (Hon. Mr. Haggart) has referred to the woollen industry. In the city of Montreal, the woollen mills, instead of thriving as they did in 1896, are now working only four days a week, while in other parts of the country the woollen industry has completely gone to the wall.

I was surprised at what my right hon. friend had to say with regard to the United States. I remember when he had nothing too good to say of that country. I remember when he used to visit Boston, for instance, and tell the people there that there was no country in the world like the United States of America. And yesterday what does he say ? He says it is the home of combines, factions and anarchists, and he taunts us with wishing to make Canada the home of combines, factions and anarchists. What does he found his statement on ? He quotes from the Montreal 'Star,' and says that is our policy. Sir, it is no part of the Conservative programme, as the hon. member for Hochelaga said, to adopt a servile imitation of the policy of the United States. What we want is increased protection for our industries—our manufacturers, our labouring classes and our farmers ; and my hon. friend knows that this is what the country demands. He knows, from the elections that have just taken place, that this is the

sentiment of the country from the Atlantic to the Pacific. Sir, let me quote to you the independent opinion of a man who is not in politics. Let me quote what he said when he was making a business statement to business men. I refer to a statement made a short time ago by Mr. Walker, the general manager of the Bank of Commerce, and I believe a friend of hon. gentlemen opposite. Speaking of the tariff in general he said :

> But if, as seems probable, we are to witness a general decline in prices, we must not be slow to recognize what this may mean. As we said a year ago, we must hold our own against a nation fifteen times as large in people and in industries. We cannot stand against, as we have been forced to in the past, the process of absorbing a large part of the surplus product of the United States. It is not a question of which fiscal policy we like, it is a question of holding our own in a time of war. It will only be industrial war, it is true, but it may be as fierce and unrelenting as ordinary war, although the results cannot be so terrible.
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> Deeply interested as we are in Mr. Chamberlain's proposals, the vital question in tariffs for us at the moment is in connection with our nearest neighbours. After we have protected ourselves against the use of this country as a slaughter market for the United States, we must, in some measure, try to meet Mr. Chamberlain's proposals.

Here are the views expressed by a man who was not talking politics or trying to gain the favour of his audience, but a business man addressing other business men ; and I take it that this is the feeling which exists in the country to-day, not only among those who belong to the Conservative party, but among all who really desire the prosperity of Canada. I hold, as I have always held, that the great error in the tariff of 1897 was the one-sided preference which hon. gentlemen opposite gave to Great Britain. My hon. friend from North Ontario (Mr. Grant) spoke yesterday of our enormous exports of butter, cheese, pork and wheat ; but if the government in 1897, instead of giving a one-sided preference to Great Britain, had said to Great Britain. if you give us a preference in your markets, we will do the same to you ; and if to-day we had a preference in the markets of Great Britain for our butter, our cheese, our hay, and all our agricultural products, what a boon it would be for the people of this country.

I see my hon. friend from Labelle (Mr. Bourassa) here. I am glad he has come in. It is not by holding Mr. Chamberlain up to scorn that we are going to do any business in this country. Mr. Chamberlain's proposal is a business proposal. I am not, as my hon. friend well knows, in favour of curtailing in the least degree any of the privileges or liberties that we enjoy in this country. I am in favour of the greatest autonomy that can exist in this country. But it is not by holding Mr. Chamberlain up to public hatred, or by ridiculing or denouncing him, that we are going to further the interests of Canada. The propositions of Mr. Chamberlain, if they ever materialize in Great Britain, are business propositions. He comes to us and says, we are willing to give a preference in our markets as you give us a preference in your markets. This is a question for agreement between Canada and England ; and if in the course of making this agreement we come to the conclusion that the agreement is a good or advantageous one for this country, I say, whether the proposal comes from Mr. Chamberlain or from Sir Campbell-Bannerman or from any other man on the other side of the ocean, we should adopt it as being beneficial to the best interests of this country.

The right hon. leader of the government, as I said a moment ago, to show what the policy of the Conservative party on the fiscal question was, thought fit to quote from the Montreal 'Star.' I am going to show how fair it is to make such quotations by making another quotation. A little while ago we had an election in Montmagny, and I am glad to see here, though I would have preferred to see a Conservative, my hon. and young friend (Mr. Armand Lavergne) who represents that county. But what happened? My hon. friend went to the county of Montmagny as the candidate of the government. I believe that he was held over the political baptismal font by a Minister of the Crown. The chief whip of the government in the province of Quebec went down to conduct the campaign, and my hon. friend from Labelle (Mr. Bourassa) also pitched his tent in that county and remained there throughout the election. In order to celebrate the victory of my hon. friend from Montmagny (Mr. Lavergne) there was a meeting held in Montreal of the La Ligue Nationaliste. Both my hon. friend from Labelle (Mr. Bourassa) and my hon. friend from Montmagny (Mr. Lavergne) addressed that meeting, which was held in one of the public halls in the city of Montreal, and when my hon. friend from Montmagny came to this House to be introduced, he was presented by my right hon. friend, the leader of the government. Now, what is the platform of this nationalist league of which, I believe, my hon. friend from Labelle is the president or the chief organizer or the fac totum, and of which my hon. friend from Montmagny is a very active member as well as a follower and an admirer of my hon. friend from Labelle. Let me just quote the programme of this league. Here are its articles :

> 1. Opposition to all participation by Canada in he deliberations of the British parliament and in any imperial council.

That is a singular commentary on what my right hon. friend said in England when he exclaimed : 'Call us to your councils.'

2. Consultation of parliament by the government when invited to participate in any conference of countries having allegiance to Britain, and the absolute publicity of the deliberations and decisions of the conference.

3. The production at each session of parliament of all correspondence or documents exchanged since the last session between the Canadian government and the Colonial office or the governments of other British colonies.

4. The right of representation at all international conferences where the interests of Canadians are in question.

5. The right to make and to abrogate commercial treaties with all countries, including Great Britain and her colonies ; liberty to name agents who will be able to treat directly on commercial questions with foreign governments.

6. Abstention from all participation by Canada in imperial wars outside Canadian territory; resistance to all attempts by England to recruit in Canada.

7. Opposition to the establishment of a naval school in Canada with the consent and for the benefit of the imperial authorities.

8. The direction of our militia in times of peace as in time of war, to the sole purpose of defending Canadian territory.

9. Absolute refusal of all leave asked by an officer of the militia to take part in an imperial war.

10. Command of the Canadian militia by a Canadian officer, appointed by the Canadian government.

Here is the programme of my hon. friend.

Mr. BOURASSA. That is only a part of the programme. My hon. friend should give the whole of it.

Mr. CASGRAIN. I am afraid I have not the whole of it.

Mr. BOURASSA. That only shows the dishonesty of the opposition press, which only publishes what it thinks will suit its own purposes.

Mr. CASGRAIN. If the other part is not any better than what I have just read, there is no use reading it. That is the programme of my hon. friend from Labelle and also of my hon. friend from Montmagny, who was the government candidate in that county, and who was supported by a Minister of the Crown and by one of the chief whips of the Liberal party.

Hon. CHAS. FITZPATRICK (Minister of Justice). And elected by the largest majority the county ever gave.

Mr. CASGRAIN. And when he came to this House he was introduced by the leader of the House. May I ask the right hon. gentleman if this is also his programme ? May I ask him if the articles of La Ligue Nationaliste are in the programme of the Liberal party ? Do they constitute the programme of that party for the province of Quebec ? Is this the programme we are to have in the province of Quebec, while my right hon. friend, in other parts of the Dominion, will have another programme and make other speeches ? That is a question to which I ask my right hon. friend to reply between this and the next elections, which we shall probably have shortly.

Let me now come to a question mentioned in the speech from the Throne. In this lenten season I suppose we must not complain of the meagre diet which is given us in that speech. Coming down to the Grand Trunk Pacific agreement, what was the position at the end of last session ? We had been discussing this scheme some two or three months. The House ratified the contract, and in December last, I believe, the announcement was given out that the deposit had been made. But the deposit which had been made was not that contemplated by the agreement, and we were told that legislation was necessary. Legislation for what ? To validate, to regularize, the deposit which had been made. Now, however, we find that we are called together, not merely to legalize the deposit, but to make important, substantial changes in the contract ratified by us last session. Let me quote from the speech of Sir Rivers Wilson to the Grand Trunk shareholders in London, and it is an extraordinary thing that we should learn what changes are proposed in the contract in question, not through any authentic or authorized statement by the government, but in a speech which Sir Rivers Wilson was pleased to make to the Grand Trunk shareholders in London. That, I submit, is a most extraordinary way in which to treat parliament. But what did Sir Rivers Wilson say ? After eulogizing the right hon. gentleman, he went on to say :

> In the meantime, a great and unfavourable change had occurred in the financial position of the markets of the world and the directors, in the interests of the shareholders, came to the conclusion that certain modifications in the agreement were imperative in order to safeguard the credit of the company.

So, therefore, it is not in order to safeguard the interests of the Canadian people that we are called together to-day, but in order to safeguard the interests of the shareholders of the Grand Trunk Pacific.

> The chief modification was that relating to the conditions which were imposed on the Grand Trunk Pacific Company for making the deposit to which I will refer more in detail later on.
>
> Negotiations were accordingly resumed, and the result is embodied in the second or supplemental agreement which is now in your hands, and which, read together with the first agreement, we now submit for approval. Should it receive that approval, it will be brought before the parliament of Canada, which has been specially summoned to meet on the 10th of March for consideration, and, I hope, confirmation.

So that this session is to be a Grand Trunk session, and this House is meeting to safeguard the interests of the shareholders of the Grand Trunk Railway. We are told that this supplementary agreement, having been ratified by the shareholders of the

Grand Trunk Railway, we are bound likewise to ratify it. It is brought down by the government as a government measure, and, of course, the government will go to its supporters and order them to accept it. We may discuss this supplementary agreement as much as we like, we may propose what amendments to it we may see fit, but no change can be accepted, because the government would then have to go back to Sir Rivers Wilson, and Sir Rivers Wilson would have to call together again his shareholders and see whether they would agree to the modifications this House might see fit to make.

In connection with the Grand Trunk Pacific scheme, let me refer to the appointment of my hon. friend Mr. Blair to the chairmanship of the railway commission. It seems to me that the indictment which my hon. friend, the leader of the opposition, made against the government was rather a strong one. I was not present last session when the scheme was discussed in this House, and I listened with the greatest interest to the quotations from Mr. Blair's attack on the policy of the government in this matter. I listened also with great interest to what my hon. friends on the other side had to say about Mr. Blair in reply to his attack. And I fail to see that it is any answer for my right hon. friend to say that no better man in Canada could be found than Mr. Blair to act as chairman of the railway commission. It is no answer to say that Mr. Blair is a man of great ability and that no man better endowed could be found in Canada to fill his position. The question is this. Hon. gentlemen on the other side and their press, after Mr. Blair had denounced the scheme of the Grand Trunk Pacific, held that gentleman up to scorn, as a man who was not worthy of the confidence of the country; they held him up as a man not worthy of the confidence of his late colleagues, and one not as able as they had said he was. They held him up even as a man not worthy of their respect. I ask them whether they have changed their opinion with regard to Mr. Blair. If they have not, there must be some reason at the bottom of the appointment of Mr. Blair which is still to be explained to this House. Everybody knows—it has not been denied on the other side of the House—that during last autumn it was almost decided that the elections were to take place. I believe that the only thing necessary to fulfil the rumours which had been in the air was the actual passing of the Order in Council dissolving the House. It struck hon. gentlemen opposite, no doubt, that Mr. Blair was a very influential man in New Brunswick. He had been prime minister of his province and had carried that province time and again. In 1896 he had been elected to this House, and in 1900 he had come back as leader of New Brunswick with a large support from the province at his back. It was well known that he was a man of influence and that he still carried great weight in his own province, and that if he was let loose—to use a rather vulgar expression—he could cause great damage to the government by going into the fight against them. (All I intend to do in this matter is to put the facts before the House and hon. gentlemen will draw their own deductions.) When it was rumoured, when it was almost certain, that elections were going to take place, Mr. Blair was appointed at $50 a day to go down into the United States and study the results of the working of railway commissions there. This was before the railway law came into force. What was the reason for haste? Who was it that could not wait this time? Was it Mr. Blair, or was it the government? Why not wait until the railway law was proclaimed to appoint Mr. Blair chairman of this commission if he was such a great man as my hon. friends say he was? If he was such an able man that it was necessary to have him as chairman of this commission why not proclaim the Railway Act and have it come into force immediately? Why was it so necessary to pay him $50 a day——

Mr. TAYLOR. And expenses.

Mr. CASGRAIN. And expenses, to go to the United States to study the working of railway commissions? These things in the appointment of Mr. Blair seem to me at least suspicious. Let me put this case to the House. Suppose that the elections had been called, and I, going into my constituency, found in one of the parishes an influential man who was against me, and had said to him, if you go away I will give you $100;—if the man had gone away and I had been elected, does not the House think that I would have to destroy a very strong presumption that I had purchased this man, that I had given him $100 to purchase his influence, and sent him away from a parish in which he could have polled a majority against me? Sir, I will not draw any inference, but will allow the House to say whether or not there is a great resemblance between the two cases.

Now, I say that this country is not satisfied with what is going on, that it is not satisfied with the tariff which hon. gentlemen opposite still persist in imposing on the country, that it is not satisfied with the Grand Trunk Pacific policy of the government. My hon. friend from North Ontario (Mr. Grant) yesterday did not say that this government was the greatest agglomeration of statesmen the country had ever seen, as had been said in 1896 and 1897, but he stated that all things considered, and human nature being what it is, it is certainly the most satisfactory government that could exist. Let me contrast the present government with the government as it stood in 1896 and for some time afterward. At that time we had Sir Oliver Mowat, who had been prime-

minister of Ontario and a leading spirit in that province. We had Sir Henri Joly de Lotbinière, who had been prime minister of his own province of Quebec. We had Hon. Mr. Blair who had been prime minister of New Brunswick. We had Hon. David Mills, the philosopher of Bothwell. We had Sir Louis Davies. We had the present hon. member from St. Mary's division (Hon. Mr. Tarte). I must say, when I recall the names of these men and when I look at the hon. gentlemen now composing the government, it seems certain that those who have gone were giants ; I shall not say what the hon. gentlemen are who are left. My right hon. friend (Rt. Hon. Sir Wilfrid Laurier) who leads the House spoke of the by-elections. I intend to conclude with an appreciation of the by-elections, and I am going to try to give the House what seems to me an impartial view of the opinion of the people outside this House as expressed at the polls in those contests. Sir, we must not forget that in the provinces in which these elections took place, the two governments, both the provincial and the federal, are opposed to us with their great prestige, their strong influence and the enormous patronage which they dispense all through the country. And what happened? Let us consider first the elections in Ontario. In East Bruce, in 1900, the Conservative majority was only 43, but in 1903, the Conservative majority was 209. In East Lambton, the Conservative majority in 1900 was 221, and in 1903 it was 556. Take the case of St. John, New Brunswick. It seems to me the verdict which was rendered there is significant in view of the position taken by Hon. Mr. Blair. In 1900, the Liberal majority in St. John was 997. (I am sorry to have to recall these facts to hon. gentlemen opposite; it is not pleasant to them ; but I am not here to be pleasant to them). In 1903, the Conservative candidate, whom we are glad to welcome here was returned by a majority of 264. Now, let us see what happened in Quebec. I take first the case of St. James division. I am sorry, and I know that all the members on this side are sorry, that our good friend Mr. Bergeron was not returned for that division. In 1900, the Liberal majority in that division was 1,641, and this year it was only 636, a decrease of over one thousand. In Hochelaga, in 1900, the Liberal majority was 635, and this year it was under 300. And, Sir, let me tell the House that, if it had not been for the enormous concessions we are called upon to make to the Grand Trunk and for Grand Trunk influence, if it had not been that a great number of the Grand Trunk employees live in that division, my hon. friend (Mr. Rivet) who sits here to-day for Hochelaga would not have been here, but Dr. Bernard would have occupied the seat. Then we come to St. Hyacinthe, the Liberal stronghold, the citadel occupied by the Liberal forces for years. That constituency gave a Liberal majority in 1900 of 1,111, and this year the Liberal majority was reduced to 195.

Is the country satisfied with the tariff? Is the country satisfied with the Grand Trunk Pacific scheme ? Is the country satisfied with the general policy of the government ? Is the country satisfied with the personnel of the government ? I say that these figures are an eloquent indication of the sentiment of the country against this government and its policy. In the province of Quebec, in the three elections of which I have just spoken, the falling off in the Liberal vote was 2,256, but we have had other elections since then; in Quebec we have had four by-elections for the legislature, and let me tell the House that if Mr. Ross, in Ontario, is the right arm of the hon. gentleman who leads this House, Mr. Parent, in Quebec, is his right bower and during these elections some ministers of this government went down into each of the counties where these elections were held and it was stated to the electors that a vote for Parent meant a vote for Laurier. That was the sentiment everywhere ; that is what was said upon every hustings and the people were told that if they voted against Parent they would be voting against Laurier. There were by-elections in Maskinonge and Portneuf, where in 1900 Liberals were elected by acclamation, and in 1897 Liberals were elected by majorities varying form 400 to 500. In Maskinonge the Conservative candidate was elected by over 100 and in Portneuf by over 250. These are signs of the times and indicate that the country is ready to condemn the present administration as soon as it gets an opportunity to pronounce a verdict.

Mr. HENRI BOURASSA (Labelle). I must beg the pardon of the House if I come wholly unprepared to take part in this debate. It was not my intention to speak either this afternoon or at any other period in the debate, but the representations which have been made by the hon. member for Montmorency (Mr. Casgrain) as to the programme of 'La Ligue Nationaliste,' and his references to the part I have taken in the recent election in Montmagny, drag me into the debate. Fortunately the hon. gentleman has opened the door wide enough for a reply that does not necessitate any long or protracted argument on my part to show—I am sorry to employ the word—the total dishonesty of the policy of the Conservative party. The hon. member has quoted a part of the programme of the new association formed in Montreal a year ago and called 'La Ligue Nationaliste' This league of which I am not a member, was founded and organized and has been kept up by young men of talent and sterling character who thought that the time had come when there might be some organization in this country through which political questions and especially the problems of the future

of Canada, could be studied otherwise than through the narrow gauge generally given to the political ideas in this country by party organizations and by party papers. Now, Sir, that league has been open to men of both parties ; and members of the Conservative party, honest men of the Conservative party, have joined us, have joined other honest men of the Liberal party to uphold and develop that programme. Amongst others, I must mention a gentleman who sat here for five years and of whom the Conservative party was not ashamed at that time and of whom it should not be ashamed at this time ; because if the Conservative party get deeper into the habit they have acquired during the past few years of getting ashamed of the few honest men who remain in their ranks in Quebec, they are getting low. I refer to Mr. Chauvin who represented Terrebonne in this House and was one of the first to address a meeting of the Nationalist League, to endorse its programme and to say that it was for the good of Canada and of the province of Quebec that such a programme should be advocated.

In the month of December last I was asked by the young members of that league to go to Quebec and to put before the people of that city the main articles of their programme. There was a gathering there of which neither the city of Quebec nor the young organizers of the meeting had reason to be ashamed. Citizens from the county represented here by the hon. gentleman who has just spoken were there in great numbers, as well as citizens from all counties surrounding Quebec, altogether some 7,000 intelligent electors of the city and district of Quebec. At that meeting I indicated the ideas propounded by the Nationalist League. Upon that speech and that programme the two organs of the Conservative party in the province of Quebec ' L'Evènement' of Quebec and 'Le Journal' of Montreal passed judgment, and of the part which the hon. gentleman has just given to the House they had not a word to say, not a word of reproach, not a word of disagreement. As to the rest of the programme of which the hon. gentleman has just said that if it were no better than the former part it was not necessary for the newspapers to reproduce it, I was accused by 'L'Evènement and 'Le Journal' of having stolen the programme of the Conservative party. Now, Sir, if the programme is such a shameful thing that it should be branded in this House as a mark of disloyalty, as such a scandalous thing that the Liberals should not approach it, what has the hon. gentleman to say to his organs 'LEvènement' and 'Le Journal' for accusing 'Le Soleil' and the Liberal party there of playing a double game because they had been applauding a man who was too honest for them—and here I may say, they were referring to myself—and was trying to get the Liberals to applaud a Conservative programme. I shall quote the paragraph so that it shall go down in the 'Hansard' and brand the hon. gentleman's speech with the mark which should be placed on so many of the utterances of the Conservative party in Quebec of recent years :—

Les conservateurs n'exploitent pas ; ils constatent qu'un libéral en vue, acclamé par le " Soleil " et le " Canada ", grand partisan du ministère Laurier et de toutes les idées qu'on appelle " libérales ", expose et adopte pour sien un programme absolument conservateur ; ils constatent en outre que ce " libéral ", qui a des idées droites, se fourvoie dans un parti ou on n'ose pas le reconnaître tout à fait, s'obstine à suivre des hommes qui n'ont pas ses sentiments, qui ne comprennent rien à ses aspirations, lesquelles sont les aspirations communes à tous les fervents de la patrie canadienne; ils constatent que M. Bourassa est un conservateur qui s'appelle libéral et qui agit comme un libéral.

I am going to translate it for the benefit of the House.

The Conservatives are no exploiters. They find that a leading Liberal, acclaimed by ' Le Soleil ' and ' Le Canada ', a staunch follower of the Laurier government and of all so-called Liberal ideas, exposes and adopts as his own a programme wholly Conservative.

That is the very programme which has been denounced by the hon. member for Montmorency (Mr. Casgrain).

Mr. CASGRAIN. Is it not a fact that the part of the programme to which that article referred consists of those articles of the programme of La Ligue Nationaliste which referred to the policy of the Parent government.

Mr. BOURASSA. And what the hon. gentleman has just said was not worth while mentioning. As to that article, which is a judgment passed upon the whole of my speech, and upon the whole programme of La Ligue Nationaliste, there is not one paragraph, or one sentence, or one word, or one jot, against the part of the programme which has been read by the hon. gentleman, while it endorses entirely and fully the rest of the programme. I say, therefore, that the hon. gentleman has no right to come here as the representative of the Conservative party in the province of Quebec and say a word against that programme.

Now, the hon. gentleman, as well as the hon. member for South Lanark (Hon. Mr. Haggart), have accused the government and the Liberal party of being disloyal and dishonest, because they keep within their ranks such an unworthy man, such an unworthy member of this parliament, such an unworthy representative of British citizenship as your humble servant, while ' Le Journal,' and ' L'Evènement,' the two organs of the Conservative party in the province of Quebec—one, ' L'Evénement,' being more or less the personal organ of the hon. member for Montmorency—give me as an example to the province of Quebec, and say that I am a Conservative who only from inconsistency

remains within the ranks of the Liberal party. I am almost ashamed to repeat the nice things that have been said of me by 'Le Journal'; but after having been lectured so severely by the hon. member for Montmorency and the hon. member for South Lanark, I must say a good word for myself, and instead of taking the Liberal organs to enable me to make good my contention, I will fall back upon two of the leading organs of the Conservative party. Still speaking of the Conservatives, 'Le Journal' goes on :

They find out that this Liberal who has straight ideas, is lost in that party where he is not acknowledged entirely. He persists in associating with men who do not partake of his sentiments, and who do not understand his aspirations, which are the common aspirations of all lovers of the Canadian land. They find out that Mr. Bourassa is a Conservative who calls himself a Liberal, and who acts as a Liberal.

I might as well quote also the following paragraph from 'L'Evènement' :

La ligue Nationaliste a toutefois du bon dans son programme et M. Bourassa, qui est un orateur plaisant, a su le mettre en relief. Plusieurs passages de son discours ont été applaudis, avec raison, et il a été particulièrement heureux quand il a dénoncé certains abus du pouvoir et certaines anomalies de notre constitution.

That Ligue Nationaliste has some good things in its programme, and Mr. Bourassa, who is a pleasing orator, knew how to make it well received. Several portions of his speech were rightly applauded and he was especially happy when he denounced certain abuses of power and certain discrepancies of our constitution.

In this article, as well as in 'Le Journal,' not a word of dissent is to be found in regard to that part of the programme which the hon. gentleman has just read so as to make the good people of Ontario shiver with horror at the idea of the disloyalty of the hon. member for Labelle and the dishonesty of the Liberal party in allowing him to remain within their ranks. Yet, the Conservatives of the province of Quebec say that I should be within their ranks, because I am not understood in the Liberal party, which they say is unworthy of myself, and that my aspirations are very noble and of a patriotic character. I am very glad to find that out, because when there is no more regard for me in this party I hope the hon. member for Montmorency will change his ideas and induce his friends to allow me to enter their hospitable ranks.

Now, as to the part of the programme which the hon. gentleman has just read, I will say that neither La Ligue Nationaliste nor myself, nor the honest Conservatives or Liberals who have joined and supported that league, have reason to be ashamed, as Canadians or as British subjects. Have we come to this point of our history that we have no more the liberty to support and to try to make good in this country the ideas that are accepted by millions of British subjects in the old country as being the only true foundation of empire ? I do not deny to the hon. member for Montmorency the right, if he chooses, to come here and try to make himself popular with his colleagues of the province of Ontario by posing as a great friend of the empire and a supporter of contributions to imperial wars; but he should not forget that he went to the county of Kamouraska four years ago and, to raise the feelings of the people there, said, in his most eloquent tones: 'I have only one son; I am ready to give him for the defence of Canada, but I refuse to allow him to be taken to fight in British wars.'

Mr. CASGRAIN. It is not true.

Some hon. MEMBERS. Hear, hear.

Mr. CASGRAIN. I deny absolutely the accuracy of this statement.

Mr. BOURASSA. I have to accept the denial of the hon. gentleman. I only regret that he has not made that denial sooner, because that statement was printed in 'Le Soleil' of Quebec, and it was repeated in this House by myself on my responsibility as a member. I had the affidavits of citizens of the county of Kamouraska supporting it. I made the statement in the House here in Ottawa three or four years ago. It was after the hon. gentleman had given his adherence to the feeling in favour of the South African war when he was in Ottawa, in the province of Ontario. The only difference between myself and other hon. gentlemen in this House, on both sides of the Speaker's chair, is that I always say at Ottawa, at Toronto or elsewhere, what I say in the city of Montreal, or anywhere in the province of Quebec.

Sir, as far as the programme of that league is concerned, touching only that part which the hon. gentleman has read, and which covers the gist of our relations with the mother country and sister colonies, I say that we have no reason to feel ashamed of it. I aknowledge that any Canadian citizen has the right to be opposed to that programme, the right to think that a better programme can be adopted by Canada, the right to think that the foundations of the empire should be laid upon other principles ; but I say that we have the right, without being denounced as disloyal subjects, to uphold those principles, which have been acknowledged for a century in every part of the British empire as being true principles. I certainly acknowledge the right of the Liberal pary of the Conservative party to change their opinions as far as that programme is concerned : but I claim for myself, and I claim for the patriotic and disinterested young men who have organized that league the right to say that those principles, which were foundation principles of the Liberal as well as of the Conservative party, should still be the principles of this country.

First, speaking upon the question of imperial defence, what right has any person to tax us with disloyalty ? The leader of the Liberal party said in 1891, in the city of Boston, that he would never consent to imperial federation, even on purely commercial matters, because imperial federation in commercial matters might mean the participation by Canada in imperial wars, to which she would never consent. Have we not the right to say in 1904 what the leader of the Liberal party said in 1891 ? When the late Sir John Macdonald, the leader of the Conservative party, refused the British government the right to come here and enlist men during the Soudan war, was he accused of disloyalty by his followers ? Because we still claim that the policy which Sir John Macdonald followed in 1885 is the true policy for Canada, shall we be branded as disloyal citizens and accused of being agitators ? Sir Charles Tupper said in 1893, in Winnipeg, that Canada, by building railways and canals and organizing the country so as to give British troops easier and quicker transport from the motherland to the British possessions in Asia, had made her contribution to the British empire, and more than she should be obliged to do. Because we say the same thing to-day, are we to be condemned as rebels ? Sir Charles Tupper said again in 1893 that those who accused the colonies of not fulfilling their duty because they were not making greater contributions to the British army and navy were giving expression to a slander upon the honour of Canada ; that Canada had done more for the defence of the British empire, had done more, in the right way and upon true principles, for the empire than she was obliged to do, and that she should not be called upon to go farther. If Sir Charles Tupper had the right to say at Winnipeg, in 1893, what we say in Montreal in 1903, why did not the Conservatives of that time accuse their leader of being a rebel ? Is it because we are younger ; is it because we are French Canadian born, that we are not to have freedom to say, without being insulted, what the Conservative and Liberal leaders have said for years and years past ?

And now as to the fiscal question. The hon. gentleman (Mr. Casgrain) has accused me of going through the province of Quebec branding Mr. Chamberlain as a sort of nightmare to the French Canadian. That I never did ; it is one of those legends that has been invented by the Conservative press of Ontario. What I have said, and what I should say so long as we do not have a clear exposition of the proposals of the British government upon this policy is : that the principles of Mr. Chamberlain have not been presented to the Canadian people with honesty and with fairness ; that the member for St. Mary's (Hon. Mr. Tarte) and Mr. Foster, and Mr. Louis Philippe Pelletier have wrongly declared to the people that Mr. Chamberlain's proposals simply mean that the British people are ready to tax their bread and their butter, and their cheese and their hay simply because they love the people of the colonies, and that Canadians would be foolish to refuse the offer. That is what Mr. Pelletier said in Montmagny. That is what the hon. member for Montmorency (Mr. Casgrain) has repeated to-day. What I have said in Montreal and in Quebec and what has caused me to be branded with disloyalty, I repeat now. I am not perhaps one of those talkative loyalists, but I have too much respect for the people of Great Britain to think that they are foolish enough to tax their food and their clothing without asking some compensation in return. I have said also and I repeat : the supporters of Mr. Chamberlain, in Canada, are not honest with the people of Canada, and they tell us but one side of the story. Mr. Chamberlain is far more honest in stating his policy in England, than are his advocates in this country. The hon. gentleman (Mr. Casgrain) has told us, that Mr. Chamberlain's proposals have nothing to do with the liberties of the colonies. Well, if any man wants to form a fair and intelligent opinion of Mr. Chamberlain's policy, he will go to Mr. Chamberlain himself to find out what his proposals are. On the 20th of October last, at Newcastle, Mr. Chamberlain accused his opponents of dishonesty, because they pointed out to the people of Great Britain that the question he was raising was only a question of dear bread. Time and again, Mr. Chamberlain has stated that the question of preferential trade within the empire, (which the member for St. Mary's and the member for Montmorency say is the whole question with Mr. Chamberlain) Mr. Chamberlain himself has declared to be only a side issue, and that his main object was the binding together of the empire. And because Sir Edward Grey had accused Mr. Chamberlain of not taking the proper means to bind the empire by the establishment of an imperial council which would have a kind of executive power over the whole empire, Mr. Chamberlain said at Newcastle : I have tried to get from the colonies their consent to the organization of an imperial council and they refused ; I have tried to get from the colonies contributions to the British army and navy, and they have refused ; therefore I have fallen back upon this question of imperial preferential trade because once imperial preferential trade is created then we will require imperial defence to defend it, and an imperial council to administer it. Sir, I respect the liberty of others as I want my own liberty to be respected. I acknowledge that any member of this House, whether French or English, whether Protestant or Catholic, has the right to approve of an imperial federation policy, and of an imperil council to control imperial trade and defence. But, what I say is : that no Canadian worthy of the name, no statesman worthy

of the name, has the right to tell the people of Canada, that Mr. Chamberlain's proposals are nothing else than a question of granting a preference to the colonies. Let us understand what Mr. Chamberlain means, and if Canadians are ready to divest themselves of a part of their executive and legislative power so as to organize an imperial council in London ; if Canadians are ready to tax themselves for a system of imperial defence; I say, let the people of Canada do it if they will. But, Sir, I say that so long as Mr. Chamberlain's proposals are not presented to the people of Canada as honestly as they are presented to the people of Great Britain, we, who are opposed to these proposals ; we who think that the principles upon which the British empire has developed and covered the earth with such glory and power for the last century ; we have the right to think that these principles are still the true principles of empire and fight the new movement. And because a number of public men in this country have thought fit to enter into Mr. Chamberlain's fad and to call themselves imperialists, we have the right in Montreal and Quebec—just as well as Professor Shortt of Kingston—to say that we do not want the word 'imperialist' because the word 'imperialist' to us means the curtailment of our liberties. If the member for Montmorency (Mr. Casgrain) and the member for St. Mary's (Hon. Mr. Tarte) approve of the policy of Mr. Chamberlain, then let them be as frank and sincere as Mr. Chamberlain is himself ; let them go to Montreal, Quebec, Toronto, Kingston, Halifax or Vancouver, and say to the Canadian people : 'Here are the proposals which are before you. Do you want imperial trade ? Do you want a preference in the British market ? If you do, it means, as Mr. Chamberlain has declared, the constitution of an imperial council which will handle your tariff, because it will be impossible to have an imperial tariff worked out without having some central body to look after it ; and it will also mean a system of imperial defence, because it will be impossible to have the commerce and industry of the empire intermingled, unless there is a common system of defence.

Mr. R. L. BORDEN. Is my hon. friend saying that Mr. Chamberlain used that language ?

Mr. BOURASSA. I did not want to tire the House with a quotation, but I will read what Mr. Chamberlain said. This is the language he used at Newcastle :—

> But now I come to the most important of all questions to my mind raised by preferential tariffs. I advocate them because, in the first place, they will stimulate colonial trade. We shall do more trade with our friends, and I do not think we shall do much less with our rivals. But the main thing is that we shall do more with our friends, and we shall do it under more favourable circumstances. I have told you that the increase of this trade is essential to your prosperity. But there is something else. This is the only way. I defy you to find any other. I take all my opponents—those who differ from me, those with whom I am dealing, and those with whom I am not dealing—and I say that there is not a man of them who can give you any alternative to what I am proposing, any alternative for attaining the object which I have in view. You cannot weld your empire together, you cannot draw closer the bonds that now unite us except by some form of commercial union. I say that none of our opponents have put forward any alternative. It is true that a statesman for whom I have the greatest respect, and who lives in the neighbourhood—I mean Sir Edward Grey—has told us that, in his opinion, it would be a very good thing to have an imperial council. Well, who first proposed an imperial council ? It was not Sir Edward Grey. It was I. I mean of late years. It was proposed before me. There is nothing new under the sun. But I have pressed it more than any of my predecessors. I have done everything in my power to bring it about on several occasions—at former conferences, in public speeches, and in private speeches, I have ventured to speak on behalf of my countrymen here and to say to our kinsmen beyond the seas—' We want your aid. We call you to our councils ; come and take a part in them,' and they have decided they will not advance along that line and federate in that way. I do not mean to say they will always refuse it ; on the contrary, I believe that if my proposal were carried a federal council would be a necessity ; but you cannot have at present, at any rate, and I do not see any sign of your ever having a federal council first. The colonies want to know what it is they are to discuss before they come to your council. When you have got a commercial union, that will be something to discuss—but meanwhile this alternative so lightly thrown down by Sir Edward Grey is no alternative at all. You cannot approach closer union by that means. I tried next in connection with imperial defence. Again I was beaten by the difficulties of the situation ; but I did not on that account give it up, and I come back, therefore, to this idea of commercial union which will bring us together, which will necessitate the council, which council in time may do much more than it does in the beginning and may leave us, though it will not find us, a great, united, loyal, and federated empire.

I could also quote the speech which was made by Mr. Chamberlain before the Chambers of Commerce of the Empire in London—which I have not here, but which I remember very well—in which he said in substance : 'You should deal with the question of imperial defence, though you are only a congress of commerce, because the question of imperial defence is only another name for imperial trade, and you cannot have imperial trade unless you have imperial defence.'

As I have said, I have no objection at all to the point being discussed; but I say that we who have different principles, we who believe in the policy of empire as it was understood in this country by Sir John Macdonald, by Sir Charles Tupper, by the

present leader of the government, and as it was understood in the past in England by all statesmen except the remnants of the old Tory party which had conducted imperial affairs in such a way as to lose from the British empire its splendid possessions in the eighteenth century—the descendants of the old Tory party of Lord North and Grenville—we who have such principles have the right to organize, form leagues, publish newspapers and do our best to enlighten the Canadian people on the question from our point of view, as much as the hon. member from Montmorency (Mr. Casgrain), the hon. member for St. Mary's (Hon. Mr. Tarte) or any other member of this House has the right to follow Mr. Chamberlain's ideas and endeavour to have them carried out. No man who is worthy of a seat in this House, who is worthy to call himself a representative of the Canadian people, should brand as disloyal those men who have ideas opposed to his own, or rather opposed to those ideas which he supposes will bring him votes.

Sir, I have been accused of raising a race agitation. From the beginning of the Boer war to this moment I have never asked a voter in the province of Quebec to vote this way or that way because he was of French origin. What I have said in the province of Quebec and what I have repeated in the city of Toronto, is that we, being Canadians, could not view these problems of imperial policy with the same eyes as those who were born in the old countries of Europe; that we have only one home and that this home is Canada; and that we viewed all these problems in the light of our Canadian citizenship. This is what I have said in Montreal and in Quebec, as well as in the city of Toronto, during the South African war and up to this moment, and what I will go on repeating, no matter what accusations may be made against me by members from the province of Quebec, who themselves raise racial agitations in that province, but once they touch the borders of Ontario, feel scandalized because a French Canadian says that a million and a half of Canadian citizens, who when in a majority preserved this country for the British crown, should not now, when they are in a minority, be trampled upon. What I have said in Montreal, in Toronto and elsewhere, is that this is a British country—yes, but how and why? It is because the French Canadians, at a time when the British citizens of Canada formed only a handful of its population, gave their pledge of honour that they would remain faithful to the British crown, and have maintained that pledge and preserved the integrity of the British empire. Canada is a British country, but it is Canadian before it is British as it is Canadian before it is French; and we being ready every day of our lives to yield our preferences for the benefit of the whole country, being in the minority have a right to say: You are now in the majority, but surely you are worthy representatives of that nation of which it has been said that British fair-play is the greatest foundation of justice, and you should not forget what we did when we were in the majority. What I have said and will continue to say, either in this House or elsewhere, is that this country should be ruled according to the ideals of the people of Canada; that this country is composed of two races and nationalities which have become united to each other under one flag and one system of government, and that it is impossible to have one national sentiment in this country until we acknowledge that these two races and nationalities exist. But once it is acknowledged that Canadian soil, Canadian sentiment and Canadian patriotism are broad enough for two races and nationalities, do not be afraid of the humble movement of myself and those young men of the National League in the province of Quebec. The feeling we are trying to develop is not one of animosity on the part of the French Canadian against the English Canadian, but a feeling of pride and love for this country of ours, a feeling that Canada is broad enough and great enough and rich enough for Canadians of all classes; and a feeling that before our country has grown to its maturity we have no right to ask the people of Canada to yield up a part of their wealth, their population, their trade, their liberties, even to help Great Britain or the empire, because the responsibility we have is the responsibility of developing Canada. Let the people in Great Britain, in Australia, in South Africa do their duty by their own country as we are doing our duty by ours, and the empire will be in safer hands than it will be if placed in the hands of men who are trying to develop a sense of false pride in the empire, and trying to do away with that feeling of attachment to one's own country which is the strongest foundation for the development of a nation.

Mr. W. H. BENNETT (East Simcoe). I am sure, Mr. Speaker, that we on this side may at least congratulate the hon. member who has just taken his seat (Mr. Bourassa) for the bravery he has displayed in taking part at all in this debate. We could hardly expect that any of the ministers would venture to say anything on the present occasion. Surely it could not be expected that the Minister of Railways (Hon. Mr. Emmerson) in his present dejected frame of mind could have a word to say. The recollection must be still rankling in his mind of his dismal failure, when, a short time ago, after he had gone, flushed with all the power and influence of a Minister of the Crown, into a campaign in the important city of St. John, he received notice from the people of that great city that they thought

so little of him and the government that they had determined to consign him to hopeless oblivion. And had it not been, Mr. Speaker, for the fact that Mr. Hays personally went down into that riding and used all his influence in behalf of the Liberal candidate, I have no doubt that my hon. friend who was elected (Mr. Daniel) would have doubled and even trebled his majority. But what shall I say of the ministers from the province of Ontario ? There is the Minister of Trade and Commerce (Rt. Hon. Sir Richard Cartwright) who pronounced in the city of Toronto a short time ago his valedictory, when he said that the time had arrived when he would have to hand over the fiery cross to other and stronger hands in that province. And in confirmation of his words we have the fact to-day that fiery cross has been entrusted to the hon. member for London (Mr. Hyman). But it is rather hard on the hon. member for London that at the outset of his career as a minister he should have been so badly treated. He lives immediately adjoining the riding of Lambton, and chose that riding as his fighting ground. Supported by a score of members from the province of Ontario he invaded that riding. In his campaign he was supported also by that which has always been a great power in the constituency of London—the machine. The whole concern was moved into East Lambton, and the result was one of the most hopeless demolitions of the Liberal party in East Lambton which we have witnessed for many years. But the Minister of Public Works (Hon. Mr. Sutherland), wise in his day and generation, after seeing a large Liberal majority in Woodstock converted into a hopeless minority in a local election came down to Ottawa and waited for the shock, and certainly the shock came with great violence. The Postmaster General, of course, was out of the country. He was taking the Texas air. But on second thought I find I am mistaken. It was the Texas air which the Minister of the Interior (Hon. Mr. Sifton) was absorbing, and the Minister of Public Works was refreshing himself with Mexican air. He knew well what was coming and fled to Mexico. The trouble with these hon. gentlemen in Ontario is this, that a discussion of public matters kills their chances. There was a gentleman named Dr. Hart, the candidate for the provincial government in Muskoka, who thus accounted for his defeat. He said : ' It was not that the electors had any fault to find with me, it was not that they did not respect me personally, but I had to suffer for the sins of the government. In like manner Mr. Robb, who was the candidate of the Liberal government in the riding of East Bruce, and who was a newspaper man by the way —thus explained his defeat. He said : ' One reason I was defeated was because the Tory party held a large number of public meetings at the close of the campaign.' That is the trouble with these hon. gentlemen. Wherever public issues are discussed before the people, they must fall to the ground. It is quite possible that the speech of the Hon. Minister of Trade and Commerce in Toronto was the one thing which gave a pointer to the people of Ontario and a warning to fight shy of this government. What were his concluding words ? In his last adjuration to the Liberals in the city of Toronto, he gave this warning :—

> But Ontario may undoubtedly very greatly diminish the weight which the province ought to have in the councils of the Dominion. It is possible you might see some things done which would not have been done if Ontario had chosen to do its duty. Now I speak thus because I know the danger which arises from certain prejudices to which I will not allude now. I know what you were treated for before in the case of Mr. Tarte and others. I hope for better things now.

What, in effect, did the hon. gentleman tell the people of Ontario ? He told them that this government is not a government of the Dominion but a government of the province of Quebec, that the province of Quebec has the whip hand, and he warns the people of Ontario that they must endeavour to curtail the power of the province of Quebec in the present government by electing Ontario Liberals who may to some extent counterbalance Quebec influence. Is not that a nice position for a Minister of the Crown to take ? No doubt the Minister of Trade and Commerce is not in a happy frame of mind. He has got his notice to quit definitely. He got that notice when the hon. member for London (Mr. Hyman) was promoted to a cabinet position. The time has arrived when the Minister of Trade and Commerce must sacrifice himself and leave the cabinet, but he is not leaving it without having provided for all his relations. His last son has just been placed on the Railway Commission as its chief clerk, and here we find this minister warning the people of Ontario to beware of the encroachments and inroads being made on the public exchequer by the people of Quebec and their representatives. But while the hon. Minister of Trade and Commerce is very brave when he is away from his colleagues, he is very timid when they are present. When free from their presence he pointed out the wrong-doings of Mr. Tarte and others of his colleagues in the province of Quebec. But while they were doing wrong what was the Minister of Trade and Commerce doing ? He was saddling all his relations on the country and drawing his salary and thankful to be allowed to do it. Is it then to be wondered at that the people of the province of Ontario, when thus warned by the Minister of Trade and Commerce, should take him at his word, as they did in the ridings of East Bruce and Lambton ?

We have been treated to a great deal of mock indignation by the right hon. gentleman who leads the House for what he calls our assault on Mr. Blair. But is it not notorious that the opinions to which we have given expression are entertained, not only on this side of the House, but in the party of hon. gentlemen opposite. They are equally shared by the independent press of this country. Let me read, for the benefit of the right hon. gentleman a quotation from the 'Weekly Sun' newspaper, which has not been altogether unfriendly to hon. gentlemen opposite :—

What galls the farmers most in all this is that no one pretends to say Mr. Blair has been selected for the most important public office in the country by reason of his fitness therefor. The farmers of Canada see, as the News sees, that the ex-minister has been given an office for the sole purpose of closing his mouth and preventing further criticism by him of the government's Grand Trunk Pacific project. The appointment has been made, not in the public interest, but as a matter of political expediency—to silence a man who it is feared might render it more difficult for the government to carry the country in the pending election. Sir Wilfrid Laurier has, therefore, deliberately sacrificed the interests of the people in the most important matter now before the country in order to serve his own supposed political interests. We can tell the premier he has made a mistake, even from his own point of view. The feeling of resentment which farmers have naturally entertained towards Mr. Blair because of that gentleman's attitude in the cattle-guard, drainage, and fire matters is turning towards the man who has put the ex-Minister of Railways in a position where he can work still further harm to the farmers of Canada. Sir Wilfrid Laurier might better have the opposition of one man, and a man whose fangs have been largely removed, than the just hostility of the organized farmers of Canada. Even at this late date, he would do well to reconsider the personnel of his railway commision.

Sir WILFRID LAURIER. The hon. gentleman might give the opinion of the other 'Sun'—The St. John 'Sun.'

Mr. BENNETT. It is not necssary, The electors of St. John have given their opinion.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. BENNETT. Mr. Speaker, when you left the Chair I was referring to the composition of the so-called railway commission instituted by this government, particularly to the personnel of it, and more particularly to the appointment of the Hon. A. G. Blair as chairman. I quoted from the Toronto 'Sun,' a respectable and widely read journal of the province of Ontario, a strong condemnation of the government for this appointment. I think that article fairly reflects the opinion of the province of Ontario, and not only the opinion of the province of Ontario but that of the other provinces. As was said by the leader of the opposition (Mr. Borden, Halifax) the appointment of the Hon. Mr. Blair can be regarded in one light and in one light only—he was removed from the arena of politics in order that this government might not be embarrassed by his presence. What was the position of the government in appointing Mr. Blair to this office ? When the Grand Trunk Pacific Railway project was under discussion in this House last session no hon. gentleman assailed the project with greater bitterness or with more forceful argument than did the Hon. Mr. Blair. He pointed out in the strongest manner that it was an impossibility as a paying speculation, and that opinion we have reiterated by the independent press of the country. It was to be assumed that, if he continued in his place as a member of this House he would feel obliged to continue to condemn and repudiate that bargain in as strong language as before. Of course this government may not have cared for the expression of his opinions in this House. But there was a time and a place when they would care, and that was during an election in the province of New Brunswick. There has been a test of strength between the government and the opposition in the city of St. John, and what was the result. The speech of the Hon. Mr. Blair in this House was widely circulated in that city and the result of this and of the common knowledge of that hon. gentleman's opinion resulted in the election of a member of the opposition to this House. The people of this country look with suspicion upon the removal of a gentleman who is antagonistic to the government, especially when he is regarded pecuniarily as well as this gentleman has been, this appointment as well as others proving this government to be one that is ready at all times to sacrifice the interest of this country in order that personal ends may be gratified. Why, look at the position of the government from its outset—consider how the positions of the ministers were secured by the most flagrant barter and sale of public offices. The Minister of Finance (Hon. Mr. Fielding) was not returned in the general election of 1896. He had been the prime minister of the province of Nova Scotia, and the position of the minister of finance had been promised him. Yet, though a large number of members had been returned from Nova Scotia to support the Liberal government, not a single one of them was prepared to surrender his seat and give the hon. gentleman a place in this House. What happened ? A disgraceful sale of a judgeship took place, and Mr. Forbes was translated from this House to the bench. And how was it in New Brunswick ? Hon. Mr. Blair had

not a seat, and no member from New Brunswick was ready to sacrifice his place. So, Mr. King, who represented one of the ridings of New Brunswick, was approached. That gentleman was ready to exchange his seat in this House for a seat in the Senate. The exchange was made and so Hon. Mr. Blair found a place in this House. And what happened in the case of the then Minister of Public Works, the hon. member for St. Mary's (Hon. Mr. Tarte) ? I do not blame him for doing what other members of the government were doing. He had been defeated in Beauharnois. Observing the example of the Minister of Finance, he said : If this government is prepared to sell, barter and traffic, I am prepared to take a seat in that way, and so he got a seat for St. John's by the translation of the sitting member to the Senate. And this kind of thing has been going on ever since these hon. gentlemen came into power. And not only has this gone on in securing positions for cabinet ministers, but in filling judgeships and positions of all kinds. And the Postmaster General (Hon. Sir William Mulock), who, when a member of the opposition, with all solemnity and apparently in all honesty, stood up and moved a resolution declaring that no gentleman who was a member of the House should be allowed to accept a position of emolument under the Crown until two years after the termination of his membership in this House, now sits by and nods acquiescence to every move of this government. I am sorry that the Prime Minister (Rt. Hon. Sir Wilfrid Laurier) is not in his place. Last night he painted a picture of the Conservative party in Quebec as an old hulk which had been repainted and retrimmed and was now sailing under new colours. Well, what shall we say of the old-time Liberal party of Ontario and of the Dominion ? Not only has all that was good in the old hulk been removed, but nearly all the old crew have deserted, each one to some safe position with fine emoluments. It is true there are a few still remaining, and they may be described as buccaneers. But they are not like the buccaneers of the days of Captain Kidd. Those old free-booters buried their treasure in the sands, but these parade it before the electors of Canada. You see it in their princely mansions, in their holdings of bank stocks and other stocks ; and the people wonder how these gentlemen have become Crœsuses so suddenly who came here not long ago by no means rich men. And the whole public are being contaminated in the province of Ontario by reason of the actions of these men, these leaders of the government. This action of the government in appointing Hon. Mr. Blair to this position is one of the most glaring cases that have come before the people of Canada to bribe and remove from their pathway a gentleman who was distasteful to the government and whose removal was necessary in their own interest. When the question of the railway commission was discussed on the introduction of the Bill some years ago we were told that this was to be a tribunal composed of men whose knowledge of railway questions would make it a very useful body to the public. I am not going to question the ability of Hon. Mr. Blair. I do not think that any man in this House would do so. He was a lawyer of high standing at the bar of the province of New Brunswick. Filling the position of Minister of Railways and Canals he had an opportunity of acquiring a large fund of information relative to the running of railways. Added to that he was a gentleman of great shrewdness and common sense. If I wished to prove that point I should read his speech in this House in opposition to the Grand Trunk Pacific Bill. As to the other gentlemen who compose the commission, who are they ? There had been a demand from the province of Quebec for a rearrangement satisfactory to certain gentlemen. My honourable and amiable—I think he will permit me to call him so—friend the Solicitor General (Mr. Lemieux) was chafing under the restraint imposed upon him and demanding preferment. He wished to be moved upward, and to effect this some displacement had to be made. Hon. Mr. Bernier was appointed a member of the railway commission, there was a certain moving about of others, and the result was some vacancies which permitted the appointment of a gentleman from the province of Quebec. I am sure that no hon. gentleman in this House or out of it will claim that Hon. Mr. Bernier brings to the position of railway commissioner any special attainment in regard to railway questions. I am not aware that he had any special railway training or railway connection. He was not even engaged in commerce. He was a notary of the province of Quebec in the town of St. Hyacinthe. He had no qualities to specially fit him for the position. But what need I say in that regard ? This government never regards the question of fitness for position. A little time ago they made an appointment to a judgeship. One of the law journals published in the city of Toronto made a rather caustic remark in reference to the gentleman who was appointed. The remark made by this journal in reference to the appointment of this judge was this : We have nothing personally to say of the gentleman in question—and I need not name him—but his appointment recalls to us the case of the death of a notoriously bad man. Among other people who attended the funeral was one very charitably disposed gentleman, and when this gentleman was appealed to for his opinion of the deceased, he said : 'Well, at all events, he was an excellent smoker.'

think we will all concede that Mr. Bernier was at all events an excellent smoker.

What shall I say for Mr. Mills, who was appointed from Ontario? Had a guessing competition been indulged in, had men conversant with trade and commerce in Toronto or any city in Ontario been asked who would probably be the appointee from Ontario, I venture to say that not one in a thousand would have suggested Mr. Mills. What special fitness had Mr. Mills for such a position? He had been for twenty years principal of the Agricultural College, but what connection had he had with railway or transportation questions? None whatever, and the reason for his appointment will always be enshrouded in mystery. I can only suppose that it was a question of throwing out a sop to the agricultural interests in Ontario by alleging that Mr. Mills, having been president of this college, would be supposedly in touch with the farmers of Ontario. Now, Sir, that is the position of the so-called railway commission, and it remains to be seen what the people of Ontario will think of that commission; by their fruits I suppose in time to come they must be judged.

There are gentlemen sitting on the back benches opposite who will not dare to take the stand that has been taken by the premier and the mover of the address, that the tariff as it stands to-day is a fit and proper tariff. I see, for instance, the hon. member for South Wellington (Mr. Guthrie); he will not go back to Guelph and say that this is a perfect tariff. There are in that city some very large manufacturing concerns, and if that gentleman is properly reported in the public press and in private conversation, he is not satisfied with the tariff, and when he again appeals for election this fall, I am sure that he will not stand on the platform in Guelph and say that the tariff as framed by the government is correct in its entirety, and that he is prepared to abide by it in every particular. Then, too, there is the hon. member for Algoma (Mr. Dyment); he has been persistent in asking the government to make changes in the steel and iron duties, and why not? For the simple reason that the great industry at Sault Ste. Marie requires further protection, and that gentleman, I am bound to say, has time and again begged and prayed the government to make changes in the tariff. Then, too, a meeting was held at Amherst, in Nova Scotia, at which the hon. member for Cumberland (Mr. Logan) was present. He is a staunch supporter of this government, and what was his utterance? Not that this tariff was a perfect tariff but that he was a pronounced protectionist, and wished to see the industries of Nova Scotia benefited by an advance in the tariff. When you come to single out these gentlemen, every one of them, talking at home, favours an increase in the tariff. Let us take the hon. member for South Ontario (Mr. Ross); only a few weeks ago a large deputation of carriage makers, including Mr. Tudhope, of Orillia, a large carriage manufacturer, interviewed the government, and asked for changes in the tariff in relation to that great industry. There are sitting to-day behind the government a large number of members who go home to their constituents and assure them that they favour increased protection and are urging the ministers to give increased protection, yet not one of these gentlemen has the boldness to stand up and favour increased protection. What does it all mean? Surely these gentlemen have some regard for their political future. I believe the answer lies in this, that the government has given assurances to their supporters that at the close of this session a commission is to be appointed to inquire into the tariff workings of the whole Dominion. Whether that is true or not remains to be seen. If it is done, it will prove that this government are trying to dilly-dally with the electors of the Dominion, holding out in the Northwest, where protection feeling is perhaps not so strong as in the cities of the older provinces, the theory of a moderate tariff. Thus they are endeavouring to blow hot and cold in the various parts of the Dominion. Let us look at the speech delivered by the right hon. the Minister of Trade and Commerce (Sir Richard Cartwright) at Toronto just prior to the time that it was proposed to hold an election. It will be remembered that the government a few months ago had finally decided to take the cold plunge. There is not a doubt of that. Every member will remember issues of the 'Globe' day after day placarded on the front page with cartoons which were labelled 'Finger posts of prosperity.' These gentlemen were holding nomination meetings in every part of the Dominion, and there was every sign and evidence that an election was impending. Why was it not brought on? Rumour says it was because of the failure to float the Grand Trunk Pacific bonds in the old country. Be that as it may, it goes without saying that the government had decided to bring on a general election. In pursuance of that policy, and in order to stiffen up the backs of their friends in Ontario, the right hon. the Minister of Trade and Commerce was despatched to Toronto, and there made his strong campaign speech. First he dealt with the sins of commission and sins of omission of the Conservative party in the past, and after that he endeavoured to build up a strong case as to the prosperity of the country, which he said was due to the course of these hon. gentlemen since their advent to power. I wish to say, and I challenge any gentleman who may follow me to dispute it, that this government has not placed one clause in the customs tariff law of this country that has increased its prosperity or advanced the interests of any manufacturing concern in this Dominion. The right hon. gentleman's strong appeal, however,

was to the farmers. He said that the exports of farm produce had risen from $50,591,000 to $114,441,000, and he made the boast that this was all due to the wise policy of this government. I have taken pains to look into some of the figures. In 1896 the exports of butter from this country amounted to $1,118,768 and in 1903 to $6,958,906. I remember that nearly ten years ago the Minister of Agriculture, under the Conservative administration, brought down a proposition to have a considerable sum of money voted in order to purchase butter to be shipped to the old country. It was pointed out by him that we had not made a fair entry of our butter in the old country market, and that there we had to meet the bitter competition of Danish and other European butter, and that if we wished to compete in the markets of Europe it was necessary to send a good sample there. What was the outcry of gentlemen opposite ? They cried that the government were going into the grocery business, which was an absurdity. Despite the protests and jeers a large quantity of butter was shipped to the old country, a footing was established there, and as a result we have had the gratification of seeing the butter trade of Canada increase by over $5,000,000 in the short space of something like seven years.

These are the gentlemen who, to-day, after decrying the butter of Canada and the chance of working up that trade in the old country are claiming the credit and the benefit of these large shipments. Take next the question of cheese. What have these hon. gentlemen had to do with the matter of the export of cheese ? In 1896, there was an export of cheese amounting to $14,283,825. That export, last year, had risen to $24,776,406. What had hon. gentlemen opposite to do with the cheese industry ? This industry was commenced a number of years ago. It was bound to increase owing to the fact that the Canadian farmer was producing a first-class article. The trade has gone on increasing and these hon. gentlemen were simply, to use the old phrase, flies on the wheel and do what they would they could not stop the increase in the export of the butter or cheese of this country. Then take the question of meats. In 1896, there was an export of about $4,000,000. A matter of history is the opposition offered by these hon. gentlemen when the high protective tariff was placed on bacon. It was announced that there was a possibility of building up a large export trade in bacon and hams from this country. That was bitterly assailed by hon. gentlemen opposite ; yet, that trade has gone on and prospered and we now see an increase of from about $4,000,000 to about $15,456,286 in the matter of meats alone. Perhaps the most marked increase that we have had in the matter of agricultural products has been in the export of oats, wheat and flour. If there is one question upon which hon. gentlemen opposite should be silent it is a question of our increased exports in that regard. What is the reason that, to-day, we have an export of wheat to the amount of nearly $30,000,000 as against $8,000,000 seven years ago ? This is the export of the great Northwest and it is not due to the fact that this country has spent hundreds and thousands of dollars in bringing a lot of Galicians and Doukhobors into the country, but it is owing to the fact that this country has been sending a large number of the best men of Ontario and the other older provinces to the Northwest, that they have taken advantage of the fertility of the soil of the prairies and moreover a great portion of the export of the last two years is due to the fact that the western states have been filling up and that we find farmers from that part of the country coming into the Northwest and taking up farms there. If these hon. gentlemen opposite ask the farmers of this country to believe that they have had anything to do with the development of the Northwest Territories, they must imagine that they are talking to a lot of people who are very innocent indeed. It is a notorious fact that the speeches of hon. gentlemen opposite decrying the Northwest Territories were actually printed in the literature of the transportation companies of the United States and heralded all over Europe. These hon. gentlemen who denounced the Northwest Territories as being an inhospitable plain and opposed the construction of the Canadian Pacific Railway, now seeing the development that has taken place in that country as the result of the efforts of the Conservative party, come forward and seek to claim the credit. In the matter of oats there has been an increase in the exports of nearly $2,000,000. A great part of these oats, no doubt, have been grown in the Northwest Territories. There has been a considerable development in the trade in flour, because, in 1896, we only exported $895,000 worth while last year we exported $4,700,000 worth. Then, coming to the question of cattle, it is a well-known fact that we have a large number of cattle being fed on the prairies of the west.. Any gentleman who has paid a visit to that country must have been struck by seeing the large trains coming out loaded down with fattened beasts. We have had an increase in the export of cattle to the amount of $4,000,000. When these hon. gentlemen take the export trade of the country, when they added it up and arrive at the aggregate they find that there has been a development of nearly $25,000,000 in the export of lumber. What have these hon. gentlemen had to do with lumber exports ? Nothing whatever. That has been a circumstance, a something that happened that they were utterly powerless to deal with. Every hon. gentleman in this House knows that the supply of lumber in the United States has been gradually lessening, and every hon. gentleman knows

that, thanks to the fact that we have been preventing the export of logs from the province of Ontario, we have been able to manufacture a much larger quantity of lumber in that country, and that as a result the total aggregate exports of lumber show an increase of $24,000,000. I am here to tell the government that they are not dealing fairly with the lumber exporter of Ontario and that they are not dealing fairly with the lumber manufacturers of British Columbia, that while we allow the people of the United States to bring their lumber into Canada free of duty, we at the same time permit them to levy $2 per thousand on our lumber exported into the United States, and having the honour to represent a constituency which is largely concerned with the question of lumber, I am prepared to second the efforts of every hon. gentleman from British Columbia who, from time to time, has importuned and begged of this government that they will place a fair duty on lumber at least equal to the duty levied by the American government against our lumber. There is a duty devolving upon some of those hon. gentlemen who represent Ontario constituencies and that is not only to go behind the backs of their electors and of hon. gentlemen in this House and importune and beg the government to make changes in the tariff, but, when the question presents itself to them in this way, that they should become the educators of public opinion when we are endeavouring to point out to their fellow members and to the members of the government where changes should be made in the tariff and why these changes should be made, and I hope that before the session closes, by a number of specific motions, hon. gentlemen on the other side of the House will have an opportunity of voting for raises in the tariff where necessary, or voting in favour of lowering the tariff on certain lines. If these hon. gentlemen see fit to shirk the votes on these occasions they will have to be watched and watched very closely by their constituents.

This session has been very aptly called the Grand Trunk session, and I am here as a humble representative of the people to say that I believe the opposition were justified last session in protesting against this vast expenditure of public money on this so-called transcontinental railway, and that it is the duty of the opposition to endeavour to educate public opinion throughout the Dominion by a discussion in this House of this great question particularly in view of the fact that circumstances have changed and changed very materially since last session in regard to the question of transportation. What does this government propose to do? This government proposes to perpetrate an act of idiotic folly. I think that was the term used by the former member for St. John, Mr. Blair, last session. Hon. gentlemen opposite have told the people of Canada that they are going to transport the grain from Winnipeg to Moncton, 1,800 miles, and that in this they will be able to compete with the present carrying routes. That is the proposition. It has been stated here this afternoon and I know it to be the fact that last season the vessels were carrying grain from the head of Lake Superior to Quebec at the rate of three cents a bushel. Nay, more, grain was carried for as low as two and a half cents a bushel. Let any man look at the transportation business between Canada and Great Britain to-day. No man can go to Montreal or Quebec and see a ship loaded wholly with grain. Why? Because it would not possibly pay a tramp steamer to carry grain alone. All the grain that is exported from Canada to the old country is exported in vessels which have, in addition to their grain cargoes, large quantities of other cargo, and not only have they other freights but several of them have mail subsidies and passenger lists. Last year an American company essayed to carry grain from the head of Lake Superior to Quebec. They placed on that route vessels carrying 60,000 bushels of grain and no man can dispute the fact that that grain was carried from the head of Lake Superior to Quebec for three cents a bushel. The distance from Depot Harbour or Midland to Montreal is 360 miles, and the railway companies have been securing 3 cents a bushel as their share, and have been paying the vessels which carry the wheat from Port Arthur to the Georgian Bay ports, 1½ cents a bushel, so that the charge is 4½ cents a bushel from Port Arthur to Montreal, and in competition with them we have certain vessels carrying wheat at 3 cents a bushel from the head of the lakes through to Quebec. Surely the government cannot argue before the people of Canada, and in view of these facts, that the transcontinental railway is going to be a paying proposition. But no matter what happens, the government seem determined to sink an enormous amount of money in this foolish enterprise, contrary to the wishes of the people of Canada and contrary to the wishes of the Grand Trunk itself. At a recent meeting of the Grand Trunk directors in London, it was openly declared that the Grand Trunk Railway Company never wanted this railway which the government seeks to force upon them. It was declared that their original proposition was to build a line from North Bay, and that the building of the line from Winnipeg to Moncton is an act of supreme folly. That is what Sir Rivers Wilson, the president of the Grand Trunk Company, said, and in the face of all that, this government seems determined to rush on this scheme. Let us not forget the stand which Mr. Blair took last session. We know that the member for North Norfolk (Mr. Charlton) was put up to reply to Mr. Blair, and his reply was that Mr. Blair was opposed to this scheme solely because there would not

be an opportunity presented to him to loot the public treasury. Well, I am not aware of anything that ever happened in Mr. Blair's career, which could cause him to be so assailed by the spokesman of the government, and be it remembered that from that day to this, not a single Minister of the Crown has opened his mouth to say that he regretted this onslaught on Mr. Blair. It is worth while thinking of what would happen if some other members of this government occupied the position of Minister of Railways, and I can only say that from all the signs of the times, the insinuation might have been laid at some of their doors with much better grace. I assume that the construction of the eastern section will be under a commission, but be that as it may, we know there was a proviso inserted in the Bill which practically takes out of the hands of that commission the letting of all contracts which involve the expenditure of any considerable sum of money.

Now, Sir, the government have had a trial of strength in Ontario and in the other provinces, and this afternoon the hon. member for Labelle (Mr. Bourassa) told the House, why they had done so well in the province of Quebec—if what they did there can be called doing well. The hon. gentleman explained that he went into the county of Montmagny and set forth his opinions. And what are those opinions of his. They consist of unceasing hostility to Great Britain, and an attempt to show the people of the province of Quebec especially, that he is inimical to the interests of Great Britain especially should the motherland become involved in war. I do not believe that the member for Labelle represents the feelings of the province of Quebec as a whole ; I should be sorry if he did. I will be charitable enough to assume that he is only endeavouring to get some of that little notoriety which he seeks now and then, by a pyrotechnic display of oratorical fireworks. I do not believe that the people of the province of Quebec will endorse the views which he has announced this afternoon. Sir, there are some great principles which will be up for discussion in the province of Quebec, as well as in the rest of the Dominion when the hour of battle comes. The greatest of these is the question of protection for our industries, and in Hochelaga as well as in St. Hyacinthe there is no doubt that the demand for further protection of our industries, was the great factor in reducing the Liberal majority in these constituencies. In the province of Ontario we await with confidence the fight when it is brought on. The people of Ontario are sick of this government, it stinks in their nostrils. This government is not representative of that province. If the Ontario cabinet ministers were seen to-day on King Street in Toronto, not one of them would be known, outside of Sir Richard Cartwright and they would recognize him from old cartoons. This government is not representative of Ontario, because there is not a single minister from that province who has not made pledges to the people, which remain to-day unfulfilled. Go over to that charnel house for decayed politicians, as the Liberals used to call the the Senate, and look at the array of Liberals there from the province of Ontario. Look at men like McMullen and Gibson and others I could mention, who were rejected by the electors of Ontario the moment they got the chance to turn them out. Well, Mr. Speaker, there will soon be a test of strength in the province of Ontario. The government here is waiting to see what will become of their companions in arms in the legislative assembly. If ever there was an old hulk drifting hopelessly about, with barnacles hanging from its side, it is the Ontario government. Why, it has even been deserted by 'Cap' Sullivan who has been openly discarded by the Hon. John Dryden. The government is tottering to its fall. It has endeavoured by the most disgraceful means to burk public opinion in that province. The House was summoned when five of the government supporters were to go into the courts, and it was summoned because the government knew that every one of these men would be unseated. The courts of the land have been set at defiance in order that the old battered wreck may float for a while longer. It is much the same with the Dominion government here. In East Lambton and East Bruce they got their answer from the people. Although they worked for all it was worth the machinery of the local and federal governments, they were hopelessly beaten in these constituencies.

But to-day the people of Ontario are waiting to give these gentlemen the punishment they deserve for having been false to every promise they have made in the past. True, the gentlemen boast of a gerrymander and of the great things they have accomplished in the province of Ontario in that regard. They had a test of strength in one of their gerrymandered constituencies the other day, the riding of East Bruce, and it did not turn out very well for them, because, gerrymandered as that riding was, they were defeated, as they will be in the next general elections. Go over the province of Ontario from one end to the other, and you will find that each member supporting the government is holding his seat by promises that certain changes are to be made in the tariff, that the government are going to erect public buildings, and other promises of one kind and another ; but one thing we do see, that wherever it is possible each of these gentlemen is trying to fasten himself on to a government job with a fat salary. The government may assume a supercilious air towards this debate, but I can tell them that in the province of Ontario, the centre of intelligence of this great Dominion, there are a great many eyes on this government—

Some hon. MEMBERS. Hear, hear.

MR. BENNETT. In view of the fact that this province has been cursed with a liberal government for thirty years, perhaps I should withdraw the statement. I am forced to admit, and I regret it as an Ontario man that political degradation is at a low point in the province of Ontario. Nor has this government tended to raise the tone, for to-day political life in this Dominion is lower than it has ever been before, and every man knows it. A Bill was introduced into this House last year to amend the Criminal Code; but powers behind the Throne interfered, and prevented it going into force. That Bill had in it a clause that would have prevented the combination of certain businesses to deal and traffic illicitly. There was a vast combine in the city of Montreal last year, the American Tobacco Co., that would have been badly hit by that measure, and what happened? A prominent senator, a supporter of this government, appeared before the government, and the result was the withdrawal of that clause; so that it is permitted and allowed to this American trust and any other trust to go on and traffic in businesses as they chose. Where are the liberals of the old school who used to invoke the Independence of Parliament Act? They are all silenced; there is not a word from them. What have the American newspapers said in reference to what is known as the Gaynor-Greene extradition case in the city of Quebec? What happened there? Here were two well-known thieves, or persons accused of theft and embezzlement in the United States, who came to the city of Quebec. Who appeared on their behalf? There was a time in this country when the old liberals used to rise up and condemn any member of parliament who held a brief for any interest which would clash with the political interests of the country; and yet we find that the Minister of Justice's own firm was concerned in shielding these men and keeping them in the Dominion of Canada.

Hon. CHAS. FITZPATRICK (Minister of Justice). Does the hon. gentleman pretend to say that I had anything to do with the defence?

Mr. BENNETT. The hon. gentleman's firm had.

Hon. Mr. FITZPATRICK. No firm that I am connected with had to do with that case. My name does not appear in connection with it in any way.

Mr. BENNETT. If the hon. gentleman denies that his firm had anything to do with that case, I will withdraw the statement.

Hon. Mr. FITZPATRICK. I say that no firm that I am connected with acted in that case. My name does not appear in the proceedings.

Mr. BENNETT. I did not make the statement that the Minister of Justice's name appeared in the proceedings. I say that the firm with which he is connected acted for Gaynor and Green. Do I understand him to deny that?

Hon. Mr. FITZPATRICK Yes, I do. Some members of the firm may have acted. The firm I am connected with did not act.

Mr. BENNETT. That is rather gauzy. I suppose that when the division of the profits of the firm was made, the Minister of Justice carefully asked that no part of the profits from the Gaynor and Greene case should be included in his share?

Hon. Mr. FITZPATRICK. Yes, I am prepared to make such a statement, and if the hon. gentleman had any professional etiquette, he would know that no such statement should be required from a lawyer.

Mr. BENNETT. In answer to the Minister of Justice, I will say that he is hitting some of his friends pretty hard. I recall the case of the St. Catharines Milling Company, in which the firm of McCarthy, Osler & Co. appeared on behalf of the Dominion government, and hon. gentlemen opposite denounced Dalton McCarthy for permitting his firm to have anything to do with that case, and the 'Globe' newspaper assailed him with the vilest vituperation. And yet we have it stated in the public press that the firm with which is associated the name of the Minister of Justice, the man who has the appointment of the judges of the country, acted on behalf of these accused men in the city of Quebec. The Minister of Justice should have seen that his firm did not act at all in that regard. But the Minister of Justice does not stand alone as a sinner in this respect. What have we heard on the floor of this House? I can recall a case of a few years ago when a man of this House stood up and said that he was entitled as a lawyer to take all the cases he could get against the government. What does that mean? It means that members of this House can advertise: 'I am a supporter of the government, and if you have a case against the government, bring it along, and all the power I have as a member of the House I will exert on your behalf in order to advance your interest.' What has that to do with the Independence of Parliament Act? I say it is most flagrant. This thing is spreading in this country. I will give the House another instance of it. A dock was to be purchased for the government in the town of Midland. The gentlemen who owned that dock were very anxious to effect a sale to the government. My opponent in the last campaign, Mr. George Chew, made an open bargain with the men who owned the dock that if he effected a sale, he should receive a commission of $400. That is the state to which political morality has got in this country. When the deal was made, the gentleman did not receive his money, and he brought his signed paper into the office of the firm of which I am a member as a law partner; and we issued a writ for the $400,

and the men paid it. And what do you think was their excuse for not paying it ? It was this, that Mr. Chew had not secured the sale of the dock at all, but that it was secured by a certain member of parliament who is not in his place in the House at present, and to whom they had to pay $600 for putting through the deal. Why, Sir, it is notorious from one end of the country to the other that members of parliament are guilty of acts of this kind. Take the case of the hon. member for Digby (Mr. Copp) as heralded in the public press. Has he been reprobated by this government ? I have read of the case in the public press and I have read the minutes of the town council. This government was to build a dock in the town of Digby, and the hon. member for Digby goes to the town council, and makes an open bargain that he will use his position as a member of parliament to get a large grant for the construction of a dock in that town; and, if my memory serves me rightly, he was paid $500 on account, and was to be paid $2,000 more on the completion of the dock. Surely it is the duty of the government to take notice of these matters. Surely this case has been brought to the attention of the Minister of Finance, who comes from that province. Surely he is aware of it; and when I make the statement that public morality in this country has sunk to a lower depth than ever known, I make a statement well within the mark. This condition of affairs is notorious. The corruption practiced in the various ridings is well known. It is well known that in connection with the whisky permits in the Yukon, vast sums of money were drawn from the pockets of men who made princely fortunes out of the liquor trade in that country, and who were compelled to disgorge a considerable share of their profits in helping to keep the Liberal party in office. It is well known that there was any number of other deals of a similar character, and only one hon. gentleman has had the courage to stand up in this House and declare that he will back up propositions of this kind whenever they come his way. Perhaps some of those hon. gentlemen who laugh when I describe the degradation of public opinion in the province of Ontario are among those who have participated in these illicit deals. But, thank God, there is still a healthy public opinion in our province, which will no doubt assert itself when the time comes, and I shall welcome the day when the fight is brought on. Some day this government will have its history written, and there will be a striking contrast between the record of the right hon. the First Minister of today and the public careers of Sir John Macdonald and Sir Charles Tupper and other great men who contributed largely to guiding the destinies of this Dominion. History will show that Sir John Macdonald and Sir Charles Tupper were men imbued with broad national ideas, men who carried to completion the work of consolidating this great Dominion as a vast adjunct of the British empire. And it will be shown that these men did great work in the face of the most bitter opposition. It will be shown that, in the teeth of the most violent criticism of the Liberal leaders, they succeeded in pushing to completion the construction of that great transcontinental railway which now spans this Dominion and the history of which will live in the minds of Canadians for centuries to come. History will show that to the wise policy of these men was due the opening up of our great Northwest and the building up in that great country of the homes of millions. It will show also that they inaugurated a tariff and a fiscal policy, the merits of which are established beyond gainsay by the simple fact that hon. gentlemen opposite, who have denounced that policy for years, felt compelled to continue it almost in its entirety. The unerring verdict of time will show that the leaders of the Conservative party were not actuated by any sectional or provincial spirit, that the policy of Sir John Macdonald was the same in one province as in the other, and that his policy commanded the esteem and the support of all classes. It would be, Mr. Speaker, for the benefit of this Dominion as a whole if the present government did not sit there entrenched, as it does, behind a majority, which the Minister of Trade and Commerce declared in Toronto is a menace to the whole Dominion—the majority from the province of Quebec. But so long as electoral campaigns are carried on in the province of Quebec on the lines suggested by the hon. member for Labelle, so long will that menace, against which the hon. Minister of Trade and Commerce protested, continue. I have the honour to have in the riding of Simcoe which represent, a large French vote, and I regret to say that very little of that vote comes my way. And the reason is this. Whenever there is an election in that district, men like the hon. member for Bonaventure (Mr. Marcil) and the hon. Mr. Evanturel, Speaker of the local legislature of Ontario, come down there and excite the people, not by discussing political questions but by appealing to their racial and religious prejudices. The sole issue which these men raise is the nationality and religion of the right hon. the First Minister. There was a time in the township of Tiny when the elections turned on political questions, but that day is past and gone. These hon. gentlemen should remember however, that, if they gain a trifling success in the French vote, they run the risk of incurring a greater loss in the English vote.

Sir WILFRID LAURIER. Hear, hear.

Mr. BENNETT. Let me tell the right hon. gentleman that such is the case. Such a policy cuts both ways, and I can only say

that our frequent boast of unity among our people is sadly belied by the almost solid vote from the French speaking districts. We are to have a fight, and the sooner we have it the better. But let the parties meet, as they did in 1891 and in 1887, on questions of fiscal policy or other great lines of policy, and in the name of all that is good, let us put an end, for all time to come, to these racial cries which we hear echoed time and again in this House by men like the hon. member for Labelle and which, I regret to say, are the stock in trade of the Liberal party in the province of Quebec. Why, Mr. Speaker, what did the Minister of Marine and Fisheries (Hon. Mr. Préfontaine) say when the fight was over the other day? Did he say that the policy of the government prevailed? Not at all. He said that it was a question of a French-speaking premier—it was a question of Sir Wilfrid Laurier's popularity. That, he said, was the whole cry and in saying that he gave away the whole case. I would wish that when the history of this country comes to be written it may be said of every premier who ever guided the destinies of this Dominion that he played well his part, that he acted in the interests of the Dominion as a whole, and that the success he obtained was not due to any appeals to prejudice or passion, but to the great measures he instituted for the development of this country, and that it was owing to his wise policy in the general interests that he became entrenched in the affections of the people.

Mr. E. D. SMITH (Wentworth). It is quite evident, Mr. Speaker, that the policy of silence is that which the government has chosen to adopt on this address, and perhaps in view of the incompetency which they have so signally displayed in the administration of public affairs, that policy is the wisest one they can adopt under the circumstances. I would prefer, Mr. Speaker, having to follow one of these hon. gentlemen on the other side than take up the debate after the effective speech of my hon. friend who has just taken his seat, but I promise that I shall not detain the House at any length. In the speech from the Throne, the desire is expressed that the session should be a short one. In that desire I am sure we all agree, but the Opposition would be derelict in its duty if it failed to take advantage of any opportunity to throw the broad light of publicity on the incompetent record of the present administration. The bill of fare given us in the speech from the Throne is certainly a very meagre one—one well befitting, as my hon. friend from Montmorency (Mr. Casgrain) has said, this lenten season, and, if we should judge the menu by the sparsity of its dishes, we certainly should not be long in disposing of it. There are only four subjects presented to us, and of these some are of a trifling character. The only important one is the amendment to the Railway Bill, which, though an amendment to an important Bill, is, nevertheless, but an amendment. We have also the question of the presentation of the award of the Alaska boundary commission, which is not a proposition of the government but simply a presentation to this House of the award of the commission. We have further a Militia Bill, and in order to pad out the programme we have a proposal to increase the Mounted Police in the Northwest Territories. It is rather to be wondered at that, in order to make the list a little longer, the government did not propose to increase the Civil Service to the extent of a hundred clerks or so, which would have been quite as important a matter as the proposed increase of 100 men in the Mounted Police to insert in the speech from the Throne. In fact, Mr. Speaker, the speech from the Throne is remarkable rather for its sins of omission than its sins of commission. With regard to the Mounted Police, I am sure every one will agree that, if there is necessity in the Northwest for an increase, if crime in that country has gone unpunished owing to the deficiency in that corps, no one will object to the increase; but, it will have to be proved that such increase is neccessary. However, as the Bill is not before us, I shall not discuss it in detail. But, if, in connection with the Mounted Police, there should be a larger number than are necessary to keep order in the Northwest Territories, I for one, would not be sorry if it is considered as a nucleus of a mounted infantry for this country.

Then, we are promised the Militia Bill. We cannot discuss that until it comes before the House. But, for my part, I shall quite concur in the increase in the efficiency, the number and the equipment of our militia. I am sure that no one on this side will object to any reasonable, sane, judicious plan for promoting the efficiency and increasing the strength of the militia of Canada. I am only sorry, in this connection—and in this I speak on my own responsibility alone—that the Minister of Militia and the government do not go a step further. In addition to strengthening our militia and improving their equipment, I should like to have seen a proposal to make a small beginning towards the establishment of a Canadian navy. I know that this is a proposition that has not been discussed very much; still, I believe that there is a large body of people in this country who believe that the time has come when we should take a position more in keeping with our dignity as a growing and powerful country than that which we occupy at the present time. We have a magnificent and growing over sea commerce —over $250,000,000. This is a commerce that is worth defending. At present, we are not spending a cent, we are not doing any-

thing, for the defence of this commerce. Every nation in the world not only has the right but the duty to defend its own. This commerce of ours is a part of our country, and it is just as necessary to defend it as it is to defend our shores. At present, we depend entirely for the defence of that commerce upon the British navy. We know that that is a sure dependence. But, in accepting it, we occupy the position of a child in swaddling clothes, though we are boasting day after day and year after year that we have grown to manhood and are strong enough to take care of ourselves. Now, we have three positions before us as a country—to remain as we are, or to become independent, or to be annexed to the United States. Let us consider for a moment what would be the position under these several circumstances. If we should be annexed to the United States what would be our position with regard to the defence of our trade? We should be called upon to pay our proportion of the cost of the United States navy—about $6,500,000 a year. If we became an independent nation—and there is a small body of men, and I am glad to say only a small body in this country, who seem to believe that this is our ultimate destiny and that we should prepare for it—we should be obliged to provide a miltiary equipment and a navy. The smallest nations that have a coast line and a commerce to defend have to keep a navy proportionately expensive—in fact ours would be more expensive than if we were to pay our share of the British navy on the present basis. Seeing that there is but a small part of our people who would advocate either annexation or independence, and that the great bulk of us desire to remain as we are, a part of the British empire, why should we not be prepared to pay at least a small part of the cost of defending the empire ? Why should we not be prepared to pay a part, even though a small part in the defence of our own commerce and our own trade ? I regret exceedingly that political parties in this country seem to be afraid to take up a question of this kind. It is a question that is bound to come to the front in the near future and must be discussed by political parties. We must decide whether we are to play a part in the British empire. Why should we not make a small beginning ? If we were to pay our proportion towards the cost of the British navy the expense would be about $7,000,000 a year. Great Britain has about twenty ships stationed on the eastern and western shores of Canada, and their proportion of cost is about $7,000,000. I do not propose that we should go to that length, but I say we should make a beginning, we should take the first step. If the Minister of Militia, in bringing down his proposal to improve the militia system, had proposed the first step toward the making of a Canadian navy, so far as I am personally concerned I should be very glad to support him.

Another question mentioned in the speech from the Throne is the Alaskan boundary award. I am sure that enough has been said with regard to this matter. I cannot see what particular good can be done by discussing it at length in this House. It has proven a cause of soreness to many Canadians. I feel sure that, had not this matter been made, to a large extent, the football of political parties in times gone by; if before the award, the people of this country had studied and known the question as experts have done, there would not have been that soreness. I feel sure that whatever may have been the cause of that award, whether it was made judicially or diplomatically, Lord Alverstone, the senior member on the British side of the case, decided the question as he thought it should be decided according to the evidence, and that he did good service to his country in settling that dispute in some fashion once for all.

The other question that is mentioned in the speech from the Throne is the amendment of the Grand Trunk Pacific bargain. This will be one of the main questions that will come before us this session. It was discussed at very great length last session, and will be discussed, I am sure, at very great length this session. The Bill as at first proposed was a very important one, involving an enormous expenditure of public money, an expenditure not asked for by any large section of the people and entirely unjustifiable. The bargain as it was presented to the House a year ago was a very bad bargain for the people of this country as well as for the Grand Trunk Railway Company. A bargain may be bad for both sides, and this was such a bargain. Now we have the amendments of this Bill making it still worse for the people of Canada, still more expensive and still more disastrous. I claim that it is the duty of the government to appeal to the people on this question. I feel that the government has no right to pledge the people to such a bargain, a bargain which, it is evident the people of Canada do not want. We have had a number of by-elections, and in every one the main question discussed was the Grand Trunk Pacific bargain. The result of these by-elections must convince every one who wishes to judge of the matter fairly that the people of this country are entirely opposed to the agreement. What is the result of these by-elections. Not less, but rather more than 4,000 of a reduction in the vote for the Liberal party in eight constituencies—500 on the average, for each constituency. What does that mean ? It means that, in a general election, the hon. leader of this House would come back with a following of less than fifty men.

That means that even after one-half that reduction took place he would have a smaller following than any hon. gentleman who ever led a party in this House. What does that mean? It means that the people in this country were opposed to the bargain as it came before the House last session. How much more then will they be opposed to it when the bargain is made much less advantageous to the people of Canada? What right has the government of this country to bind the country to this bargain which they must see the people do not want? What is the honourable course, the evident duty of the government? It is to appeal to the country before the question is finally settled and before the seal is placed on the bargain. They should appeal to the country and let the people say whether they approve it or not. Who asked for this bargain and for improved railway facilities? There is no doubt that this country, growing as it is, with an expanding commerce, requires and demands, as time goes on, improved facilities. But it has never yet been shown that the railways now in existence, if properly equipped and with a proper system of branches extending from them, could not carry on the trade of the country. The difficulty is that they have not the equipment of cars and power, and have not apparently the executive ability. But leaving that aside, and taking it for granted that railroad facilities are required, what are the requirements? Two chiefly and almost entirely; first, that the people of the west should have greater and better and cheaper facilities to convey the products of their farms to the east; and, second, that the manufacturers and fruit growers in the east, of Ontario and Quebec, should have cheaper, quicker and better facilities to get their products into the west. These are the only things called for. The province of British Columbia has never asked for a transcontinental railway running across the northern part of that province. It may be desirable, but there is no great call for it, nor is there a great call for a colonization railway to Northern Ontario and Northern Quebec, while there are hundreds of millions of acres of magnificent land, yet undeveloped, ready for the plough in the west. There is no call from the people of the maritime provinces for a second line there. The only call has been from the people of the west for cheaper facilities for the shipment of their grain, and from the people of Ontario and Quebec to get their manufactures to the west. Is it necessary, in order to accomplish this, to construct a railway from Winnipeg to Quebec and from Quebec to Moncton? Not at all. The Grand Trunk Railway Company came before the government and offered to build a road from North Bay to Winnipeg and to extend it through the Territories simply for the ordinary bonuses, which would not have amounted to more than $12,000,000 all told. For $12,000,000 in cash we might have got all the country asked for or will demand for many years to come, instead of having an expenditure of over $100,000,000, which will be required to construct a road from Winnipeg to Moncton. A large part of this $80,000,000, or $90,000,000, of unnecessary expenditure, might have been expended to infinitely better advantage, if we have this great amount of money to expend, if it is absolutely necessary that this country should expend this enormous amount of money or any part of it, or in any case let us expend some small part of it in doing some things that are really necessary. One of these things is the provision of better transportation facilities for the commerce of the whole country from Montreal to Britain. What is the condition of affairs to-day? We are subsidizing lines of vessels at enormous expense to come to our ports. Ostensibly we are subsidizing them for carrying the mails, but really to get the vessels to come to our ports. We pay one line $150,000 ostensibly to carry some fifteen tons of mail matter, which could be carried for $300. We are doing that to get the vessels to come to Montreal, and for that alone. In addition to that, we are paying out of the public treasury large sums of money to equip these vessels for the carriage of our products. We are equipping them with cold storage facilities with cooling plants and with ventilating apparatus. One half of this equipment is paid for by the country instead of by the steamship lines. One would think when we are doing this that we should get as low freight rates from Montreal as from Boston or New York, which are farther from Liverpool and Glasgow and London than are the Canadian ports. But is that the case? No; instead of getting lower rates on the boats which we subsidize, and which have a shorter haul, we are paying thousands and hundreds of thousands of dollars more on the freight shipped from Montreal than would be charged on the same freight going from Boston or New York. Let me read to you some of the freight rates, lest I may be said to drawing the long bow. The following table will show the difference in the freight rates in the autumn of 1903:

	Per ton. s.	d.
Flour, Montreal to Liverpool	9	9
" Boston "	7	6
" Montreal to London	9	9
" Boston "	7	6
" Montreal to Glasgow	8	9
" Boston "	6	6 to 7

	Per bushel. s.	d.
Wheat, Montreal to Liverpool	0	2¼
" Boston "	0	1½
" Montreal to London	0	2⅝
" Boston "	0	1½ to 2
" Montreal to Glasgow	0	2⅝
" Boston "	0	1½ to 2

	Per ton. s.	d.
Butter, Montreal to Liverpool	27	6
" Boston "	20	0
" Montreal to London	30	0
" Boston "	24	0
" Montreal to Glasgow	31	6
" Boston "	30	0
Cheese, Montreal to Liverpool	22	6
" Boston "	17	6
" Montreal to London	25	0
" Boston "	20	0
" Montreal to Glasgow	26	3
" Boston "	25	0

	Per barrel. s.	d.
Apples, Montreal to Liverpool	2	6
" Boston "	2	0 & 5%
" Montreal to London	2	6
" Boston "	2	0 & 5%
" Montreal to Glasgow	3	0
" Boston "	2	6 & 5%
" Montreal to Manchester	2	6
" Boston "	2	6 & 5%

Extra freight on cheese exports of 100,000 tons at 3s. 9d., say	$ 90,000
Extra freight on butter exports of 17,000 tons at 5s., say	17,000
Extra freight on wheat and flour exports of 40,000,000 bush. at 1½c.	600,000
Extra freight on apples exports of 1,000,000 brls. at 10c	100,000
	$ 807,000

Thus on these four items we pay out $800,000 more in freight from Montreal than the rates on the same freight would be from Boston or New York. But this is not all; it is but a very small part of the loss which this causes to the farmers of Canada, for the price of these products which are exported sets the price for the quantity consumed at home, and we know that nine-tenths of our products are consumed at home. Thus we lose, not only the $800,000 thus paid in freight, but many times $800,000 because of the lowering of the price at home.

Therefore, I say, we might better take some of these funds that the government are squandering upon building a railway that is not asked for and equip the port of Montreal and the route from Montreal to Great Britain with whatever is necessary to make that route the best in the world. It is the boast of Canadians that we have the shortest route to Great Britain and yet it is the dearest route. That is a duty that devolves upon this government. It is something that was not mentioned in the speech from the Throne. It ought to have been mentioned and it demands the attention and the best ability that the government can give to it. I consider this one of the most important questions that could possibly be discussed. What is sure to be the result if these facilities are not provided? There are patriotic people shipping hundreds of thousands of tons of stuff by way of Montreal while they might get cheaper rates by other ports. A great many are shipping their produce who do not realize that there is a difference in cost in reaching the old country by way of the port of Montreal, but who, when they discover the fact, will not continue to do so unless we provide facilities that will enable them to ship more cheaply, or at least as cheaply, as by a foreign port. The people of Canada will do a great deal for patriotism but there is a limit to it. They cannot be expected to be willing to be placed at this enormous disadvantage and the better course for the government would be to provide these facilities.

There is one other question to which I should like to allude. It is a small matter, perhaps, but still it is a matter of as much importance as the slight increase in the mounted police force which is mentioned in the speech from the Throne. I had hoped, as a fruit grower, to see some mention in the speech from the Throne of the establishment of an experimental farm in the Niagara district. We have at the present time five experimental farms—the same as we had ten or fifteen years ago. They are very essential to the welfare of the farmers of Canada. There is no doubt that a great deal of excellent knowledge is being disseminated from these farms, but these farms represent only a portion of this great country of ours. We have in Canada, fortunately, a climate and soil that will enable us to produce the best fruits in the world. We have in the Niagara district a large tract of territory which is capable of producing peaches, plums and all the fruits in luxurious abundance. But, we have no assistance from the government in the matter of experimenting. These experimental farms are well enough in their way and all right as far as they go, but they deal entirely with matters that are of benefit to the farmers in the northern portions of the country. These farms deal entirely with cattle, grain, dairy products, and with what is of importance only to the people who wish to grow a few trees along the northern zone of fruit culture; that is the introduction of new and hardy varieties that can be successfully grown up to the northern limits of the fruit territory of Canada. These experimental farms are putting the fruit growers in the commercial fruit belt at a disadvantage. They are actually spending money to take away our markets from us. We do not object to this, but we think in all fairness and justice that we who grow the commercial fruits of the country, we who are supplying not only the population which is here at the present time, and will supply, I believe, in the near future a largely increased population, should have some consideration. It is predicted, I believe, that in the near future we will have 5,000,000 of people in our Northwest, that the population of Canada will be doubled and that half of it will be west of

Port Arthur. If that is the case what an enormous market will be there for the fruit growers of Canada ! I am certain that this industry, a very large industry to-day, can be extended to almost indefinite proportions. We have at present in Ontario a very large and prosperous industry as the following figures showing the increased production, demonstrate :

	1901	1891
Peaches, bushels....	811,721	40,626
Pears, bushels.. ..	487,759	208,887
Plums, bushels.. ..	337,108	171,335
Cherries, bushels..	132,117	106,658
Grapes, lbs....	23,156,478	11,725,284
Other fruits, qts...	17,515,560	6,669,270
Apples, bushels,....	13,631,264	5,043,621

These are large figures, but the business is capable of indefinite expansion if we can only secure the markets of the country. There are a great many things necessary to secure these markets and one of the most important essentials is that we shall grow the varieties of fruit that can be transported over the great distances that we have in this country to transport them over. Our great market is the distant market of the Northwest Territories and we cannot export large quantities of the perishable fruits that we grow in the Niagara district to-day. Our fruits are of a character differing from those grown in California. Their climate is a rainless one and their fruits are of a dry nature. They are capable of being exported. They are not of as good quality as ours, but they can be carried better. It devolves upon the fruit growers to produce kinds of fruits that can be carried to the Northwest Territories. It is the duty of the government to give us an experimental farm in that district and it should be no small affair either. Let us have it conducted on broad lines because it is an important matter. It is a matter worth tens of millions of dollars to this country if we can secure our own markets for our trade. This is one of the most important matters that can be brought to the attention of this government ; that is, to enable us to introduce and grow the kinds of fruits that can be carried to distant markets. We have a few but we lack a great many. We have only one variety of peaches, we have scarcely any variety of plums, and we lack a real good variety of grapes capable of being sent to distant markets. There is room for improvement and development along that line. Private individuals cannot undertake it, the present experimental farms cannot undertake it because they are not now placed where they can do it. They are situated in a different zone altogether from the commercial fruit belt of this country. That is one of the matters that might fairly well have occupied the attention of the ministers of the Crown, and might very well have been mentioned in the speech from the Throne rather than some of these other matters, perhaps, or in addition to these other matters, important as they may be. We should expend in these ways that I have mentioned some of the small part of the enormous amount of money that is proposed to be squandered on a road running through a country that is without population, that is practically unknown, and through which no one has asked the government to run a road at the present time.

Mr. JABEL ROBINSON (West Elgin). Mr. Speaker, I hesitated before I rose believing that some member of the government should reply to the accusations made against them by the hon. member for East Simcoe (Mr. Bennett). I am satisfied that the government ought at least to have some reply to make to the charges of nepotism and of having violated the independence of parliament in view of the fact that the members of the government used to be so fond of denouncing in this House the very things that they are charged with doing. Some of the gentlemen on the government benches should make a speech, to point out that the member for East Simcoe (Mr. Bennett) is not telling the truth, or else they should admit that what he said was correct. I am not prepared to believe it until I get further evidence, but I do think that further evidence should be forthcoming. The first part of the speech from the Throne tells us that we are to have a short session, and if that be so we must have short speeches. I intend to set a good example in that respect. I would propose that any member who was not a cabinet minister explaining a policy, or the leader of the opposition, who speaks for more than one hour should be compelled to sit every Sunday listening to the longest winded preacher in the city of Ottawa. I think that would teach him to cut his speeches short, and I would recommend that cure. The next paragraph of the speech from the Throne deals with the transcontinental railway, and most of you will remember that I spoke on that question last session. I took different grounds from the most of those who spoke ; I only spoke for thirty-five minutes, and I had two thousand copies of that speech printed and sent broadcast throughout my constituency. I have yet to meet a man who read that speech, who has not said that the speech was just to the point, and that it was just what the farmers wanted. If that is a fair specimen of how the people feel all over Canada on this railway policy, then, the government instead of calling parliament to renew the charter with the Grand Trunk Pacific, should wipe it out altogether, and commence to build the road themselves. They need not do it in one year, but they can easily complete the railway in the seven years which they have allowed the Grand Trunk Pacific. They tell us that they have a surplus of $15,000,000 this year, and if for each

of the next seven years they have a like surplus, they will almost have money enough to build the road. If they follow my advice, then at the end of that time the people and not a private corporation will own the railroad. Since the Grand Trunk refused to carry out their share of the contract, the government can conscientiously get out of that bad bargain. I would suggest that the government should continue the Intercolonial Railway away into the prairies, and then we shall have a truly national means of transportation. I believe that Sir John Macdonald promised the people of British Columbia that within ten years they would have a railway, and even if it takes this government ten years to build a transcontinental railroad they will not be any worse than Sir John. We have paid $145,000,000 of the wealth of the people to the Canadian Pacific Railway, to assist them to build their railway. It is estimated that it did not cost them that amount of money, but whether it did or not, the Canadian Pacific Railway Company own the road, and the people of Canada have nothing to say about it. Don't let us fall into such a trap as that again. If another transcontinental railway must be built let us build it and own it ourselves, and I believe the farmers of Canada will back up any government that proposes such a policy. Let us learn from experience. When the Romans came to Britain, before the Christian era, the first thing they noticed was that the highways of the country were in a miserable state. The Romans built roads all leading to the capital of London, and these roads are in existence to-day, and are the finest highways ever constructed. I myself have travelled over these roads and I know how well they have been built. But the ancient Romans did not give these roads to private corporations to charge toll on ; they dedicated them to the people for the use of the people for ever, and that is just what we should do with our railroads in Canada. And now as to the ex-Minister of Railways (Hon. Mr. Blair). I do not wish to mention a man's name in this House unless he is here to reply for himself ; it is cowardly to attack a man in his absence, but Mr. Blair is public property now, he is our servant, and I suppose we have the right to criticise him. Last year I was a member of the railway committee, as I expect to be this year. Mr. Blair was very regular in his attendance at that committee, and he watched over the interests of the railway, and he stood with a club over us in order to see that no injustice was done to these railways. He never uttered a syllable in that committee to the effect that he was opposed to the Grand Trunk Pacific scheme. Had he been as emphatic in that committee as he was in this House, I do not believe that the Bill would ever have passed the committee. He had a powerful influence over the members of that committee—he never had much over me. Our farmers were asking in that committee certain rights which we have been demanding for years, but Mr. Blair constantly opposed our demands. I twice introduced Bills with regard to cattle-guards and drainage, but Mr. Blair ignored these questions altogether. I lost confidence in him as a man who would do justice to us farmers and I am sure he was working in the interests of the railroads. That is enough about him. When the Grand Trunk Pacific Bill passed, he took umbrage, and refused to accept the Bill, and finally withdrew from the House, and of course I did not shed any tears.

However, it seems that he was appointed to the first place on that commission by the ministry. And, mind you, I am not one of those who think that the patriotism is all on this side of the House. I believe there are patriots on both sides—men who try to do what is right and just in every particular. But I have seen men get up in this House and sneer at others who were talking good sense, simply because they were not on their side of politics. That is not right ; we want to discuss these matters on their merits. The ministry thought they had selected their best man when they appointed Mr. Blair to the chairmanship of that commission. Well, perhaps they did ; but I failed to see it. I have heard him three years on the Railway Committee, and I have never yet heard him demonstrate how much it was worth to carry a ton of produce from Winnipeg to the sea-board, or what it was worth to run a railroad. I do not think he knows anything more about railroads than I do ; but he has been at the head of the Railway Department, and he has had men to tell him what to do. The farmers in my section of the country are not satisfied with the appointment of Mr. Blair. Perhaps after he reads my speech he will resign.

The Alaska award is mentioned in the speech from the Throne. I suppose I have discussed the Alaska award before a larger audience than any other member of this House. I had an opportunity of addressing some 2,000 people in Rochester, and I gave them my sentiments in regard to the aggressiveness and avarice of our neighbours to the south. When I was through they were as dumb as oysters. However, I must say that the Alaska matter is perhaps better settled than to be kept open as a bone of contention between the two countries. We would rather have had the award more in our favour ; but when we leave a matter to arbitration and the arbitration goes against us, if we cry like children and make a big fuss, it shows that we have not been properly brought up. Let us see that we do not get into such trouble again.

The Prime Minister is very strong in regard to the Canadian people having an opportunity to manage their own affairs and to settle all disputes between themselves and other nations by treaty. What does that mean ? I would like very much to see Canada settle her own affairs. We have a pow-

erful and aggressive nation to the south of us; and suppose they took a notion for a slice of our territory. Suppose we send our commissioners to settle the dispute with them, and they act in the same manner as they did before. Whom are we to call upon to assist us to get our demands? Are we to go to war with them—six million people against eighty million? Would that look like common sense? It would be something like the boy who was going to fight his neighbour. He looked him all over, and saw the brawn and muscle he had, and then put on his coat again. That is the position we would be in unless we had some one strong enough to back us up. It would be like one who uses large words but has a weak stomach. We want something to back our words up. I notice that we are going to have a militia, but we want something more than that. Now, Sir, we are united with one of the strongest and grandest powers the world has ever seen; we are part and parcel of that glorious nation, and I trust that the day will not come for a thousand years when we shall be disunited from it. Instead of the bonds between us being made weaker, they should be made stronger. I do not like such speeches as the one I heard this afternoon. I felt like leaving when I heard it, but I am too much of a patriot to leave when I should stand and discharge my duty. One of the planks of the platform we heard about was that we are not to assist Great Britain in any of her difficulties. That view, it seems, is held only by a little club, and we should perhaps take no notice of it; but I am sorry that one man, much more a club, should believe that Canada should not assist the mother country whenever she gets into trouble, because she has said that she will spend her last dollar and her last man in the last ditch to defend us if we are loyal to her. There are some parts of Europe that are always glad when anything happens to injure Great Britain. I am afraid there a few in Canada who feel the same, but they are very few. Why, Sir, what would happen if Great Britain were wiped out of existence? It would put back the clock of time, and throw civilization back a thousand years. Therefore, it is our duty to stand by her. It is our financial duty, for where could we go to finance any scheme we had to place before the markets of the world? Where would we go to sell our butter, our cheese, our wheat, our lumber, everything we produce? Our best market is in Great Britain. It is our duty and our interest to do all we can to maintain the greatness and strength of that nation, of which we form a part.

Mr. TAYLOR moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Sir Wilfrid Laurier, House adjourned at 10 p.m.

HOUSE OF COMMONS.

WEDNESDAY, March 16, 1904.

The SPEAKER took the Chair at Three o'clock.

SELECT STANDING COMMITTEES.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). Mr. Speaker, I have the honour to present the report of the special committee appointed to prepare and report, with all convenient speed, lists of members to compose the select standing committees ordered by the House on Friday, the 11th instant, which is as follows:

No. 1.—ON PRIVILEGES AND ELECTIONS.

Messieurs

Alcorn,
Barker,
Bennett,
Borden (Halifax),
Brodeur,
Bureau,
Casgrain,
Cowan,
Dugas,
Emmerson,
Fitzpatrick,
Geoffrion,
German,
Gourley,
Grant,
Guthrie,
Haggart,
Lancaster,
Lapointe,
LaRivière,
Lavell,
Lavergne (Montmagny),
Lemieux,
Lennox,
Logan,
MacKinnon,
McCarthy,
McColl,
McIsaac,
Malouin,
Monet,
Monk,
Morrison,
Mulock (Sir William),
Northrup,
Porter,
Pringle,
Rivet,
Russell,
Sifton,
Sutherland (Essex),
Tisdale,
Wade, and
Ward.—44.

No. 2.—ON EXPIRING LAWS.

Messieurs

Archambault,
Avery,
Bazinet,
Bourbonnais,
Casgrain,
Christie,
Copp,
Earle,
Ethier,
Gauvreau,
Gervais,
Hale,
Harwood,
Haszard,
Johnston (Cardwell),
Logan,
Lovell,
McCool,
McGowan,
Matheson,
Mayrand,
Meigs,
Morin,
Robinson (Elgin),
Seagram,
Turgeon, and
Vrooman.—27.

And that the Quorum of the said Committee do consist of seven members.

No. 3.—ON RAILWAYS, CANALS AND TELEGRAPH LINES.

Messieurs

Alcorn,
Angers,
Archambault,
Armstrong,
Avery,
Ball,
Barker,
Bazinet,
Beith,
Béland,
Laurier (L'Assomption),
Lavell,
Lavergne (Drummond and Arthabaska),
Law,
Lefurgey,
Lemieux,
Lennox,
Léonard,
Lewis,

Bell,
Bennett,
Bickerdike,
Birkett,
Blain,
Blanchet,
Borden (Sir Frederick),
Bourassa,
Boyd,
Brock,
Broder,
Brodeur,
Brown,
Bruce,
Bruneau,
Bureau,
Calvert,
Calvin,
Campbell,
Carscallen,
Casgrain,
Champagne,
Charlton,
Christie,
Clancy,
Clare,
Clarke,
Cochrane,
Copp,
Costigan,
Cowan,
Culbert,
Daniel,
Davis,
Delisle,
Demers (Lévis),
Donnelly,
Douglas,
Dugas,
Dyment,
Earle,
Emmerson,
Erb,
Ethier,
Fielding,
Fitzpatrick,
Fortier,
Fowler,
Gallery,
Galliher,
Ganong,
Gauvreau,
Geoffrion,
German,
Gervais,
Gibson,
Gilmour,
Girard,
Gould,
Gourley,
Grant,
Guthrie,
Hackett,
Haggart,
Hale,
Harty,
Harwood,
Haszard,
Henderson,
Heyd,
Holmes,
Hughes (King's),
Hughes (Victoria),
Hyman,
Ingram,
Johnston (Cape Breton),
Johnston (Cardwell),
Logan,
Loy,
Macdonald,
Kemp,
Mackie,
MacKinnon,
Maclaren (Huntingdon),
MacLaren (Perth),
Maclean,
Macpherson,
McCarthy,
McColl,
McCool,
McCormick,
McCreary,
McGowan,
McGugan,
McIntosh,
McIsaac,
McLennan,
Malouin,
Marcil (Bagot),
Marcil (Bonaventure),
Matheson,
Mignault,
Monet,
Monk,
Morin,
Morrison,
Mulock (Sir William),
Murray,
Northrup,
Oliver,
Osler,
Parmelee,
Pope,
Porter,
Power,
Préfontaine,
Pringle,
Proulx,
Puttee,
Reid (Grenville),
Riley,
Rivet,
Robinson (Elgin),
Robinson, (Northumberland),
Roche (Halifax),
Roche (Marquette),
Rosamond,
Ross (Ontario),
Ross (Rimouski),
Ross (Victoria),
Ross (Yukon),
Rousseau,
Russell,
Schell,
Scott,
Sifton,
Smith (Vancouver),
Smith (Wentworth),
Sproule,
Stephens,
Stewart,
Sutherland (Essex),
Sutherland (Oxford),
Talbot,
Tarte,
Thompson (Haldimand and Monck),
Thomson (North Grey),
Tisdale,
Tobin,
Tolmie,
Tucker,
Tupper (Sir Charles Hibbert),
Turcot,
Vrooman,
Wallace,
Ward,
Wilmot,
Wilson, and
Wright.—186.

And that the Quorum of the said Committee do consist of twenty-five members.

No. 4.—ON MISCELLANEOUS PRIVATE BILLS.

Messieurs

Alcorn,
Avery,
Ball,
Béland,
Bell,
Bennett,
Birkett,
Bourbonnais,
Brock,
Broder,
Brodeur,
Bruneau,
Calvert,
Carscallen,
Casgrain,
Cochrane,
Cowan,
Culbert,
Daniel,
Desjardins,
Douglas,
Dugas,
Dyment,
Earle,
Ethier,
Fitzpatrick,
Galliher,
Gauvreau,
Gibson,
Gilmour,
Girard,
Guthrie,
Hackett,
Harty,
Hughes (King's),
Johnston (Cape Breton),
Kaulbach,
Kendall,
Kidd,
Lapointe,
LaRivière,
Lavell,
Lavergne (Drummond and Arthabaska),
LeBlanc,
Lemieux,
Logan,
Loy,
Macdonald,
MacKinnon,
Maclean,
McCool,
McCreary,
McGugan,
Marcil (Bagot),
Meigs,
Mignault,
Monet,
Monk,
Morin,
Morrison,
Pope,
Power,
Pringle,
Proulx,
Puttee,
Roddick,
Rosamond,
Ross (Victoria),
Russell,
Schell,
Stephens,
Stewart,
Sutherland (Essex),
Sutherland (Oxford),
Tobin,
Tolton,
Tucker,
Turgeon, and
Wade.—79.

And that the Quorum of the said Committee do consist of ten members.

No. 5.—ON STANDING ORDERS.

Messieurs

Ball,
Bazinet,
Brown,
Clancy,
Clare,
Copp,
Davis,
Demers (Lévis),
Demers (St. John),
Donnelly,
Douglas,
Erb,
Fortier,
Gallery,
Grant,
Guthrie,
Halliday,
Lavergne (Montmagny),
Law,
Lefurgey,
Mackie,
McEwen,
McGugan,
Marcil (Bagot),
Matheson,
Morin,
Puttee,
Reid (Restigouche),
Richardson,
Roche (Marquette),
Ross (Rimouski),
Sherritt,
Smith (Vancouver),
Stewart,

Hughes (Victoria), Ingram, Johnston (Cape Breton), Kaulbach, Kendall, Lancaster, Lang, Laurier (L'Assomption), Tolmie, Tolton, Tupper (Sir Charles Hibbert), Turgeon, Vrooman, Wilmot, Wilson, and Wright.—50.

And that the Quorum of the said Committee do consist of seven members.

No. 6.—ON PRINTING.

Messieurs

Bennett, Casgrain, Clarke, Davis, Holmes, Hughes (Victoria), Hyman, Johnston (Cape Breton), Johnston (Lambton), LaRivière, Lavergne (Drummond and Arthabaska), Loy, Maclean, McColl, Marcil (Bonaventure), Oliver, Parmelee, Préfontaine, Richardson, Scott, Sutherland (Oxford), Taylor, Thompson (Haldimand and Monck) and Tisdale.—24.

No 7.—ON PUBLIC ACCOUNTS.

Messieurs

Barker, Beith, Bell, Bennett, Bickerdike, Birkett, Blain, Borden (Sir Frederick), Campbell, Carbonneau, Cartwright (Sir Richard) Champagne, Clancy, Clare, Clarke, Cochrane, Costigan, Cowan, Daniel, Demers (St. John), Desjardins, Emmerson, Fielding, Fitzpatrick, Fowler, Geoffrion, German, Gould, Gourley, Haggart, Henderson, Holmes, Hughes (King's), Hughes (Victoria), Hyman, Kemp, Lancaster, Lapointe, Laurier (L'Assomption), LeBlanc, Lennox, Léonard, Loy, MacKinnon, Maclaren (Huntingdon), Macpherson, McColl, McCreary, McIsaac, Malouin, Monk, Morrison, Murray, Northrup, Oliver, Porter, Pringle, Riley, Rivet, Roche (Halifax), Ross (Ontario), Ross (Yukon), Sifton, Smith (Wentworth), Sproule, Tarte, Taylor, Thompson (Haldimand & Monck), Thomson (North Grey), Turcot, Wade, Ward, and Wilson.—73.

And that the Quorum of the said Committee do consist of twenty-one members.

6½

No. 8.—ON BANKING AND COMMERCE.

Messieurs

Angers, Archambault, Armstrong, Avery, Barker, Beith, Béland, Bell, Bennett, Bickerdike, Birkett, Blain, Blanchet, Borden (Halifax), Borden (Sir Frederick), Bourassa, Boyd, Brock, Brown, Bruce, Bruneau, Bureau, Calvert, Calvin, Campbell, Carbonneau, Carscallen, Cartwright (Sir Richard) Casgrain, Champagne, Charlton, Christie, Clancy, Clarke, Cochrane, Copp, Costigan, Cowan, Culbert, Delisle, Demers (Lévis), Demers (St. John), Earle, Emmerson, Ethier, Fielding, Fowler, Galliher, Gallery, Ganong, Geoffrion, Gervais, Gibson, Gould, Gourley, Haggart, Harty, Hazard, Henderson, Heyd, Holmes, Hughes (King's), Hughes (Victoria), Hyman, Ingram, Johnston (Cape Breton), Kaulbach, Kemp, Kendall, Kendrey, Lang, Laurier (Sir Wilfrid), Laurier (L'Assomption), Lavell, Law, Lefurgey, Lewis, Lovell, Loy, Maclaren (Huntingdon), McCarthy, McCormick, McEwen, McIsaac, McLennan, Malouin, Marcil (Bonaventure), Mignault, Monk, Morin, Murray, Osler, Paterson, Pope, Porter, Power, Préfontaine, Puttee, Reid (Grenville), Reid (Restigouche), Richardson, Riley, Roche (Halifax), Rosamond, Ross (Ontario), Ross (Rimouski), Ross (Victoria), Ross (Yukon), Rousseau, Russell, Schell, Smith (Wentworth), Sproule, Stephens, Sutherland (Oxford), Talbot, Tarte, Taylor, Thompson (Haldimand & Monck), Thomson (North Grey), Tisdale, Tobin, Tolmie, Tupper (Sir C. Hibbert), Wade, Ward, Wilmot, Wilson, and Wright.—129.

And that the Quorum of the said Committee do consist of twenty-one members.

No. 9.—ON AGRICULTURE AND COLONIZATION.

Messieurs.

Angers, Armstrong, Logan, Lovell,

Ball,
Bazinet,
Beith,
Bell,
Blain,
Blanchet,
Bourassa,
Bourbonnais,
Boyd,
Broder,
Brown,
Bruce,
Bureau,
Calvert,
Calvin,
Carbonneau,
Carscallen,
Charlton,
Clancy,
Clare,
Cochrane,
Davis,
Delisle,
Desjardins,
Donnelly,
Douglas,
Dugas,
Dyment,
Erb,
Ethier,
Fisher,
Fortier,
Galliher,
Gauvreau,
Gilmour,
Girard,
Gould,
Grant,
Guthrie,
Hackett,
Hailiday,
Harwood,
Haszard,
Henderson,
Heyd,
Hughes (King's),
Hughes (Victoria),
Ingram,
Johnston (Cardwell),
Johnston (Lambton),
Kendall,
Kidd,
Lang,
LaRivière,
Laurier (L'Assomption),
Lavergne (Montmagny),
LeBlanc,
Lennox,
Léonard,
Lewis,
Loy,
Macdonald,
Mackie,
Maclaren (Huntingdon),
MacLaren (Perth),
Macpherson,
McColl,
McCool,
McCormick,
McCreary,
McEwen,
McGowan,
McGugan,
McIntosh,
McLennan,
Marcil (Bagot),
Matheson,
Mayrand,
Meigs,
Morin,
Mulock (Sir William),
Oliver,
Parmelee,
Pope,
Proulx,
Reid (Grenville),
Reid (Restigouche),
Richardson,
Robinson (Elgin),
Robinson (Northumberland),
Roche (Marquette),
Rosamond,
Ross (Ontario),
Ross (Victoria),
Rousseau,
Schell,
Seagram,
Sherritt,
Smith (Vancouver),
Smith (Wentworth),
Sproule,
Stephens,
Stewart,
Talbot,
Taylor,
Thomson (North Grey),
Tobin,
Tolmie,
Tolton,
Tucker,
Turcot,
Turgeon,
Vrooman,
Wade,
Wallace,
Wilmot,
Wilson, and
Wright.—122.

And that the Quorum of the said Committee do consist of twelve members.

Rt. Hon. Sir WILFRID LAURIER moved:

That the report of the special committee appointed to prepare and report lists of members to compose the Select Standing Committees of this House be concurred in.

Motion agreed to.

JOINT COMMITTEE ON PRINTING.

Rt. Hon. Sir WILFRID LAURIER moved:

That a message be sent to the Senate requesting that their honours will unite with this House in the formation of a Joint Committee of both Houses on the subject of the Printing of Parliament, and that the Members of the Select Standing Committee on printing, namely: Messrs. Bennett, Casgrain, Clarke, Davis, Holmes, Hughes (Victoria), Hyman, Johnston, (Cape Breton), Johnston (Lambton), LaRiviere, Lavergne (Drummond and Arthabaska), Loy, Mclean, McColl, Marcil (Bonaventure), Oliver, Parmelee, Prefontaine, Richardson, Scott, Sutherland (Oxford), Taylor, Thompson (Haldimand and Monck) and Tisdale will act as members, on the part of this House, on the said Joint Committee on the printing of Parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT.

Rt. Hon. Sir WILFRID LAURIER moved:

That a Select Committee composed of Messrs. Borden (Halifax), Bourassa, Brock, Brodeur, Calvert, Casgrain, Clancy, Clarke, Demers (St. John and Iberville), Heyd, Hyman, Johnston (Lambton), Laurier (Sir Wilfrid), Monk, Russell, Scott and Wade to be appointed to assist Mr. Speaker in the direction of the Library of Parliament, so far as the interests of this House are concerned, and to act as members of a Joint Committee of both Houses on the Library; and that a message be sent to the Senate to acquaint their honours therewith.

Motion agreed to.

ADDRESS IN ANSWER TO HIS EXCELLENCY'S SPEECH.

House resumed adjourned debate on the proposed motion of Mr. Grant for an address to His Excellency the Governor General, in reply to his speech at the opening of the session.

Mr. JOHN W. DANIEL (St. John City). Mr. Speaker, in rising to address this House in connection with the motion at present before it, I may say that I do so with a very large amount of that diffidence which naturally clings to a member when he first has an opportunity of addressing this House. If anything further were necessary to render me the more diffident, the eloquent speeches which I have listened to for the last two days from members on both sides of the House must certainly have produced that result. Having been elected so recently to this parliament, which has not now a long course to run, I cannot be expected to have that grasp of the subjects debated and dealt with here, which older members of the House possess. But, Sir, having but recently come from the electorate, I have perhaps some advantages which gentlemen who have sat here since 1900 cannot lay claim to. I have had a very recent opportunity of feeling very closely the opinions of the people, and of finding out what their views are on the policy of this government, and more especially that policy of theirs which they have crystallized into the Grand Trunk Pacific scheme. I believe, Sir, that it is usually the rule, that members in addressing this House should

confine themselves closely to the question before the Chair, but I have noticed that hon. gentlemen on both sdes have been allowed some latitude in that respect, and that it is not forbidden to treat of matters which have not been alluded to in His Excellency's address. Under these circumstances, I may also be allowed to refer to an event which has been omitted from the speech from the Throne, and that event is the election which has recently taken place in St. John, N.B.

Mr. CASGRAIN. It was an oversight to leave that out.

Mr. DANIEL. Perhaps it was. Under ordinary circumstances, I take it that a by-election at which a constituency changed its party allegiance, is not a matter that would be expected to attract any great attention, and more especially when the result of that election does not in any way affect the maintenance of a government in power which has already a very large majority. But, Sir, when we remember that the gentleman who preceded me as the representative of that constituency was returned by a majority of 1,000 votes less three, and that after a lapse of less than four years that majority not only disappeared, but the majority of the Conservative candidate on the other hand was very considerable. I should think that a circumstance of that kind may be considered by gentlemen on both sides, as worthy of at least some little consideration. It is an event that may cause us to think, and especially to give food for thought to the men who are to-day governing this country. It may be prudent for them to give this result a little attention, and to ask themselves why it is, that such a marked change has come over the opinions of the electorate of an important constituency in this country. Until the recent by-election the city of St. John was represented by the ex-Minister of Railways and Canals (Hon. Mr. Blair). He was returned in 1900 by a majority of nearly 1,000, a larger majority than was ever recorded for any candidate in the city of St. John, with one exception, since the first election after confederation. Mr. Blair was looked upon as a man of strong personal qualities and great ability; he was in touch with the government; he presided over one of its most important departments and so the people of St. John looked upon him as a most desirable representative. Taking that view, they elected him by such a majority that he could practically come to this parliament and say that he represented the whole people of that city. Well, Sir, as time went on, Mr. Blair found himself out of touch with the government. He could not endorse their transcontinental policy, and he made a speech in opposition to it that may well be called a celebrated speech; a speech which was read throughout Canada and particularly by his own constituents. Mr. Blair declared that the Grand Trunk Pacific policy of the government was designed for no other reason than as a most unjustifiable and wasteful expense of the public money. He told us that scheme would result in the practical duplication and destruction of the Intercolonial Railway, and that so far as the city of St. John was concerned, it would be given the go-by. Those were serious considerations for the people I represent, and they were taken to heart by them. Every day we hear speeches in parliament which carry great weight, and until and unless some one on the opposite side is able to show that the arguments are faulty and the statements incorrect, such speeches are bound to have effect with the people of the country. Of course when one is able to refute such speeches, able though they may be, they fall to the ground. But, Sir, what has been the case in regard to the speech of Mr. Blair. I firmly believe that notwithstanding the powerful effect which that speech had in my constituency, what told against the government still more was the fact, that no one has yet been able to make an adequate reply to it. Neither I nor my constituents have heard any satisfactory reply to this date.

And now, Sir, as to the change of sentiment which has taken place in the city of St. John.

Ever since that election my opponents have been giving all kinds of reasons for the result. I have heard it spoken of as an accident. I have also heard it stated that there were two gentlemen each of whom wished to be the candidate of the Liberal party, and that the trouble which ensued when one of them was not selected was the cause of the overturning of the great majority which the late Minister of Railways had, and giving me my majority. Well, Mr. Speaker, I am quite willing to give full credit for all the results which these or any other circumstances which were peculiar at the time, had on the election; but after giving them all due credit, I must make the assertion, which is absolutely correct, that all these things put together would never have produced such a result as happened in the city of St. John unless there had been something of a more close and intimate character with which all the people of the city had to do. There is no doubt whatever in my mind, Sir, that the result of that election was caused by the dissatisfaction which was felt by the people of the city of St. John with the policy of the government, as crystallized more especially in the Grand Trunk Pacific Railway Bill. Because, while they did not believe that it was going to be of any special advantage to the country generally, they certainly came to the conclusion that it was going to be an absolute peril to them instead of a benefit. That feeling was general throughout the city of St. John. As far back as last August the merchants of St. John met together and talked over this matter. They wanted to know

what effect it would have upon them ; because this is an immense undertaking for Canada, as it would be for any country; and if there are going to be spent in this country some $139,000,000 or $149,000,000—it is impossible to say how many millions are going to be spent before this scheme is carried into effect— if all this money is to be spent in the whole of Canada, where do the maritime provinces come in ? That is what we were saying in St. John—where were we to come in ? We found that we did not come in at all. So the members of the board of trade of St. John met together and talked this matter over. It was stated by my hon. friend the present Minister of Railways and Canals (Hon. Mr. Emmerson), when he was on the stump in the city of St. John during the last election, that the resolutions which were passed by the board of trade of St. John were passed purely for party political purposes. In making that statement he showed as he did on one or two other occasions in that campaign, that he knew very little about the feelings of the people of St. John. I may say that all the resolutions that were passed by the board of trade with regard to the Grand Trunk Pacific scheme were moved by gentlemen who strongly sympathized with the present government of Canada. Every one of them was introduced by a gentleman whom he might designate as a good Grit and was seconded by a gentleman whom we might call a good Conservative ; so that, as far as party politics are concerned, there never was anything of the kind. The first resolution was proposed by Mr. D. J. McLaughlin, a gentleman who has been known all his life to be a strong supporter of the Liberal party. It was as follows :

Whereas it is of vital importance to the development of the over-sea traffic of the Dominion that its exports should be shipped via Canadian ports, and

Whereas, under the terms of the Grand Trunk Pacific Railway contract now under consideration by the Dominion parliament routed freight may be shipped via foreign ports, and

Whereas there is reason to fear that a very large portion of the freight from the west by the proposed railway may be routed via such foreign ports contrary to the declared policy of the Dominion government, that the products of the Dominion should be exported via Canadian ports only, both in summer and winter.

Therefore resolved, that in the opinion of the St. John Board of Trade, the contract should be so varied that it be made imperative that all freight originating on the line of the proposed railway or its branches, and carried by the railway for export shall be shipped via Canadian ports.

Further resolved, that copies of this resolution be sent to the senators and members of the House of Commons for the province of New Brunswick.

In moving that resolution, Mr. McLaughlin, among other things said this :

The question was of vital importance to Canada as it pertains to the building up of the Dominion, and in his opinion the United States policy is one which it would be well for Canada to carry out, for if the road were being built in the United States, there is no question whatever that the United States government would insist on having all the freight go through United States ports. He wished to emphasize that there was nothing in the resolution that could possibly give offence to the government or railway company either. It would be an equal benefit to Halifax, therefore there need be no feeling of jealousy between the two cities.

Another gentleman who has been largely identified with the party at present in power in this Dominion, Mr. James F. Robertson, and who took a great interest in the matter, spoke as follows ;

I hope that in moving these resolutions, that all idea of party politics may be put aside. It shall be viewed entirely from a national standpoint, and we shall take into consideration what is of far greater importance to the people of this country than any present party politics that is the great future of Canada, and where the interests of Canada may be jeopardized by the government of Canada building a railroad which will not be entirely under their control.

The resolution which Mr. Robertson introduced was as follows :

In view of the present proposition for a Grand Trunk Transcontinental Railway, and believing that the best interests of Canada would be conserved by the building of a government owned and managed transcontinental line ; and also believing that a subsidy of cash and land grants to a corporation may result in the land passing into foreign control ; and further believing it best for the government of Canada to retain the land for settlers at a fair valuation ; the St. John Board of Trade places itself on record as favouring extension of the Intercolonial Railway from Montreal across the continent through Canadian territory, and the improvement of harbour facilities, particularly on the gulf of St. Lawrence and on the maritime province coast.

Those resolutions show the feeling of my constituency, with regard to this transcontinental railway as at present devised. We believe that if a transcontinental scheme is to be of any advantage to the people of the maritime provinces, the government must retain its hold of the whole transcontinental railway. We believe that if that railway be allowed to pass under the control and influence of the Grand Trunk Railway people or the Grand Trunk Pacific Railway—for they appear to be one and the same—it will not be of any benefit to the maritime provinces, because the Grand Trunk Railway will continue, as they have been doing in the past, to route their freight for export to Portland in the state of Maine. In that port, the Grand Trunk Railway have built up great facilities and have every means of extending them, and there is nothing in this Bill to compel that company to do otherwise than carry its freight for export wherever it may please. There is nothing whatever in that contract to compel the Grand Trunk Railway or the Grand Trunk Pacific to bring their freight down to Halifax or St. John or any other Canadian port. That is one reason, and a very powerful

one indeed, why the people of the city of St. John and the people of the maritime provinces generally will not endorse the action of the government. Such will be found to be the case when the general election comes on, and those hon. gentlemen opposite will regret that they forced the measure through, as they evidently intend doing. Under present conditions, the city of Portland will no doubt reap all the advantages to accrue from this great transcontinental scheme. That certainly will be the result for a number of years, because, while the time for building the western section is limited, there is no limit whatever to the time which may be occupied in building the eastern section. And while that western section is developing the country and carrying grain and other exports to the coast, these exports will certainly go to United States ports, unless there be some provision inserted in the Bill which will absolutely prohibit the Grand Trunk Pacific from doing so. In this connection, I may say that I understood the right hon. the First Minister to have declared that it was his policy to have every pound of export freight, originating on Canadian soil and intended for export, exported solely through Canadian ports. If that be the case, it appears to me that the right hon. gentleman will be losing a great opportunity if he allows this scheme to go through without making it absolutely compulsory that the freight originating on Canadian soil should be exported through Canadian ports. If it be really the desire of the right hon. gentleman that freight originating in Canada should only be carried through Canadian ports, why does he not insert a provision to that effect in the measure ?

Another thing discussed in the election to which I have referred was the policy elaborated in this House last session by the hon. the leader of the opposition, particularly that portion of it which aimed at making the ports of Montreal, Quebec, St. John and Halifax national ports. That policy appealed to the people of my constituency as being statesmanlike and broad, and I have no doubt that it was that policy, coupled with the dissatisfaction felt by our people in the maritime provinces over the fact that their interests were going to be sacrificed, which resulted in bringing many votes to our cause.

I may perhaps be accused of wearying the House and of bringing up matters in which many hon. members are not much interested, but we are all here from different parts of the country to deal with the interests of the country as a whole and especially with the interests of those constituencies which we have been elected to represent, and therefore, I think it is not necessary for me to apologize if I make a few remarks more with regard to the city I represent. I may say that this question of a winter export business is one which is very near to the minds and judgment and indeed the hearts of the people of St. John. Ever since before confederation, at the time when confederation was being argued all over the country, the city of St. John was told that if confederation were established, the port of St. John would no doubt become the winter port of Canada. That idea was ground into the people. They have been fed on it as a baby is fed on milk, it has become a part of their nature, and they have believed in it. What has been the result ? The people of St. John showed their faith in this idea to this extent, that they have spent about a million dollars of their own money to provide permanent facilities to accommodate the western trade of Canada. And they are to-day paying in their annual tax bills the cost of that money. I do not know of any other city in the whole Dominion which has done what the city of St. John has accomplished in that respect. I do not know of any other city which has laid out its own money on what is really a purely national concern. Why did we do it ? We spent that money and constructed those facilities and presented them as a free gift to the vessels and the people who were to use them, and all this we did, not that we might get a direct benefit, but an indirect benefit.

We secure employment for our labouring men at a time when otherwise they would be idle. I look upon that as a good policy to pursue, even if we have to pay something for it. It is my opinion—it is our opinion down there—that a community can be prosperous and advancing only when the working people are well employed. And so it is that in the city of St. John the labouring classes took a great interest in the last election ; and I am proud to say that on the same platform with myself there were two or three of the leading labouring men of the city of St. John taking an active interest in assisting my election, speaking for me, and endeavouring to win the votes of their co-labourers to elect me as the representative of the city of St. John. So that the 'accident' that happened in St. John is one that can be very easily accounted for. It arose from the fact that the majority of the people were dissatisfied with the policy of the government and preferred the policy that had been outlined by the leader of the opposition, in so far as nationalizing the various summer and winter ports of Canada is concerned. Now, in regard to what we have done there, I have already stated that we have spent about $1,000,000. And we have done some business. While on the train on my way up to Ottawa, I read in a newspaper an interview with Mr. Johnson, the well know statistican, with whom, no doubt, all the members of this House are well acquainted. Among other statements made by Mr. Johnson in that interview was one referring to the export business of Canada. He stated that, up to the 20th February last, the city of St.

John had exported 57,000 odd bushels of grain more than the combined export of the same articles from Boston, New York and Philadelphia. That, I think, was an important statement. It might mean much or it might mean little. I think we can all take it to mean that we are pretty busily at work down in St. John exporting the products of Canada. Indeed, so busy are we in that line that we have already utilized to the utmost the facilities we have at our command. We have an application now before the government of Canada with regard to some operations down there, and I certainly hope that the members of the government will look into this matter very carefully and come to the conclusion that, in the interests of true statesmanship they will assist, in so far as they are asked to assist, the city of St. John in providing further facilities for this great work to which I have alluded.

Among the other things referred to in His Excellency's speech is the prosperous condition of the country. Now, Mr. Speaker, I am proud to belong to a party that has never yet indulged in decrying the country for the sake of making political capital. On the contrary we are proud to acknowledge the prosperous condition of the country. But we know that we have had a period of great expansion during the last few years. And we know that these periods of expansion and depression follow each other. We cannot always account for them. We may partially account for them sometimes by the good or bad harvests and probably these have as much as anything to do with the matter. But we know that good times and bad times come in cycles, and that this condition is not confined to Canada but applies to every country in the world. The hon. member for North Ontario (Mr. Grant) appeared to insinuate that the good times prevailing are the result of the wise government of the hon. gentlemen who now occupy the treasury benches. I am willing to give them all the credit to which they are entitled, but I think we could not safely give them credit for having produced our present prosperity. I am old enough to remember how, under the government of the late Alexander Mackenzie, it was found necessary to provide soup kitchens for the great numbers of unemployed who thronged the lobbies of this parliament and the streets of Ottawa. I was not willing at that time to ascribe the bad condition of affairs wholly to lack of statesmanship on the part of the Mackenzie government. Canada suffered from a period of depression which affected many other countries besides. And I think that this is a good rule, and, being so must work both ways. But, Sir, if the government of a country have any control over that country's prosperity, it must surely be through its fiscal policy. And, that being so, I would ask hon. gentlemen on either side if due credit should not be given to the great national policy introduced by the late Sir John A. Macdonald in 1879 which is the basis, as I understand it, of the fiscal policy of the present government.

We have heard a good deal too of our buoyant revenue and our overflowing treasury. We are all very glad to hear of these things. But we must remember that, while we have had surpluses for some years past, we have also been increasing the net debt of the country. We must also remember that, whereas in 1896 the expenditure was $7.56 a head, in 1902 it was $9.30 a head. And during the time between these years, it my figures are correct, we have increased our net debt by no less than $14,000,000.

With regard to the Militia Bill that is promised I have much pleasure in stating that I have been a member of the militia long enough to wish it well and to do anything that is in my power to help to strengthen it and give it the standing in the community that it ought to have. I believe that that is the sentiment animating every member on this side of the House. Therefore, the government will find no difficulty in passing any such Militia Bill as they are able to show to be beneficial to the militia. In fact, after listening to the remarks made by the right hon. leader of the government with regard to his desire to have a fuller treaty-making power in this country, I think it of importance that we should have not only this Militia Bill, but many more militia bills and a much more efficient military service than we have at the present time.

I think myself that we ought to have not only this Militia Bill but many other militia bills in order to secure a more efficient and effective militia service than we have at present. More than that I think that it was a grave omission that under these circumstances there was no mention in the speech from the Throne of a navy Bill being introduced, because if we are going to be so independent of everybody, if we are going to make our own treaties, surely we will have to defend them. We cannot make our own treaties and then go to the motherland and say: Here, we made a treaty with some one over there who will not keep it; will you not go and make them keep it for us? Is that the position which a country so large as Canada intends to occupy? Surely the members of the House and the people of this country have more self-respect than to wish to be placed in such a position as that, and if we are going to become independent and have this treaty-making power, let us wait until we have a population of at least 15 or 20 millions, and until we can provide ourselves not only with an army, but with a navy as well, so that we can take our place among the nations, and be able to defend our position and not become a second Panama. I shall not longer occupy the time of the House and

I promise the members that in future I shall not overtax their indulgence.

Mr. CHARLES MARCIL (Bonaventure). Mr. Speaker, I am sure that every member of this House has listened with a great deal of attention and interest to the entertaining speech which has been delivered by our new colleague from St. John city (Mr. Daniel). Many members of this House were no doubt anxious to learn the causes of the change in the political complexion of the commercial capital of New Brunswick, but I am sorry to say that the speech of our hon. friend gives us no light on the subject, and I am still wondering what did cause the change in St. John, N.B. Our hon. friend did mention various reasons for the change, but I am still asking myself what was the chief reason of his election.

An hon. MEMBER. Votes.

Mr. C. MARCIL. Votes, no doubt, but I am told there were nearly a thousand fewer votes cast at this than at the previous election. We are told there had been a division in the ranks of the ministerial party in St. John, N.B., that the people of St. John were afraid that their city was not in it in regard to the transcontinental railway. Therefore this would lead us to believe that the citizens of St. John were practical business people who realized this time that there was something in this transcontinental railway of which they were not going to obtain the full benefit. They stood as it were, in danger of seeing a portion of the trade going to Portland or Halifax. The hon. gentleman tells us that was one of the chief reasons for the change, but in the same breath he condemns this transcontinental railway scheme as being altogether unworthy of the attention of this parliament. This is contradictory. How can the fact of the railway not going to St. John direct, affect to such an extent the commercial interests of St. John city, while at the same time its construction will not be an advantage to the country at large. I have not recently had the pleasure of visiting St. John and therefore am not 'au fait' of the opinions prevailing in that city. But I am led to believe that the verdict there was rendered in a moment of panic and was not the result of deliberate reflection. I believe that at the next general election St. John city will change the verdict which it then gave, and that it already regrets the verdict which it gave on that occasion. I had, however, the pleasure of visiting, a few weeks ago, the railway centre of the province of New Brunswick, Moncton, in company with the hon. the new Minister of Railways (Hon. Mr. Emmerson), several of our friends from that province and one or two from the province of Quebec. It was interesting to me to visit Moncton the railway centre, where I presume the railway intelligence of the province of New Brunswick is congregated. The reception given to the Minister of Railways was of a most cordial nature. He was tendered an address by the mayor, irrespective of politics, and apart from the honour that was conferred on Moncton and the county of Westmoreland, by the representative of that county being made Minister of Railways, I have no hesitation in saying that nine-tenths of that immense gathering were unanimously and unqualifiedly in favour of the immediate construction of the transcontinental railway. That gives an indication of the opinion in that part of the province of New Brunswick. Our hon. friend from St. John city (Mr. Daniel) says that a contrary opinion prevails in that part of New Brunswick. I may say a word of the opinion in the northern part of New Brunswick from which my constituency is separated only by a river. I have had opportunities of meeting numbers of citizens from the northern counties of New Brunswick which we were told on a former occasion would be greatly injured by the construction of the transcontinental railway. So far as my opportunities have permitted me to become acquainted with the conditions I would inform you that public opinion in the northern part of New Brunswick has altogether changed, if the opinion which we were told last year existed there did exist. The people are satisfied that the construction of this railway cannot injure the Intercolonial but will rather develop and increase its trade. Apart from that there is in the heart of New Brunswick a real necessity for a new railway. However this question was referred to in every phase last session and was thoroughly threshed out, and I have no intention of again going over the same ground. If our hon. colleague from St. John city will ascertain and give us on some future occasion, the reason why New Brunswick, gifted by nature with all that is necessary to make a country prosperous, rich in climate, rich in agriculture, rich in mineral resources, supplied with abundant lakes, magnificent rivers, great timber wealth and an industrious, hard-working, thrifty population, let him tell us on some future occasion why it is that such a country as that has seen its population dwindle year after year, and has seen the Canadian parliament in the year 1903, when this Dominion is passing through the most prosperous period in its history, obliged to decrease the representation of the population of the province of New Brunswick. That, Sir, was one of the questions of last session. There is no man in the northern part of New Brunswick who will not immediately attribute the decrease in the population of New Brunswick to the absence of any railway communication through the interior of that province. That will be supplied by the construction of the new transcontinental railway. Our hon. friend has, however, not found cause for censure or blame

on all the acts of the government. He has admitted that Canada is enjoying great prosperity and has even made the admission, which is not often made in this House, that the depression which existed under the Mackenzie administration was not wholly due to the Mackenzie tariff or the alleged mismanagement or misgovernment of those days. That is an admission which is not often made by our Conservative friends, and it is worth while to call attention to it now. I presume that what the hon. gentleman wanted to point out was that the present prosperity is not wholly due to the government of the day. No member of this House has ever claimed that it was. We know that without Providence nothing can be done, but Providence has blessed Canada with great prosperity and we know that the government composed as it is of capable men, have taken advantage of the opportunities offered to us, and the country has benefited as a result of that fact.

I shall not refer to any other part of the speech delivered by my hon. friend except to his closing remarks, in which he admits beforehand that the Militia Bill which it is proposed to introduce is a good measure. After admitting that the programme of our party is a good one in that respect, he tells us in the next breath that the electors of St. John condemned the entire Liberal programme, and the Liberal administration. He admits that the Militia Bill is a sound measure and one worthy of support, and he wonders why we have not now before us a Bill providing for the establishment of a naval force. I hope that will come in proper season, and in that respect, as in all others, the Liberal party will be able to disprove the fiction which has been industriously circulated during the last twenty years by our opponents, that the Liberal party was a party of critics and not a party of government. The Liberal party have shown through all the various branches of the administration that they have in their ranks men who can govern the country, develop its resources, restore the prosperity of the manufacturer, bring back prosperity to the farmer and place Canada in the proud position which she occupies to-day. My hon. friend does not wish Canada to ask for the power of making her own treaties. He is not in favour of progressing so rapidly as that. He would like us to wait until there are a few more million people in this country. Probably that would mean going back to the old time of the national policy, when people came in at the rate of 8,000 or 9,000 a year and left the country at the rate of 25,000, 30,000 or 40,000 a year. It certainly would take some time if, under those circumstances, we were to wait for a large increase in population before asking for the treaty-making power. If 5,000,000 of people have the power to ask England to give us a voice in the making of every treaty which can affect Canada, either directly or indirectly, these 5,000,000 of people have as much right to insist upon that power being given to us now as if the population amounted to 50,000,000. Numbers have nothing to do with the case. The principle is one which is important. It is being studied now. Our leader has submitted it to the country, it has been discussed in England, and it will be discussed still further. It is in line with the general policy of progress and advancement that the Liberal party have inaugurated and carried into effect. I am sorry that I was called upon rather unexpectedly to speak. Not knowing that we would have the opportunity of listening to the hon. member for St. John, I have not wholly prepared myself to discuss all the questions brought up by him.

I intended saying a few words somewhat in the nature of a personal explanation in reply to certain remarks made last evening by the hon. member for East Simcoe (Mr. Bennett), who, I am sorry to say, I do not see in his seat now. After the charge which had been made against us, that we of the Liberal party have brought about racial and religious discussions in this country, we observe that this subject was introduced into the House yesterday by the hon. member for Montmorency (Mr. Casgrain), whom the papers of to-day designate as the new Conservative leader of the province of Quebec. Therefore, we cannot be charged on this occasion with having brought up this question of race and religion. It was unfortunate for the hon. member for Montmorency that the hon. member for Labelle (Mr. Bourassa) happened to be on hand with all the documents and the necessary information, because the hon. member for Montmorency probably did not expect to get the reply which he got yesterday, to the great amusement of this side of the House. The hon. member for East Simcoe, following up this debate inaugurated by the hon. member for Montmorency and continued by the hon. member for Labelle, used the following language :

> I have the honour to have in the riding of Simcoe which I reprcsent, a large French vote, and I regret to say that very little of that vote comes my way. And the reason is this. Whenever there is an election in that district, men like the hon. member for Bonaventure (Mr. Marcil) and the hon. Mr. Evanturel, Speaker of the local legislature of Ontario, come down there and excite the people, not by discussing political questions, but by appealing to their racial and religious prejudices. The sole issue which these men raise is the nationality and religion of the right hon. the First Minister. There was a time in the township of Tiny when the elections turned on political questions, but that day is past and gone. These hon. gentlemen should remember, however, that, if they gain a trifling success in the French vote, they run the risk of incurring a great loss in the English vote.

I have always been on good terms with the hon. member for East Simcoe. I have

differed from him in politics, but I do not know whether I should be flattered at the particular attention he has devoted to me. He has brought up this subject at least three times to my recollection within the last five years. I was invited once to go to Penetanguishene and the adjoining parish of Lafontaine, where there is a French population of some 3,000 people, who originally came from Joliette and Berthier, and, following the St. Lawrence and Ottawa rivers and the Georgian bay, finally founded their settlement in the place where they now are. This was in the days of Louis Hyppolite Lafontaine, who gave them a post office, and in return for the compliment which had been paid to these settlers they suggested that the place should be called Lafontaine. Since then the people have shown themselves to be industrious, law-abiding citizens. The parish of Lafontaine is one of the most interesting spots in the province of Ontario. It is a wholly French parish transported bodily from the province of Quebec. They have there the old style of architecture in their dwellings and the French stone church, they have the presbytere, the curé with his soutane, the convent, the dual language, the young people speaking the English language, as all French Canadians do to-day, but the older men speaking only the French language. I am sure my hon. friend will admit that these people have been no discredit to the riding of East Simcoe.

Mr. BENNETT. Hear, hear.

Mr. C. MARCIL. They are industrious, law-abiding, frugal and honest. When election time comes on some of them, not understanding the English language, request the candidates to send for speakers from the province of Quebec who can speak to them in the French language. Could there be anything more natural than that? That was a very natural request, and our Conservative friends could have done the same thing, but I defy the hon. gentleman from East Simcoe (Mr. Bennett) to quote one word that I ever uttered at Lafontaine, at Penetanguishene, or at any place in the seven provinces of Canada, which was even remotely calculated to stir up religious or racial warfare in any shape or form.

Mr. BENNETT. Will the hon. gentleman allow me a moment. In 1900 I did mention this matter of the presence of the hon. member (Mr. Marcil) at Lafontaine and I made exactly the same statement then, as I did yesterday, and the hon. gentleman did not at that time deny it; and had he denied it I had proof at the time that would have controverted his denial. The hon. gentleman (Mr. Marcil) has now taken three years to make a denial.

Mr. C. MARCIL. I denied the statement when it was first mentioned in the House in 1901, and the denial is in 'Hansard.' The first time I visited Simcoe in a federal election, was the by-election when my hon. friend (Mr. Bennett) had been unseated, and had any other man except his opponent been the candidate of the Liberal party at that time, we would have carried the riding.

Mr. BENNETT. It was the Sunday meetings held by your French speakers that helped to kill you.

Mr. C. MARCIL. The Sunday meetings were not only held by Liberals but Conservatives as well.

Mr. BENNETT. It disgusted the English Liberals.

Mr. C. MARCIL. Sunday meetings are held also by the Conservative friends of the hon. gentleman from East Simcoe.

Mr. BENNETT. Never in that riding; they were introduced by you.

Mr. C. MARCIL. The member for East Simcoe will have to find some other reason when he is trying to hoodwink the House, and to throw dust in the eyes of the people of Ontario. I say, Mr. Speaker, that this idea of fomenting a solid Ontario as against a solid Quebec, is not a patriotic work, and I am sorry that some of the gentlemen opposite should attempt in this discussion to convey the idea that the people of Quebec are standing to-day behind that Liberal party and its leader, because of his origin. Such is not the fact. They are standing behind the Liberal party in Quebec because there is no Conservative party behind which they can stand. There was a time when the Conservative party in the province of Quebec was led by Sir George Cartier, and there came to this House a solid phalanx from that province. They were called 'les moutons de Cartier; les moutons bleus.' Cartier's sheep. They kept Sir John Macdonald in power and never was a word uttered, and never was a threat made against the province of Quebec at that time. But, when the immense majority of the people of the province of Quebec, Conservatives and Liberals found that the Conservative party had lost its leader, found that the Conservative party had lost its Macdonalds, had lost its Thompsons, had lost its Abbotts, when they found that Sir Hector Langevin was driven from public life, and Sir J. A. Chapleau refused to enter a Conservative administration; when the people of Quebec had found all this, how could they be blamed for turning around and casting their votes in favour of a man whose career had been unimpeached and unimpeachable, and who has since shed so much glory upon this country.

The hon. gentleman from East Simcoe (Mr. Bennett) will have to find another reason than the vote of the poor electors of Lafontaine, to explain why his majority of 246 in

1896, dwindled down to 39 in 1900. He will have to tell us how it is that in some townships where (according to the census) there is not a single French Canadian man, woman or child ; in Muskoka township for example where there is not a citizen of French Canadian origin, there was a majority of eight votes cast against him. In Ora township with only eight French Canadians, there was a majority of 51 against the hon. gentleman (Mr. Bennett). In Medora and Wood with 59 French Canadian men, women and children on the census, representing probably a dozen votes, there was a majority of one against him. These are facts, Mr. Speaker, which the hon. member will have to explain. According to the last census the French population of the whole constituency of East Simcoe is 4,950 and the English speaking population is 31,726. How is it that with only a few hundred French Canadian voters in the riding—not all of whom voted against him, since at Lafontaine he took 47 votes as against 171 cast for his opponents—how is it that the hon. gentleman can make the charge he has made. He will have to find other reasons why it was, that 3,447 citizens of East Simcoe voted against him after he had represented the riding in parliament for seven or eight years. It is no argument to contend, that because he was in a minority in Lafontaine, I had gone up there or any other member of the Liberal party had gone there, to stir up race and religious discord. Sir, on every and upon all occasions I have condemned such conduct as that. In the county of Bonaventure which I represent nearly one-third of the population is English speaking ; New Carlisle, New Richmond, Metapedia, Port Daniel west ; these are all settled by the descendants of United Empire Loyalists, and if I were on any occasion or in any locality in this country to utter one word against English representation, it would be suicidal not only to myself in my own constituency, but suicidal to the party I have the honour to represent in that locality.

Sir, upon all occasions I have stood up for the principle of cementing the different races which inhabit this country. Let us hope that once and for all, that this cry of race and religion shall fall. When I had the honour of uttering the first words in this House in seconding the address at the opening of this parliament, the first wish that I expressed, in the first year of this century, in the first year of the reign of a sovereign who has given us an example in toleration which we may all imitate ; the first word I uttered in this House was, for peace, for concord, and for harmony among all the people of Canada. Do not blame the province of Quebec for the vote it has given to the Liberal party. Do not blame the Conservatives of the province of Quebec for the Liberal votes they have given. Do not blame the French Canadians for the Liberal votes they have given in East Simcoe. Why should not the French Canadian people be proud of the fact that for the first time in the history of confederation, Quebec, the mother province of this Dominion, produced a man who was worthy of occupying the first position in this land. Is it because the leader of the Liberal party is a French Canadian, that the province of Quebec should vote against him ? Mr. Speaker, when the Conservative party offer to the province of Quebec, men who are worthy of the old Conservative leaders, when we have in the Conservative party men who can agree amongst themselves, and not men who though numbering less than a corporal's guard are unable to agree among themselves ; one refusing to appear on the same platform as the other ; then may the Conservative party expect a measure of confidence from the people. Until the Conservative party can offer the electors of the province of Quebec men who are worthy of their confidence, no sane man in this country will blame the independent French Conservative for casting an honest vote in favour of the Liberal candidate, when he finds that that Liberal candidate is the best man, has the best policy, and has the best leader.

Mr. W. B. NORTHRUP (East Hastings). Mr. Speaker, the evolution of political life seems to have produced as its latest phase a policy of silence. But, Sir, I am indeed glad that the cruel castigation the government received last night has taught them the lesson, that while speech may be silver and silence golden, the rule is not of universal application. I hope, Sir, before this debate is ended, that from the other side of the House, we will hear not only speeches such as that to which we have just listened with pleasure, expressing sentiments which must meet the approval of both sides of the House, but that also we may have speeches from the other side answering, or at least attempting to answer some of the serious charges that have been made against the government. I can quite understand that the hon. gentlemen opposite may not be anxious to join in the debate in this House. There are certainly ample reasons for reticence on their part, handicapped as they are by the fact that no matter which side of any subject they may choose to take, not only will they find that heretofore they have said exactly the same thing, but that we can make quotations of previous utterances of theirs, made at one place or another, which were utterly contradictory of their expressions here, no matter what they may be. I quite understand the embarrassment that Ministers of the Crown may have in discussing these questions, because there is not one of them who has not delivered himself in a way that he would not care to hear about to-day. Even in the remarks made by the premier the other evening—and we always listen to him

with pleasure—he seems to have shown in small matters as in great that a spirit of carelessness and indifference has settled upon his administration, making it almost impossible for them to do anything under the sun, and do it right. For example, the hon. leader of the opposition called attention to the fact that in the speech from the Throne there was no reference to a revision of the tariff, a question that has certainly excited the public mind as much as any that can be brought before the House, outside of the transcontinental railway scheme; and the right hon. leader of the government, in explaining why the subject had not been referred to in the speech from the Throne, stated that it was not the proper place to mention such a subject, but that the proper place would be the budget debate. I have taken the pains to refer to the few occasions on which revisions of the tariff have taken place. Referring to 'Hansard' of 1879, when the Conservative party was returned to power and introduced the national policy, I find that the speech from the Throne contained this sentence:

> By the application of the strictest economy to the public expenditure, and by the readjustment of the tariff with the view of increasing the revenue, and, at the same time, of developing and encouraging the various industries of Canada, you will, I trust, be enabled to restore the equilibrium between revenue and expenditure.

The next time the matter came before the House was in 1894, when the administration of that day decided to make some changes, perhaps not altogether wisely, but, as they said themselves, for the purpose of cutting off the mouldering branches. In the speech from the Throne on that occasion I find this sentence:

> At an early date a measure will be laid before you having for its object a revision of the duties of customs with a view to meet the changes which time has effected in business operations of all kinds throughout the Dominion.

And in 1897, when the ministry presided over by the right hon. gentleman himself, having come into power, were bound to make some attempt to change the tariff, I find in the speech from the Throne this sentence:

> A measure will be submitted to you for the revision of the tariff, which it is believed will provide the necessary revenue, and, while having due regard to industrial interests, will make our fiscal system more satisfactory to the masses of the people.

So that we find on every occasion on which the tariff has been dealt with to any extent, the matter has been announced in the speech from the Throne. But if on ordinary occasions, with an ordinary government, it is right and proper that such a matter as a fiscal policy should be announced in the speech from the Throne, how much more necessary is it under a government such as this, when no man in Canada can say whether it is a free trade or protectionist government. If the government were committed either to free trade or protection, the manufacturers and business men generally would know the principles upon which a revision of the tariff would be made; the details, of course, must remain unknown until the matter comes before the House. But the government have transgressed a plain and reasonable rule in not even mentioning the matter in the speech from the Throne.

The right hon. the premier referred also to the Conservative party of the province of Quebec as being without a leader, and drew a very harrowing picture of an old hulk drifting out to sea without a captain and commanded by a junta from the shore. I am not going to admit that the right hon. gentleman's description is correct, for I might remind him that the Conservative party has a leader, not only for Quebec but for the whole Dominion of Canada, my hon. friend and leader from Halifax. But admitting for the sake of argument that what he said was true, what must he think of the reputation and standing of his government in the province of Quebec, when, without a leader of the Conservative party to oppose them, their legions were shattered as they were in the elections a few days ago? If against a non-commanded foe the veteran leaders of the government could not do any better than they did the other day, when they merely saved themselves from an utter rout in constituency after constituency, what will they do in the general elections when the people of Quebec, as the people of every other province, will rally around the leader of the Conservative party? I leave it to hon. gentlemen themselves to say.

Then, the right hon. gentleman spoke of Providence having inspired the government in 1897 when they introduced the tariff which has since been in force. I am sure the right hon. gentleman did not speak seriously when he made the reference to Providence. The right hon. gentleman is aware that Providence knows all things, and therefore knows the platform laid down by the Liberal party in their convention in the city of Ottawa. In the light of that platform it seems to me almost a blasphemy to say that Providence suggested to the government that they should violate every promise they made to the people of this country. If they were inspired, the inspiration must have come from the opposite quarter.

I find some other omissions from the bill of fare brought down to the House, which was spoken of yesterday as a meagre bill. The hon. mover of the address intimated that he should be very glad if the government took up the question of the admission of Newfoundland into the confederation. I have no intention at this stage of the session of speaking at any length on this subject; but it seems to me, viewing the

position of Canada, of which we talk proudly as stretching from the Atlantic to the Pacific, and considering that Labrador, which most people suppose to be a part of Canada, really belongs to Newfoundland, and remembering how much we have lost by unfortunate arbitrations with our American neighbours, that a time like this, when the mother country and France are on the best possible terms, is the most favourable time for the settlement of that vexed question. It is a matter of regret that the government have not only not referred to this subject in the speech from the Throne, but, so far as we know, have done nothing to bring about what every one would admit to be a most desirable consummation—the rounding off of this confederation by bringing into it the sentinel standing at the mouth of the St. Lawrence. We all hope that the government will show readiness to take up this matter, and do all they can thus to complete our Dominion, which can never fulfil the purpose designed for it until it includes within its territories what is now known as Labrador and Newfoundland.

Then, no reference is made in the speech from the Throne to the subject of granting autonomy to the Northwest Territories. Surely a reform government, after six or seven years in existence, should have found something to reform. Surely hon. gentlemen opposite should be ashamed to come down year after year, and have to admit that they can find nothing to reform, and thereby admit the wisdom and statesmanship of their predecessors. Those who have been to the Northwest and who have heard the complaints of the people out there, as I have done, must feel that they are justified in considering it a hardship that they should be treated as children and as wards of the government, while those in other provinces are treated as adults and allowed to manage their own affairs. And I trust, Mr. Speaker, that among the subjects which have not been referred to in the address, but which we are promised will be brought up later, will be a Bill to grant autonomy to the Northwest Territories.

Of course, we find in the speech from the Throne a reference to the Grand Trunk Pacific, but it would be out of place to occupy now any time discussing that measure, which in a few days will be submitted to the House. I would ask permission, however, to draw attention to one or two general principles, which may fitly be referred to here. Hon. members, Sir, will remember that last session, when the contract between the government and the Grand Trunk Pacific was before the House, it was submitted to us as a holy thing on which no one should dare lay a hand. We were told that we had no power to change that contract in any respect. The people of Canada were as powerless as were the people of Newfoundland or of the United States to vary that solemn agreement come to between the Crown and the Grand Trunk Pacific. But although the Canadian people were powerless, no matter what might be the objections urged, yet, when that contract was laid before the Grand Trunk Railway shareholders, they had every power to change it, and they exercised that power just as freely as the original parties to the agreement could have done. I have no doubt, Mr. Speaker, that the people of Canada will feel that an injustice was done them when their representatives were deprived of the right and power which the shareholders of the Grand Trunk Railway were allowed to exercise so freely. We have not yet a full account of what took place at the meeting of the Grand Trunk shareholders, but I have in my hand a number of the Toronto 'Globe,' which contains a telegraphic report of the proceedings, and according to that report, it is perfectly clear that the shareholders of the Grand Trunk Railway were almost unanimously opposed to a ratification of the agreement made with this government. I find that Sir Rivers-Wilson was unable to persuade them to confirm that agreement, and it was only when Mr. Hays pointed out, not that the agreement was what they wanted—because he had not a word to say in its favour in that respect—but that the exigencies of the railway were such that, unless the shareholders accepted what was offered, some other rival organization would come in and accept what they rejected, and that such an event would be very detrimental to the interests of the Grand Trunk Railway—it was only when Mr. Hays pointed this out, that the shareholders consented to ratify the contract submitted to them. But when that contract comes back to this House, and when it is found that not one concession is made in the interests of Canada, but that every change made is in the interests of the Grand Trunk, and when it is found that the Grand Trunk Company itself is given what it did not ask, and would rather be freed from the onerous obligations of the contract, we may call on hon. gentlemen opposite to lay aside party prejudices for the time and see whether a better bargain cannot be devised and parties be induced to undertake to build the road for commercial reasons.

The main reason given for introducing the Bill last session was that it would bring about a reduction in the rates of freight. It was intended to help our friends in the west to get their goods to market more cheaply and expeditiously. But, Mr. Speaker, it must be evident that the only effect of building such a road as the one submitted will be to burden our people with heavy taxation, a part of which must be borne by the people in the west, by loading up that road with a tremendous amount of obligation, including debentures and stock both common and preferred, on all of which interest and dividends will have to be

paid. This the people will sooner or later realize, and as soon as they realize that every dollar which goes into the construction of that road means an additional charge on every bushel of wheat sent out of the country, they will rise in their might and insist that instead of such a strange, fantastical idea as this, we should have a plain, common sense business proposition submitted to us.

This road is to be built by a commission. Well, we have before us an object lesson in the railway commission; and with that object lesson before them, it cannot be wondered that every one trembles at the idea of entrusting so tremendous a task as the building of this transcontinental line to a commission to be appointed by this same government which named Messrs. Blair, Bernier and Mills as the three most competent railway experts in Canada. I have no desire to say a word against these gentlemen, but hon. gentlemen opposite have given their opinion, and the facts speak for themselves. When we find Mr. Blair telling the members of this government that they knew nothing whatever about this transcontinental road, and that nothing should be done until they could obtain some information, and then, when we find that a day or two ago the right hon. the leader of the House gave a certificate to Mr. Blair as the most competent railway expert on the continent, despite the fact that he had previously refused to be guided by the advice of this railway expert and would have nothing whatever to do with him until the dread of coming elections caused him to change his mind, we are entitled to regard the course of the government as a very suspicious and questionable one. Then look at Mr. Blair's colleagues on the railway commission, Mr. Bernier and Mr. Mills. I have not a word to say against Mr. Bernier. I believe him to be a thoroughly honest and honourable old gentleman, but look at the question from a business point of view. The government induced us to agree to pay the members of this commission a higher salary than is even given the judges of the Supreme Court; and the reason they gave for granting such enormous salary was that railway experts might be chosen who could not be obtained for less money. For my part I was perfectly willing to vote $8,000 or $10,000 or $15,000 or $20,000 salary, for I believe that it is true economy to obtain for such a position the best possible men, regardless of price. When we find presidents of railways paid $50,000 per annum and bank presidents $25,000 per annum, I would not think it unreasonable to pay a high price for a first-class railway expert, believing that in the long run that would be the truest economy. But, without saying a word against Mr. Bernier, whom everybody on this side respects as a most excellent and honest man, would any body in the province of Quebec attempt to say that his services are the best that could have been secured or that they could not have been secured for less than $8,000 per year? Then with regard to Mr. Mills, the representative on the commission from the province of Ontario, with whom I am not acquainted, but who, I believe, is a most estimable man, and against whom I would be sorry indeed to say a word, he is a gentleman, nearly seventy years of age, who has been for years president of an agricultural college, but I am not aware that he can in any sense be considered a railway expert. Looking at the public accounts for the province of Ontario of last year, I find that Mr. Mills, as president of this college, was drawing the magnificent salary of $2,000 per year. I do not say that that was too little or too much, but, as a business proposition, trying to judge fairly and impartially, I do not hesitate to say that Mr. Mills is not the most competent railway expert that could have been secured, and that his services could have been secured for less than $8,000 a year.

I am sorry to see that no reference is made in this address to the question of imperial preferential trade. I would have thought that that was a subject on which the government would have been able to speak. In 1896, pending an election, the right hon. the leader of the House spoke in the city of London with his usual eloquence on this subject, and I have no hesitation in saying that, of all the speeches made, both in the motherland and in this country on the question of preferential trade, not one was more logical and convincing.

Now, Sir, since that time the right hon. gentleman and his colleagues have been in the old country, and while there they subscribed—as shown by the blue-book—to this principle. Why is it that when a word from this country will assist that principle so much, when the silence of this country must inevitably lead the people on the other side of the water to misunderstand our position—some of them, as a matter of fact concluded that the right hon. gentleman is in favour of the principle and some that he is opposed to it—why cannot we speak out in this House plainly and unmistakably and assent to the principle so ably and eloquently expounded by the right hon. gentleman himself in the election of 1896? I appeal to the right hon. gentleman himself, because I believe that no question that has come before this House equals this in importance. Grave and important as our transcontinental railway question is, it sinks into utter insignificance, it is parish politics as against imperial politics, when compared with the great possibilities opened before this country if we can succeed in attaining a satisfactory scheme of preferential trade between this country and the motherland. Let me say to my hon. friends from Quebec represented by the hon. member for Labelle (Mr. Bourassa)—I hope they

are not numerous, but perhaps they may be —that if they imagine for a moment that in this scheme of preferential trade, militarism, imperialism, or call it what they will, if they imagine that there is the slightest intention on the part of any member of this House, especially of any Conservative, in this House to interfere to the extent of one iota with the rights or liberties of any Canadian, they never made a greater mistake. But what we on this side cannot understand is this : If England is willing to make a bargain with us for our mutual advantage, why is it that we, a people who are trading every day and making money by trading, should not discuss the terms of that bargain ? Why should not our Prime Minister sit down with the representatives of the mother country and at least try to make the best bargain that can be made in the interest of Canada, when the possibilities are so tremendous ? If we fail, there is no loss ; and if we succeed the gain is incalculable. And so I hope that, among the matters to be brought before this House even though not mentioned in the speech from the Throne, will be a resolution that will unmistakably declare the feeling of Canada in favour of inter-imperial preferential trade. I do not wish to speak at any length on the subject brought up by the hon. member for Labelle yesterday. I am sorry he is not in his place at this moment. It seems to me that it would be unfortunate, perhaps, if too much were said on the subject on which he spoke so eloquently, and, in some respects so well. The hon. gentleman, if I understood his speech—and I have since read his remarks in 'Hansard'—seemed to me to be very much in the position of the class of people known as 'Little Englanders' in the mother country. I must not be taken as speaking contemptuously of my Reform friends, when I speak of the politics of the hon. gentleman on this question as appearing to me to be parish politics. In one passage he said, almost with a whine, that he would not let any one trample on the French Canadians of the province of Quebec. As if any one entertained the slightest intention of trampling on these worthy fellow citizens of ours. I have always held an entirely different view of the people of the province of Quebec from that of the hon. member for Labelle, and that opinion was not changed by the hon. gentleman's speech. Let me show what is the opinion expressed by the hon. member for Labelle no longer ago than yesterday. He wants the people of Quebec to remain as they are without contributing to the maintenance of the empire, without allowing the people of this country, even if they are willing, to assist the empire, without assuming any obligation or responsibility of any kind whatever in relation to the empire—and the moment it pays us better we are to leave the empire and go off by ourselves, or join the United States, or do whatever we like. Is that a view of national life that will appeal to any reasonable man ? I venture to say that it is not a view of national life that will appeal to the majority of the people in the province of Quebec. The hon. gentleman said, and said truly that there was a time when Canada was saved to the empire by the loyalty, fidelity and courage of the people of the province of Quebec. No one is more ready to admit that than are we on this side. But I will go further than the member for Labelle, and will say that in my opinion, when these men went forth to conquer and to hold this country for the empire, they did it not merely to hold so much land for themselves and their children, but because they appreciated the terms on which they had entered the British empire, they were grateful for what had been conceded to them, they were loyal subjects of the empire. They fought not only as Canadians, but as British subjects ; and they won not only for themselves but for the British empire. Why, Sir, in that city of Quebec which must be well known to my hon. friend (Mr. Bourassa), is one of the best national monuments that could be found to teach English speaking and French speaking Canadians how they should live. In that city of Quebec, where, on the day of the conquest, the gallant leaders of both sides fell, there is a monument erected to the memory of both. Mr. Speaker, it is not unusual to erect a monument to a victorious chief, but where else throughout the world will you find a monument inscribed, as this one is, on one side to the memory of Wolfe, the victor, and on the other to the memory of Montcalm, the vanquished. And their epitaph is there :

> Mortem virtus communem
> Famiam historia
> Monumentum posteritas dedit.

Their heroism gave them a common death ; history has given a common fame ; and posterity has erected a monument to their joint memory.

That, Sir, exemplifies the principle which, I think, should underlie all the dealings between the French-speaking and the English-speaking citizens of this country. But if hon. gentlemen like our hon. friend from Labelle, speaking as he did in this House yesterday, will suggest that they are standing up to prevent their French-speaking fellow-citizens from being trampled on, is it astonishing that we, from the other provinces, knowing that there is not the slightest ground of suspicion of any attempt on our part to trample on them, cannot but feel suspicious that there is some ulterior object to be gained other than appears on the face of the words uttered ? As this matter has come before the House, perhaps hon. members will pardon me if I give in a few words the reasons why I think we should have no difficulty in overcoming a race feeling like this if it exists. There may have been a time, as intimated by the hon. member for La-

belle, when people going out to fight in defence of Canada felt that they were fighting for Canada alone. But the history of our country since then precludes the possibility of any man regarding Canada simply as so much territory. As its very name implies, it is part of a great empire, made not by Englishmen, or Irishmen, or Scotchmen and not by all together, but an empire for the maintenance of which Canada also has sent her sons who have done their duty as nobly as have the inhabitants of the motherland itself. A hundred years ago, when the conqueror Napoleon had overrun the whole of Europe and it was feared that England would be his next conquest, when the people of England were trembling lest he should secure a lodging place upon their soil, the conqueror's fleet was cut out and destroyed by a little Armada under the command of Admiral Cunliffe Owen, himself a Canadian. And when we come further down in history we find the heroic defence of Kars, in which Sir Fenwick Williams immortalized hmself as, perhaps, no other keeper of a beseiged city ever did. And he was a Canadian, fighting not for Canada, but for the empire's fame. And when we come to the Indian mutiny and the heroic relief of Lucknow, we find that General Inglis, who held that city in spite of such tremendous difficulties, was a Canadian. And even in the charge of Balaklava, which all regret, but which all must admire, it was Colonel Dunn, himself a Canadian who led the gallant band. And, in these recent days Canadians have emulated the deeds of their forefathers in devotion to the empire. Lieut. Stairs, from my leader's city, won victories and gave up his life in duty to the empire in carrying on its work in the centre of Africa. And the very province represented by the hon. member for Labelle has sent her man ; and I would like to know who, to-day, is doing more for the empire, or who stands higher in the empire than Sir Percy Girouard himself. So, Sir, I think we will find that not only in times of peace, when we send our representatives, such as Edward Blake and Sir Gilbert Parker, to the Imperial House of Commons and send peers like Lord Strathcona and Mount Royal to the most august deliberative body in the world, but in times of war, Canada is quite ready to do her part to build up and maintain the empire. If we come to discuss in the House questions as to whether Canada should contribute anything towards the maintenance of the army and navy of Great Britain, I for one would oppose as thoroughly as did any American at the time of the revolutionary war compulsory taxation by Great Britain. I would oppose that, and so would any Conservative in this House as vigorously as would the hon. member for Labelle (Mr. Bourassa) or the hon. member for Montmagny (Mr. Lavergne). While this is true, I think it a misfortune when a society lays down such rules as the society which the hon. member addressed. I feel that a great injustice would be done to those people of the country who are anxious and willing to do their share, but who would be debarred from doing it because some one else objected to serve. We may recall that a session or two ago the right hon. the premier informed us that when in England he had not discussed imperial defence, but was willing to discuss trade, holding that one had nothing to do with the other. I remember calling the attention of the House at that time to the fact that the premier of Ontario, who is a staunch supporter and valued aide of the right hon. gentleman, had spoken in a number of places, and had contended that the true solution of the imperial defence question and of the trade question was the combining together of the two, and it was suggested that although the people of England would not be willing to put a duty of five cents on corn from other countries than Canada, because it would be taxing the people, they would be willing to do so if it was understood that the proceeds of such a tax were going into a war fund, and if we had the same thing in this country we might form a large war fund to assist in the defence of the empire, without really taxing a single citizen of the empire one dollar, as a large portion of the money would be contributed by outsiders paying for the privilege of doing business in our markets. I do not wish to suggest this, but I give it as the view of the prime minister of Ontario, and when a gentleman of his ability and experience entertains the idea that imperial defence could be provided for in this way, surely I cannot be going very far astray when I submit the proposition as one at least well worthy of consideration.

The programme that was introduced into the House yesterday by the hon. member for Labelle (Mr. Bourassa) as being that of this society contained several clauses, and I would ask the House to calmly consider the effect of these clauses. The first clause is :

> Opposition to the establishment of a naval school in Canada with the consent and for the benefit of the imperial authorities.

Now, supposing the imperial authorities wished to establish a naval school here and that no one would be compelled to attend it, would it not be an unjust thing if some one living in Ontario or Manitoba wished to attend but would not be permitted to do so, because some one else living in Quebec did not wish to attend ? If attendance was made compulsory, I would join hands with my hon. friend from Labelle (Mr. Bourassa), and agree that it would be a gross violation of the constitutional privileges of this country. But when the conditions are reversed, and those who do not wish to attend endeavour to prevent the attendance of those who desire to attend, there is just as much compulsion. The next clause is :

Absolute refusal of all leave asked by an officer of the militia to take part in an imperial war.

Now, I will go as far as my hon. friend and say there should be no provision by which, because a man joins the militia, he should be compelled to take part in an imperial war, but surely in the light of the experience of four years ago, when from one end of the country to the other there was such a unanimous uprising that the government, strong as it was, would have been driven from power if it had refused to allow Canadians to volunteer, it would not be fair to those who wished to serve the motherland to say : We will not allow you to serve because we do not wish to serve. If you do not wish to serve, do not serve ; but in heaven's name do not prevent those who do. The last clause, taken with this one, is the most absurd :

Command of the Canadian militia by a Canadian officer appointed by the Canadian government.

I would like to see the Canadian militia commanded by a Canadian officer, but it is one thing to allow your Canadian officer to gain experience, to acquire training in the service of the empire and then to place him in command of the militia ; it is another and a very different thing to prevent him hearing a gun fired or seeing an evolution except in a parade, and then say that only from this class of officers, which we have carefully restrained from seeing any active service and becoming fit to command a force, the commanding officer shall alone be selected. I cannot go so far as my hon. friend who has just spoken, and say that I will support the Militia Bill, because I do not know its contents, but if the object of that Bill is to make more and more useful our militia forces, and the proposals are likely to produce that result, I will support the measure as readily as any hon. gentleman who sits on the other side of the House.

I do not feel that I owe any apology for addressing the House. It seemed to me, and I do not believe that I was singular in my view, that this question which was brought up by the hon. member for Labelle was a most important one. I myself have never been able to see any reason for having a racial feeling between the two provinces, and yet, as a matter of common sense, surely one is only using the observation every one has when one says that when a general election is held in Quebec and one party is returned with seven followers and the other with fifty-eight, you can hardly expect the people of the other provinces to believe that the election was carried on upon absolutely political grounds, and that every vote was cast as the result of full discussion of political questions and a desire to promote the best interests of the country.

I certainly hope that whatever I may have failed to do, I at least have said nothing that will be offensive either to the hon. member for Labelle or the hon. member for Montmagny.

Mr. E. A. LANCASTER (Lincoln). Mr. Speaker, I think the government and their supporters are paying a very poor compliment to the people of the country through their representatives in this House in the manner in which they are treating this debate. The people of Canada will draw their own conclusions from the silence of the government's supporters in regard to the questions brought before them in this debate. We have had suggested by hon. gentlemen after hon. gentlemen, during the course of this debate, from this side of the House, that a good many things, all named, all discussed, and all as carefully gone into as the short period of time at our disposal would permit, but clearly and distinctly put before the House, that ought to be attended to by the government and that ought to have been mentioned in the speech from the Throne, or at all events, if not mentioned in the speech from the Throne, ought to have been promised to be dealt with later in the session. We have had hon. gentlemen after hon. gentlemen giving strong reasons why the government ought to do something that is purely public, something that it is purely the business of the government to do, something that ought not to emanate from a private member of this House, but which it ought to be part of the duty of the government to take care of. The hon. leader of the opposition (Mr. Borden, Halifax) mentioned one important measure after another that he knows ought to have been considered and he was followed by hon. gentleman after hon. gentleman on this side of the House coming from different parts of the Dominion and pointing out to this government in clear and distinct language what they know the people with whom they come in contact desire. I may say that every year that goes by I am more and more convinced that it is the Conservative party that is in touch with the people and not the so called Liberal party. I say that these hon. gentlemen over and over again have brought these things to the attention of the government and yet we find that not a single member of the government will stand up and say wherein these matters asked to be attended to by the hon. gentlemen who have advanced them are fallacious or why there should be delay in attending to them. No reason has been given by any member of the government why they should not be attended to now, or in the future, and no attempt has been made to show that the arguments which have been advanced by this side of the House are not well founded. I do not propose to go into these matters in detail, but I owe a duty to my constituents and to the people of the Dominion at large and I did not think that I ought to have allowed this debate to close without saying that the constituents whom I represent want these matters attended to, that the whole Dom-

inion of Canada wants these matters attended to and the people will not believe that this government has done its duty when its members sit silent and do not say that they will attend to these matters or that these matters should not be attended to. They must do one thing or the other. If they were not ready to proceed with the business of this session they were not obliged to call parliament together at the hour they did. They have called parliament together apparently for the purpose of considering the contract with the Grand Trunk Pacific Railway Company. Most of the discussion has arisen in regard to that matter, but they have had pointed out to them over and over again during the last two or three days other matters of equal importance to the people of Canada which should be attended to and in regard to which I submit the only inference that can be drawn by the people is that this government did not call this session with any regard to what the interests of the people demand, because they do not have any reference to the interests of the people except in so far as they relate to the Grand Trunk Pacific contract. They have called this session purely and simply to enable them to stand shoulder to shoulder with the Grand Trunk Pacific Railway Company or the Grand Trunk Railway Company.

Now, this debate has developed a good many important facts and I propose to touch upon one or two of them. We have had a very practical interesting and instructive, although short address—in my opinion much too short—from the hon. member for South Wentworth (Mr. Smith) who spoke last night in this House. That hon. gentleman touched upon a question that has occupied days and days of every session since I have had the honour of being elected to represent a constituency in this House. The transportation question has received the most marked attention. My hon. friend from South Wentworth yesterday afternoon pointed out that our trade is going through the port of Boston and not through the port of Montreal. We have had hon. gentlemen opposite answering, or attempting to answer some of the speeches made on this side of the House and they all appear to be very anxious to protect the interests of the province of Quebec. My hon. friend from South Wentworth wants the St. Lawrence route and the port of Montreal to get the trade which Boston is now getting. He quoted some figures in this House which were instructive to me. I did not understand the situation as clearly before he did so and I believe the government did not understand it either. If they did understand it they are more to blame than I am because they do not say that this important matter should be attended to. The hon. gentleman pointed out in this House clearly and distinctly that something has to be done by the government in regard to freight rates between the points of shipment and Boston and Montreal and in regard to facilities for shipping our products across the Atlantic ocean. We have had hon. gentlemen from the province of Quebec speaking in this debate upon matters upon which they are very fond of talking upon all occasions and upon the slightest provocation, but they have nothing to say in regard to these matters which my hon. friend claims should be attended to immediately. We do not find any member of the government telling my hon. friend that these things will be attended to. We do not find them explaining wherein my hon. friend is wrong in what he says and we must draw the inference that this government has no time to attend to any such question because its time is, in its opinion, more wisely taken up with other matters which is very significant. I can remember that at the last session of this House, summoned a little more than a year ago, the main question in the speech from the Throne was the transportation question. It was not attended to, but the government thought it was important enough to make it the principal item in the bill of fare which we were summoned a year ago to consider. The government promised in the speech from the Throne to inquire into the transportation question. Instead of inquiring into the whole question it made a deal with the Grand Trunk Pacific Railway Company and with no other institution. Nothing has been done in regard to the transportation question and we have to thank hon. members on the opposite side of the House for pointing out the needs of the country in this regard as my hon. friend did yesterday. Then, we have the speech of my hon. friend the newly elected member for St. John (Mr. Daniel). I was astonished to hear an hon. gentleman on the other side of the House say that he could not understand why the people of St. John elected my hon. friend. If he had listened to him for five minutes and if he had looked at him for five minutes while he was speaking he could very well have understood from his character, his ability and high standing why the people of St. John preferred him. I do not wish to presume but, perhaps, although I am a younger man than my hon. friend, he will not find fault with me for saying that I welcome him to this House not only because he is a Conservative but because I can see that he is going to be one of the most useful members in the House before he is here very long. My hon. friend pointed out in his speech several important matters that require the attention of this government. Hon. gentlemen opposite seem to imagine that the people should be satisfied with what the government choose to give them and that they must not have the impudence to ask for more. My hon. friend pointed out several matters that affect the interests of the maritime provinces which require attention. The hon. leader of the opposition pointed out in his speech a great many matters that should be dealt

with. His statements have been reiterated by other hon. members with the object of drawing the attention of the government to these matters in the hope of eliciting some statement from the government in regard to them. They have not been mentioned in a perfunctory way and the government is not in a position to say that its attention has not been drawn to them. These matters have been emphasized by hon. gentlemen on this side of the House and no attention has been paid to them.

Yesterday, the member for East Simcoe (Mr. Bennett) felt it his duty to bring to the attention of parliament, a question of political morality. I am sure that every man in this House would regret to have to bring before our attention any case which indicated that the highest sense of honour does not exist among the members of the Canadian parliament. I am sure that we must all regret to find that the political morality of this country is going down the scale instead of ascending. The hon. gentleman from East Simcoe, much against his wish, but in deference to the discharge of his public duties, mentioned a matter which has been discussed in the public press of Nova Scotia, and he asked for a pronouncement of the government upon it. But, notwithstanding that many members have since spoken, the ministers have remained silent and there is no reply. The people of Canada are an intelligent people, and the government that thinks it can hoodwink them, or that it can deceive them by remaining mute, will find that it has made a great mistake when at the next election, the electors of Canada have an opportunity to pronounce upon its conduct. Knowing the hon. member from East Simcoe (Mr. Bennett) as I do, and knowing that he states nothing but facts in this House; knowing that he is a gentleman who does not flinch from doing his duty although it may be unpleasant, I thought I would inquire into one of the charges that he made last night. I had not time to inquire into all his statements, but I know that the member for East Simcoe is a man of high honour, and if all his statements be as true as the one I did inquire into, then the government is in a very unenviable position indeed. It is a cause of great surprise to me, that the Prime Minister or some of the members of his cabinet, did not announce to the House what they are going to do about the matter. I refer to the statement which the member for East Simcoe made in reference to the Digby public works. The hon. member appealed to the Finance Minister to know what he thought of this sort of thing. The member for East Simcoe told us that the representative of the county of Digby was to get $500 cash, and $4,500 more from the town, when the government had constructed certain public works in that municipality. This matter had been published in the public press of Nova Scotia, and yet the Minister of Finance (Hon. Mr. Fielding) who comes from Nova Scotia, and who must be aware of what is published in the newspapers there, even, though a special appeal was made to him, did not announce the opinion of the government on this extraordinary transaction. I made inquiries for myself, and I am sorry to say that the case is even worse than as presented by the member for East Simcoe. I, as coming from another part of the province of Ontario, wish to further deal with this subject, because I know that the people of my district, irrespective of politics, desire to see the affairs of Canada administered in an honourable and honest manner. I find in the Digby 'Weekly Courier' of Friday, January 8, 1904, a report of the proceedings of the town council which is as follows:—

'TOWN COUNCIL.'

The adjourned meeting of the council met January 2nd, 1904, at 8 p.m. Present, acting Mayor Hayden and Councillors Titus, Syda, VanBlarcon and Letteney.

Minutes of previous meeting were approved.

The following motion to rescind, notice of which had been given at last regular meeting, was moved by Councillor Letteney.

Whereas, on the 27th day of November 1902, a certain resolution was adopted by the town council of the town of Digby, authorizing the Mayor to enter into an agreement and contract with A. J. S. Copp, for the payment, to the said A. J. S. Copp, of the sum of $5,000, for securing improved wharf accommodation at the port of Digby; and subsequently to wit on the 29th November, 1902, an agreement and contract was entered into under said resolution, and the sum of $500, a portion of said $5,000, was paid to the said A. J. S. Copp thereunder, on account of expenses; and it is deemed desirable that the said resolution should be rescinded, and the agreement cancelled and annulled:

Therefore resolved, that the said resolution be, and, the same is, hereby, rescinded and revoked, and that the said agreement entered into thereunder be forthwith cancelled and annulled, and the said sum of $500 refunded to the town. Councillor Syda seconded the motion.

Now, Sir, there is a statement in the newspaper published in the town of Digby in the province from which the Finance Minister comes. The Finance Minister was premier of that province for years, and no doubt the province feels honoured in having him as a representative to-day, but when the member for East Simcoe (Mr. Bennett) appealed to him for his opinion of such a transaction as this, the Finance Minister had nothing to say as to the morality of this queer transaction, and he sat silent in his seat. Now, there is a contract referred to in the newspaper report, and I have been fortunate enough to find a copy of that contract, which I shall read to the House. It is as follows:—

This indenture made this 29th day of November A.D. 1902, between the town of Digby, a body incorporated of the one part, and Albert J. S. Copp, of Digby, in the county

of Digby, barrister at law, of the other part.

Whereas, at a public meeting of the ratepayers of the said town of Digby held at the said town of Digby on the 24th day of November A.D., 1902, the said ratepayers of the said town of Digby, authorized the town council of the said town of Digby to expend a sum not exceeding five thousand dollars for the purpose of securing improved wharf accommodation at the port of Digby.

And whereas, it is necessary that the government wharf at the said port of Digby be widened to enable another railway track to be laid down thereon, and that an extension be built to the said, to a length of two hundred and fifty feet, and that the harbour at the ends and sides of the said wharf so extended be dredged to a depth of at least twenty-five feet to enable large ocean steamers to lie at the said wharf.

Now this indenture witnesseth, that the said Albert J. S. Copp in consideration of the payment to him hereinafter mentioned, hereby agrees with the said town of Digby to undertake to secure—

(a.) The widening of the government wharf at the said port of Digby to such a width that a second railway track may be laid down thereon.

(b.) The erection of an ell, or extension of the said wharf at the outer side thereof, of at least two hundred and fifty feet in length.

(c.) The dredging of the harbour of the said port of Digby at the sides and end of the said wharf to a depth of at least twenty-five feet, and also to agree to pay and discharge all costs and expenses that may be incurred by the said Albert J. S. Copp in securing or endeavouring to secure the said improved wharf accommodations.

(d.) In consideration of the above undertaking the said town of Digby hereby promises and agrees with the said Albert J. S. Copp to pay him, the said Albert J. S. Copp, the sum of five hundred dollars on the execution and delivery of this agreement, and the further sum of four thousand five hundred dollars when the said wharf shall be widened and a second railway track laid down thereon ; the said extension of the said wharf of at least two hundred and fifty feet built and the harbour about the ends and sides of the said wharf dredged to a depth of at least twenty-five feet, so that ocean steamers may be able to come to and lie at the side of the said wharf.

In witness whereof the Mayor and Town Clerk of the said town of Digby have hereunto their hands and the corporate seal of the said town of Digby susbscribed and set and the said Albert J. S. Copp has hereunto his hand and seal subscribed and set the day and year first above mentioned.

Signed Sealed and Delivered
in the presence of
(Sgd.) W. W. Hayden.
Seal of the Town of Digby.
(L. S.)

(Sgd.) Orbin Sproule,
Mayor.
(Sgd.) C. Jamieson (L.S.)
Town Clerk.
(Sgd.) Albert J. S. Copp.

That, Mr. Speaker, is the contract referred to in the resolution of the town council of Digby. Now, we want the government to tell the people of Canada what they are going to do in regard to such matters when their attention is drawn to them. Do they want the people of this country to understand that in order to get public works constructed in a town, it is a legitimate and proper thing to pay some member of parliament for his influence ? I wish the Minister of Justice were in the House at this moment, because this is a matter that he ought to take notice of. The Prime Minister may not have known about it until it was brought forward yesterday by the hon. member for East Simcoe (Mr. Bennett). I do not know whether the Prime Minister was here at the time or not, but I know that the Minister of Justice was here, and I am sorry he is not here now, because in him is reposed especially the guardianship of the honour of this country in such matters. I have no doubt that the Prime Minister will communicate this matter to him, for, notwithstanding the silence that has prevailed on the part of the government since the hon. member for East Simcoe brought it to the attention of the House, I must believe that the government will take some notice of it. If they do not the people of this country will be justified in drawing the inference that the government, knowing that these things are going on, expect them to go on, and do not think there is any harm in them. Where will this country be if instead of devoting the public money to the needs of the country and the requirements of different localities, it is to be used in such a way as to enable everybody to earn $5,000 by getting a wharf at a certain place ? $5,000 would build quite a pier at some one of the ports in the province of Ontario where we cannot get any now. For instance, it would so improve Jordan harbour in my county as to assist the fruit-growers very materially in shipping their fruit across the lake. If the government do not take hold of these matters the people will understand that the government intend the public money to be expended, not on its merits, but according to the pull which some one may have to get it, and that the man who has the pull, whoever he may be, is justified in charging a price for this assistance. The people of Canada, I believe, are superior in political morals to the people of the Republic to the south of us. I am not so antagonistic to the United States as to be unwilling to imitate them in anything that is good ; but we do not want to borrow their bad habits. In this parliament of Canada, although we are not a church or a Sunday school, we have a right to guard the political morals of this country and to give the people to understand that we do not think these doings are right. If the government think they are right, let it be so understood, so that the people at the next elections may mark their ballots accordingly. I do not know any of the members of the town council of Digby, but they are Canadians and I presume they are sensible men ; and they coolly alot-

ted $5,000 of the taxes of the people of that little town, because they thought that was necessary in order to get a wharf built at that place at the expense of the people of Canada, and $5,000 to the people of Digby is perhaps more than $5,000,000 to the people of Canada. I have no doubt that one of the main qualifications of these men for election to the town council was that they would carefully conserve and take care of the finances of the little town: and when they coolly take $5,000 for the purpose of paying a member of parliament a fee to secure that wharf, they do it because, in their opinion, at any rate, if they did not pay that money, they could not expect to get justice in regard to the expenditure of public money. I will not detain the House any longer on this matter. I have spoken for the purpose of drawing the attention of the government to it, because, whenever the campaign comes on, if the government fails to take up the matter and deal with it, I will call the attention of the people to it wherever I may address them. I appeal to the government to take out of our hands that trouble and out of our mouths that argument against them, because we have enough to urge against the present government without making a political issue of a transaction of this kind.

Motion (Mr. Grant) agreed to.

Sir WILFRID LAURIER (Prime Minister) moved:

That the said address be engrossed and be presented to His Excellency the Governor General by such members of this House as are of the hon. the Privy Council.

Motion agreed to.

SUPPLY.

Hon. W. S. FIELDING (Minister of Finance) moved:

That this House will, on Friday next, resolve itself in Committee to consider of a Supply to be granted to His Majesty.

Motion agreed to.

WAYS AND MEANS.

Hon. Mr. FIELDING (Minister of Finance) moved:

That this House will, on Friday next, resolve itself into a Committee to consider of the Ways and Means for raising a Supply to be granted to His Majesty.

Motion agreed to.

REPORTS PRESENTED.

Report of the Department of the Interior for the year 1902-3.—Hon. Mr. Sifton.

Mr. LANCASTER.

Trade and Navigation Tables for the year ending 30th of June, 1903.—Hon. Mr. Paterson.

Report of the Postmaster General for the year ending 30th of June, 1903.—Sir William Mulock.

Report of the Department of Labour for the year ending 30th June, 1903.—Sir William Mulock.

Report of the Department of Public Works for the year ending 30th of June, 1903.—Hon. Mr. Sutherland.

Report of the Department of Trade and Commerce for the year ending 30th June, 1903.—Hon. Mr. Sutherland.

The Public Accounts of Canada, for the year ending 30th June, 1903.—Hon. Mr. Fielding.

Report of the Secretary of State of Canada, for the year ending 31st December, 1903.—Hon. Mr. Sutherland.

Report of the Department of Inland Revenue for the year ending 30th June, 1903; Part I. Excise, &c.—Hon. Mr. Brodeur.

MESSAGE FROM THE GOVERNOR GENERAL—MAIN ESTIMATES.

Hon. W. S. FIELDING (Minister of Finance). delivered a message from the Governor General.

Mr. SPEAKER read the message, as follows:

MINTO.

The Governor General transmits to the House of Commons estimates of sums required for the service of the Dominion for the year ending June 30th, 1905, and in accordance with the provisions of the British North America Act, 1867, the Governor General recommends these estimates to the House of Commons.

Government House,
Ottawa, March 16th, 1904.

Mr. FIELDING moved that the Message of His Excellency and the estimates be referred to the Committee of Supply.

Motion agreed to.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) moved the adjournment of the House.

Mr. TAYLOR. What will be the business to-morrow?

Sir WILFRID LAURIER. It is not for me but for hon. members opposite to decide that, as to-morrow will be a private members' day.

Motion agreed to, and House adjourned at 5.45 p.m.

HOUSE OF COMMONS.

THURSDAY, March 17, 1904.

The SPEAKER took the Chair at Three o'clock.

REPORTS PRESENTED.

The Civil Service List of Canada, 1903; the Orders of the Yukon Territory passed by the Yukon Council, 1903.—Rt. Hon. Sir Wilfrid Laurier.

MILITIA ACT, 1904.

Hon. Sir FREDERICK W. BORDEN (Minister of Militia and Defence) moved for leave to introduce Bill (No. 5) respecting the Militia of Canada. He said: I presume the House will expect me to make a few short explanations as to the provisions of this Bill. Let me say, in the first place, that the existing militia law is practically the same law which has been on the statute-book since confederation, and indeed it was on the statute-book of old Canada long before that date. Times have changed since the existing law was enacted; Canada has grown and the militia force has grown, and it has been found impossible to carry on our militia system advantageously under the existing law. Instead of amending the present Act, I thought it better to bring in an entirely new Bill, which provides for the repeal of the existing law, but which, of course, includes and retains many of its provisions. This measure, which I now introduce, deals with the maintenance of civil power within the country and the defences of the country against invasion, and in consequence it is a measure of very great importance. I hope, and I am led to think, that the militia authorities of my department have not lost sight of this fact in framing the Bill. I may say that we have examined, not only the imperial laws and the laws of other colonies of the empire, but the laws of other countries as well, and we have endeavoured to incorporate in this Bill the best there is in them all.

It will be found that in the Bill which I now introduce there have been changes made in certain of the provisions of the existing law; there have been important additions to it, and there have been important omissions from it. Among the more important omissions from the present law is, in the first place, the disappearance of any reference to the naval militia. This is due to the fact that a Bill will be introduced by the Minister of Marine (Hon. Mr. Prefontaine) which will meet all the requirements in this regard. I may say that this is done at the suggestion and under the advice of the Colonial Defence Committee and of the Admiralty.

The next important omission from the present law is that restriction which prevents the appointment of a Canadian officer as commanding officer of our militia. The existing Militia Act provides that no one but an imperial officer, and no one below the rank of colonel in the British army, shall be appointed general officer commanding the militia of Canada. The new Bill omits this restriction and leaves it open to a Canadian or to any qualified person within the British empire to be appointed by the government as commanding officer of the Canadian militia. The next important omission—military men will consider it important, although in a sense it is perhaps a matter of minor importance—the next omission from the Bill is the provision in the present law by which an officer of the British army of the same rank as a Canadian officer, but of junior date of appointment, takes precedence of the Canadian officer in the militia of Canada. This provision is not included in the present Bill, so that in future imperial officers who come here to serve in Canada will rank with officers of the Canadian militia according to the date of their appointment.

The next important provision which is not included in the present Bill, but which exists in the law as it now stands, is with reference to the powers of the imperial officer commanding the imperial troops at Halifax. Under the law as it now stands, in case of war, the imperial officer commanding the imperial troops at Halifax, no matter how junior he might be, would immediately take command of the whole militia of Canada over the head of the general officer commanding the militia of this country. That provision has been eliminated from the present Bill, and no allusion whatever is made to the general officer commanding at Halifax. If he is a man of senior rank, he would in time of war, by virtue of his seniority, take his position as head of the forces in this country.

One other omission is made. There is no reference in the Bill I am now proposing to the King's regulations. Under the law as it now exists the King's regulations are made a part of the law of Canada. This has been found to be troublesome and cumbrous, and to add to the difficulties of the administration of the militia. Therefore, we shall rely in future upon the regulations made in Canada for the administration of the militia of Canada, except that the Army Act will apply. It was at first thought that we might re-enact the Army Act in this country; but it is a very long document and is being changed from time to time; and, after taking the best advice I could get in this country, it was thought wiser to adopt the British Army Act rather than to attempted to re-enact a similar Act here at present.

Mr. SAMUEL HUGHES. In so far as it is not inconsistent with your law.

Sir FREDERICK W. BORDEN. Quite so. Now, I will mention some alterations which

have been made in different provisions of the law. First, it is proposed to increase the permanent force of the militia to 2,000. The present law provides for 1,000. In the near future the population of this country will be double the population of the country at the time the present provision was made. The Northwest and British Columbia have since that time become parts of the Dominion. Important settlements are taking place in the Northwest, and gradually as the country becomes settled the Northwest Mounted Police will proceed to other spheres of usefulness and the militia of the country will have to take the responsibility of maintaining order there, and depots will be required. In fact, at the last session of parliament, I explained that we were taking a sum of money to pay for an addition of 500 men to the permanent force. So that I think this increase of 1,000 will be considered to be entirely within the present demands of the country.

Another change which I propose refers to the pay of the permanent force. At present it stands at forty cents a day, with certain good-conduct pay. It is proposed to adopt the rate of pay of the Northwest Mounted Police as that of the permanent force of this country. I need not stop here to argue the point, because this can be better done on the second reading; but I may say that the permanent force is the teaching force of this country, the one upon which we must largely depend for the training of the active militia, and therefore it is exceedingly desirable that it should be composed of first-class men. The pay is to begin at fifty cents a day, and increase at the rate of five cents each year until it reaches seventy-five cents as the maximum.

The next change is in the rate of pay of the active militia. That matter has been discussed here on many occasions. I am happy to be able to say that this Bill provides that while the pay shall begin as it does now at fifty cents a day, there shall be a provision by regulation, which shall be laid on the table of the House, allowing for an increase year by year until at the end of three years $1 a day may be paid to men who have shown by their good conduct and their proficiency in rifle shooting that they have earned it.

Another change which has been made is in the provision for giving aid to the civil power in time of riot. It is proposed to amend the law as it now stands by providing that the active militia shall only be used in the suppression of riots or in aid of the civil power when the permanent force is not available, or not in sufficient number to be utilized.

One other alteration proposes to extend the period for annual drill from sixteen days to thirty days. It is not compulsory, but it will be possible, if occasion requires, to make that extension of time. The present law provides for sixteen days, but it has been the custom to make the period twelve days. It is not probable that that will be exceeded, but it was thought desirable that power should be given to the government if at any time it might be necessary for the drill to be extended in certain cases to thirty days.

I now come to the additions to the law proposed in this Bill. I shall at first call attention to the provisions in reference to cadets. We have had many discussions in this House on this matter, and it was promised that when the new Bill was proposed, provision would be made for the enrolment of cadets. I cannot do better than read the clauses :—

73. The minister may (a) authorize boys over 12 years of age who are attending school to be formed into school cadet corps; (b) authorize boys over 14 years of age and under 18 years of age to be formed into senior cadet corps; (c) authorize senior cadet corps or any portion thereof to be attached to any portion of the active militia for the purpose of drill and training.

74. All cadet corps shall be subject to the authority and under the orders of the district officer commanding.

75. Cadet corps shall be drilled and trained as prescribed, and may be furnished with arms, ammunition and equipment under the conditions prescribed.

Mr. INGRAM. Does the minister mean the cadet corps connected with high schools?

Sir FREDERICK W. BORDEN. Yes, and with any school.

Mr. CLARKE. Is provision made for instruction in rifle shooting?

Sir FREDERICK W. BORDEN. Yes, under regulations, of course. There is a provision in the Bill for the appointment of officers to rank as brigadier-generals temporarily. This will be found necessary under the proposed increase of the numerical militia at times of camp. There is a further provision that the rank of senior major-general may be conferred upon colonials on retirement, who have held the highest executive appointments on the headquarters staff, for distinguished service in the country. These are the important provisions of the Bill. When the second reading is reached, I shall have an opportunity of going more into detail.

Mr. SAM. HUGHES (North Victoria). It is not my intention to discuss the Bill on its first reading, but I must compliment the hon. minister on a number of the changes he has made, especially the change in relation to the cadet corps. That is a matter which has excited interest all over the country for a number of years, and I am pleased to see the hon. minister place the very desirable provision regarding these corps, which he has done in the proposed new law. The provision enabling the general officer commanding in Canada to be chosen from the

Canadian militia, while it may appeal to the pride of our people, I must say I do not regard as a great majority of the Canadian public do. Weak as some of the general officers commanding may have been, unfit as some of them undoubtedly were, nevertheless I feel that, taking them all in all, they have done possibly much more good than would have been done if we had selected our commanding officers from the ranks of our militia. There is nothing to prevent an officer of the Canadian militia, qualifying himself for the position by becoming an officer in the imperial army; and I am satisfied that if, for instance, Sir Percy Girouard, should be sent out by the imperial government to Canada as general officer in command, there is not a Canadian in any province who would not welcome his advent. Feeling as I do the desirability of maintaining in every sense our imperial connection to the fullest extent, I do not like to see even this little link snapped asunder. I know that the law still allows the general officer commanding to be taken from the British army, and I trust that for many years to come he will continue to be taken from that army. But I regret that even theoretically, if not in practice, that little connecting link should be removed. I certainly trust that this new provision will be honoured in its breach rather than in its observance.

There is one very proper provision the hon. minister has made. A British officer of any rank on coming to Canada has always taken precedence of a Canadian officer of similar rank. There is no reason why a British major for instance, coming to Canada, should take precedence of a Canadian major, although the former may have been major only a couple of years and the latter be his senior. Let me point out that under the regulations in the Army Act of the imperial service, an officer in the militia of any of the colonies or even an officer in the English militia, if I am not mistaken—but at all events an officer in the colonial militia, should he be placed side by side with an officer in the imperial troops, has to take juniority of rank. I would suggest to the hon. minister that he should not only have the change he proposes made in our Canadian law, but go a step further, and as he is a member of the Imperial Defence Committee—and I must congratulate him upon his appointment to that distinguished position—take such steps as will have this anomaly removed from the English law as well as ours. I shall not discuss the question of the position of the general officer commanding in Canada and that of the general officer commanding at Halifax, but it does seem a little anomalous that the general officer commanding in Canada should take a junior position as compared with the general officer commanding at Halifax, although the former may be the senior.

I must compliment the hon. minister on his proposal to increase the pay of the force all around. I am satisfied that this proposal will meet the approval of the people. But a most important question is the calling out of the troops in aid of the civil power. I would have been pleased to find the hon. minister proposing that our militia should never be called out in aid of the civil power. For years I have fought against their being turned out to do police guard in the municipalities and to put down riots, which very often are incited by aldermen and others seeking to gain votes. Young men, clerks in offices and stores, are compelled to leave their employment and do police work along the streets and around the warehouses of our towns, and have to endure the insults of every ruffian and blackguard who chooses to abuse them. While the parliament of Canada has authority to enact that certain magistrates should have the right to call out the militia, I very much question whether this parliament has the authority to provide that Montreal or Toronto shall pay for these soldiers when they are called out. I fail to see the connecting link between the parliament of Canada and the municipalities, and unless the provincial authorities choose to enact that these municipalities shall be responsible for the pay of the troops when called out, I have no hesitation in saying that the municipalities would be absolutely justified in refusing to pay a single dollar. I should like to see the hon. minister remove this anomaly from the law. We will search the English militia law in vain for any provision authorizing any man, from the King of England down, to call upon the English militiaman, as such, to suppress a riot. Our municipalities have sufficient authority for the suppression of riots without giving them the right to call out the militia. Any policeman on the streets of Montreal or the streets of Toronto can step up to any citizen, mayor, alderman or any other, and call upon them to act as special constable. If that is done, the municipality is responsible for it. With such a power, there should be no difficulty about maintaining law and order within the bounds of any municipality. We object, as militiamen, to be called out for police duty, especially when we are not given the powers of policemen. We dare not act as constables, nor dare we take any efficient action as soldiers, unless the disturbance takes the form of an absolute riot. I trust that the Minister of Militia will be good enough to allow us a few days for the consideration of this Bill before it is brought up for a second reading; and, I would like the hon. minister during that time to give serious consideration to the aspect of the case I have just referred to. And I hope he will remove entirely the cause which allows the militia force to be called out in support of the civil

power unless the riot takes the form of an insurrection. Why should the militiamen be called upon to do police duty, standing around docks and warehouse doors, to be spat upon, as we have seen them spat upon again and again ? They have to stand there absolutely passive. Special constables would have the right to arrest those who assaulted them. But, as militiamen we dare not arrest a rioter unless ordered to do so. I would like the minister to take this point into his serious consideration, and, if he is going to insist on the law remaining as it is, I would like to have another point fairly considered. The electors of the county that I have the honour to represent contribute to the permanent force as well as do those of the cities and towns ; but we do not have any riots in our municipal districts, for these disturbances are confined to the cities. I can tell the Minister of Militia, as well as the First Minister, that the people of this country object to paying for a police force to be sent about to these various large centres to quell disturbances, unless those disturbances amount to an absolute insurrection.

Sir WILFRID LAURIER. They don't.

Mr. SAM. HUGHES. Under the law they have to, though.

Sir WILFRID LAURIER. No.

Mr. SAM. HUGHES. I am only taking the word of the Minister of Militia for it. He says the Bill provides that the militia shall not be called out so long as the permanent force is sufficient to put down the disturbance. The permanent force, as I understand it, are to be called out first, and, if they are not sufficient to quell the riot, the ordinary militia will be called out. I object to contributing a dollar to such a service ; I object——

Sir FREDERICK W. BORDEN. The municipalities will still pay the expense. The provision is precisely the same, as to the volunteer force, as it was before.

Mr. SAM. HUGHES. Where will the money go ?

Sir FREDERICK W. BORDEN. The government will pay the militiamen and charge it to the municipalities.

Mr. SAM. HUGHES. There is no provision for that. You have no authority, I believe, to collect the money.

Sir FREDERICK W. BORDEN. That is another matter.

Mr. SAM. HUGHES. I object, anyway, to the ordinary militia being called out to quell a riot. And I want it made clear that the expense in such matters is not to be borne by the people of Canada at large. The people of the riding I represent object to bearing such an expense, and I am satisfied that ninety-nine out of a hundred of the ridings in Canada will object to paying a dollar and to the militia being sent hither and thither at the beck and nod of magistrates who get a scare owing to some disturbance among their people. However, we shall have an opportunity to take this matter up. I congratulate the minister on many of the provisions of this Bill. I trust he will give us a few days so that the officers throughout the country will have an opportunity to consider the measure before it is brought up for a second reading.

Motion agreed to, and Bill read the first time.

QUESTIONS.

YUKON TERRITORY REPRESENTATION.

Mr. CASGRAIN—by Mr. Taylor—asked :

Is it the intention of the government at the present session to amend the Yukon Territory Representation Act, 1902, in relation especially to the making of the electoral lists by the enumerators ?

Hon. CLIFFORD SIFTON (Minister of the Interior). No.

MR. JULES d'E. CLEMENT'S LETTER.

Mr. CASGRAIN—by Mr. Taylor—asked :

1. Has the government, or one of its members, any knowledge of, or has it authorized or allowed the sending out, towards the end of January or the commencement of February, 1904, of a letter couched in the following terms :—

'Office of the Minister of
Marine and Fisheries of Canada,
Ottawa.

Sir,—Kindly answer, if you please, the following questions, and return me this document with the shortest delay possible :—

I ask you these questions in order to have a knowledge of yourself and of what you are able to do.

Your name.... .. ..
Your address .. ..
Your age.. .. ..
By whom are you recommended ?.....
Have you passed your civil service examinations ?.. .. ..
If so, is it the qualifying examinations or the preliminary examination ?.. .. ..
What is the date of your examination certificate ?.. .. ..
What are your special qualifications ? (Give all details).. .. ..
Are you in good health ?.. .. ..
Would you accept a position as letter carrier ?.. .. ..

JULES d'E. CLEMENT,
Private secretary.

2. What position in the civil service does Jules d'E. Clement hold ?

3. By whom was the said Jules d'E. Clement authorized to send the letter in question ?

4. To how many persons was the said letter or circular sent ?

5. If, in sending the said letter or circular, the said Jules d'E. Clement acted without

authorization, has he been dismissed from his position or has he been reprimanded ?

Hon. CHARLES HYMAN :

1. The letter mentioned, as couched in the terms cited, was not sent out by the Department of Marine and Fisheries. Its circulation was not authorized by the government nor by any of its members.
2. Mr. Clement is a first-class clerk in the Marine and Fisheries Department and acts as Private Secretary to the Minister of Marine and Fisheries.
3. Answered by No. 1.
4. Answered by No. 1.
5. Answered by No. 1.

MEMBERS OF COMMONS NAMED AS LIEUTENANT GOVERNOR.

Mr. CASGRAIN—by Mr. Taylor—asked :

How many members of the House of Commons of Canada have been named to the position of lieutenant governor of any of the provinces of the Dominion since the 1st August, 1896 ?

Sir WILFRID LAURIER (Prime Minister). I would ask my hon. friend, so far as this question, and also question four, five and six, are concerned, to move for returns.

YUKON—TREADGOLD CONCESSION.

Mr. CASGRAIN—by Mr. Taylor—asked :

1. Have the commissioners appointed to inquire into the facts concerning the Treadgold concession in the Yukon Territory, and other facts connected therewith, finished their work and made their report ?
2. If so, is it the government's intention to lay the said report, with all the evidence taken by the commissioners, on the table of the House of Commons ?
3. If the said commissioners have not yet completed their work, and have not yet produced their report, what are the reason and cause?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

1. No.

2 and 3. No report has been received nor has the evidence been transmitted to the government. One of the commissioners met with an accident which resulted in his death. The remaining commissioner reported this fact to the Secretary of State. His communication will receive consideration at the earliest convenient date.

GRAZING LEASES IN ASSINIBOIA AND ALBERTA.

Mr. J. D. REID asked :

1. How many grazing leases have been granted by the Department of the Interior since 1896, in Assiniboia and Alberta, in which the even-numbered sections have been withdrawn from homesteading ?
2. Who are the lessees ?
3. How many acres are included in each lease ?
4. Is it the policy of the department to lease grazing lands at the present time ?
5. If not, does the government intend in the near future to formulate a policy by which ranchers can lease or acquire lands for the purpose of ranching ?
6. When were the last leases or lease granted, and to whom ?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

1. Twelve.

2 and 3 :

Name	Area.
Spencer Bros..	69,120 acres.
W. E. Wilson..	5,000 "
Brown Ranche Co....	17,000 "
A. T. Mackie..	30,325 "
C. E. Hall..	60,000 "
J. W. Taylor..	60,818 "
A. T. Mackie	42,280 "
A. Hitchcock..	47,218 "
J. D. McGregor..	45,900 "
Burton & Starks..	6,398 "
L. A. Pope..	37 200 "
H. P. Brown..	60,381 "

4. No.

5. The matter is now under consideration. The subject is one of great difficulty, but it is hoped that an early conclusion will be reached.

6. The last two leases issued were granted to Mr. L. A. Pope by Order in Council, dated 21st April, 1902, and to Mr. H. P. Brown by Order in Council, dated 23rd March, 1903.

COAL-MEASURES OWNED BY GOVERNMENT.

Mr. JABEL ROBINSON asked :

1. What is the extent of the area of the coal-measures owned by the government of the Dominion of Canada ?
2. Where are the above-mentioned coal-measures located ?
3. Is it known whether coal exists near the route of the proposed line of the Grand Trunk Pacific Railway ?
4. If so, will all the coal be reserved by the government in the interests of the people ? If not, what proportion ?

Hon. CLIFFORD SIFTON (Minister of the Interior). I can only give the hon. gentleman (Mr. Jabel Robinson) a general answer to his question. I have had a short memorandum prepared by the Director of the Geological Survey, which I will read :

The area of coal-bearing rocks within the Dominion of Canada is very great, perhaps as great as that of any other country in the world. The largest portion of this area is in the Northwest Territories and British Columbia. In these regions, it has not been possible as yet to define the boundaries of the different coal districts with precision. This has been due to their vast extent, the small number of geologists who have been employed upon the work and the comparatively short length of time that these regions have been under the control of the government of Canada.

The coals occur principally in the cretaceous and tertiary rocks, which extend from southern Manitoba westward to the Rocky Mountains and northerly through the region along the east side

of these mountains from the International boundary to the Arctic sea.

Long geological basins, containing seams of coal, also occur within the Rocky Mountains themselves and among the other mountain ranges westward to the Pacific coast.

Important coal-fields exist on the inner or northeastern side of Vancouver island and extensive collieries have been worked for many years in the Comox field in this part of the island.

Numerous large coal seams occur in the Crow's Nest coal-field and in the Green Hills coal-field in the southwestern part of British Columbia; also in the vicinity of Blairmore and Frank in Alberta. New coal mines are being opened near the main line of the Canadian Pacific Railway near Canmore and Anthracite. Coal is also found in the Nicola valley in British Columbia.

In the Yukon Territory, a good quality of coal exists and is beginning to be mined in the northern part of the Klondike district. The lignite beds in the basin of Moose river belong to the province of Ontario, while the valuable coal basins of Cape Breton and the counties of Cumberland and Pictou are controlled by the government of Nova Scotia. A small quantity of coal is found in New Brunswick.

Fine seams of coal have been discovered on several of our large islands north of the mainland of the Dominion and it is believed that great quantities of coal exist there.

Coal is known to exist in the vicinity of Edmonton and along the North Saskatchewan river above that town, also on the Pacific slope eastward from Port Simpson, near the proposed route of the Grand Trunk Pacific Railway.

HALF-BREED SCRIP COMMISSION.

Mr. LaRIVIERE asked :

1. Have the commissioners appointed for the allotment of half-breed scrip completed their work and made their final report ?

2. If not, is it intended that they shall hold any further sittings, and when and where ?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

1. The commissioners have reported upon all the work so far undertaken.

2. The subject of further sittings is one which will require further consideration.

GRAIN SHIPMENTS FROM LAKE PORTS.

Mr. BENNETT asked :

How many bushels of grain were received direct from Port Arthur, Duluth, Fort William, Chicago, and any other port or ports on the upper lakes, at Quebec, during the season of navigation of 1903 ?

Hon. WM. PATERSON (Minister of Customs). The number of bushels of grain received direct from Port Arthur, Duluth, Fort William, Chicago, and any other port or ports on the upper lakes, at Quebec, during the season of navigation of 1903, was as follows : By vessel, 548,486 bushels ; by rail, 313,199 bushels.

Mr. BENNETT asked :

How many bushels of grain were shipped from Port Arthur and Fort William, respectively, to Buffalo, N.Y., during the season of navigation of 1903 ?

Hon. WM. PATERSON (Minister of Customs). The number of bushels of grain shipped from Port Arthur, Fort William, respectively to Buffalo, N.Y., during the season of navigation of 1903, was as follows : From Port Arthur, 2,376,099 ; from Fort William, 5,527,162.

Mr. BENNETT asked :

How many bushels of grain were received at Montreal, during the season of navigation of 1903, shipped direct from the port of shipment, without bulk being broken until its arrival at Montreal ?

Hon. WM. PATERSON (Minister of Customs). The number of bushels of grain received at Montreal during the season of navigation of 1903, shipped direct from the port of shipment, without bulk being broken until its arrival at Montreal, was 1,022,358.

Mr. BENNETT asked :

How many bushels of grain were received at Midland, Depot Harbour, Collingwood, Meaford, Owen Sound, Goderich and Kingston, respectively, during the season of navigation of 1903 ?

Hon. WM. PATERSON (Minister of Customs). The number of bushels of grain received at Midland, Depot Harbour, Collingwood, Meaford, Owen Sound, Goderich and Kingston, respectively, during the season of navigation of 1903, was as follows :

	Bushels.
Midland	13,545,958
Depot Harbour	14,765,466
Collingwood	1,605,000
Meaford	4,004,716
Owen Sound	3,248,089
Goderich	3,289,195
Kingston	7,791,654

CANADIAN MAIL TO GREAT BRITAIN.

Mr. SMITH asked :—For the calendar year ending December 31 last :

1. What weight of Canadian mail matter was carried from Canadian ports to Britain via the subsidized mail boats ?

2. What weight, if any, via boats not subsidized, from Canadian ports ?

3. What weight via American ports ?

4. What was paid for the ocean carrying of the Canadian mail via American ports ?

5. What was paid, if anything, for carrying Canadian mail from Canadian ports on other than subsidized mail boats ?

Sir WILLIAM MULOCK (Postmaster General) :

1. Weight of mail matter carried from Canadian ports to Britain via subsidized mail boats during calendar year ended December 31, 1903.—147,169 pounds.

2. Nothing.

3. Weight via American ports for year ended December 31, 1903,—564,023 pounds.

4. Amount paid to United States for sea conveyance of Canadian mails sent to Great Britain during the year ended December 31, 1903, $24,892. 97.

5. As nothing was carried, as stated in answer No. 2, no payment has been made.

MR. P. V. SAVARD.

Mr. CASGRAIN—by Mr. Taylor—asked :

1. Has Mr. P. V. Savard, advocate, formerly a member of this House, and now of the town of Montmagny, been employed during the course of the year 1903 by the Dominion government ?
2. If so, what employment did he have ?
3. If he received a salary, what was it, and how much did he receive ?
4. Did he present an account for travelling expenses or other expenses connected with his position ?
5. If so, what amount does he claim, and what amount did he receive ?

Hon. CHAS. HYMAN :

1. Yes.
2. He was employed to investigate how the local government of Quebec acquired the Mingan Seigniory, and what title to the property existed in the province prior to its conveyance to the Labrador Company.
3. $5 per day during such time as he was actively engaged in the work. He received $810.
4. Yes.
5. $757.10.

BOILER INSPECTION OF THE 'ABERDEEN'

Mr. CASGRAIN—by Mr. Taylor—asked :

1. Have the boilers of the steamer 'Aberdeen,' a government vessel, been duly examined and inspected this year ?
2. Is it not true that these boilers were found not to be in good condition ?
3. If such be the case, is it the government's intention to substitute new boilers for the boilers in question ?

Hon. CHAS. HYMAN :

1. Yes.
2. Reported in fairly good and safe condition for this year.
3. The government steamboat inspector recommends new boilers next year.

GRAND TRUNK PACIFIC RAILWAY LOCATIONS WEST OF WINNIPEG.

Mr. W. J. ROCHE asked :

1. Has the location of the Grand Trunk Pacific Railway west of Winnipeg, through the province of Manitoba, been definitely decided upon ?
2. If so, what is the location ?
3. Can the government say if it will run north or south of the Canadian Northern Railway ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. The surveys being made west of Winnipeg are being made under the direction of the Grand Trunk Pacific Railway Company. The lines surveyed have not yet been approved by the government and until final approval has been given a positive statement as to location cannot be given.

CHINESE LABOUR IN SOUTH AFRICA.

Mr. MONK—by Mr. Taylor—asked :

1. Was the government of Canada asked to join in a representation or protest to the imperial government against the employment of Chinese labour in British South Africa ?
2. If so, what was the answer made by the Canadian government ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). Mr. Seddon, Prime Minister of New Zealand, asked Canada to join in a representation of protest to the imperial government against the employment of Chinese labour in British South Africa. The answer of the Canadian government was that in our opinion any interference in that matter would not be advisable.

LOANS TO GOVERNMENT

Mr. KEMP asked :

1. What is the total amount of money, if any, advanced to the government by loans or overdrafts by Canadian banks ?
2. What is the period for which such amounts are loaned ?
3. What are the rates of interest charged thereon ?

Hon. W. S. FIELDING (Minister of Finance). No money is due by the government to banks in Canada for loans or overdrafts. Our temporary loans are in the form of two issues of treasury bills which have been placed in London. One of these, for £500,000, was placed on October 1st, 1903, at a time when the state of the market was one of exceptional stringency This loan was for six months, and the rate of interest was fixed at 4½ per cent. The second issue is for £800,000, and was placed January 1st, 1904, for four months. The rate of interest was 3⅝ per cent. These loans were placed through the government's financial agents in London, the Bank of Montreal.

TRENT VALLEY CANAL SURVEYS.

Mr. WARD—by Mr. Bain—asked :

1. What instructions were given to Mr. R. B. Rogers, C.E., which led to his report of 31st January, 1903, upon the proposed route of the Trent Valley Canal between Rice Lake and Port Hope ?
2. By whom were these instructions given ?
3. What instructions were given to Mr. McLeod, C.E., as to reporting upon the southern outlet of the Trent Valley Canal ?
4. By whom were these instructions given ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. Mr. Rogers was instructed to make a barometrical survey of the route from Rice Lake to Port Hope, taking barometrical observations and elevations, and particularly to look into the question of the supply of water

with which to operate this section of the canal.

2. By the chief engineer of the Department of Railways and Canals.

3. Mr. McLeod was instructed to go over the ground to make an examination of the two routes, and report thereon his views as to which route was the best, and make an estimate of the cost of each, viz.,—Port Hope and via Trenton.

4. The instructions were given by the chief engineer of the Department of Railways and Canals.

RAILWAY COMMISSION.

Mr. TAYLOR asked :

1. What are the names of the members of the Railway Commission ?
2. What positions did the members of said commission fill when appointed ?
3. What salary did they severally receive immediately before their appointment ?
4. What salaries are they to receive as commissioners ?
5. Are any of the said commissioners financially interested in any of the railways in Canada, by being the owners of stocks, bonds, or other railway securities ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. The names of the members of the Railway Commission are :—The Hon. A. G. Blair, the Hon. M. E. Bernier, Professor James Mills.

2. The positions filled by each member of the commission when appointed :—Mr. Blair had no official position since his resignation as Minister of Railways and Canals on July 12th, 1903. Mr. Bernier had retired a few days before his appointment, from the position of Minister of Inland Revenue. Professor Mills, President Ontario Agricultural College and Experimental Farm, Guelph, Ontario.

3. Salary received by each member of the commission immediately before their appointment :—We have no information that is not in possession of the public generally.

4. The salaries which the commissioners are receiving, are the salaries that are fixed by law.

5. We are informed by the commissioners that not one of them is directly or indirectly interested in any Canadian railways as the owner of stock, bonds or other securities in such railways.

RE R. B. NORTON & CO.

Mr. LEFURGEY—by Mr. Taylor—asked :

1. In the Auditor General's Report for 1901-2, volume 2, part 2, folio W—334, under the heading Prince Edward Island Railway, the following item appears :—'R. B. Norton & Co., $100.'
2. What official of the government ordered said goods ?
3. To whom were the goods delivered, and who received payment for same ?

Hon. Mr. EMMERSON.

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. This sum of $100 is composed of $90 for two fifteen ton jack screws purchased from A. O. Norton, of Coaticook, P.Q., and $10 for plate glass purchased from R. B. Norton and Co., of Charlottetown, P.E.I.

2. These goods were ordered by Mr. G. A. Sharp, superintendent and Mr. Hodgson, storekeeper of the Prince Edward Island Railway.

3. The goods were delivered to Mr. Sharp and to Mr. Hodgson, and payment was made to A. O. Norton, of Coaticook, P.Q., and to R. B. Norton and Company, of Charlottetown, P.E.I., respectively.

FLAG ON PARLIAMENT BUILDING.

Mr. HENRI BOURASSA (Labelle). Mr. Speaker, before the Orders of the Day are called I would like to have an explanation from the government in regard to a small incident to which some newspapers and people have attached some importance. I noticed on the day of the opening of parliament as well as to-day, which is St. Patrick's day, that the Canadian flag which used to be put up on the tower of the parliament building has been replaced by a Union Jack. I would like to know why the old flag that has been used in Canada ever since confederation should be laid aside.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I am sorry to say that I cannot satisfy to-day the rather fastidious curiosity of my hon. friend, but I will make inquiry and try to give him an explanation upon another day.

Mr. BOURASSA. Perhaps the British Empire League has something to do with it.

Hon. JAMES SUTHERLAND (Minister of Public Works). I may explain to the hon. gentleman (Mr. Bourassa) that the flag hitherto flown on the parliament building has been what is known as the Canadian Merchant Marine flag. It is not the national flag in any other sense. The national flag, as we understand it for this purpose, is the Union Jack. Many complaints have reached the department on previous occasions that the flag floating over the parliament buildings was not the authorized flag for that purpose, and when we were buying a new flag the one which was bought, in accordance with the custom of Canada and of all portions of the empire throughout the world, was the one authorized for the purpose.

Mr. BOURASSA. I know that the red ensign is the merchant marine flag but I know it has always been used in this country——

Hon. Mr. SUTHERLAND. Not at all.

Mr. BOURASSA—as being the special colonial flag to which we have added the escutcheon of confederation. It has always been used on the building.

POSTMASTER AT WILTON, ONT.

Mr. WILSON moved for :

Copies of all correspondence, petitions and other documents in possession of the government, together with the report of the post office inspector, with reference to the charges against and the dismissal of L. L. Gallagher, postmaster at Wilton, in the riding of Lennox, in the province of Ontario.

Hon. Sir WM. MULOCK (Postmaster General). Mr. Speaker, there is no objection to the motion going through except that I would ask my hon. friend (Mr. Wilson) to strike out the words 'together with the report of the post office inspector.' These reports have always been regarded as confidential. I do not know of anything in this particular report, that is confidential, but as a 'matter of precedent, I think it would be well to follow the old practice which has always obtained under this as well as former administrations.

Mr. WILSON. I understand it is not customary to make public these reports and so, with the consent of the House, I will agree to strike out the words 'together with the report of the Post Office Inspector.'

Motion as amended, agreed to.

YUKON TERRITORY—TREADGOLD CONCESSION.

Mr. CASGRAIN—by Mr. Taylor—moved for :

Copies of the commission appointing Mr. Justice Britton and other commissioners to inquire into the Treadgold and other concessions in the Yukon Territory ; and of all the evidence, exhibits, papers and documents produced at the investigation held by the said commissioners, and of any report or reports made by the said commissioners.

Hon. CLIFFORD SIFTON (Minister of the Interior). Mr. Speaker, there is no objection to the motion passing, but, as I have stated already, the report has not yet been made. We will bring down the papers we have and when the report is made we will bring down the rest.

Motion agreed to.

VENTILATION OF RAILWAY CARS.

Mr. E. D. SMITH (Wentworth) moved for :

Copies of all correspondence and agreements to date, between the government of Canada and any railway companies, in regard to ventilation of railway cars.

Hon. H. R. EMMERSON (Minister of Railways and Canals). I cannot find any record in the department of any correspondence between the department with respect to the ventilation of cars. It would, therefore, be futile to have the motion pass.

Motion dropped.

MR. P. V. SAVARD.

Mr. CASGRAIN—by Mr. Taylor—moved for :

Copies of all Orders in Council, Ministerial Orders, or other documents appointing Mr. P. V. Savard, advocate, formerly a member of this House, to a position under the government, during the course of the years 1902, 1903 or 1904 ; of all correspondence relating to such appointment ; and of all detailed accounts, memoranda, etc., for salary and fees as well as for travelling expenses and all other expenses presented by the said P. V. Savard ; and statements showing how much has been claimed by the said P. V. Savard, for such salary and expenses, and how much has been paid to him.

Hon. CHARLES HYMAN. I wish to say that Mr. Savard was not appointed by Order in Council, but by a letter from the minister, dated 14th of May, 1903, and his last report was made on the 23rd October, 1903. There is no objection to the motion.

Motion agreed to.

FLOODS IN ST. JOHN, IBERVILLE AND MISSISQUOI COUNTIES.

Mr. L. P. DEMERS (St. John and Iberville). (Translation). Asked :

For copies of all correspondence, petitions, claims, and other documents, in the possession of the government, relating to the damages sustained by the farmers of the counties of St. John and Iberville and Missisquoi, by the floods in the Richelieu river.

Mr. Speaker, in submitting this motion, I wish to make a few remarks. The question is one of interest to the people of the three counties of St. John, Iberville and Missisquoi. It is a well known fact that the banks of the Richelieu river, as far down as St. John's, are low. Every year there are freshets covering wide areas on both sides. These floods extend beyond the limits of St. John and Iberville, reaching into the county of Missisquoi, and it may be assumed with certainty that 25,000 acres of land, to say the least, are under water every year.

These lands are considered as being among the most fertile in the province of Quebec and they remain submerged for such a length of time, that crops cannot be grown on them. In the parish of St. George d'Henryville, for instance, a whole range had to be deserted. The fact of these lands remaining under water so late in the season is due, in the first place, to the action of the government, who, in building the canal from Chambly to St. John's, took possession of the old river-bed of the Richelieu, opposite the island of St. Theresa. The river at that point is thirty feet deep, while on the east side of the island it forms a rapid. The government had selected that location in order to save the expense of building the canal for a length of three

miles. The result was that the waters flowing off more slowly, remain too long a time on the land to permit of its being cultivated. Formerly, the floods, far from interfering with farming operations, were a help, insomuch as they increased the fertility of the soil.

I must say that the government, since I have the honour of representing the county of St. John and Iberville, have caused surveys of the locality to be made. Reports have been forwarded. Unfortunately, the suggested works have not been carried out, and the farmers claim, and rightly so, that matters should be set right or some compensation granted to them.

Motion agreed to.

NATIONAL TRANSCONTINENTAL RAILWAY.

Mr. BARKER—by Mr. Taylor—moved for :

Copies of all interim and other reports, plans, maps, accounts, statements, papers, documents, and correspondence in the possession of the government, relating to surveys for the western and eastern divisions, respectively, of the proposed Transcontinental Railway.

Hon. H. R. EMMERSON (Minister of Railways and Canals). There are no such documents on record in the department.

Motion dropped.

Mr. BARKER—by Mr. Taylor—moved for :

Return showing :

1. The number and names of all persons employed by the government or otherwise in surveys for the purposes of the eastern division of the proposed Transcontinental Railway.

2. The date of the employment of each such person, his salary, the nature and term of his employment, and the portion of the survey on which he has been employed.

3. Whether such person was so employed by the government ; and if not, by whom.

4. The nationality of each such person, and his place of residence previous to such employment.

Hon. H. R. EMMERSON (Minister of Railways and Canals). The government have no persons employed on the eastern division of the Grand Trunk Pacific Railway, and, of course, the other information is not in the possession of the department.

Motion dropped.

RETURNS ORDERED WITHOUT DISCUSSION.

Return showing the names and number of all immigration agents employed on salary by the Dominion government from the 30th June, 1902, to 1st January, 1904, in Great Britain and Ireland, the United States of America, and Europe ; the salary paid to each agent, the amount allowed for expenses to each. Also the number of immigrants sent to Canada by each of the said agents.—Mr. Wilson.

Return showing the names and number of all the immigration agents employed on commission by the Dominion government in Great Britain and Ireland, and in Europe, specifying the countries ; also the United States. Also how much commission is paid for each immigrant to each agent ; how many immigrants have been sent to Canada by each agent ; how much money has been paid to each agent as commission ; and how much has been allowed to each agent for expenses from 30th June, 1902, to 1st January, 1904.—Mr. Wilson.

Return showing the names and number of the officials in the employ of the government in Canada in connection with immigration ; the salaries of each ; the amount of money spent in Canada in connection with immigration ; the total expenditure in connection with immigration, for the fiscal year ending 30th June, 1903 ; the expenditure for advertising ; and the amount of expenditure on buildings, with names of places.—Mr. Wilson.

Copies of all petitions, memorials and correspondence respecting the half-breed allotment of scrip in Manitoba and the Territories up to date. Also copies of all reports and Orders in Council in connection therewith.—Mr. LaRivière.

Copies of all correspondence in connection with the cutting of any timber on Hope Island, in the Georgian Bay, by any person or persons during the years 1903-4.—Mr. Bennett.

Copies of all correspondence to date between the Department of Agriculture and the steamship companies, in regard to mechanical ventilation of ships' holds.—Mr. E. D. Smith.

Copies of all agreements made since January 1st, 1903, between the government of Canada and any transatlantic steamship companies receiving a bonus or subsidy from the government of Canada.—Mr. E. D. Smith.

Return showing the amount of money expended by the Dominion government on improving the navigation of the Saskatchewan river, in the Northwest Territories.—Mr. Davis—by Mr. McCreary.

Return showing the number of timber limits granted in Manitoba and the Northwest Territories, between the years 1878 and 1896, inclusive ; and the mileage covered by said limits, together with the amount of money per mile received by the government for said timber limits. Also the number of limits that have been granted since the present government came into power, and the amount received per mile for the same.—Mr. Davis—by Mr. McCreary.

Copy of the report of Mr. McLeod, C.E., upon the continuation of the Trent Valley canal between Rice lake and Lake Ontario.—Mr. Ward—by Mr. Blain.

Copies of all correspondence respecting the sale, lease or rental of the Garrison Common to the city of Toronto, or to any private parties ; and also as to the acquirement of the land to be used by the permanent military forces ; together with all Orders in Council disposing of said Garrison Common, and acquiring the lands to be used for military purposes.—Mr. Clarke.

Copies of all correspondence since the first of March 1903, including reports, letters, telegrams, &c., between the government of Canada and any of its officers or engineers, or other persons, respecting the damage done to the island at Toronto by the waters of Lake Ontario ; also copies of any orders or instructions which have been issued respecting the works necessary or to be undertaken for the

protection of the said island, and the preservation of Toronto harbour.—Mr. Osler.

Copies of all thermograph records of temperature taken on board Atlantic steamships since January 1st, 1903, stating :

1. Name of steamship.
2. Date when thermograph was put in chamber.,
3. Date steamer left the port.
4. Whether chamber was (a) cold storage ; (b) cool air ; (c) mechanically ventilated ; (d) ordinary, or whether the record was taken on deck, or other place where the natural temperature of the air would be registered unexposed to the sun's rays.
5. Where practicable, in what part of the chamber the thermograph was placed.—Mr. E. D. Smith.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. R. L. BORDEN. Has my right hon. friend placed upon the table of the House the correspondence between the government and the Grand Trunk Pacific Railway Company, or the persons named in the contract ?

Sir WILFRID LAURIER. Without pledging myself absolutely, I think I shall be able to bring down that correspondence on Monday.

Motion agreed to, and House adjourned at 4.40 p.m.

HOUSE OF COMMONS.

FRIDAY, March 18, 1904.

The SPEAKER took the Chair at Three o'clock.

GRAND TRUNK PACIFIC RAILWAY.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) moved that the House go into committee at the next sitting to consider the following resolution :

That it is expedient to ratify the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the eighth day of March, 1904, transmitted by His Excellency the Governor General to this House by his message of March the eleventh ; and which varies in some respects the provisions of the agreement between His Majesty and Sir Charles Rivers Wilson and others, representing the said company ; a copy of which forms the schedule to the Act, 3 Edward VII., chapter 71 ; and to authorize the government to do whatever is necessary to give full effect to the first mentioned agreement.

Motion agreed to.

QUESTION OF PRIVILEGE—THE MEMBER FOR DIGBY.

Mr. A. J. S. COPP (Digby). Mr. Speaker, before the Orders of the Day are proceeded with, I rise to a question of privilege. Certain statements reflecting upon my conduct as a member of parliament were made in one of the journals of the Dominion some time ago. The circumstances in connection with the matter referred to were so thoroughly understood in my own constituency that I did not deem it at all necessary to make any reference to them in this House. Nor would I have ever considered it to be necessary had the matter not been brought up, in the course of debate, by two hon. gentlemen. During the present session the hon. member for East Simcoe, from his place in the House, on the 15th day of March, in the course of the debate in reply to the address, made the following statement :

> Take the case of the hon. member for Digby (Mr. Copp) as heralded in the public press. Has he been reprobated by this government ? I have read of the case in the public press and I have read the minutes of the town council. This government was to build a dock in the town of Digby, and the hon. member for Digby goes to the town council, and makes an open bargain that he will use his position as a member of parliament to get a large grant for the construction of a dock in that town ; and, if my memory serves me rightly, he was paid $500 on account, and was to be paid $2,000 more on the completion of the dock. Surely it is the duty of the government to take notice of these matters. Surely this case has been brought to the attention of the Minister of Finance, who comes from that province. . . . . Surely he is aware of it ; and when I make the statement that public morality in this country has sunk to a lower depth than ever known, I make a statement well within the mark.

On the 16th of March, during the same debate, the hon. member for Lincoln supported the charge made against me by the hon. member for East Simcoe, and proceeded to read from the 'Weekly Courier' of January 8th, 1904, published in the town of Digby, N.S., what he alleged was an account of a meeting of the town council of Digby. He also read a copy of a contract between the town of Digby and myself, dated the 29th day of November, 1902.

I purpose giving a statement of the facts in connection with the transaction referred to, and I think I will be able to convince the House that neither of these hon. gentlemen had the slightest warrant for placing upon the facts and documents which they have presented to the House, the construction which they have endeavoured to make them bear.

For some years previously to the date of the said contract the residents of the town of Digby were most anxious to secure increased wharf and dock facilities in that town, in order to accommodate the industries near the town and to promote its material interests. Owing to the large amounts of money the expenditure of which, in the town of Digby, I had urged upon the government during the several years preceding the exe-

cution of said contract, I was not in a position to ask the government to undertake further expenditures to any very considerable amount within the town at that time; and I therefore deemed it more desirable to enlist the support of private individuals and companies interested in the matter. The Sissiboo Pulp Milling Company at this time were operating a very large business at Weymouth, which is about eighteen miles distant from Digby upon the Dominion Atlantic Railway, and were seriously complaining of the disadvantages they were labouring under in the shipment of their products. They were for this reason most anxious to secure increased shipping facilities at Digby. The matter was discussed most earnestly throughout the town and by the officials of the said Sissiboo Pulp Company, as well as by other shippers, and a consensus of opinion was developed to the effect that it would be desirable to build an additional strip along the north side of the government pier, with an 'L' running northward from the end of the pier, and to have the dock thus formed dredged. This would permit of an additional track, and so provide the extra shipping facilities required. Part of the discussion among the citizens of the town was directed to the question as to what amount the town of Digby would be willing to pay so as to secure the construction of said improved wharf accommodation, in consequence of which a public meeting of the ratepayers of the town was called by the then mayor, at which the question was fully discussed, and the resolution cited in the contract was unanimously adopted. The whole project embodied in the said contract was placed before the said public meeting in all its details; and among those present, along with many others of my political opponents, was the gentleman who had opposed me at both my elections in the county. No dissent from the project to be embodied in the said contract was expressed by any of the persons at the said meeting, which was large and enthusiastic. I was present at the said meeting, took part in the discussion and gave my advice as to the best course to pursue. Many schemes were proposed. and it was conceded that it would be necessary for the town to aid in the undertaking, and furthermore that it would be necessary to enlist the interest and support of the companies and shippers. I had the assurance, previously to the calling of the meeting, that a large amount of extra business could be secured for the extended wharf if suitable facilities could be afforded. Previously to said meeting I had written the following letter to the town council:

Digby, November 12th, 1902.

To the Town Council of Digby:

Gentlemen,—I understand that you are about to call a public meeting of the ratepayers of the town to take into consideration the question of having proper wharf accommodation provided and the bringing to the port of Digby steamers to carry freight across the Atlantic. I have the following proposition to make in connection with these matters, which I would ask you to submit to the said meeting:—

I will undertake to provide the necessary wharf accommodation and to bring steamers to Digby, provided the town council will enter into an agreement to pay five hundred dollars cash when the said agreement is signed and executed, four thousand five hundred dollars when the necessary wharf accommodation is provided and ten thousand dollars when the first steamer is tied up to the wharf at Digby for the purpose of carrying freight across the Atlantic.

I remain, yours sincerely,

(Signed) A. J. S. COPP.

In making this proposal my intention was to interest capitalists in undertaking the work and if the proposal should be accepted, I contemplated handing over the contract to any one person or persons who would carry it to a successful conclusion. It was my belief, and I so expressed it at the said meeting, that the enterprise in the hands of a company would be of greater benefit to the town than if the extension were made merely as a government work and managed by a department of the government. I was not anxious or even desirous of undertaking the matter myself and suggested to the meeting the names of several gentlemen whom I thought more competent than myself, particularly Mr. George Robertson, of St. John; but the meeting were of opinion that they would rather deal with me. The contract was accordingly entered into after the said meeting between the town of Digby and myself, which is the document read by the hon. member for Lincoln. In pursuance of the said contract I did a great deal of work and spent a great deal of time and money in the endeavour to float the scheme. I visited Montreal twice in connection with the matter, secured guarantees for freight and made up an estimate of figures showing the profit that would accrue to the company constructing and operating this work. I submitted the matter among others to Mr. R. Wilson Smith, of Montreal, the president of the Sissiboo Pulp Co., and received considerable encouragement from him. My proposition to him and to the others that I approached in the matter was that the town of Digby would pay over to the company constructing the work the remaining $4,500 mentioned in the agreement with me, and that I would secure the payment of the said sum from the town to the company or person completing the work. The $500 which I received were paid to me to cover any expense that I might be put to and the disbursements that I should make in the course of the negotiations and I was to receive no further compensation for my services. I have kept no precise accounts of the expenditure of the said $500, but I am confident that my expenses

and disbursements in connection with the matter have greatly exceeded said sum.

It was perfectly understood that I was not to receive any portion of the remaining $4,500 for my personal benefit, but that it would be a payment by the town in aid of the construction of the work. I had no idea of going to the government for assistance in the undertaking nor did I ever apply to the government for aid in the prosecution of the work. My efforts were directed solely to the enlisting of capital from private individuals or companies, as it was perfectly well understood in the negotiations that they would be. The reference to the meeting of January 8th, published in the weekly 'Courier,' and a portion of which only the hon. member for Lincoln read, contains the following remarks :

The acting mayor said he would make a brief statement before putting the resolution. It was supposed he said, when the ratepayers voted for the expenditure of this money that they were sincere ; it now appears that some, at least, of them were insincere. It seems they have been willing to vilify their own conduct in the endeavour to make some political capital, and that they have anything but the welfare of the town and surrounding country at heart. But it is better the agreement should be cancelled, than that it should be misrepresented, and an entirely false construction put on it throughout the length and breadth of the land, merely to gratify the spite of the few insignificant would-be politicians.

I have made this plain statement of the facts for the information of the House, not merely for the purpose of justifying myself in the matter, but to remove the imputation which the remarks of the hon. member for East Simcoe and the hon. member for Lincoln were calculated to cast upon my constituents, the town council and the citizens of Digby, who unanimously endorsed the whole transaction. The said town council consisted of three Conservatives and three Liberals and was presided over by a Liberal mayor. The said meeting of the citizens of Digby, as already stated, was composed of Liberals and Conservatives in about equal numbers. The whole transaction was placed before these two bodies and if it were capable of bearing the construction placed upon it by the hon. members for East Simcoe and Lincoln, they would be as deeply involved in the impropriety as myself. No such construction was intended nor can such construction be given to it in view of the facts and circumstances, which I am prepared to prove in the usual way before the Privileges and Elections Committee if any hon. gentleman should desire to challenge my statement.

PROVINCIAL SUBSIDIES.

Mr. R. L. BORDEN (Halifax). Before the Orders of the Day are called, I would like to call the attention of the government to a report—an official report, I believe—of the proceedings in the New Brunswick legislature on the 15th of March, according to which the Hon. Mr. Pugsley, the Attorney General of New Brunswick, is said to have made the following statement :

The Quebec resolutions had expressed the opinion that the Dominion government should bear the expense of administering the criminal law, and our government had deferred coming to a decision until the Dominion government had dealt with the subjects mentioned in the Quebec conference. He was glad to be able to say that he had brought from Ottawa a message from the leader of the government to the leader of the provincial government which had given them the strongest possible assurance that the resolutions of the Quebec conference in regard to additional subsidies for the provinces would be carried into effect.

Might I ask the right hon. gentleman whether or not this statement is correct, and whether he has any information to give us on the subject.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). The premiers of the several provinces have applied to the government for a reconsideration of the terms, which reconsideration would involve a readjustment of the financial arrangements between the Dominion and the provinces. The matter has never been taken up officially yet by the government, but speaking for myself personally, I said to Mr. Pugsley that I was of opinion this matter should be taken up at an early date, without stating at all in what direction.

SUPPLY.

The Hon. W. S. FIELDING (Minister of Finance) moved that the House go into Committee of Supply.

Mr. R. L. BORDEN. Has the Auditor General's Report been brought down yet ?

Hon. Mr. FIELDING. Not yet, but my hon. colleague, the Secretary of State, expects it will be ready on Monday.

Mr. R. L. BORDEN. It is somewhat awkward to go on with the estimates to any extent without having the Auditor General's Report before us. That was recognized last year by my hon. friend in a similar condition of affairs.

Hon. Mr. FIELDING. I quite admit that it is quite proper for my hon. friend to urge that we should not proceed until we have the Auditor General's Report, but if he has no objection we might take up non-contentious items and begin with civil government.

Mr. R. L. BORDEN. I have no objection to our going on with the items of civil government, but it must be well understood that, according to a well-known rule laid down in the past, this shall not be regarded as a precedent.

Hon. Mr. FIELDING. Inasmuch as the hon. gentleman who made that historical remark is now associated with my hon. friend, I think he is quite right in reminding us of it.

Mr. R. L. BORDEN. I think that the hon. gentleman spoke for the government on that occasion.

Motion agreed to, and House went into Committee of Supply.

Charges of management, $240,250.

Hon. W. S. FIELDING. (Minister of Finance). These are the usual and ordinary charges in connection with the management of the public debt. The items vary little from year to year. In this case, it will be found that there are a few small increases, and some decreases. There are several small items in the increase column which are needed for the offices of the assistant receivers general, chiefly for contingent expenses. For instance, express charges are increasing on account of the increased volume of circulation. Out of one of these items may be paid small increases in salaries of certain officers. There is a reduction in the item of commissions for payment of interest on public debt, purchase of sinking funds and transfer of stock, due to the fact that some portion of our funded debt will be paid off during this year, and consequently we shall have so much less on which to pay commissions. The only other item in which there is a change, is that of expenses in connection with the issue and redemption of Dominion notes, in which there is an increase of $3,300. We are each year increasing that item, and, in doing so, I believe we are conforming to the wishes of hon. members on both sides of the House. The object aimed at is to have cleaner Dominion notes in circulation. I think hon. members will agree that, within the last few years, there has been a decided improvement in this respect. There is room for improvement still. We are cancelling more old notes than in the past, and, though it costs us one or two thousand dollars more, I believe that it is an expenditure that hon. members on both sides will approve.

Mr. R. L. BORDEN. If the Minister of Finance does not object we will take this amount item by item.

Charges of management—office of the Assistant Receiver General—Toronto, $7,300.

Mr. CLARKE. There is an increase here of $200. Will the hon. minister say what it is for ?

Hon. Mr. FIELDING. It is for the general purposes of the office. We shall feel free to use some portion to increase one or two salaries, if we so desire, and I think part will be so applied.

Mr. CLARKE. To whom is it intended to give increases of salary ?

Mr. BORDEN (Halifax).

Hon. Mr. FIELDING. I am taking the vote without specifying the names. There are one or two officials who have been there for a number of years and who have not had increases. I think that the increases will probably be given to these gentlemen. But it is not yet officially determined, and I would rather not mention the names. The amount in any case is small—only $200, and if it were all applied to the general purpose of the office it woud be but a moderate allowance for the purpose.

Mr. SPROULE. It is a little irregular to mix up the general expenses of the office with salaries in this way. If we knew how much was to be given for one and how much for the other, it would be better.

Hon. Mr. FIELDING. The whole increase is only $200, so there is not much margin for one or the other. There are only one or two gentlemen to whom it is at all expected that increases will be given. They are officials who have been there for some years and who have had no increases. I think my hon. friend (Mr. Sproule) will accept that explanation.

Mr. SPROULE. I am only objecting to the principle, and the principle is the same whether the amount is $200 or $20,000. This mixing of current expenses of the office and salaries is what I call attention to.

Hon. Mr. FIELDING. If the amount were large I think the criticism would be sound.

Office of the Assistant Receiver General, Montreal, $5,800.

Mr. R. L. BORDEN. There is an increase here of $150. Is any part of it to be used in increase of salaries ?

Hon. Mr. FIELDING. There are no increases of salaries covered by any of these items besides that of Toronto, these others are for small incidental expenses.

Commission for payment of interest on public debt, purchase of sinking funds and transfer of stock, $31,500.

Mr. HENDERSON. I think this is an opportune time—as I do not observe any other item under which it could be brought up so properly—to ask the Minister of Finance to give us some explanation with reference to an item which appears in the public accounts for 1903. At page 11, I find the following statement :—

While the net debt shows a decrease of $10,222,100.75 on the 30th June last, it is well to bear in mind that of this reduction the sum of $3,305,450.24 is represented by a decrease caused by a readjustment of the assets and liabilities in connection with the settlement of accounts outstanding since confederation between the Dominion and the provinces of Ontario and Quebec.

It is a matter of a good deal of interest to many hon. members to know just how this sum was arrived at. I confess that

from the examination that I have been able to make of the public accounts of the Dominion as well as the accounts of the province of Ontario, I have not been able to reach any conclusion as to how this particular sum was arrived at. While it appears as a reduction of the public debt of the Dominion, it appears to me that it must still in some way stand as an increase of the liabilities of the provinces of Ontario and Quebec. But, so far as I have been able to investigate the matter the whole seems to be enshrouded in considerable mystery. As financial matters are always of interest, I think it is well that the minister should give us some information as to how this settlement was brought about and what this particular item consists of. I do not apprehend for a moment that it forms any part of the old trust fund held by the Dominion of Canada from the time of confederation, such as the Upper Canada Building Fund, the Grammar School Fund or the Common School Fund. I do not see that any of these items are disposed of by this government in any way, in accordance with the terms of the award of 1893 they are still intact; and where this particular item comes from, where this balance arises, I am absolutely at a loss to determine, and I have not been able to glean from what has been said by the provincial treasurer how this matter was arranged. I trust that I am not asking too much of the minister—we have plenty of time—that he will be able to give us some explanation that will make the matter plainer to those on this side of the House who have no access to the papers in his department, and I am quite sure it will be interesting to know how this matter was arrived at.

Hon. Mr. FIELDING. The account to which my hon. friend refers is one of long standing and somewhat complicated, and I would hardly be justified in giving an answer off-hand. I would rather prepare a detailed statement showing the different items of the account, and how this change comes about, and I will be glad to bring that down at an early date. The essence of the whole matter is that in the accounts between the Dominion and the provinces, there were certain things assumed that had not been absolutely determined by the arbitrators, and when the ultimate determination was made, by which the provincial accounts had to be readjusted, there were some sums of money due on one side and on the other which differed from the amounts as they had been standing in the books for some years. It is a complicated statement, and I will be glad to bring down at an early day such statement as will show the exact operation of the account, and how this difference is brought about.

Mr. HENDERSON. I am obliged to the minister for the information he has given to the House. I had an impression, and I think it is borne out by what the minister says, that this balance was what might be called a paper balance, practically there was no money passed one way or the other. The Dominion is not richer, and the provinces, I trust, are no poorer, it was simply a matter of bookkeeping so far as I can learn. But I should not discuss the matter further. I am glad that the minister proposes to give us an explanation, and I know that there are other members on this side of the House who will be glad to hear it.

Hon. Mr. HAGGART. Can the minister state whether any money was actually passed ?

Hon. Mr. FIELDING. The only question is, as to the rate of interest to be paid.

Hon. Mr. HAGGART. I notice that the question has arisen in the provincial government. The provincial government claimed 5 per cent against the Dominion government on the balances due. The Finance Minister says, no, I won't pay you 5 per cent, because I can borrow money for less. Is this a part of the transaction ?

Hon. Mr. FIELDING. The question to which my hon. friend refers relates entirely to the interest and not to the principal sum. The transactions are connected, but the question which my hon. friend refers to, is entirely in relation to the interest, there is no dispute about the principal sum. There is a certain sum which is determined to be due the province of Ontario. The province desires that we should continue to pay 5 per cent, while we are legally advised that the item is not one of the class in which the Dominion is, under the constitution, obliged to pay 5 per cent. There were certain sums upon which originally 5 per cent was to be paid ; but we are legally advised that that item is not one which properly bears 5 per cent. It is like any ordinary debt, we can either pay it off, or we can let the item stand at a rate of interest to be agreed upon. We have urged that we should not be obliged to pay 5 per cent. The premier of Ontario claims that we are bound to pay 5 per cent, and it is quite likely that in one form or another there will have to be a judicial determination of that point. It does not affect the principal sum, it is entirely a question of the rate of interest to be paid.

Mr. CLARKE. What is the amount of the sum for which this interest was to be paid ?

Hon. Mr. FIELDING. It is upwards of two million dollars of trust funds.

Mr. SPROULE. Did that involve any reduction of the debt ?

Hon. Mr. FIELDING. It relates to the reduction of the debt. On the question of the principal sum there is no dispute, it is now purely a question of the rate of interest to be paid.

Mr. SPROULE. If you have not determined the exact rate of interest that should be paid, then it cannot be anything that accounts for the reduction in the debt, it must be something else, and what is it?

Hon. Mr. FIELDING. We have to determine the principal sums, and they affect the reduction of the public debt. The principal sums have been determined, but the rate of interest to be paid on these moneys is the point at present in dispute.

Mr. HENDERSON. I understand that the sum on which the Ontario government claims they have a right to pay only 4 per cent is that sum of $1,800,000 which was found by the arbitrators to be due to the Dominion of Canada by the province of Ontario as a part of the debt of the province, which we are told so frequently does not exist. I understand the province of Ontario is only expected to pay 4 per cent on that money. I understand also that the Prime Minister is setting up the pretension that he should not be called upon to pay more than 4 per cent on the old trust funds that have existed since confederation, namely the Common School Fund, the Grammar School Fund and the Building Fund, amounting to between $3,000,000 and $4,000,000. I also understand that under the British North America Act and under the award which was made away back in 1873, the Dominion was bound for all time to pay 5 per cent on these moneys, and that was considered a portion of the revenues of the province of Ontario. I regret very much that any proposal has been made either by this government or by the Ontario government to pay over these moneys. I think it is well that the province of Ontario should not be allowed to receive that money and appropriate it for any other purpose than that for which it was originally designed. It was for the support of the public schools and asylums and other charitable institutions that the funds were created more than half a century ago. I think it is well these should remain intact. The province of Ontario will have a continuous revenue, independent of her other resources, and that will postpone the time when more direct taxation will be called for the purpose of providing revenues for that province. I hope the Dominion government will not press this matter, and that they will continue to pay the 5 per cent to the province of Ontario rather than see that fund absolutely destroyed. May I ask the minister whether, in this question that is being raised between the province and the Dominion, there is any proposal to pay off this $2,848,000, which is properly a capitalized subsidy that was granted in 1894, and which I do not think was ever intended as capital when it was originated? As far as I can judge, the Acts of parliament creating it never designed it as capital, but I am aware of the opinion of the Finance Minister that it is capital and also that the province of Ontario treats it as capital. If that subsidy is to be capitalized and the capital sum handed over to the provincial government of Ontario, then in the course of a few years Ontario will be stripped of a very large part of its annual revenue. The provincial government would not be able to invest the money elsewhere as profitably, and I fear that the money will find its way in a short time into some other investment; possibly $2,000,000 of it might be laid out at the Sault or in some other scheme which the province would have cause to regret in a few years. I think the money is much safer in the hands of the hon. gentlemen on that side of the House.

Sir WILFRID LAURIER. Hear, hear.

Mr. HENDERSON. Than in the hands of even the present government of the province of Ontario, and I would express the hope that the government will retain the money and give us the annual revenue that accrues from it and will not consent to treat the subsidy of $142,000 as anything but a subsidy, and will continue to pay it as a subsidy.

Hon. Mr. FIELDING. I think that as regards the funds referred to in the latter part of my hon. friend's remarks there is no question as to whether or not the province could legally withdraw that amount, because while they receive 5 per cent interest on this money it would be very foolish on the part of the province to withdraw the principal, and I think that the province will be only too glad to let these funds stand bearing 5 per cent interest. The only portion in dispute is the other item, and although my hon. friend, with a loyalty to his province which we should admire, thinks we should go on paying 5 per cent, it is after all a question of what would be a legal and fair interpretation of the transaction and I think this should be decided by the proper authorities. There is no desire to drive a hard bargain with the province, but simply to get a fair and proper interpretation of the arrangement.

Mr. OSLER. Are steps being taken to submit the question, which has been in dispute for a great many years to some tribunal, in order to get it out of the way.

Hon. Mr. FIELDING. The differences in past years have been in regard to the principal sums involved. These differences have been disposed of and cleared up and while we are not making rapid progress, we are making good progress. We have reached a point when we can say that the principal sums have been determined. The only large question remaining now is in regard to Treaty No. 3, the Indian Lands Treaty. There is a question in dispute there which possibly could not have been legally dealt with by the arbitrators. There was doubt

as to what should be paid in this case and we have mutually agreed to have the issue referred to the Exchequer Court. This other question of the payment of 4 per cent or 5 per cent interest on a certain sum is a matter of negotiation between the two governments at this moment. No steps have been taken to have a judicial determination of the matter but we agree that we should have in some form or another a determination of the question.

Mr. R. L. BORDEN. Does that refer to the item on page 11 of the Public Accounts:

Sundries, settlement of accounts between the Dominion and the province of Canada and the provinces of Ontario and Quebec, $2,305,450.24.

—or is it included.

Hon. Mr. FIELDING. Yes, the item to which my hon. friend refers covers that.

Mr. R. L. BORDEN. Why is it put in there as a credit ?

Hon. Mr. FIELDING. It is a summary of various items and of course details must be given. In view of the discussion which has arisen and the question raised by my hon. friend from Halton (Mr. Henderson) I think it better that I should have a detailed statement prepared showing how these changes are brought about in the accounts, and at an early date I shall lay on the table a statement showing how these results are produced.

Mr. R. L. BORDEN. It seems to me the item at page 11 would represent an indebtedness payable by the province to the Dominion instead of an indebtness payable by the Dominion to the province.

Hon. Mr. FIELDING. There are items on both sides of the accounts.

Mr. R. L. BORDEN. If you include it on that side of the account it must represent in the end a balance owing by the provinces to the Dominion. It is there put in as a credit to the Dominion.

Hon. Mr. FIELDING. These are various sums which as a result of arbitration have been placed to the credit of the Dominion.

Mr. INGRAM. I am not quite clear as to the explanation given. I understand the Dominion government is anxious to reduce the interest payable to the Ontario government and afterwards the hon. gentleman says that instead of the $142,000 annual subsidy to Ontario, that the Ontario government can collect a capitalized account. The question then arises as to what is legal. This government is insisting on the Ontario government reducing their interest on the trust funds. Then I would say why not be consistent and ask them to reduce their interest on the capitalized amount, and if they fail to do that and it is a legal item why does this government not insist on paying the cash and thereby save the extra interest paid by the government in this $142,000 ? I do not think they can legally collect that capitalized account ; in the first place, that was given as an annual subsidy to the province of Ontario, but the Ontario government are taking advantage of that by capitalizing it and using it to figure out a mythical surplus, and I think the hon. gentleman is rather putting it in the mouths of the Ontario government to use that argument by the statement that he has made here to-day. As similar statements have been made in this House before I do not think this government is doing their duty unless they insist on a settlement of this upon a cash basis.

Hon. Mr. FIELDING. I did not say that the Ontario government could legally collect that amount. I said that that question would not be worth our while to debate, because as the money is earning five per cent it would be very foolish for the Ontario government to endeavour to remove it from our treasury even if they could. Whether they could do so or not is not a profitable subject of debate. As to the other part we have claimed that a certain portion of these moneys do not stand in the same position as subsidy moneys, and now that the amounts have been determined it is an ordinary question of account as between two parties. It has been found that as respects that class of account we owe Ontario so much and we say that as we owe Ontario that money we can do as any private person, pay the money and square the account, or arrange that Ontario shall leave the sum in the Dominion treasury at a rate of interest mutually to be agreed upon. We have proposed that at present, they leave the money there at four per cent. The Ontario government claim that we have no right to pay that money off but must pay them annual interest upon it at five per cent, whether we wish to do so or not. If we cannot effect a settlement by mutual agreement, I presume that we will have to submit a case for adjudication.

Mr. INGRAM. What about the other item ?

Hon. Mr. FIELDING. Nobody is asking to withdraw it and therefore we are not called upon to say anything about it.

Mr. INGRAM. Would it not be in the interest of the Dominion that the capital amounts be paid, so that we would not have to continue to pay as high interest as 5 per cent ? Why does not the government do that ?

Hon. Mr. FIELDING. Because the matter has only recently come up as an issue, and we have not determined what is the best method of settling it. We have presented our views to the Ontario government and they have objected ; we have referred our views to the Department of

Justice, and the Department of Justice advises that we are not bound to pay 5 per cent. We have so informed the Ontario government, and I suppose the next step will be that we shall have a reference to the court, or to some counsel amicably agreed upon, or that we should agree upon some other arrangement with reference to it.

Mr. HENDERSON. I am surprised to hear that the Minister of Justice has ventured the opinion, that we are not bound to pay 5 per cent. I cannot understand upon what authority he can possibly base any such opinion. He may say that it is more than the ordinary rate of interest, but that cannot interfere with a contract made forty years ago and which is as binding to-day as it was at the time of confederation. The Upper Canada Grammar School Fund, the Building Fund, the Common School Fund; these were left in the hands of the Dominion at confederation on the distinct understanding that the Dominion should pay the province 5 per cent interest, and there was no time fixed when they could pay the capital sum over. There is no possibility of getting a release from that obligation unless this parliament and the Ontario legislature should pass joint legislation authorizing the respective governments to make such an arrangement. I do not see how, under any other circumstances, the Minister of Finance can insist on the province of Ontario accepting 4 per cent instead of 5 per cent. As to the balance of $1,815,848.59, that was found to be due by the province to the Dominion on the settlement of the various accounts by the arbitrators, there is nothing binding on either government as to what the rate of interest should be, and the Dominion government has the right to say to the province: You must pay us that capital sum to-morrow or we will insist on 5 per cent. It does seem strange, however, that the Dominion should only collect 4 per cent on the money due by the province, while at the same time they have to pay 5 per cent on the money they owe to the province; but one is under a solemn agreement made many years ago, and the other is under no agreement other than possibly some arrangement that may have been come to between the Minister of Finance and the provincial treasurer which I do not think has ever been crystallized into legislation. I again express the hope that the Minister of Finance will not press the payment of this money on the province of Ontario, even though the Dominion government, the wealthier of the two is obliged to pay 5 per cent. The province of Ontario wants the revenue, and as they would not be able to invest such a large sum of money at 5 per cent, there would be a shrinkage in their revenue. I repeat in all sincerity, that in all confidence that money will be better taken care of in the hands of the Dominion government as trust money, than if it were handed over to the province of Ontario, and possibly used for purposes that it was never designed for. I shall await with interest the statement the Finance Minister has promised us with reference to this sum of over $3,000,000, which we are told has been deducted from our national debt, because I confess that as far as I can understand, it is a mystery where it has come from, and whether it really existed as money at all or not. I think when we get the facts, we will find that it was simply a book-keeping balance that came down from our ancestors of fifty years ago, and that it practically had no material existence as money.

Hon. Mr. HAGGART. Under the Act of 1884 which gave an allowance to those provinces which were not indebted to the Dominion, the province of Ontario was entitled to an annual subsidy of $140,000 a year. The government of Ontario claims that interest capitalized as an asset of the province, and that they are able to get the money at any time. They make that claim upon a statement made by the Finance Minister. I denied that statement and I contend that it is an increased subsidy given to the province, and should be treated in the same manner as any other subsidy. I have contended that it is not an assessment that should appear in the assets of the province.

Hon. Mr. FIELDING. I am afraid I cannot undertake to enter into any discussion as to how the accounts of the Ontario government are kept. I presume they will have to be responsible to the legislature for that.

Hon. Mr. HAGGART. They rely on your authority for that statement.

Hon. Mr. FIELDING. If my hon. friend will call attention to any statement in which I so alleged it, I think he will find that the reasons are given in the document which sustains the contention. There is an Act of the Dominion parliament passed in the 70's I think, which provides that sums of money at the credit of the various provincial governments may be withdrawn on certain conditions for the construction of public works. I know that capital sums which have stood to the credit of some of the provinces were withdrawn under that Act. My hon. friend from Halton is a layman the same as I am, and I am afraid that we will have to submit to the judgment of the lawyers as to whether there is a contract or not.

I am inclined to think that if one province could withdraw a portion of the money to the credit of its capital account under that Act and use it for public works, another province could in the same manner withdraw the sum of money which is to its credit; but, as I said before, that has never presented itself to my mind as a practical question, and I do not think any good pur-

pose could be served by arguing it out now. The government of Nova Scotia many years ago withdrew money from its capital account under the authority of the Act to which I have referred; but in later years, when the conditions of the money market changed, it would have been a supreme act of folly for the province of Nova Scotia to have continued that policy. There is $1,000,000 in round figures to the credit of the province of Nova Scotia to-day in that fund, standing in precisely the same way as other moneys stand to the credit of other provinces, and under that Act I have no doubt the province could come here and obtain a portion or all of that money; but although it adopted that policy in former years, when interest was high and the credit of the province was not well established, it would be a foolish thing to do it to-day. I do not pretend to discuss the legality of the proceeding, but it would be such an exceedingly foolish thing for any province to withdraw money which is drawing 5 per cent at Ottawa that I do not think it a practical question.

Mr. INGRAM. For years the province of Ontario did not capitalize its subsidy, but simply had placed to its credit $142,000. But the brilliant idea struck those hon. gentlemen in the Ontario government of placing the $2,848,289 in their accounts as an asset. That was a subject of contention between the two political parties in Ontario, and to get round the difficulty, the Ontario government opened up correspondence with the hon. Finance Minister. It is true, the hon. gentleman stated in the correspondence what he has stated to-day; but I venture to say that the Minister of Trade and Commerce (Sir Richard Cartwright), who knows all about the transaction, will not express the same opinion. If it is a legal and proper payment, this government are not doing their duty if they do not insist on paying less interest or else paying the money over. It would be just as consistent to capitalize the subsidy granted to the province in the first instance, or to capitalize the subsidies granted to other provinces, and place them among their assets, and thus enable them to claim surpluses. That is why we in the province of Ontario who are opposed to the government there, believe that their system of keeping accounts is incorrect and misleading, and we ask no better proof than the fact that that government have found it necessary to appoint a commission to find out whether they have a surplus or not.

Mr. R. L. BORDEN. I do not at all understand this item of $3,305,450. I do not expect my hon. friend to make any further statement about it to-day; but if he is going to have a statement prepared, I think it should be as full as possible, because this seems to represent a liability from some province or provinces to this government. I would like to know what it really represents or what it means, and whether we are getting any interest on it?

Hon. Mr. FIELDING. We are getting interest on these adjusted accounts, according as the items are charged on one side or the other.

Mr. OSLER. Looking at the statement of the public debt in the estimates, there appears to be a decrease of $34,500,000. I do not see any reason for that in the public accounts.

Hon. Mr. FIELDING. This, of course, my hon. friend will see is our estimate for the year beginning next July, and in the meantime we are contemplating paying off a portion of the debt. This is our estimate of how the readjusted debt will stand on the 1st of July.

Mr. OSLER. Do I understand the minister to say that he expects to make a cash payment of $34,500,000 out of the subsidies of the country between now and the 1st of July? I understand that some $25,000,000 will fall due within that time, but surely that will be renewed.

Hon. Mr. FIELDING. Some portion of it will be renewed and some portion will, in all probability, be transferred into a temporary loan, because in the present state of the money market it may not be deemed expedient to issue permanent debentures.

Mr. OSLER. It is rather a startling statement to go out, that the estimates show such a decrease.

Hon. Mr. FIELDING. The whole statement taken together is all right.

Mr. MORIN. I would like to ask the Minister of Finance, of the $3,305,450 mentioned on page 11 of the Public Accounts as paid to the provinces of Ontario and Quebec, how much has been paid to the province of Quebec?

Hon. Mr. FIELDING. I am not quite sure that my hon. friend has quite correctly comprehended the meaning of that item; but I have stated that I intend to bring down a statement at an early day giving the details. This sum is not to the credit of the province of Quebec, but is payable to the Dominion.

Mr. R. L. BORDEN. If the item of $700,000 on page 6 represents interest on a portion of the public debt which is converted from a funded debt into an ordinary debt, should you not have something in the capital column to represent that?

Hon. Mr. FIELDING. There will be.

Mr. R. L. BORDEN. It seems to me that the observation of my hon. friend from Toronto (Mr. Osler) is justified, that this hardly shows the actual condition of affairs. You are apparently reducing the liabilities

of the country by a very large amount, but in reality you are not.

Hon. Mr. FIELDING. This is only intended to show the amount of interest we will have to pay. The actual amount of the public debt, which we will owe on the 1st of July, it is now difficult to determine, and we can only state it approximately. In any statement of the public debt, the temporary loans must of necessity be included. Otherwise the statement would be misleading.

Mr. R. L. BORDEN. When does the loan fall due to which my hon. friend refers ?

Hon. Mr. FIELDING. A large loan of about $20,000,000, falls due in May.

Mr. R. L. BORDEN. Have arrangements been made to convert that into temporary loans ?

Hon. Mr. FIELDING. The Deputy Minister of Finance is in London to arrange matters and the details are not yet public, but substantially what is proposed is that the duration of the loan shall be extended for three years, with the option during that time on the part of the shareholders of converting it into a new issue. I prefer not going into more details at present with regard to rates and so forth, as the transaction is not officially before the public, but the plan is to extend the duration of the loan for three years at rates to be agreed on, with the right to the shareholders to convert during that period the old loan into a new issue of stock at a rate to be fixed. The idea is that financial affairs will rereadjust themselves during that interval, and we will then be in a better position to issue permanent debentures than in the present state of the money market.

Mr. CLARKE. What is the present rate of interest of the loan now maturing.

Hon. Mr. FIELDING. The loan expiring is a four per cent loan.

Mr. OSLER. I think that the proposition of the hon. minister is the only possible way to be adopted just now, in the present state of the money market, but it seems to me rather risky to have left the renewal until within two or three months of the maturity of the loan. That large loan should have been provided for some time ago. It would be very risky for any ordinary corporation to leave such a large amount at the risk of the money market without arranging for its renewal.

Hon. Mr. FIELDING. I may say to my hon. friend that we have not been neglecting this matter, but that it has been engaging very carefully the attention of the department for quite a number of months past. I sent Mr. Courtney to London long before the loan matured in order to make preparatory arrangements, but my hon. friend is aware, that, bad as the money market is now, it was worse then. We have been keeping in close touch with the market and seeking the most available moment to have the transaction placed upon it.

Mr. R. L. BORDEN. The first despatch seemed to indicate that the matter had progressed further than my hon. friend mentions to-day, but possibly the despatch may not have been accurate. I think it was stated that the government was obtaining a three years extension, with the option on the part of the debenture holders to convert their bonds now maturing into a permanent loan at four per cent, at 105.

Hon. Mr. FIELDING. The rate is three per cent. We are not getting 105 for a three per cent loan.

Mr. R. L. BORDEN. What I meant was that the debenture holders were to get £105 for every £100 they now hold.

Hon. Mr. FIELDING. They would get £105, or thereabouts of the new loan for £100 of the old loan, which would mean that the government would float the new loan at about 95. The despatch to which my hon. friend refers was published before the transaction was really concluded, although in the main it indicates the plan correctly.

Brokerage on purchase of sinking funds, $5,600.

Mr. R. L. BORDEN. What is that ?

Hon. Mr. FIELDING. It is the customary charge of the banks over there.

Mr. R. L. BORDEN. What is the actual transaction ?

Hon. Mr. FIELDING. When we purchase securities for a sinking fund, the custom of the market is to make the purchase through a broker and a small commission is paid—one-eighth of one per cent. As we will have less sinking funds to provide for, owing to some of the loans maturing, a smaller sum will be paid for commission.

Expenses in connection with the issue and redemption of Dominion notes, $13,300.

Mr. R. L. BORDEN. Will the hon. minister explain the increase ?

Hon. Mr. FIELDING. It is due to the increased circulation and the desire of the House to have the old notes destroyed and new ones issued.

Mr. CLARKE. How many bills of one and two dollars did the department destroy last year ?

Hon. Mr. FIELDING. We have destroyed a great many, and I will have a statement prepared later.

Mr. CLARKE. What steps have been taken by the department to secure similar action on the part of the chartered banks ?

Hon. Mr. FIELDING. The only thing is the force of a very good example. With the knowledge that we are giving cleaner Dominion notes, the banks will be induced to treat the public similarly. I think that the bank circulation has been improved.

Mr. CLARKE. Have the government taken any steps to bring this matter to the attention of the banks ?

Hon. Mr. FIELDING. It is a subject of frequent conversation between the officers of the department and bank managers whenever opportunity occurs. We have not taken any formal action.

Mr. R. L. BORDEN. It is not a matter over which the Canadian Bankers' Association has any jurisdiction ?

Hon. Mr. FIELDING. Not specifically, but they can do a great deal. I hope that through their instrumentality something may be accomplished in that regard.

Mr. OSLER. I think that the banks are endeavouring to improve their circulation and that is badly required. I must say that the Dominion notes have improved in the last year or two, but they still fall very far short compared with those issued by the United States government. You cannot go to any hotel in the United States and get change without getting practically new one dollar bills. Our Dominion notes have improved very much, but they are far short of the condition of the bills issued all over the United States, and I think that the hon. minister would be quite justified in asking for a larger appropriation to make our one dollar bills, at all events, up to the standard of cleanliness that prevails in the United States to-day.

Mr. JABEL ROBINSON. Has the hon. minister taken any steps to issue bills of a larger denomination ?

Hon. Mr. FIELDING. No definite action has been decided upon. We are contemplating a five-dollar bill, for which there is some demand. The four-dollar bill is regarded with a measure of disfavour by the banks ; we are told that it is inconvenient.

Mr. CLARKE. The five-dollar bill is more convenient than the four.

Hon. Mr. FIELDING. I have observed that many people would rather have the five than the four.

Printing Dominion notes, $110,000.

Mr. SPROULE. What is the rate of cost for printing these Dominion notes ?

Hon. Mr. FIELDING. It is fixed under contract, which has been before the House. I could not tell my hon. friend the rate from memory, but will look up the contract and tell him the facts.

Mr. OSLER. The contract has some years to run ?

Hon. Mr. FIELDING. Yes ; it runs for a term of years.

English bill stamps, postage, &c., $10,600.

Mr. R. L. BORDEN. What does that really mean—'English bill stamps' ?

Hon. Mr. FIELDING. The stamp duty there is quite heavy on all financial transactions. This is a sum we have to vote every year in connection with the stamps on treasury bills and everything of that kind.

Expenses in connection with the conversion of the public debt ; payments may be made to members of the civil service, notwithstanding anything in the Civil Service and Superannuation Acts, $5,000.

Mr. R. L. BORDEN. What is the meaning of that ?

Hon. Mr. FIELDING. This item was put in last year in anticipation of certain events. I anticipated that Mr. Courtney would probably retire immediately, and I was anxious to retain his services in an advisory capacity for a year or two longer—certainly for a year—pending certain large financial transactions. It was contemplated that we might use a portion of this money in retaining Mr. Courtney's services. All that has been changed, and the only charge against the item has been the expenses of a couple of trips to England in connection with the transactions. If Mr. Courtney should retire at the close of the present fiscal year and I should carry out the policy then contemplated, of asking him to remain connected with the service in an advisory capacity, we could pay for his services out of this vote. Whether that plan will be carried out as contemplated some monthe ago, I am not able to say. Mr. Courtney is in England, and I do not know whether I can retain his services. I have thought that it would be well to take the vote in the same manner as last year.

Civil Government—Governor General's Secretary's Office—salaries, $11,250.

Mr. CLARKE. What are the increases in this item ?

Hon. Mr. FIELDING. There are none, except the ordinary statutory increases.

Governor General's Secretary's Office—contingencies, $15,100.

Mr. R. L. BORDEN. My hon. friend now comes to items as to which it would be useful to us to have the advantage of reading the Auditor General's Report. The expenditure on this service is given in that report, is it not ?

Hon. Mr. FIELDING. Yes.

Mr. R. L. BORDEN. Perhaps it would be as well to allow those items to stand, in the consideration of which we require the assistance of the Auditor General's Report. But if there are any of these items as to which

the Auditor General's Report would obviously not be of much importance, we might go on with those.

Hon. Mr. FIELDING. Each branch of the service has items of contingencies, and so each would be open to the same remark.

Mr. R. L. BORDEN. Is there nothing else we can take up ?

Hon. Mr. FIELDING. Not so far as civil government is concerned, and that is all we expected to touch to-day. If the hon. gentleman would rather not go on, I have no objection to the committee rising. We have made good progress for the first day.

Mr. R. L. BORDEN. I am anxious to go on, but I do not want to deal with items as to which we may require information contained in the Auditor General's Report, which is not yet before us. I may say that my hon. friends on this side would like to see the Auditor General's Report with regard to this particular item, and perhaps we could not make much progress with regard to such items to-day.

Some resolutions reported.

On motion of Sir Wilfrid Laurier, House adjourned at 4.40 p.m.

HOUSE OF COMMONS.

MONDAY, March 21, 1904.

The SPEAKER took the Chair at Three o'clock.

ANTI-CIGARETTE LEGISLATION.

Mr. W. S. MACLAREN (Huntingdon) moved that on Tuesday next the House go into Committee of the Whole to consider the following resolution :—

That it is expedient to bring in a Bill to prohibit the importation, manufacture and sale of cigarettes.

Motion allowed to stand.

OFFICIAL REPORT OF THE DEBATES.

Mr. CHAMPAGNE moved :

That the first report of the Select Committee appointed to supervise the official report of the debates of the House during the present session be concurred in.

Motion agreed to.

QUESTIONS.

THE MINT.

Mr. KEMP—by Mr. Clarke—asked :

1. Has a site for the mint been selected ?
2. If so, what is the location ?
3. Have tenders been asked for the erection of the building ?
4. If not, why not ?

Mr. BORDEN (Halifax).

Hon. JAMES SUTHERLAND (Minister of Public Works). The matter has not been finally settled.

TRENT VALLEY CANAL.

Mr. LENNOX asked :

1. What is the date of the first appropriation for the Trent Valley canal ?
2. What is the date of the actual commencement of the work ?
3. What are the sums annually expended on the said canal ?
4. What is the total estimated expenditure required to complete the work (a) via Port Hope ; (b) via Trenton ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. The date of the first appropriation by the Dominion of Canada for the Trent Valley canal was 1879-80.
2. The date of actual commencement of work by the Dominion government was the year 1880 ; portions of the canal had, however, been constructed before confederation.
3. The sums annually expended by the Dominion government on capital account were :

Year.	
1880	$ 561 50
1883	40,767 16
1884	120,393 91
1885	121,382 84
1886	75,103 30
1887	179,541 63
1888	114,879 35
1889	47,592 13
1890	58,644 50
1891	9,826 49
1892	4,457 28
1893	5,962 47
1894	3,412 32
1895	53,907 70
1896	392,976 08
1897	486,575 70
1898	351,273 31
1899	166,611 49
1900	334,583 01
1901	284,503 89
1902	449,075 45
1903	523,950 74

4. The estimated cost, via Trenton, is $6,960,000 ; the estimated cost, via Port Hope, $6,850,000.

DRY DOCK SUBSIDY—PACIFIC COAST.

Mr. TAYLOR—by Mr. Sproule—asked :

1. Has the government received any communication during the past two years with respect to creating or enlarging dry dock facilities on the Pacific coast ?
2. When were such communications first received by the government ?
3. Has the government promised a subsidy to any person or persons for the construction or enlargement of dry docks on the Pacific coast ? If so, to whom has such promise been made ; and if the promise has been made to a company or corporation, who are the persons interested in such company or corporation ?
4. If a subsidy has been promised, what information has the government received with

respect to the financial ability of the person, persons, company or corporation who have been promised the subsidy ?

Hon. JAMES SUTHERLAND (Minister of Public Works):

1. Yes.

2. On the 18th of May, 1903.

3. Yes, the Vancouver Dry Dock and Shipbuilding Company, Limited. The initiative steps were taken by S. Thompson, the names of the other parties interested are not known to this department.

4. Extract from report of G. A. Keefer, resident engineer, under date of October 8, 1903, as follows :

As to the solvency and responsibility of the Vancouver Dry Dock and Shipbuilding Company, Limited, as a firm, I have no means of knowing further than a favourable personal knowledge of its representative, Mr. S. Thompson. Mr. Thompson is a marine and mechanical engineer of high standing, has been a resident of Vancouver for 16 years, and in business for himself for the past five years, and the valuation of his property, plant, &c., in Vancouver is placed at $100,000. He is in touch with and known to the firm of Clark & Stanfield and the constructing firm of Clark & Hunter, designers and builders of the Bermuda, Havana, Algiers, Maryland, and numerous other floating docks, of which they make an exclusive specialty, to whom the work of the Vancouver dock will be given. Mr. Thompson's references are: Evans, Coleman & Evans, Bank of Montreal, Canadian Bank of Commerce, and Molson's Bank, all of Vancouver, so we may assume that his business standing is all right. It is his intention to proceed to England immediately on obtaining the necessary permission to construct from the Dominion government, where he anticipates no trouble in floating the company, as he states the necessary capital has been secured contingent on government assistance and permission being obtained.

QUEBEC BRIDGE PAYMENTS.

Mr. MORIN asked :

1. Has the government paid any amount, since the 1st July, 1903, on the million voted for the Quebec bridge ?

2. What amounts were thus paid, and to whom, and on what dates ?

Hon. H. R. EMMERSON (Minister of Railways and Canals):

1. No amount has been paid since 1st July, 1903, on the $1,000,000 voted for the Quebec bridge.

2. The answer to number one answers number two.

MAIL SUBSIDIES—MONTREAL AND BRITISH PORTS.

Mr. HENDERSON—by Mr. Sproule—asked:

What was the total amount paid by the government during the year ending 31st December, 1903, as mail subsidies and steamship subventions for ocean and mail service, or other steam communication, between the port of Montreal and any port or ports in Great Britain ?

Rt. Hon. Sir RICHARD CARTWRIGHT (Minister of Trade and Commerce). I would call the attention of the hon. gentleman to the fact that almost all the steamship subsidies paid for steamers from Montreal cover a double circuit, from Montreal during the summer, and from Halifax, St. John or other ports during the winter. Consequently, there may be a question of subdividing. With this qualification I would say that the total amount paid was $110,656.25. That will have to be divided hereafter.

PAYMENT OF MILITIA AT VALLEYFELD.

Mr. CLARKE asked :

1. Have the Valleyfield municipal authorities paid to the government of Canada the sum demanded for the services of the militia who were called out on the occasion of a strike in Valleyfield ?

2. When was the sum paid over ?

3. What was the amount demanded by the government ; and what was the amount paid by the municipality ?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). I beg leave to read a memorandum on this subject, prepared by my deputy :

This case now stands as follows :

On the 10th instant His Excellency in Council approved of the settlement of the case on the basis of an offer by the municipality, viz.: To pay the cost of transport and pay for the first and second day the troops were out.

At the end of the second day (26th October, 1900) seven magistrates had ordered the withdrawal of the troops, and the department is advised that the power which can order the troops out can also order their withdrawal.

They were not, however, withdrawn on the 26th, as the officer in command thought it inadvisable to do so.

Some of the troops were withdrawn on the 27th and others later, until on the 30th all had been sent home.

Sum advanced out of consolidated fund—$4,481,01.

Total cost of transport, and pay for two days, which is the amount to be repaid by the municipality under the above arrangement, $2,040.24.

NATIONAL TRANSCONTINENTAL — ALIENS ON SURVEYS.

Mr. CLARKE asked :

Have any protests been received from or on behalf of the Society of Canadian Civil Engineers, or from any person or persons, respecting the employment of aliens on the surveys being made in connection with the proposed National Transcontinental Railway ; and if so, from whom were such protests received, and when were they presented to the government ?

Hon. H. R. EMMERSON (Minister of Railways and Canals). A protest has been

received from the Dominion Institute of Amalgamated Engineering for British Columbia, Manitoba and Northwest Territories, respecting the employment of aliens on the surveys being made in connection with the proposed National Transcontinental Railway. The protest was received on the 16th of March, 1904.

FARM DELEGATES TO GREAT BRITAIN AND IRELAND.

Mr. W. J. ROCHE asked:

1. Who were the farm delegates sent by the government from Canada to Great Britain and Ireland during the year 1904?
2. What amount was paid each delegate by way of salary and expenses?
3. What was the nature of the duties performed by each delegate, and in what part of the United Kingdom were such duties performed?

Hon. CLIFFORD SIFTON (Minister of the Interior):

1. A. P. Stewart, John A. McPherson, James Dale, A. G. Hawkes, O. B. Fysh and Ben Chubb.
2. An advance of $100 on account of expenses each was made to Messrs. James Dale, A. P. Stewart and O. B. Fysh, but nothing has been paid for salary to any of the delegates as yet.
3. As the delegates have only recently left for the old country, their duties have only commenced, but their instructions, generally, are to promote immigration to Canada by means of lectures and personal interviews, in such localities as might be assigned to them after consultation with the Canadian Commissioner of Emigration in London.

FOREIGN MONEY ORDERS—POSTMASTER AT SYDNEY, N.S.

Mr. TAYLOR—by Mr. Sproule—asked:

1. Does the postmaster at Sydney, N.S., receive any remuneration or salary from the government of Newfoundland for or in connection with his postal work?
2. Has the government of Canada made any representations to the government of Newfoundland requesting that government to pay any portion of the salary of the postmaster at Sydney, or otherwise, with respect to the remuneration or salary of the said postmaster?

Hon. JAMES SUTHERLAND (Minister of Public Works). In the absence of the Postmaster General (Hon. Sir William Mulock) I beg to read the statement prepared by the department in answer to the hon. gentleman's (Mr. Taylor's) question:

The postmaster at Sydney receives $50 a year from the Newfoundland government for acting as intermediary for and agent of that government in the transaction of its money order business between the United States and Newfoundland.

The postmaster acts in the same capacity for the Newfoundland government in its money order relations between Canada and Newfoundland, but Canada bears the expense of the service thus rendered.

The government of Canada made no representations to the government of Newfoundland requesting that government to pay any portion of the salary of the postmaster of Sydney. When the arrangement under which the postmaster at Sydney became the agent of the Newfoundland government in the payment of orders drawn in Canada, proved itself a success, the Newfoundland government desired the postmaster at Sydney to act in the same capacity for the payment of orders drawn in the United States upon Newfoundland, and in asking Canada's consent to this arrangement, expressed its willingness to pay the postmaster at Sydney the sum mentioned. This department communicated with the postmaster at Sydney and on receiving his consent to act for Newfoundland, on the terms mentioned, communicated the fact to the Newfoundland government, which pays the postmaster directly.

EXPORT GRAIN TO HALIFAX VIA INTERCOLONIAL.

Mr. KEMP—by Mr. Clarke—asked:

1. How many bushels of grain have been hauled by the Intercolonial Railway during the six months preceding March 1st, 1904, for delivery at Halifax for export?
2. What was the proportion delivered in each month?
3. What lake ports was it shipped from?
4. What was the rate per bushel from such lake ports to Halifax?
5. What was the mileage of each railway over which it was hauled?
6. What was the earnings per bushel of each railway?
7. What was the estimated cost per bushel for the service the Intercolonial Railway performed?

Hon. H. R. EMMERSON (Minister of Railways and Canals). The information necessary to answer this question will have to be secured at Moncton. I am waiting for it to be sent.

Mr. CLARKE. The question stands?

Hon. Mr. EMMERSON. Yes.

COLLECTOR OF CANAL TOLLS, CARDINAL, ONT.

Mr. TAYLOR—by Mr. Sproule—asked:

1. Who is collector of canal tolls at Cardinal, Ontario?
2. What salary is paid him, and what is the total cost of maintaining said office?
3. What were the receipts last year from said office?
4. Is it the intention of keeping an officer as collector where no canal tolls are now being collected?
5. Who is the sub-collector of customs at Cardinal?
6. What is the salary paid him?

Hon. H. R. EMMERSON (Minister of Railways and Canals):

1. Dr. J. D. R. Williams is the collector at Cardinal.

2. His salary is $700 a year. The total cost of maintaining the office is $1,020.29.

3. The receipts from the office for the fiscal year ended 30th June, 1903, were $1,561.91.

4. The tolls were only suspended for two years; pending the experiment, the officer has been retained for the purpose of collecting statistics. The matter of future employment is now under consideration.

PAY TO THE MILITIA OF CANADA.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) moved that the House go into Committee of the Whole to-morrow to consider the following proposed resolutions:

1. Resolved, that the general officer commanding the militia shall be paid at the rate of $6,000 per annum; the adjutant general, at the rate of $3,200 per annum; and the quartermaster general, at the rate of $2,200 per annum.

2. Resolved, that the permanent force shall be entitled to daily pay and allowances at the rates prescribed by the Governor in Council; and that the pay of privates shall not exceed 75 cents a day, and of buglers under 18 years of age, 40 cents a day.

3. Resolved, that officers, warrant officers, and non-commissioned officers of the active militia, other than the permanent force, shall be entitled to pay at rates prescribed by the Governor in Council; and that the pay of privates therein shall be at the rate of 50 cents a day on appointment, which may be increased to a maximum of $1 a day during the third year of service.

4. Resolved, that an allowance of one dollar per diem, or such other rate as may be prescribed, will be paid to each officer and man for every horse actually and necessarily used by him, when on active service, during a period of annual drill and training, or when otherwise on duty as aforesaid.

Motion agreed to.

ADJOURNMENT—BUSINESS OF THE HOUSE.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) moved the adjournment of the House.

Mr. R. L. BORDEN. I would like to ask my right hon. friend what business will be taken up to-morrow?

Sir WILFRID LAURIER. To-morrow we intend to take up the Militia Bill, and after disposing of the Militia Bill we will go into Supply. I am informed that the report of the Auditor General will be laid on the table to-morrow morning.

Mr. R. L. BORDEN. I hope my right hon. friend will not forget to bring down the documents and the correspondence between the government and the Grand Trunk Pacific Railway Company respecting the amendments to the agreement.

Sir WILFRID LAURIER. I expect to be in a position to lay that correspondence on the table of the House at a very early date. Then I would like to make an arrangement with my hon. friend to take up the Grand Trunk Pacific Bill on a date to be agreed upon by the two sides of the House.

Mr. R. L. BORDEN. That would be quite satisfactory, except that I would like to have a day or two to consider the correspondence after it is brought down.

Sir WILFRID LAURIER. Certainly.

Mr. JABEL ROBINSON. I would ask the Prime Minister if it is the intention of the government to introduce a Bill in regard to Sabbath observance?

Sir WILFRID LAURIER. The government have been approached by the Sunday Observance Association and asked to introduce a Bill upon that subject. There is a much involved question as to the jurisdiction of this parliament which may come into conflict with the jurisdiction of the provinces. This matter has been referred to the law officers of the Crown for their advice, and until we get their advice I am not able to answer the question of my hon. friend.

Motion agreed to, and House adjourned at 3.35 p.m.

HOUSE OF COMMONS.

TUESDAY, March 22, 1904.

The SPEAKER took the Chair at Three o'clock.

IRREGULARITY IN PETITION.

Mr. SPEAKER. The Clerk of the House informs me that a petition was presented from James E. Taylor, applying for a divorce, and that there is no name of a member of the House attached to the petition. I would remind hon. gentlemen that it is the rule of the House that a petition shall bear the name of an hon. member, because some member should assume the responsibility for each petition presented. I would ask the hon. gentleman who presented this petition to give his name to the Clerk.

REPORTS PRESENTED.

Award of the Alaskan Boundary Tribunal.—Rt. Hon. Sir Wilfrid Laurier (Prime Minister).

Report of the Auditor General for the year ended June 30, 1903.—Hon. W. S. Fielding (Minister of Finance).

Report of the Minister of Agriculture for the year ended October 31, 1903.—Hon. Sydney Fisher (Minister of Agriculture).

MILITIA ACT, 1904.

Bill (No. 5) respecting the Militia of Canada was read the second time, and House went into committee thereon.

On section 1.

Mr. CLARKE. Before proceeding with the consideration of this Bill, might I ask the hon. the Minister of Militia if it is intended to take this stage to-day ? The hon. gentleman very kindly said he would supply the members of the House with sufficient copies of the Bill to enable them to meet the demands of their constituents for the Bill. So far we have not received these copies, and have not been able to supply the demands which have been made upon us. Until we have heard from those who are interested in this measure, we are not in position to pronounce upon it. The Bill was only brought down on Thursday, I think.

Hon. Mr. TISDALE. I thought we were merely going to take up the resolutions to-day, I did not suppose we were going on with the Bill itself. For myself I have not been able to read the Bill even.

Sir FREDERICK BORDEN. I think we might make some progress with the Bill to-day ; but we will let any clauses stand that hon. gentlemen wish to see stand.

Mr. CLARKE. We do not know what clauses may be objected to.

Mr. R. L. BORDEN. It might be arranged in this way : There are several sections of the Bill which are exactly in the same form as the law stands at present ; there may be others as to which there can be no possible question. There will no doubt be a third class which will elicit some controversy. Possibly we might go on with those sections that belong to the first two classes, and leave the others to stand until communication can be had with gentlemen throughout the country who are interested in this measure, and until hon. gentlemen on this side have had some opportunity of studying the provisions of the Bill.

Sir FREDERICK BORDEN. Exactly, and in addition, the Bill will remain in committee, so that it will be quite possible to make changes at a subsequent meeting.

Hon. Mr. TISDALE. I think it would facilitate matters very much if the minister would point out the changes in the Bill. For us to find them ourselves would entail considerable labour. In public and government Bills it is usually for the mover or the minister to point out the changes. If the hon. minister could do that without too much trouble, it would certainly lessen the labour of those who are not conversant with these changes.

Sir FREDERICK BORDEN. I am ready, as I proceed, to indicate the changes, and I have sent to the leader of the opposition a carefully prepared statement. If it is necessary, of course these could all be reprinted, but I think it is scarcely necessary to do that.

Mr. McCREARY. What is the increased expenditure per year entailed upon the people of Canada by reason of this Bill going into force ? What will it cost per year more than it costs at present to maintain the militia ?

Sir FREDERICK BORDEN. I think the increase in pay, which is by no means the whole expense for the militia, would probably amount to between 33 per cent and 50 per cent. For instance the pay of the permanent force now is 40 cents a day and under this Bill we provide a maximum of 75 cents per day, which, however, is only reached after 5 years service. So that, as far as the permanent force is concerned, the increase in pay would probably be not more than 33 per cent. As to the active militia, I think it would probably be rather more. The maximum is increased from 50 cents to $1, subject to good conduct and to regulations which may be provided in that regard. But I should say that the increase altogether would amount to from $150,000 to $200,000 in the matter of pay for the militia, possibly $250,000.

Mr. McCREARY. I think under these circumstances that a proposition to increase the burden on the people of Canada for maintaining the militia by $250,000 a year, which sum may possibly be exceeded, should receive our serious consideration. For my part I never heard of the Bill until I came down here this session, and I do not think many people in the west have heard of the proposition to make this very great increase in the cost of the militia of Canada. I submit to the Minister of Militia that he should let the Bill stand before the members for at least two weeks to enable them thoroughly to understand it and to consult their constituents. The expenditure is so large that the Bill should not be sprung upon the House at a moment's notice. I am not going to say that I shall oppose the Bill, but I would have serious thoughts of doing so if it is going to involve so great an increase in the expenditure. Is there any necessity for it ? Have the people made a demand for it ? For my part, I would like to see the Bill stand for two or three weeks in order to give us ample time to study it.

Sir FREDERICK BORDEN. With reference to what my hon. friend (Mr. McCreary) says, it is quite evident that he could not have been in the House during the last two or three sessions, when this important question was under discussion, or he would have heard from every side of the House a demand made upon me and upon the government to increase the pay of the militia. I have no objection to my hon. friend asking the opinion of his con-

stituents, but I am positive that so far as the other constituencies of Canada are concerned, the vast majority of them are in favour of justice to the men who are prepared to sacrifice themselves in defence of the country.

Mr. McCREARY. I do not think there is any necessity for that remark of the minister. I am willing to pay every man a fair wage for his work. But I am here responsible to my constituents, and I understand, though I have not seen the Bill, that it not only provides to increase the pay of the men actually engaged now in the militia, but to increase the number of soldiers in the country.

Sir FREDERICK BORDEN. It increases the permanent force, that is, it gives power to increase the permanent force, but it does not mean an increase in the active militia.

Mr. McCREARY. I say then that we ought to know what the actual expenditure is going to be by virtue of this Bill being passed, and for that reason I would ask that the Bill be allowed to stand until we have time to study it.

Mr. SAM. HUGHES. If I may take the opportunity of intruding in this family quarrel, I would suggest that the hon. member for Selkirk (Mr. McCreary) is not intending to be a candidate in Winnipeg where the militia is very strong. I would also suggest that his remarks would come with more force when we take up the resolutions a little further down on the order paper which deal directly with the question of pay and the increase in the pay of the men. This matter has been before the people for the last two or three years. I suggest that the minister should proceed with the Bill to-day and discuss it, and any section that is found debatable should be left over, which will give an opportunity for the gentlemen interested in this matter throughout the country to study it.

Mr. CLARKE. I am sure it would be a great advantage to us to have more time to consider the Bill, and if the Minister of Militia could see his way to implement the statement he made the other day in introducing the Bill, and to let us have printed copies of the Bill, we would be enabled to consult the gentlemen engaged in the active militia force throughout the country, and these might have an opportunity of advising their representatives, and of suggesting such amendments as they might desire to see made. As to the proposition to increase the pay of the members of the force, I for one, and I think I am reflecting the opinion of those I represent, heartily concur in the proposition of the minister. I think the men have been scandalously underpaid. The wonder has been that the government have been able to procure men for the miserable pittance that has been paid to them in times past. But apart altogether from that question, there is the question of giving those who are actively engaged in the militia forces of this country an opportunity of studying the provisions of this Bill. It is true we have had discussions here, and have read the discussions which have taken place in this House during previous sessions as to the advisability of improving the status of the militia, and the necessity of giving increased pay to the militia, as well as of increasing the number of men who are to make up the strength of the force. But, apart altogether from that, now that the views of the hon. Minister of Militia and Defence and those who have advised him have been crystallized into a Bill, I think it is not unreasonable that those who are interested in the subject in all parts of the country should have an opportunity of having this Bill before them to consider its provisions for a few days before its discussion passes beyond this stage. I think if the hon. minister would make a further statement, if he has one to make, and then allow the Bill to stand at the present stage for two or three weeks, a reasonable opportunity would be given to militia officers and others who may be interested to present their views or suggestions as to any amendments which they proposed. I make this statement with the desire not of impeding the progress of the Bill, but rather with the view of accelerating its progress.

Sir FREDERICK BORDEN. Mr. Chairman, I did not intend to make any further statement except as it might be necessary to make explanations upon the individual sections of the Bill. The statement which I made the other day, although it was very brief, I thought covered very fairly the salient points of the Bill and pointed out the differences between the law as it now exists and the Bill which I have introduced. So far as the opportunity for studying the Bill is concerned, I may tell my hon. friend (Mr. Clarke) and the committee that I have taken every opportunity possible that I could conceive of, of possessing myself of the views of the leading military men throughout the country. I may say to my hon. friend that every district officer commanding in Canada has been asked to give his views in reference to the proposed draft which we prepared over a year ago.

Mr. SAM. HUGHES. Have those who are not of the permanent corps been consulted ?

Sir FREDERICK BORDEN. Many of the district officers commanding are only theoretically members of the permanent corps. In addition to that I may tell my hon. friend that I brought to Ottawa such officers as Colonel Otter——

Mr. CLARKE. A good man.

Sir FREDERICK BORDEN—to assist and also such men as Colonel Henry Smith.

Mr. TAYLOR. Another good man.

Sir FREDERICK BORDEN. A former district officer commanding, and I think one of the ablest authorities on a matter of that kind in the Dominion of Canada. These men were members of a committee composed of six or seven officers which for days, and I may say, weeks, had the subject under consideration, and the Bill which I now propose is very largely the result of the consultation which these gentlemen held. Of course, I have had the opinion of the general officer commanding and I have had the opinion of certain members of the headquarters staff whose opinions I thought would be of value. I merely mention this to show that this is no slip-shod measure, but that it is a well digested measure to which, I think, we all, the members of the headquarters staff and the officers generally of the militia, have given our very best attention. Now, I am very anxious indeed that it should be considered by the leading military men throughout the country, but at the same time I think it could better go on *pari passu* with our discussion here. I accept the suggestion of my hon. friend, the leader of the opposition, that this Bill should remain in committee. The discussion of it will be reported to the public, the Bill will be distributed and we will not complete its consideration. It will remain in committee and it will be open to any one to go back over the sections which have been considered and make suggestions before the Bill reaches the third stage. I do not persist at all in this view, but it seems to me that there is no reason why we should adopt the suggestion of my hon. friend from Toronto (Mr. Clarke), but that on the contrary, there is every good reason why some progress should be made at this sitting of the committee.

Hon. CHARLES FITZPATRICK (Minister of Justice). I think we all fully agree with the object which my hon. friend from Toronto (Mr. Clarke) has in view and which no doubt is that the greatest possible amount of accurate information in respect to this Bill should be given to the general public—

Mr. CLARKE. And to militia officers in particular.

Mr. FITZPATRICK. Yes, but I think my hon. friend's object would be more easily attained if we were to adopt the suggestion of my hon. friend the leader of the opposition (Mr. Borden, Halifax). The hon. Minister of Militia and Defence, myself and the hon. leader of the opposition have very carefully prepared briefs in our possession in which the clauses in the law as it stands now are set forth as well as the changes suggested and the reasons for these changes. If my hon. friend will permit me we might take each clause of the new Bill, point out in what respect that clause varies from the law as we now have it, and indicate the reasons for the change, and while not adopting any one clause but going right on through the Bill from beginning to end the House will be well informed and get all the information which we have in our briefs at the present time. Without adopting any one of the clauses we might indicate in what respect a particular clause differs from the law as we now have it, giving the reason for the change, and then allow the matter to stand in abeyance to resume its consideration at a later date. In the interval every member of the House of Commons will have all the information that can possibly be desired and this information will, of course, go to the country. I trust my hon. friend will understand the object we have in view and I think that if we adopt the suggestion of the hon. leader of the opposition that object will be attained.

Mr. TISDALE. The question which I wish to ask the hon. Minister of Militia and Defence might well be asked now, because if he has had any communications from the imperial government I would like to have them put upon the table. Have the government had any communications from the imperial government in connection with this Bill?

Sir FREDERICK BORDEN. Yes.

Mr. TISDALE. Are these communications in writing? I remember when we made a change before that you were kind enough to hand in all of these communications except one or two that were confidential. If there are any that are not of this character I was going to ask you at the first opportunity to produce them.

Sir FREDERICK BORDEN. I have no authority yet to lay anything on the table of the House, but I think there is no objection to my stating substantially—in fact I did state substantially in what I said on the first reading—what had occurred. The only matters which were considered were four in number. First, there was the omission from the present law of all reference to the naval militia. That was agreed to on the explanation made by me that the naval militia would be provided for by a separate Bill to be introduced by my hon. friend the Minister of Marine and Fisheries (Hon. Mr. Préfontaine). The second point was in reference to the question of the limitation existing in our present law as to the appointment of the general officer commanding. It was agreed that the limitation by which a Canadian officer may not be appointed should be omitted, with the understanding that in time of war—and this is provided in the present law really—when the militia is called out to act jointly with regular troops, the Crown, shall ap-

point a senior general officer to command the whole force including the militia. That was the understanding although there is no clause in the measure to that effect. It was omitted——

Mr. TISDALE. I do not think you mentioned that in your explanation of the Bill.

Sir FREDERICK BORDEN. Perhaps I did not. It was an oversight and it was overlooked in the preparation of the Bill, I understand, but I have in my hand a clause providing for that, which I propose to introduce later on.

The third point was in reference to relative rank. It was agreed that the clause in the present law, which places an imperial officer of junior date of appointment in the same rank over the head of a Canadian militia officer in the same rank, should be omitted.

Mr. CLARKE. From the statement made by the hon. Minister of Militia and Defence on the occasion of the introduction of the Bill on Friday last, if I may be permitted to refer to it, I was led to conclude that a fuller and more detailed statement would be made by him when the stage for the second reading of the Bill was reached. The minister is reported in 'Hansard' of Thursday last to have said : When the second reading is reached I shall have more opportunity of going into detail.

Sir FREDERICK BORDEN. Exactly, and what I meant was that I would give the explanation upon each section of the Bill.

Mr. CLARKE. The members of the militia force throughout the country did not have an opportunity of reading the exact statement made by the minister in introducing the Bill, and the only way in which they can learn the exact scope of it is, to have an opportunity of perusing the Bill itself. We have not been able up to the present, to obtain enough copies of the Bill to meet the demands made upon us. Under these circumstances it would expedite the passage of the Bill if we could send copies of it to our constituents, and allow them a week or ten days to consider its provisions. If they have any objections to offer, then we can present them to the minister, and if necessary, amendments can be made. I have no doubt that the greatest possible care has been taken by the minister and his advisers in the preparation of this Bill, but there are men in the country who take a great interest in the welfare of the militia and who have made great sacrifices on its behalf, and they should have an opportunity of considering the provisions of such a measure. I have no desire at all to impede the progress of the Bill, but I think that those interested in the militia in our constituencies should have an opportunity of seeing it.

Sir FREDERICK BORDEN. I agree with the spirit of the remarks of my hon. friend (Mr. Clarke) but if the suggestion of the leader of the opposition is adopted, the object the hon. gentleman has in view will be best served. I may explain further, that a number of errors have occurred in the printing of this Bill. There are clauses which are not necessary, and there are other clauses which it is proposed to change, so that the Bill as printed does not correctly convey the intention of the department. If we go on with the discussion, I shall be able to tell the House, and through the House the country, exactly what the position of this Bill is up to date. My object is to get this matter before the country, and I quite agree that those interested in the militia force should have a couple of weeks' opportunity to consider the provisions of the Bill. They will best secure that opportunity by proceeding with the discussion now.

Mr. R. L. BORDEN. It seems to me that the object of my hon. friend (Mr. Clarke) would be very fully served if the Minister of Militia would put upon 'Hansard' the brief which is in his hands. We can discuss the Bill, and we need not pass any clauses at all, but the discussion being upon 'Hansard,' showing the differences between the Bill and the law as it stands, will afford the country the information which it desires.

Mr. FITZPATRICK. Hear, hear.

Mr. R. L. BORDEN. Then I presume that provision could be made to distribute extra copies of 'Hansard' to those who are interested in the Bill throughout the country.

Mr. FITZPATRICK. Hear, hear.

Mr. R. L. BORDEN. If that be done, then those who take an interest in the measure will understand it better than they possibly can at present.

Sir FREDERICK BORDEN. I quite accede to that proposal.

Mr. INGRAM. Some of us are not ourselves military men, but we represent constituents who are, and I know that when the minister returned from England, the four prominent points in connection with this Bill were published in the newspapers. But statements in the newspapers are not always reliable and for that reason probably the militiamen did not take them into serious consideration. In order that I may be relieved of any charge of being negligent with regard to this Bill, I enter a solemn protest against such a measure being proceeded with before our constituents have an opportunity of perusing it. If the minister proceeds, I have no objection, but he must take the responsibility of proceeding without giving our militiamen an opportunity of understanding the Bill.

Sir FREDERICK BORDEN. My hon. friend (Mr. Ingram) need scarcely have taken

the trouble of making the observation, in view of what his leader has said. I do not believe that there is any one in the country who suspects me of being capable of doing anything that is derogatory to the militia. I am prepared to go on in the way that is suggested by the hon. leader of the opposition.

Mr. INGRAM. It does not become the Minister of Militia to be quite so touchy at the remarks I have made. I have a responsibility to my constituents and in discharging that responsibility I did not reflect upon the character or aims of the minister. When I have anything to say with respect to the minister and his department, I am manly enough to say it in good plain English; I will not do it by insinuations.

Sir FREDERICK BORDEN. The hon. gentleman did not intend to say that there were insiuuations——

Mr. INGRAM. Certainly not.

Sir FREDERICK BORDEN. Then we understand each other.

Mr. CLARKE. Since the discussion commenced I have been favoured with an extra number of copies of the Bill, and I shall place them in the hands of my constituents with the least possible delay. If it is the desire of the minister to go ahead, I trust that he will make his explanations on this important Bill as fully as possible, so that our constituents may have an opportunity of ascertaining what the Bill contains.

Mr. R. L. BORDEN. As I understand it you are not going to pass any of the clauses at all; the minister will simply place upon the pages of 'Hansard' a distinct statement as to any clause which differs either by omission or by addition from the law as it is at present. Having done that we shall be a little better informed than at present as to the object and scope of the Bill, but shall not have made any progress in the passage of the Bill.

Mr. McCREARY. The right is reserved of discussing any part of the Bill on the third reading.

Mr. R. L. BORDEN. The Bill will remain in committee and not a single clause is to be passed.

Sir FREDERICK BORDEN. That is all. We are simply following the suggestion of the hon. member for Toronto, Mr. Clarke, at the outset, namely, that I should give a little further information.

Mr. CLARKE. I am very glad we are going to have an opportunity of hearing more as to the provisions of this Bill.

Mr. DEPUTY SPEAKER. The understanding is then that we shall have a discussion on each section of the Bill, but that the section shall be allowed to stand.

On section 1.—Short title.

Sir FREDERICK BORDEN. The old title was Militia and Defence Act. It seemed to me that, as the naval militia is to be withdrawn from the control of the Minister of Militia, it would not be a correct description to call the department the Department of Militia and Defence. Consequently the word 'defence' has been dropped. The old title seemed rather long and although a good many suggestions were made to call it 'the Department of Defence,' and to call the militia 'the forces of Canada' and so on, it seemed to me that 'the militia of Canada' is a name for which the people of Canada have a very great regard. It is a force which has taken a conspicuous part in the history of this country from 1776 down to the present day, and I felt that even although some of the officers might not like it as well, the people generally would probably be better pleased by continuing the old name, 'the militia.' Therefore we shortened the title from 'The Militia and Defence Act,' to simply 'The Militia Act.'

On section 2.—Interpretation.

Sir FREDERICK BORDEN. The interpretation is changed but it seems to me that the change is so obvious that it does not require any further explanation except to say that it is much more complete than the interpretation clause in the present Bill.

On section 3.—Interpretation Act to apply.

Sir FREDERICK BORDEN. The same remark would apply to section 3.

On section 4.—Command in chief vested in His Majesty.

Sir FREDERICK BORDEN. This section is practically unchanged.

On section 5.—Duties of the Minister of Militia.

Sir FREDERICK BORDEN. Section 5 is practically the same as the present law.

On section 6.—Deputy and officers.

Sir FREDERICK BORDEN. Section 6 is the same except that the words 'and defence' are omitted as I explained a moment ago.

On section 7.—Minister to have control of military buildings.

Sir FREDERICK BORDEN. Section 7 is the same except that it provides in addition that the Department of Militia has power to construct forts and fortifications. There is no such power under the present law.

On section 8.—Certain works for defence declared public works.

Sir FREDERICK BORDEN. Section 8 is the same as section 9 of the old Act with some modifications.

Mr. TISDALE. What are the modifications ?

Sir FREDERICK BORDEN. The law is shortened.

Mr. FITZPATRICK. The changes are merely verbal.

Mr. R. L. BORDEN. As I understand it, section 9 of the Act as it is at present, referred to the Public Works Act and to expropriation and compensation by official arbitrators.

Sir FREDERICK BORDEN. Exactly.

Mr. R. L. BORDEN. Since the passage of the present Act, the law has all been changed and we have provision for expropriation in an Act called 'The Expropriation Act.' Therefore there is in the present Bill a short reference to the Expropriation Act which fulfils the same office as the somewhat longer clause in the law as it stands at present.

Sir FREDERICK BORDEN. Sections 9, 10, 11 and 12 of the Bill will be omitted.

Mr. SAM. HUGHES. Hear, hear.

Sir FREDERICK BORDEN. They are rendered unnecessary because the Criminal Code deals with them.

On section 13.—Conversion of property on emergency.

Sir FREDERICK BORDEN. Clause 13 is a new clause and I shall read it. It is as follows :—

Whenever an emergency exists, the general officer commanding, or any officer duly authorized by him, may, subject to the regulations, enter upon and occupy with troops, or other persons, any buildings or land for defence purposes, and may dig trenches and throw up fieldworks on any such lands, and may fortify any buildings, and may, for the purposes aforesaid, destroy or desolate and lay waste any such buildings or lands and destroy food, crops, fodder, stores, or other things, and slaughter live stock, or may take or cause to be taken any such food, crops, fodder, stores or other things; and may drive or cause to be driven, any live stock to some place of safety ; and may also impress any horses, mules, oxen or other animals required for military purposes.

2. Any person injured by the exercise of any of the provisions of this section shall be compensated from the Consolidated Revenue Fund of Canada.

Powers under this clause arise only in the event of war or insurrection.

Mr. SAM. HUGHES. I would make the suggestion that in connection with the impressment of horses, mules, and oxen, it might be well to give the general power to impress foods and to issue certificates for the materials taken.

Sir FREDERICK BORDEN. Section 14 is similar to section 10 of the present law. It provides that all the male inhabitants of Canada over 18 and under 60 years of age, being British subjects, and not otherwise exempt or disqualified, shall be liable to service in the militia. It provides further that the Governor General may require all the male inhabitants of Canada, capable of bearing arms, to serve in the case of a *levée en masse*. By a subsection it is provided that any male inhabitant, under 18, may be enrolled as bugler, trumpeter or drummer.

Mr. SAM. HUGHES. Why not put in bandsmen as well ?

Sir FREDERICK BORDEN. I will make a note of that.

Section 15 is practically the same as section 21 of the present law, providing what persons shall be exempt from service. It extends the exemptions to members of the Privy Council, members of the Senate and House of Commons, members of the executive councils of provinces, members of the provincial legislatures, and deputy ministers of federal and provincial governments. There is also a new clause, subsection 3, added, which reads as follows :

No person shall be entitled to exemption unless he has, at least one month before he claims such exemption, filed with the commanding officer within the limits whereof he resides, his affidavit, made before some justice of the peace, of the facts on which he rests his claim.

Mr. TISDALE. Do I understand that there is no important difference in this respect between the old law and this Bill ?

Sir FREDERICK BORDEN. No.

Mr. FITZPATRICK. The exemptions are extended by this Bill to members of the Privy Council, Senate and House of Commons, &c.

Mr. SAM. HUGHES. These are only exempt in the case of a ballot.

Sir FREDERICK BORDEN. They have the right to serve if they choose.

Mr. FITZPATRICK. They are not incapacitated, but are exempt.

Sir FREDERICK BORDEN. Section 16, which provides for proof of exemption, is the same as section 21, subsection 5, of the present law. Section 17 is the same as section 21, subsection 6, of the old law. It provides that exemption shall not prevent any person from serving in the militia if he desires to serve and is not disabled by bodily or mental infirmity. The only difference is that mental infirmity is not provided for by the present law. Section 18, which provides for the constitution of cadet corps, is taken from the Commonwealth Defence Act.

Mr. TISDALE. This is new.

Sir FREDERICK BORDEN. Yes. Section 19, which provides that cadets shall

not be liable to service in the militia in any emergency, save only in the case of a levée en masse, is adopted from the Commonwealth Defence Bill.

Mr. SAM. HUGHES. This principle was advocated in Canada long before the Commonwealth Bill was ever printed. The Commonwealth Defence Bill is copied from Canada.

Sir FREDERICK BORDEN. Very likely. Just as the Commonwealth, I believe, copied our Ballot Act, which goes now by the name of the Australian Act, although it is really the Canadian Act.

Section 20 is practically the same as section 11 of the present law. It divides the militiamen into four classes. Section 21 is the same as section 12 of the present law. It provides that the militia shall be divided into active and reserve militia, and that the reserve militia shall be raised and maintained under regulations prescribed by the Governor in Council. Section 22 is the same as section 13 of the present law.

Mr. R. L. BORDEN. In the Interpretation Act, the militia of Canada is said to mean all the military forces in Canada, while section 21 says that the militia shall be divided into active and reserve militia, and that the active shall consist of corps raised by voluntary enlistment and of corps raised by ballot, and the reserve militia shall be raised and maintained under regulations prescribed by the Governor in Council. Is it understood that the active militia includes the permanent force ?

Sir FREDERICK BORDEN. Yes.

Mr. R. L. BORDEN. Then certain language a little further on is perhaps not very appropriate. I refer to clause 30, in which reference is made to the permanent force as if it were not part of the militia at all. It says that the permanent force shall furnish schools of instruction for the militia and provide instructors therefor. It might be better to use language which would do away with an apparent contradiction.

Mr. SAM HUGHES. There is another clause in which it is provided that the active militia shall drill not less than 12 or more than 30 days, but no provision is made anywhere for the existence of the permanent force during the 365 days of the year. There is no provision that the permanent force shall be continuous. I presume that is an omission.

Sir FREDERICK BORDEN. I think I have a clause to propose with reference to that. Section 22 is the same as section 13 of the present law with additions. It provides that the period of service in time of peace shall be for the active militia three years and for the reserve militia such period as is prescribed. The time for which the reserve might be enrolled may be for a short period or a long period as may be prescribed by the Governor in Council. Section 23 is the same as section 14 of the present law, but about one-half of the old section is eliminated because it was found unnecessary. This section provides for the continuance of the present corps. Section 24 is the same as section 15 of the present law, except that it gives power to the Governor in Council to dispense with the services of any officer or man of the militia at any time. The section reads :

> The Governor in Council may dispense with the services of any officer or man of the militia at any time; and any officer or man may be permitted in time of peace to retire from any corps on giving to his commanding officer six months' notice of his intention so to do.

Hon. Mr. HAGGART. Does the section of the old Act say 'Governor in Council ?'

Sir FREDERICK BORDEN. No. It simply provides that any officer or man, in time of peace, after giving his commanding officer six months' notice, may retire. This gives the Governor in Council power to dispense with the services of any officer or man at any time.

Mr. HAGGART. Why did the hon. minister put in 'In Council,' ? I thought it was the prerogative of the King and the Governor General to appoint and dismiss, independent of council.

Sir FREDERICK BORDEN. I will consider that suggestion.

Mr. SAM. HUGHES. Not at all. If it means the Governor on the advice of his responsible minister, that is all right ; but if it means the Governor acting of his own motion, it is not right by any means. Of course, in England, when it speaks of the King being supreme, it does not mean the King, but the King on the advice of his responsible minister. If that is the case here of course it should go. Otherwise, let us keep the old form.

Sir FREDERICK BORDEN. I suppose the hon. member for South Lanark meant the same thing—the Crown.

Mr. HAGGART. What I meant is this : It is the prerogative of the Sovereign to appoint an officer or to confer an honour of any kind. That is independent of the advice of the minister. Of course, if the Sovereign makes an appointment contrary to the wish of the minister they have the right of resignation, but prior advice of the minister is not necessary. You interfere with the prerogative when you put in 'In Council.'

Mr. HUGHES. I would be very sorry to have the remarks of the hon. member for South Lanark taken as constitutional law.

Mr. HAGGART. I stand corrected by the overpowering authority of the hon. member for North Victoria (Mr. Hughes.)

Mr. SAM. HUGHES. I must say I am very pleased to be able to teach my hon. friend (Mr. Haggart) something.

Sir FREDERICK BORDEN. Section 25 is new. Section 26 takes the place of sections 16, 17 and 18 of the present law, divisions and changes to be made by regulation. This is found by experience to be absolutely necessary.

Mr. CLARKE. How are they made now ?

Sir FREDERICK BORDEN. They are prescribed in certain cases by the statute. But, in view of the development of the country, the change in centres of population, the new provinces being carved out and so on, it is very desirable, in fact necessary for the proper and efficient administration of the militia, that these matters should be placed in the hands of the Governor in Council.

Mr. CLARKE. Orders re-adjusting the districts I suppose, will be available for parliament ?

Sir FREDERICK BORDEN. The committee will see that the country is taking no risk in giving this power, because the regulations become part of the law and must be laid on the table of the House within ten days after the House meets each year.

Mr. CLARKE. And the Militia Reports, too, I suppose.

Sir FREDERICK BORDEN. Yes, and the 'Canada Gazette' contains these changes.

Mr. FITZPATRICK. There is really no change in the law, because under section 17 all this can be done as it is to be done under this new Act. It is simply better drafting—I think that is all.

Sir FREDERICK BORDEN. Section 27 is substituted for section 22 of the present law. The section of the present law reads :

The active militia force shall consist of regiments and troops of cavalry, regiments and field batteries of artillery, companies of mounted infantry, companies of engineers, regiments and batteries of garrison artillery, battalions and companies of infantry, and naval and marine corps——

That of course, will be struck out.

—in such proportions as Her Majesty appoints ; and the strength of each such regiment, troop, battery, battalion, company or corps shall be regulated and officers appointed to from time to time, by Her Majesty.

The clause in the new Act reads :

The active militia shall consist of such corps as are from time to time named by the Governor in Council ; and the Governor in Council may, at any time, disband any corps or portion of a corps, if he considers it advisable so to do.

Section 28 is substituted for section 24 of the present law, section 23 of the present Act being omitted. Section 24 provides for an oath to be taken before a commanding officer.

Mr. SAM. HUGHES. There is a little change in the oath. Will the minister explain what the object in making that may be.

Sir FREDERICK BORDEN. To make it more——

Mr. CLARKE. To make it more binding ?

Mr. SAM HUGHES. I do not think it can be that. Would the minister be good enough to read the two.

Sir FREDERICK BORDEN. The present law provides :

Every active militiaman shall sign a service roll in which the conditions of his service shall be stated ; and every officer of militia, on appointment, and every man on enlistment, or re-enlistment, shall take an oath in the form following, that is to say :—

'I, A. B., do sincerely promise and swear (or solemnly declare) that I will be faithful and bear true allegiance to Her Majesty.'

Which oath or declaration may be administered by the commanding officer of the troop, battery, company or battalion, as the case may be, who has taken the same oath before a justice of the peace.

And the change proposed, so far as the oath is concerned is :

I.....swear that I will well and truly serve Our Sovereign Lord the King, his heirs and successors in the..... for the term of.....years or until lawfully discharged, dismissed or removed, and that I will resist His Majesty's enemies and cause His Majesty's peace to be kept and maintained, and that I will in all matters appertaining to my service faithfully discharge my duty according to law. So help me God.

That is copied, I think, from the English oath. Is there any objection to that form ?

Mr. SAM. HUGHES. The only objection is that whereas the old oath was simply a promise to bear true allegiance to the Sovereign, which is plain, practical and democratic, this oath reads to ' Serve our Sovereign Lord the King.' Perhaps the hon. minister's trips across the water have put these notions in his head. Where did he get the phraseology ?

Mr. CLARKE. Is the King our war lord under the constitution ?

Sir FREDERICK BORDEN. I will look into that ? Section 29 refers to the permanent force, and replaces section 28 of the present law, subsection 1. It is re-drafted, and simply increases the force from 1,000 to 2,000. Section 30 replaces subsection 2 of section 28 of the present law. Sections 26 and 27 of the present law are left out—there is no need of them, as the power they confer is given elsewhere. Subsection 3 of section 28 of the present law is omitted.

Mr. R. L. BORDEN. What does that subsection provide ?

Mr. SAM. HUGHES. I would point out here, as I did before that there is no pro-

vision for continuous service during the year. The hon. minister has made no provision for the existence of the permanent corps beyond a period of thirty days.

Sir FREDERICK BORDEN. Section 26 of the old Act is as follows :

Her Majesty may accept the services of corps of volunteers, under such regulations as are made from time to time.

Section 27,

Any volunteer corps may enter into articles of engagement and make regulations not inconsistent with this Act.

That is provided for. Section 3 is the one to which my hon. friend refers. 'Officers, non-commissioned officers and men of such corps'—that refers to the continuous service of the permanent force, and the hon. gentleman is quite right. A clause is being prepared now which will be in accordance with the language of the new Bill, and which will practically embody the provisions contained in that subsection.

Mr. CLARKE. Was it the headquarters staff who prepared this Bill ?

Sir FREDERICK BORDEN. They assisted in it. A section is proposed to be substituted in place of the one printed in the Bill.

Clause 31 reads :

The Governor in Council shall, from time to time, make all regulations necessary for the enrolment of men liable for military service, and of persons liable to drill and training as cadets and for all procedure in connection therewith, as well as for determining, subject to the provisions of this Act, the order in which the persons in the classes fixed by this Act shall serve and such regulations shall have the same force and effect as if they formed part of this Act.

Mr. LaRIVIERE. Before proceeding further, I would ask the minister what standing have the cadets of the first and second class who have passed through the military schools ? What standing will they have in the military service ? Will they go into the ranks as full privates, or will they be entitled to get positions as officers of the militia ? Will they have any privilege at all ? They have devoted their time and labour to acquiring a knowledge of military law, they have passed their examinations and have received certificates—very nice some of them are on parchment—giving them the title of passed cadets of the military school, in the first class or the second class. Will these certificates give them a rank in the militia service ?

Sir FREDERICK BORDEN. There is a provision in this Bill by which they may be attached to the active militia.

Mr. LaRIVIERE. What if they are drafted and forced to serve ? Have they any privilege at all in the ranks ?

Mr. HUGHES (Victoria).

Sir FREDERICK BORDEN. Of course, if they are drafted, there is no question at all that the officers commanding men of that kind will select the best men, and their certificates will at once bring them to the notice of the officers. There will be regulations issued.

Mr. LaRIVIERE. Would there be anything in the law giving them that privilege ?

Sir FREDERICK BORDEN. I may explain that it is impossible to deal with details of that kind in the law, but regulations will be issued dealing with these matters and others, and these regulations become a part of the law and have the force of law. These regulations will be published and laid on the table of the House.

Mr. SAM. HUGHES. Is the minister referring to the Royal Military College cadets?

Mr. LaRIVIERE. I mean cadets of ordinary military schools.

Mr. SAM. HUGHES. I think they should take their place as well as anybody else in the ranks and work their way up.

Sir FREDERICK BORDEN. Section 33 is practically section 32 of the present Act. Section 34 is the same as section 33 of the present Act. Section 35 is the same as section 34, subsection 1, of the present Act with slight verbal alterations. Section 36 is similar to subsection 2 of the present law. I wish to call attention to what I am about to say. I propose to alter some words in section 36 in the Bill now before the committee. Instead of saying as at present :

Provided always that the permanent force is not available and in sufficient numbers for the purpose.

These words will be put in :

Provided always that the permanent force or any portion thereof, if available and in sufficient numbers, is invariably to be employed upon this duty before resort is had to other militia corps.

Mr. R. L. BORDEN. Will there be any possibility of confusion in connection with that ? For example, three justices of the peace or any two justices of the peace and the warden or mayor of the municipality are authorized to call out the active militia. Well, you may have active militia in that district not a part of the permanent force, then either the district officer commanding or the senior officer of the active militia is to act. Suppose the senior officer of the active militia is not in command of the permanent force, then the statute requires that the permanent force shall go, though the request is addressed to some one who is not in command of that force. Will there not be a possibility of some confusion ?

Sir FREDERICK BORDEN. That contingency could scarcely arise, because the

permanent force is in every instance located where there is a district officer commanding. But I will be glad to consider the point, and put in some words that will meet such a contingency, the absence, for instance, of the district officer commanding from the country. But even in that case, some one will be acting for him.

Mr. SAM. HUGHES. There is another point along similar lines to the one brought up by the leader of the opposition. Supposing a riot occurs in the city of Ottawa, the district officer commanding is here, but there is no permanent force here. I think the district officer commanding in this district has no permanent force under his command. What is he to do, and where is he to get them ? Supposing a riot occurs where there is a major, or captain, or lieutenant, and the lieutenant has authority to call out the militia ; how is he going to get the permanent force ?

Sir FREDERICK BORDEN. The effect of the law will be, I think, that the permanent force will only be called upon in the great centres of population, or at points where the permanent force is stationed. In the city of Ottawa there would not be time perhaps, in the first instance, to call upon the permanent force. In the city of Toronto the permanent force is there on the spot, and will be the first called upon in the event of trouble. In remote country districts, or in the city of Montreal, perhaps, it will be impossible to utilize this force.

Mr. CLARKE. The power is vested in the district officer commanding, in case the requisition is served upon him, to call out the permanent force. It might be a serious thing to give power to two justices of the peace to call out the permanent force, who do not bear the same relations to the populace that the militia force does. I think it is wise to call for the service of the permanent force rather than of the militia. Has the district officer commanding any power in the matter ? Has he any authority himself, and can he exercise any discretion as to whether he shall obey the orders of these two justices of the peace ? Because I apprehend that cases might arise where it would not be wise or judicious to call out the permanent force unless the responsibility was placed with the Minister of Militia as the proper authority. I can apprehend that a case might possibly arise in which it would not be well that the calling out of the permanent force should rest entirely with two justices of the peace.

Sir FREDERICK BORDEN. The district officer commands within his district.

Mr. CLARKE. Has he any right to exercise any discretion?

Sir FREDERICK BORDEN. Take Toronto as a case in point—the district officer at Toronto commands the permanent force and the troops within that district.

Mr. CLARKE. What is the meaning of this section ? He has no discretion except to call out the permanent force. I think it is a matter that should be very seriously considered. I should like to have an opportunity of discussing that question further.

Sir FREDERICK BORDEN. There will be lots of opportunities.

Mr. SAM. HUGHES. The hon. Minister of Militia and Defence has given utterance to the very point that struck me when I spoke on that matter a day or two ago ; that is the permanent corps are to be the force that are to be utilized in cities and towns, but that in rural districts the militia have to bear the discredit of turning out and suppressing riots. It is for that reason that when the matter comes up for discussion I propose fighting the whole business from start to finish.

Mr. TISDALE. It seems to me that the whole section, to be of any practical use, will have to be more definite. What I mean by more definite is as to who controls the permanent force, who controls the active militia and where the distinction is as to which shall be called upon. I think this is very important. I happened on one occasion in particular to be placed in a position where I had to act myself and it is a serious responsibility for any one to take upon himself to call out the force. You do not know what your powers are and it is necessary that they should be clearly defined so that prompt action can be taken in case of a riot suddenly breaking out. From reading that clause myself I could not advise as to where the power rests, or as to which force should be called out except in one case and that is where the permanent force is available. It is quite clear then because the machinery is simple. I think there should be some more definite description to help the civil officers who have the responsibility of starting the machinery in motion. When they once start it the military officers of the force must bring out the force for which they are responsible. You say that in a particular case the permanent force would be called out, but how are you going to determine as to whether the permanent force is available. Are you going to take into consideration the question of distance and other surrounding circumstances ? I cannot read this section so as to be sure that the civil or military authority would be right in acting except in one case and that is where the permanent force is available.

Sir FREDERICK BORDEN. I understand my hon. friend to say that he wants a more definite statement in regard to the occasions upon which the permanent force shall be availed of and as to the occasions upon which the active militia shall be utilized. It seems to me that the wording of the Bill is clear enough. Let us suppose that

a riot occurs in the city of Toronto ; there is no question whatever that under this Bill the permanent force would be called upon. But, if a riot occurred at Ottawa, hundreds of miles away from the permanent force, it seems to me that there can be no doubt in the minds of the civic authorities that they would call upon the active militia, or rather that the district officer in command would immediately utilize the active militia at Ottawa. I do not know how you could make the Bill more definite than that, because it might turn out, for instance in Toronto, for some reason or other, particularly during the time of the camp, that the permanent force would be absent and it would be absolutely necessary to call upon the active militia. If it were provided in the Bill that certain places such as Toronto, London, &c., should only be served in this matter by the permanent force, it might put these cities in a very awkward dilemma if the permanent force were absent.

Mr. TISDALE. There is no difficulty in the two cities the hon. minister speaks of, but suppose you take the case of a country town intermediate between these two places, it might be a question as to whether the permanent corps or the militia force should act, and yet the permanent corps might not be as near to the scene of the disturbance as the militia force. There are two difficulties which have to be met. You will find that the volunteer force will be very reluctant to perform this duty. I think something should be put into the section to make it clear that when the militia are ordered to turn out they must turn out ; otherwise, you are going to have the same condition as exists in the United States. The question, when a riot occurs there, is as to whether the United States troops should go or whether the state militia should go, and the consequence is that the riot and bloodshed have taken place before the troops get there, because there is a reluctance to order the state militia out. The present law, whatever objections there may be in any other respect, is definite enough now. The magistrates have authority to order out any force necessary for supressing a riot.

Mr. FITZPATRICK. There is no change in that respect.

Mr. TISDALE. In this clause you say that if the permanent force is available the militia force shall not be called upon. Under the present law you can order out either one of them. What I am looking to is the safety of the people because I agree with my hon. friend from Toronto (Mr. Clarke) that it is a very unpleasant duty for the militia to perform. The active militia is composed of volunteers, but, at the same time, one of the strongest reasons for the maintenance of an efficient militia force is that it is available for assisting the civil power in maintaining order when it is necessary, and there should be no shirking in the performance of this duty. While it is an unpleasant duty I want it well understood that when the members of this force are called upon they must go out. They should understand that it is no insult or disgrace to them. One of the most difficult duties that any class of soldiery can undertake is that of dealing with riots. It is a mighty poor soldier who will not fight, but when he has to go out and control himself under very aggravating circumstances, it calls for the exercise of great self restraint ; yet, this is a duty that the volunteer must perform. It is a duty that he owes to the people amongst whom he is sent to restore order and who more particularly will be injured by disorderly acts if the disturbance is not quickly suppressed.

Mr. FITZPATRICK. Under the law now authorizing the militia to act in aid of the civil power, the civil power must first determine as to the necessity for calling out the militia. There is no change in that respect in the Bill. The civil power will still continue to act, but when the civil power makes a requisition upon the military authorities, that requisition is forwarded to the district officer commanding or the senior officer of the active militia. Then there is a change in this respect, that when a requisition is made upon the senior officer commanding he must call upon the permanent force if the permanent force is available. It is only in the absence of the permanent corps, that it is possible for him to avail himself of the services of the active militia. The only change here is that the permanent corps must first be called upon. I understand the difficulty of my hon. friend (Mr. Tisdale) to be, that you leave it in the discretion of the district officer commanding to determine what is meant by the word 'available ;' because the district officer commanding must determine whether at the time the permanent corps are available or not. Well, you must leave the discretion to be exercised by some one and surely that discretion should be vested in the district officer commanding to say whether the permanent corps is available, within the meaning of this section, and if it is available it is his duty to call upon them. He can only call upon the active militia in default of the permanent corps, but when the active militia is called upon, it is bound to respond under the new Bill as it was under the old.

Mr. CLARKE. I take stronger ground against this clause than is taken by my hon. friend (Mr. Tisdale). The practice has become too prevalent, of calling out the militia in the case of petty civic disturbances and it must be put an end to. I apprehend that if a riot takes place in the

city, and there are any members of the permanent corps available it is the duty of the district commanding officer to call them out first. It may be that the government will not expect a municipality to pay the wages of these men for the time they are on this special duty. I think that the responsibility for suppressing disturbances should first rest with the municipal authorities and that they should be obliged to employ special constables if necessary. I, for one, emphatically protest against any two justices of the peace or the mayor of a city, being authorized to call out the permanent force without the approval of the district commanding officer.

Mr. FITZPATRICK. The civil authorities have nothing to do with it; when they make the requisition then the whole power is vested in the district officer commanding.

Mr. CLARKE. What I want to know is whether there is any discretion in the district officer commanding or any responsibility on him? If I read the section aright he is a mere automaton, and when a request is sent to him by certain justices of the peace or the mayor of the city, he must act.

Mr. FITZPATRICK. That is right.

Mr. CLARKE. And if he has not the permanent force available he must call upon the active militia. I think there should be something else required before either the permanent force or the militia should be called out to suppress these riots which sometimes take place in cities.

Mr. FITZPATRICK. This law has been in existence for many years; in what respect would my hon. friend wish to see it changed?

Mr. CLARKE. It is because the law has been in existence and because certain municipalities have been permitted to shirk the obligations imposed upon them under that law that a change should be made. Under the old law they were penalized, except in certain cases, to pay the maintenance of the militia when called out on such duty, and that rule, has been departed from I understand.

Sir FREDERICK BORDEN. No, that will continue.

Mr. CLARKE. My desire is that the district officer commanding shall have some discretionary power, or that before he can exercise the power vested in him to call out the militia, he shall have the assent of the responsible head of the Militia Department. I present this suggestion for the consideration of the Minister of Militia.

Mr. SAM. HUGHES. The word 'riot' has been interpreted by magistrates and fellows who get a scare all over the country, to mean any petty disturbance, and the consequence is that we have seen troops brought from different parts of Ontario to the city of Toronto without any reason whatever.

Mr. CLARKE. A perfect farce.

Mr. SAM. HUGHES. Because a few boys were responsible for hooraying on the street, the troops were called in and the city of Toronto was saddled with great expense. I believe that the whole row in Montreal last year could have been settled by one level-headed fellow in ten minutes and the Valleyfield riots could have been put a stop to without any trouble at all. These municipalities should appoint special constables under such circumstances and then there would be less calling out of the militia to be used as a sort of police force and to be spat upon and brought into discredit. When a militiaman is standing on duty in the time of riot, any pup of a boy can walk up and spit on him, and he cannot resent it.

Some hon. MEMBERS. Oh!

Mr. SAM. HUGHES. Yes; that has been done and I have seen our men insulted and they dare not move. If the militiaman were a constable he could arrest that person, but being on duty and in the uniform of His Majesty he cannot punish those who insult him. I object to having the militia force of this country called out for anything short of an insurrection or something of a very serious nature.

Sir FREDERICK BORDEN. I do not know any better way of guarding against an unnecessary calling out of the militia, than by making the parties who are responsible for it pay the bill.

Mr. SAM. HUGHES. I agree in that.

Sir FREDERICK BORDEN. That is the law, and I propose to continue it, and if the permanent force is called out in any city the bill will have to be paid. I shall read, later on, a section which will make that clearer than it is in the printed Bill. I agree that it is exceedingly undesirable to call out the militia force on such occasions, but we must not forget that such a provision existed in the Militia Acts of the different provinces before confederation, and I do not think we can now say that the militia shall not be called out to maintain the civil power. That being so, where are you going to draw the line? To whom shall we give the authority to invoke the militia? Surely, we must give it to the municipality where the riot is said to exist?

Mr. R. L. BORDEN. At present you can have the militia called out by three justices of the peace who may not in any way be concerned with the government of a municipality. I think there should be some amendment made in that regard. There seems to be a good deal of force in the argument, that if the municipality have to pay for the services of the force, they should have a voice in saying whether the militia shall

be called out or not. That is not the law at present.

Notwithstanding what has been said by the Minister of Justice, it does seem to me that there may be some confusion under this statute. For example, you have a permanent force in the province of New Brunswick, and riots should take place in the city of St. John and a requisition were made on the senior officer in that city, is he to call out the permanent force from Fredericton or the force under his command at St. John ? The Minister of Justice says that the statute means the district officer commanding, or in case of his absence the senior officer of the active militia present. It does not quite say that. It says :

> The district officer commanding or the senior officer of the active militia present at any locality.

Now, to whom is the requisition to be addressed ? I know that practical difficulties have arisen under this statute because I was professionally engaged in a suit in connection with the calling out of the militia, and I think my hon. friend the Minister of Justice (Hon. Mr. Fitzpatrick), should give his attention to this section, and also to one subsequent section. A very serious question arises under the provisions of the statute which enables a suit to be brought by the commanding officer. In one case the commanding officer happened to die after the suit was brought. Finally a divided court held that his administrator could maintain the action but there was a great deal of difference of opinion and two very able judges dissented. Then supposing the commanding officer should die before the suit was brought, a difficulty would be presented which I do not think would be covered by that decision of the Supreme Court of Canada. After all the suit is brought on behalf of the government, as is shown by the fact that there is a provision that the government may advance the pay and allowances pending the litigation. Would it not be better that these suits should be brought in the name of the Crown, or that some provision should be made whereby difficulties such as these should not be raised in the courts when these payments are demanded. It would also seem to me that we might very well guard against an unwise use of this statute by providing a form which must be signed by the persons who call out the militia. The order calling out the militia is prepared by three justices of the peace or by the mayor, warden or other municipal officers. They use their own language in the requisition and great difficulty has arisen in more than one case as to whether or not the terms of the requisition so drawn were in compliance with the terms of the statute. It would seem to me desirable to provide by statute a form which would acquaint those who sign it that they are undertaking a matter of serious import. No question could afterwards be raised as to the legality of a form so signed. There are a few matters of this kind which I think might well be taken into the consideration of the department, pending the full discussion of the principle of the Bill which I shall not touch upon now.

Mr. TARTE. I desire to call attention to a case of undoubted hardship that has been called to my notice. During the unfortunate strike in Montreal last year some labour associations protested to me against the calling out of the militia in case of strikes. Some of them represented to me that when they were on strike, their friends and even their brothers, who were members of the militia, were called upon to act against them. Could not my hon. friend (Sir Frederick Borden) find some means of preventing the brothers and friends of men who were on strike acting on the militia in such cases ? This is a matter which I think is worthy of consideration.

Mr. SAM. HUGHES. I would suggest to the minister that section 36 would be just as strong if the words 'the district officer commanding' were omitted, because the district officer commanding would be the senior officer present. In the case brought up by my leader (Mr. R. L. Borden) the district officer commanding the corps at Fredericton, if living in the city of St. John, under the interpretation of the Militia Act could not order the permanent corps at Fredericton to go to St. John but must take the St. John militia.

Mr. FITZPATRICK. The points raised by my hon. friend (Mr. R. L. Borden) are worthy of consideration. As to the person in whose name the suit is to be brought that is an existing difficulty that can be dealt with. With respect to the form to be used by those acting on behalf of the civil power to call the militia to their aid, the difficulty would be to draft a form that would meet all the cases likely to occur. I must confess that I am always very anxious to allow those who have to exercise discretion in such difficult cases to have the widest possible latitude. The matter is worthy of consideration and I shall endeavour with the permission of my hon. friend (Sir Frederick Borden) to see how far such a form can be prepared. The hon. member for St. Mary's division (Mr. Tarte) has mentioned a case of extreme hardship. These are cases that constantly occur and my hon. friend will remember that in 1878 just such cases as he indicates occurred, but I cannot, for the present at all events, see how it is possible to avoid them. Of necessity our active militia are recruited more or less from the ranks of the labouring classes, and it necessarily occurs, particularly in labour riots, that those who are engaged in the riots are members of the labouring classes. So that unless we want to restrict the field

of recruiting for the active militia I do not see how we can avoid this difficulty. It is a very serious hardship and something to be absolutely avoided when it is possible to do so.

Mr. R. L. BORDEN. Would the minister not think also that the municipality should have some voice in the calling out of men when they are responsible for their payment ?

Mr. FITZPATRICK. I quite realize that, but sometimes those on whom the payment depends are not as active in such cases as they might be. Possibly those in charge of the city might feel that under the circumstances they were not anxious to burden the municipality with the responsibility for the obligations to be incurred as the result of calling on the militia. I think possibly we might put it that only in case of default by representatives of the municipality would it be possible to call upon the justice of the peace. The point is worthy of consideration but my hon. friend might very well admit that it is not absolutely free from difficulties.

Mr. R. L. BORDEN. Certainly.

Sir FREDERICK BORDEN. With reference to the very painful cases referred to by the hon. member for St. Mary's division, Montreal (Mr. Tarte) I might point out to him that, to some extent at least, the provision which we are here making to avail ourselves of the permanent force in the first instance relieves that situation.

Mr. TARTE. Hear, hear.

Sir FREDERICK BORDEN. And I think that is, perhaps, as far as we can go. With reference to this question of placing checks upon the power or authority of magistrates to call out the militia, I happened to read this morning the King's regulations for the army with reference to this matter. Unfortunately we cannot apply that here because it would be ultra vires, but these regulations make the very excellent provision that the magistrate who sees fit to invoke this authority shall accompany the troops and stand as near the commanding officer as possible.

Some hon. MEMBERS. Hear, hear.

Sir FREDERICK BORDEN. Those regulations contain, as I have said, the very excellent provision that the magistrate, who sees fit to invoke the military authority, shall accompany the troops and stand as near the commanding officer as possible. I think that, if we could put some salutary provision of that kind in our law, it would be well. My hon. friend, the Minister of Justice, will perhaps devise some clause which will make the magistrates come out and take their share of the responsibility.

Mr. TARTE. And of blows.

Mr. CLARKE. Would the hon. minister consider the suggestion that some discretion should be left with the district officer commanding in case the permanent corps or militia should be called out ? Should he not satisfy himself first that the municipal authorities have exhausted every means at their disposal ? Very often what is called a riot is but a trifling affair which could be quelled by a couple of dozen constables ; but when the militia is available and there is the probability of the municipal authorities not having to pay, two justices of the peace, may, on their own responsibility, take the initiative and ignore the municipal authorities and the facts of the situation. Some stop should be put to abuses of this kind. Should the permanent corps be called out, I presume the municipality would not have to pay, as the pay of the men always runs on and they would not be given double pay.

Sir FREDERICK BORDEN. There is a special provision to make the municipality pay the expense.

Mr. CLARKE. There ought to be some cast-iron provision so that the municipalty could not escape responsibility. This power of calling out the troops has been abused in the past. Neither the permanent nor the active militia should be called out unless the commanding officer is reasonably satisfied that the occasion demands their interference. I do not think that the decision should rest entirely with two justices of the peace. Should not some power be vested in the district officer commanding ? Should he not have something to say before the troops are called out ?

Sir FREDERICK BORDEN. I shall consider all the suggestions made, but I would like to point out that the machinery which we have continued is the same as has existed for half a century.

Mr. CLARKE. We want to improve the machinery.

Sir FREDERICK BORDEN. There are some old things that cannot be improved.

Mr. TARTE. This law can be.

Sir FREDERICK BORDEN. If there had been any means of improving this section, it seems to me it would have been hit upon during all these fifty years.

Mr. GALLIHER. The suggestion of the hon. member for Toronto (Mr. Clarke) if carried out, might result in a conflict of authority. Suppose the mayor of a municipality and another justice of the peace should deem it necessary to call out the militia and the district officer commanding should have a contrary opinion, you would have a conflict of authority at once. In that case, who would decide ?

Mr. TISDALE. You cannot hold the military man responsible. He has to obey

orders. But you might require that a higher civil authority than a magistrate or two justices of the peace should have the calling out of the troops. You might require, for instance, a requisition from a judge of the superior court. But it is essential that the civil authority, and not the military authority, should be responsible.

Mr. CLARKE. When the hon. gentleman speaks of civil authority, I presume he means the authority of the municipalities ?

Mr. TISDALE. No, the administration of justice.

Mr. CLARKE. What I contend is that the municipal authorities should have something to say. Now practically they have nothing. The militia can be called out by two justices of the peace, not responsible to anybody in particular, and without consulting the municipal authorities.

Sir FREDERICK BORDEN. In most cases, it is the mayors of the municipalities who call for military aid. At Valleyfield, Montreal, Toronto, London, Sault Ste. Marie the requisition was made by the mayors.

The next section, 37, is the same as the present law. Section 38 is the same as section 34, subsection 4 of the present law. Section 39 is the same as section 34, subsection 5 of the present law, except that the rates of pay and allowance are increased.

Mr. SAM. HUGHES. The minister has increased the pay per horse, but he has left the pay of the men at fifty cents per day. He is giving the horses $1.50 per day, thus increasing their pay fifty cents, but does not increase the pay of the men. I would like to see that in the case of these riots, the officers and men should get five dollars a day and each horse as high as you want to pay him.

Sir FREDERICK BORDEN. In order to be able to secure horses quickly, it was thought desirable to make this special provision.

Mr. SAM. HUGHES. The men are much more difficult to obtain. Lots of these young men lose from two to four dollars a day by being called out.

Sir FREDERICK BORDEN. The men are enlisted and obliged to go, but the horses are not.

Mr. R. L. BORDEN. Might I ask the hon. minister to return to section 36 ? I think that the Minister of Justice will agree with me that some revision of that clause will be necessary. Look at the first two or three lines.

The district officer commanding or the senior officer of the active militia present at any locality shall call out the same or any portion thereof as he considers necessary for the purpose of preventing or supressing any such actual or anticipated riot or disturbance, when thereunto required in writing by the chairman or custodian of the Quarter Sessions of the Peace or by any three justices of the peace, or by any two justices of the peace, and the warden, mayor or any other head of the municipality or county in which such riot or disturbance occurs or is anticipated as aforesaid, provided always that the permanent force is not available and not in sufficient numbers for the purpose.

The first portion of this section is not intended to apply to the permanent force at all. The minister has proposed an amendment which says the permanent force shall be employed, but he has not provided any machinery for calling them out. If that is to be workable, it must be amended in some way.

Sir FREDERICK BORDEN. That is probably quite correct. The fact is, the proviso was a separate clause and the attempt was made to put the two together, and I dare say it was not very skilfully done. That can be changed.

Section 39 is the same as section 34, subsection 5, of the present law, except that there are some changes in the rates of pay. Now, it is proposed to add to section 39—

Mr. HAGGART. Before we pass from section 38, would the minister tell me if I am to understand that this was in the old law ?

Sir FREDERICK BORDEN. Yes.

Mr. HAGGART. Then a soldier could act as a constable under the old law ?

Mr. SAM. HUGHES. The second line below says that they are to act as a militia body only.

Sir FREDERICK BORDEN. Now, it is proposed to add to section 39 the following subsection :

2. Any sums collected from a municipality under this section in payment of the services of the permanent force or any portion thereof, shall be forthwith deposited, by the officer or other person by law authorized to receive the same, in some chartered bank, to the credit of the Receiver General on account of the permanent force.

That makes it absolutely clear that the expenses of the calling out of the permanent force must be paid for by the municipality.

Section 40 is the same as the present law, in subsection 6 of section 34.

Mr. TISDALE. This is the section which the leader of the opposition referred to. I remember a case which was up in the House, which satisfied me that this is a most unfair clause to the commanding officer who may be unfortunate enough, against his wish, to be obliged to go out on this unpleasant duty. In addition to these disadvantages he must take the risk of suing. While we are making improve-

ments we should suggest some way of relieving the officer of this unwelcome, unsought and unfair consequence of doing his duty. I would suggest that the government should sue, or some official of the Militia Department—so as to centralize it. Surely it is hard enough for the soldiers to be called out on this duty, especially considering the insults which my hon. friend from North Victoria speaks of—and what he says is undoubtedly true, that the soldier must submit to these insults and not resist—without being compelled to depend upon the municipality for their pay. I hope the minister will consider the matter and prepare a remedy.

Mr. FITZPATRICK. I think it would be proper to take the suggestion made by the leader of the opposition with regard to the manner in which the suit should be brought, but I fear there might be some difficulty in substituting another official. However, these are things to be considered, and will require to be considered before we can give an answer.

Mr. R. L. BORDEN. I should be inclined to think that the men should be paid by the government at once. In the past, there has been a great deal of delay. And I know of cases in my own experience. The government is authorized to pay, but not obliged to do so. I think the statute should be made to provide that the government shall pay at once and collect from the municipality. If there is delay, the men should not suffer for it. I have known them to remain without their pay for two or three years because litigation was going on.

Sir FREDERICK BORDEN. Of late, it has been the custom to pay almost immediately. There was some delay in the case of the city of Montreal which could not be avoided. It was the desire of the government to pay the bills at once, but owing to the delay in forwarding the accounts we were unable to do so.

Mr. CLARKE. Who is to determine what the amount of the account is to be, the municipality or the military authority ?

Sir FREDERICK BORDEN. The military authority sends in the account.

Mr. CLARKE. But who is to determine whether it is right or not ? I notice that in one case that we have had recently before us, when the municipal authorities served the usual request, the militia were called out: but when it was suggested by the municipality that the militia should be withdrawn the officer commanding the militia, who ought to be a competent judge of the circumstances, kept the militia there. But, his advice or recommendation was overruled, so far as payment was concerned. What position does the military authority occupy under such conditions as this ?

Sir FREDERICK BORDEN. The question was before the Department of Justice, and it was decided there that the same authority which called out the militia was competent to dispense with its services, and that the officer commanding, when he was so called upon to withdraw the troops, should have done so, perhaps. But, in any case, as the law was, the municipality were not liable beyond the days for which it required the troops and during which they agreed that the troops should serve.

Mr. CLARKE. Are the municipal authorities, then, to be the judges as to whether or not a state of riot exists, and when that state of riot ceases ?

Mr. FITZPATRICK. Yes.

Mr. CLARKE. And the military have nothing to do with it ?

Mr. FITZPATRICK. No.

Mr. CLARKE. So that men who have had no experience in handling men or putting down mobs have nothing to say under the circumstances, but the justices of the peace who invoked the aid of the militia can say when the time has come to dispense with the services of the militia ? The officer commanding has nothing to say as to when the troops should be withdrawn ?

Mr. FITZPATRICK. Clearly.

Mr. CLARKE. Surely that is not satisfactory ?

Mr. FITZPATRICK. The militia only come to the aid of the civil authorities, and they have nothing to do with it except support the civil authority. My hon. friend (Mr. Clarke) should take one horn of the dilemma or the other. A little while ago he desired that the civil authorities should have control, that the mayor should determine when the militia are to be called out. If we wished to put the burden on the mayor, surely the mayor should have power to say when the militia should be removed. For my part I am not disposed to agree that this power should be left absolutely to the municipality. I think there are occasions when large public interests may be jeopardized, and it may be important in the public interest, without regard to the municipality and without regard to the mayor, that the militia should be called out. It may be that the mayor, for his own purposes, may not be anxious to call on the militia authorities. For instance, it may be that he does not wish to burden the municipality, and so may hesitate to act. There is no reason why three justices of the peace should not act.

Mr. CLARKE. I am sure the hon. gentleman, Mr. Fitzpatrick would not wish to misrepresent anything I said here. I was rather chary about the right of the civil authority—these two justices of the peace —to call out the permanent force without the district officer commanding the permanent force having some discretion.

Mr. FITZPATRICK. That is right.

Mr. CLARKE. That is the position I took, and I maintain it still. I say that in case of riot, if the aid of the military authorities is invoked, those authorities should have something to say as to when the services of the troops should be dispensed with. I think it is anomalous that persons who have had no experience in these matters should have the right to call out the troops whether their services are really required or not, and that the same person should have the right to say that the troops are no longer required—perhaps because these civil authorities have had an opportunity to consult the opinion of their constituents, and have found it averse to continuing the services of the militia. If more discretion were given the commanding officer of the troops in calling them out or withdrawing them, there would be less likelihood of the local or municipal authority being led away by the sentiments which might prevail among the majority of the people at the time. I agree with the Minister of Justice that there are occasions when, no matter what the local opinion may be, the services of troops may be required to protect the public interests. But I think in the condition of the law at present there is too much power given, on the one hand to the civil authority, and too little power given to the military authority. It is because of those anomalies that I have drawn the attention of the minister to them, and to what I consider defects in the law which I think ought to be remedied.

Mr. TISDALE. We must be very cautious in making legislation dealing with these matters. We do not want to confound the municipal and the military authorities. It would be going too far to say that the military authorities should turn out the troops whenever they pleased. We must be careful to keep the military power in check, and make it, so far as consistent with public safety, secondary to the civil power, otherwise there would be danger to our institutions. That is the principle upon which our legislation has gone, and it should be continued, in my opinion. That is the principle which has prevailed for ages in the mother country, and it has been found to work promptly and effectively. It is well that lawless elements should understand that there is a power behind the civil power strong enough to make them obey the law. The trouble in the United States is that it is an elective machinery that controls the militia. The militia of the states are the forces called upon to suppress riots, and they are under the command of the governor, who is elected by the people. The military authorities of the United States can only act when the country is in danger from foreign enemies. The beauty of our system is that no politician, be he municipal or parliamentary, has any voice in starting or stopping the machinery of the militia force, and in my opinion that is the only safe and proper system to allow. Though I have been for many years connected with the militia, and am still connected with it in a way, still I should resist by all means in my power the slightest interference with the civil authority on the part of the military authority. We want it well understood that the military power exists for only one purpose, or two purposes, namely, for the defence of the country and the protection of our civil rights.

Sir FREDERICK BORDEN. In answer to the hon. member for Toronto (Mr. Clarke), I may say that it seems to me clear that if we condemn the municipality to seek the aid of the militia and to pay for that aid, we must give them the right to say when they will dispense with that aid. I cannot very well see how you can delegate to the officer commanding, the power to maintain the troops in service under pay, in defiance of the wishes of the authority which has invoked their aid and who is responsible for their pay.

Coming now to clause 41, that is the same as section 37 of the present Act, amended in 1898, omitting the restriction as to the imperial officer. That is one of the important clauses, as it opens the door to the appointment of an officer of the Canadian militia, or in fact the appointment of any officer within the British empire. As I have stated before this afternoon, we obtained the consent of the imperial authorities to this change.

Mr. CLARKE. Was there any general complaint made by the militia authorities, by the officers and men of the militia corps of Canada, that the general officer commanding, who hitherto has been a British officer, did not discharge his duties satisfactorily? Has there been any good reason advanced why the scope of the selection should be enlarged?

Sir FREDERICK BORDEN. I think the question should rather be put the other way: Is there any good reason why a country like this, with six millions of independent people, capable of governing themselves in every respect, should not be permitted to place at the head of its defence forces an officer of its own force? It seems to me there is absolutely no good reason why that door should not be open, giving us a wider choice, or why that invidious reflection upon the capacity of Canadian officers should remain any longer in our statutes.

Mr. CLARKE. Has there been any complaint made as to the efficiency of the general officers commanding hitherto, any objections made by the officers and men of the militia force? Is there any record available of any discussion of this matter to show that these distinguished officers who have been appointed from time to time have not discharged their duties satisfactorily?

Sir FREDERICK BORDEN. I refer my hon. friend to his hon. friend who sits in front of him (Mr. Hughes, Victoria).

Mr. CLARKE. I have consulted my hon. friend in front of me on many occasions where militia affairs were in question, and I have never yet regretted having done so. He has always given me sound advice. But the hon. member for North Victoria (Mr. Hughes) is not responsible for this Bill. I think it was a reasonable request to make of the Minister of Militia when I asked him if there had been any complaint that the efficiency of our militia force had not been subserved and advanced in the highest possible degree by the appointment of a British officer as general officer commanding. Has there been any demand for a change on the part of any responsible person in the militia force of Canada ?

Mr. SAM. HUGHES. As the minister has referred to me, I might point out to him that under the system whereby a British officer was appointed we were able to get rid of an objectionable man ; whereas under the system as proposed we cannot get rid of him.

Sir FREDERICK BORDEN. Admitting that my hon. friend from Toronto (Mr. Clarke) has put a fair question, still I do not think it is involved necessarily in this matter at all. The question is rather : Has Canada assumed such a prominent position by her growth, by the heroic acts of her militia officers at home and in the South African war, as to entitle her to appoint one of her own sons to the command of her militia ? Has she not assumed a position when at least there should be removed from the militia of this country the reflection that we cannot rear a man competent to take command of our own forces ?

Mr. CLARKE. The hon. gentleman surely does not assume that the growth of the country has been checked in any way by the fact that hitherto her forces have been commanded by a British officer.

Mr. FITZPATRICK. Will my hon. friend contend that it is a reflection upon the capacity of British officers to say that Canadian officers may hereafter occupy that position ? Is it necessarily a reflection upon them ? What is the object of the question ?

Mr. CLARKE. I am asking the minister with the greatest possible respect if there has been any complaint, any objection made to the appointment of British officers to occupy the position of general officer commanding. What is the reason for this change ? I ask upon what ground is the change being sought ?

Mr. INGRAM. Are we to assume that the statutes of this country can be changed without any complaint or demand for such change ? Is that the attitude the Department of Militia is going to take ?

Sir FREDERICK BORDEN. I am quite prepared to submit this change to the judgment of the people of Canada to say whether it is a sound change or not. I do not think I am called upon to say anything as to the service of distinguished imperial officers in this country. They have served the country well according to their lights. I have nothing to say against any of them. I have had experience with quite a number and I have not a single word of reflection to utter, but I do say that it seems to me that it is high time the provision in the Canadian statute which involves a reflection upon the capacity of our own officers should be removed. It does not follow that we shall appoint a Canadian officer at once. It will be a matter for the administration to consider whether he shall be appointed this year, or next year, or the year after, or ten years hence, but that the ban, the reflection upon the capacity of our Canadian officers should be removed from the Canadian law, seems to me imperative at this period. I may say that the imperial authorities concur in that view.

Mr. R. L. BORDEN. Without discussing, for the present, the question of principle which has been raised, I would like to ask whether the words in this section have been very carefully considered. It seems to me that it might be at least open to argument that they confine the appointment to an officer of the Canadian militia.

Sir FREDERICK BORDEN. That is not intended.

Mr. R. L. BORDEN. The Bill deals with the active militia, including the permanent force and the reserve militia, and then it says that :

> There shall be appointed an officer of rank not lower than that of colonel to be the general officer commanding the militia.

I would be rather inclined to think that the selection of the general officer commanding would be confined to the Canadian militia, with which alone the Bill deals and if you wish to leave it open to appoint an officer not in the Canadian militia, you would require to say so specially. This, however, is only a question of drafting, but still it would not be well to pass a statute in words which would afterwards be constructed to mean something that we did not intend.

Sir FREDERICK BORDEN. I shall consider that because the intention of the section is to open the command to the whole empire.

Mr. R. L. BORDEN. I understood that.

Mr. TISDALE. I did propose to and probably will say something on the effect of this clause at a later period. I did not propose to say anything to-day, but when the Minister of Militia and Defence made the extraordinary statement that he

made to-day about a reflection being cast upon the Canadian militia by the old statute, which says than an imperial officer shall be appointed to the command, I felt it was rather incumbent upon me, feeling as I do upon the question, to make some remarks in reply. This has been the law for a very long time and if the hon. minister will look back at the debates and especially at the speeches of two of the greatest men who have ever lived in Canada—Sir John Macdonald and Sir George Cartier—giving the broad reasons why such a provision is placed in the statute, he will understand better the justification for it. The reasons given by these statesmen are given by men of greater knowledge than I could ever dream of being and by men, who equalled in knowledge the best men that we can find in the world. If we turn back to these reasons we will find something broader on this question than a mere question of there being a reflection upon the militia. I am as proud of the militia as any hon. gentleman here. I have felt in it all the interest that it was possible for a plain man to feel in the militia, especially in the early days, and yet I fail to see where this is any reflection at all upon the militia. I should be sorry to think that the best officers in Canada felt it to be a reflection upon them, to say that there were officers superior to them in capacity and in the knowledge of actual warfare in the great imperial army. I am proud to know that they are so much superior to anything we hope ever to be, because the world, in my opinion, does not hold their equal. The history of the greatest empire of the world has proven that. But there is a broader question than the one which the hon. minister has raised, and this is why I regret having heard the hon. minister make the statement that he has made. This question of Canadian militia has more than one side. The first duty of the militia is the defence of Canada, but there is a broader side, as time passes, its imperial side, which was disclosed not long ago, when the sons of Canada joined the great imperial army and did credit to their country and the empire. If we are ever in a war, it will be a war of the empire and not a war of Canada. We are a very potent part of the empire, but in the preparations for war, the formidable expenditure and everything that is necessary to protect the empire, we are very small compared with the British empire, and if we fight at all, we will be fighting with the British army, either in defending other parts of the empire or because the British army have come to our defence when we are assailed here. How futile, how small would be the efforts that we could make as against a great nation if we had not the British army with us ? I cannot understand why it should be considered a reflection to have a British officer in command of the Canadian forces. We have proved the wisdom of having an imperial officer of great experience and capacity, although we have not always got one of that character, but we expect to, and I am sure that we have one now that we are all satisfied with. It seems to me that this is not a fitting time for making this change, and that there is no present necessity for it when we are so well provided as we are now with the gentleman we have in command of our militia. I say then that I regret that the hon. minister had no stronger arguments than those he has presented to justify this change. If I had attempted to do as he has done, I think I could have found some broader arguments in favour of such a change, or at all events looking forward to such a change as that he now proposes to make. In 1898 this proposal came up incidentally in this House, and the hon. minister was then, as I was, against it. He was the gentleman who was in power. I expressed my views and they are in 'Hansard.' When we were on that side of the House, and when we proposed anything in regard to the militia, we were opposed by the hon. gentlemen—not by the hon. minister himself—who then sat on this side of the House, and I will further say that when we were on the side of that House, we dealt with the militia without raising any political questions.

In the remarks which I made then, I admitted that the time would probably come when it would be wise to discuss the question. We then raised the pay of the imperial officer commanding our militia, and we did so because it was found that we paid much less than was paid by the other colonies, which in most cases had a smaller militia force. The correspondence which we then had with the imperial government was published in 'Hansard,' and I am glad to say that the increase of pay was agreed to unanimously. Our chief justification in raising the salary then, was the fact that it was conceded that we needed an imperial officer, and I want to know what has since occurred that has changed the necessity for that. To be a true soldier, and especially to be a true militiaman, you must be a true patriot, and I have sufficient faith in the patriotism of the officers of the Canadian militia to believe, that if they thought that a better man could be got from the imperial army—considering the greater experience he must have in war and in military matters generally than a Canadian could have, our Canadian militia officers would vote to retain the imperial officer.

Mr. FITZPATRICK. This Bill does not aim to prevent an imperial officer being appointed.

Mr. TISDALE. Of course it does not debar an imperial officer but I am afraid that in time such will be the result of it. As has been pointed out many a time, Canadians can now win their way to the position of general officer commanding through the British

army. Canadians are now becoming prominent in the imperial service, and I hope to see the day when a Canadian officer of the imperial army will command our militia force. I would be the first to hold up my hands for such a man. That is the kind of man I want to see in command of the militia. I know, and the minister knows, that political pressure has been brought to bear upon him to do things that he sometimes resisted, and that sometimes he had to submit to. It does not matter what party is in power, once you get this law on the statute-book, the politicians are not going to be easy until they force upon the country some friend of theirs, whether he be fit for the position or not. We on this side of the House, as true Canadians will support the minister in this splendid scheme for the strengthening of our military forces, but we want to take no chances, that there can be any manœuvering of any sort to prevent us keeping such a capable general officer commanding as we have now, or to prevent us from getting one equal to him from the imperial army. I was relieved to hear the minister say to-day that there would be a provision in the Bill, so that in case of war the command of the forces would be given to an imperial officer.

Mr. CLARKE. Do I undestand that in case of war, if the general officer commanding was a Canadian, he would be superseded by an imperial officer ?

Mr. TISDALE. That is the intention, I believe, and I cannot imagine any greater slur on Canadian officers. The imperial authorities have seen that danger of this move, but generous as they are in their dealings with us, they simply said : We tender our advice, you can go your own way but we will take care to remove one of the danger points, and we will take the precaution that we shall have a thoroughly competent officer in case of war. The Minister of Militia has conceded my argument, because he did say that it might be a long time before they would put this provision of the Act in force. If that be so, why should we bring up such a disturbing element ? I am afraid that if we pass this provision, it will not be very long until we will find some one, who is perhaps incompetent, forcing his way to this position.

Sir FREDERICK BORDEN. The hon. gentleman (Mr. Tisdale) stated that he knew that political pressure was exercised, and that the minister had to resist it.

Mr. TISDALE. Sometimes ; yes.

Sir FREDERICK BORDEN. I should like to know where there is not pressure of that kind brought to bear, whether it be in the British army, or in any other army of the world. And with reference to the British army, possibly it may not be improper for me to say that there is a very strong suspicion that influence, very much below the level of political influence, is exercised in regard to appointments. The hon. gentleman (Mr. Tisdale) fears that if we take this power to appoint a Canadian or a New Zealander or an Australian, or some one outside the charmed circle of the British army, political influence will be brought to bear. I should like to ask, Sir : Are we not fit to govern ourselves ? Is it possible that we can govern ourselves in everything else but in this ? The hon. gentleman (Mr. Tisdale) would be deeply offended if it were suggested that we in Canada were still unfit for self-government in any other respect.

If we are able to appoint a Deputy Minister of the Interior and a deputy minister of every other department, even to Deputy Minister of Militia, and are able ourselves to govern each of these great departments successfully, is it possible that we are unable to govern ourselves in the matter of defence ? If it be true that we cannot, then the sooner we get the experience and learn to govern ourselves in this respect the better it will be for this country. This is one of the means by which we propose to acquire that experience. My hon. friend (Mr. Hughes) says :—Oh ! but you can get a Canadian officer now. That is true, but he must perforce pass through the ordeal of being an imperial officer. While I have no objection whatever to an imperial officer, I do object to a restriction which will prevent us from utilizing, for instance, a man who has served with distinction in quelling rebellions in our own country or who has served with equal or greater distinction along with British officers on the battlefields of South Africa. I do not think that my hon. friend's position is well taken when he says that this is a most inopportune moment to raise this question. Why is it an inopportune moment ? My hon. friend (Mr. Hughes) has not told us. I consider it an exceedingly opportune moment. I will say, without hesitation, that I have been strongly of the opinion for the last four years, during which time I have administered the affairs of the Militia Department, that that restriction ought to be removed, and I am happy that the hour has arrived during my administration, when that restriction will be removed.

Mr. HAGGART. It is removed only in time of peace.

Sir FREDERICK BORDEN. I was coming to that. My hon. friend (Mr. Hughes) says that in time of war we are still to have the benefit of the services of an imperial officer. Certainly we are, how could it be otherwise ? A provision will be introduced here, that when the Canadian militia is called out to serve in time of war, to serve jointly with the imperial forces, then His Majesty should have power to appoint a senior general officer who should command the joint army. What other provision than this could you have ? It is absolutely essential that the King shall have

that power in time of war, but so far as insurrections or rebellions within this country or the repelling of an attack that might ultimately result in war are concerned, the officer in command, whether he be an imperial officer or a Canadian officer, shall have complete control of the militia and, as I said a moment ago, it seems to me desirable, if we are to learn the art of self-government in respect of defence as we believe we have learned it in other respects, it is desirable that we should begin at once or as soon as it may be convenient to do so, by placing the Canadian militia and the development of that militia under the control of Canadian officers. No reflection on anybody is intended ; there is simply the desire to assert ourselves upon this point as we assert ourselves on other points. There is simply the desire on my part to remove what, I repeat, is a reflection, an undeserved and undesirable reflection existing on our own statute books upon the character and capacity of our officers.

Mr. SAM. HUGHES. Would the hon. minister (Sir Frederick Borden) kindly answer the question I submitted in reference to the term of office of this officer and the method of his removal.

Sir FREDERICK BORDEN. He is appointed by Order in Council and the power which appoints him can remove him. The term of office will be fixed by regulations.

Mr. SAM. HUGHES. And what becomes of him afterwards ? When a general officer commanding in Canada a few years ago was retired from this country he was shipped elsewhere in the service of the empire, but what will become of a Canadian officer under such circumstances ?

Sir FREDERICK BORDEN. If in the future we should happen to have a general officer commanding who was not to the liking of my hon. friend (Mr. Hughes) and we desired to remove him, the situation might have its inconveniences, but I do not think that will be put forward as a good reason for not taking the step we propose.

At six o'clock, committee took recess.

After Recess.

Committee resumed at eight o'clock.

Mr. SAM HUGHES. Is the $6,000 salary an increase ?

Sir FREDERICK BORDEN. No.

Mr. SAM. HUGHES. I did not intend again speaking on this question of the selection of a general officer commanding were it not for the fact that, judging from the tenor of the hon. minister's remarks, there is no disposition to do otherwise than obtain as heretofore our general officer commanding from the imperial army. There are many reasons why, I think, the law should not be changed. While I have absolute faith in the ability of Canadians, when given the opportunity, still it must be admitted that the field from which to select here is very limited. Suppose the office were to fall vacant to-morrow, upon whom would the hon. minister call if he wanted to choose an officer from the Canadian service ? He would undoubtedly select his man from the permanent corps, and that corps is very limited in number. While many of the officers in that corps are very excellent men, they are still in nearly every case but office men, executive rather than administrative men. Then there would be great rivalry among them, and the chances are influences would be brought to bear on the minister which cannot now be brought to bear. I am inclined to believe that any little balm there might be in making our lads feel that any one of them might become the general officer commanding, that would be more than neutralized by the evil influences that would be introduced. For my part, I care not in what part of the world a man is born so long as he is a good man ; but if it be deemed essential that we should select a man who was born in Canada, we could easily find in the British service to-day competent men possessing that qualification. Let me point another drawback, and I am only supposing cases because I accept the statement of the hon. minister that we will still follow the old tradition of taking our general officer commanding from the imperial service. But let us suppose that he will take a Canadian officer. After that officer will have served his four years term, what will become of him ? He will be retired on half pay, and he will thus be a burden on the treasury. But in the case of a British officer, when his term expires in Canada, he returns to the old land and is there taken care of. And suppose we should find that the Canadian officer appointed was unsuitable, as some imperial officers have been, under the present system, we can request the imperial officer to resign, as was done in one case a few years ago, and he will go back to the imperial service, but in the case of a Canadian officer, we would not find it so easy to get rid of him. What we require is a practical, competent field officer rather than a mere executive officer, but if we were to choose our general officer commanding from the Canadian forces, we would have to select him from one of the various executive departments of the country, and our selection would be very limited. Then there is another point, and that is the independence of the general officer commanding. In this connection I make no reference to the present minister, because I have always had very great pleasure in endorsing the many good measures he has brought in from time to time for the benefit of our militia, and, as was pointed out by the hon. member for South Norfolk (Mr. Tisdale) to-day, the Liberal-Conservative party have set

hon. gentlemen opposite an example by the very fair and non-partisan criticism which they have given the administration of our militia by the minister now in office. But we must not lose sight of the fact than an imperial officer can always return to the imperial service. It is known here that Lord Dundonald is not acting in his own interests by remaining in Canada, but is sacrificing himself for the benefit of the empire. Had he remained in active service in the old land, he would no doubt be in a much higher position relatively than the one he now occupies, and in saying this I know whereof I speak. Such an officer is certainly in a better position to stand by what he considers right than possibly could be a Canadian officer more under the control of the minister, and one who might be appointed for political purposes. The hon. minister has hinted to-day that in England these military appointments are sometimes demanded for other and less noble motives than political, but certainly an imperial officer must be in a better position to assert himself than one who has no future once he leaves the Canadian service. I maintain that an officer commanding who would be in a position semi-independent of the minister is the one who can do best service in the interests of our militia. But the most important feature of the whole matter is this. This change, coming at the present time, may be regarded by very many as a reflection upon our present very excellent general officer commanding. The public will not stop to consider that it is the outcome of the conduct of past general officers commanding in Canada, but will look upon it as due to something that occurred in the regime of the present general officer commanding. I know that the minister to-day has a better idea of his power and duties in relation to the general officer commanding than he had a few years ago, and I do not think I am divulging any secret when I say that the Minister of Militia and two-thirds of the parliamentarians of the Dominion, from the present minister down, used to be of the opinion that there was some little unwritten or mysterious power which the general officer coming from the British service had in Canada—in other words that he had a little power in himself outside of the people of Canada which he could exercise independent of the Minister of Militia; and I claim to have had a little to do in giving these people a proper conception of the functions pertaining to the general officer commanding. My good friend the minister told us this afternoon that while he was in favour of this change, he had a high opinion of the British officers. Well, I am not in favour of this change, and I have not such a wonderfully high opinion of the British officer as some people have. Nevertheless, the great point in the whole Bill is that you remove the connecting link between the Canadian militia and the imperial army. However, there is one clause that may be a kind of saver to the minister, and that is that when the colonial forces are serving with the imperial forces the imperial appointee shall command. That, of course, will preserve the union of the two forces in the mind of the people of Canada, and to that extent will offset the evil done by this clause. I could not let the remarks of the minister this afternoon pass without pointing out that there were arguments, and very strong arguments, in favour of preserving the law in its present form, so far as this section is concerned.

Mr. A. T. THOMPSON. I doubt very much if the clause which we are now discussing was framed because of the inefficiency of previous general officers commanding the Canadian militia. To my mind, this is nothing more or less than a declaration—and a very fitting one—that there is no honour in the gift of the Canadian government too good for a Canadian, provided that Canadian, by attainments and experience, be worthy of it. Nevertheless, I sympathize deeply with a great deal of what the hon. member for North Victoria (Mr. Hughes) has just said. I would take second place to no man in wishing the continuance of the close connection between the motherland and this country. But I cannot, for the life of me, see why this should weaken the tie in the least. I believe that it would have the effect, if anything, of strengthening that tie. If there is one thing more than another that would tend to build up in Canada the feeling of independence and the desire to become a separate power, it is that we should consider ourselves inferior to the people of any other part of the British empire. We wish to speak in no braggart way; we do not wish to assume that we are superior to or better than the people of other parts of the empire. But that we are their equal, I think we may say without boasting. And as an example of that, I would give the hon. member for North Victoria, who acquitted himself with such credit in South Africa, proving himself fully the equal, I think, of the imperial officers with whom he came in contact. I do recognize the difficulty of opening the door to political intrigue. That is the strongest point, possibly, that the hon. gentleman has made. But I have confidence in the strength of this government and in the strength of the present Minister of Militia, and I believe that, for some time to come at least, the power to appoint a Canadian general officer commanding will not be exercised unless we are so happy as to have a gentleman so well qualified by experience and ability that he is, so to speak, ear-marked for this high post. We must not leave out of consideration the fact that we have in Canada an excellent educational institution in the Military College at Kingston, and that graduating from that institution, year by year, we

have some of the brightest young men in Canada. We would like to attract them to the permanent service of the Canadian militia, and it seems to me we should hold out the inducement to ability of possible appointment to fill the highest military post which is in the gift of the Canadian government. We do not tie ourselves in any way to do this. But suppose that at some future time, in further participation in the wars of the empire, some Canadian should come forward and prove himself fitted to command. Take Sir Percy Girouard himself. His name was mentioned by the hon. member for North Victoria in an earlier debate. Why should Sir Percy Girouard be debarred simply because he is of Canadian birth ? It seems to me that is an excellent reason why he should be appointed, not debarred. And so I am in sympathy with the change proposed by the Minister of Militia, and will support it when it comes to a vote.

Sir FREDERICK BORDEN. Section 42 is unchanged——

Mr. JABEL ROBINSON. If the Minister of Militia has anything to reply to these gentlemen I will take my seat, but if he has no reply, I would like to say a few words. I notice that every hon. member who has discussed this question has been a captain or a colonel, and probably an aspirant for the generalship. Now, I am neither. But I was a soldier once, for ten days. We organized a company in our town to learn the use of arms that we might repel the invasion of our country which took place some forty years ago. So I think I have some claims to speak on this question, since I have been a military man. But I do not wish to discuss the question further than this : I think that we should be free to select from among British subjects, no matter where they were born, the man who has the ability to lead us in the defence of our country in case of war or trouble. I do not think we should be confined to the men who happen to have graduated from Kingston, or to those who happen to have been born in Canada, but we should have the whole British empire to select from. I hope that if this clause reads otherwise, you will change it, so that we may be free to select the best man and the best Britisher that lives. You should not for a moment say that you will confine your selection to a Canadian. I think that would be an insult to all us British soldiers. My hon. friend from North Victoria (Mr. Hughes) said he had not much to say in favour of the British officer. I have a good deal to say. We owe this country to the British officer. Had it not been for the British officer, we would all be Canucks or some other nationality here. They fought for us at Quebec and everywhere. Wherever the British officer is called he does not run away. He does not help the British army to conquer and then run off home, but stays to the end. He goes to the place where his duty calls him, to stay and to die, if necessary, for the cause he believes to be right. Britain has given Canadians work at home and abroad. Hon. members will remember that General Williams was a Nova Scotian. He was selected by the British to lead their army, and he defended Kars to the last. When they are ready to give us Canadians employment, should we hesitate to give them any position we have to give ? I think not. Suppose we had war between Canada and any other country. We have a militia of fifty or one hundred thousand men ; suppose they are ruled by a Canadian officer. We call upon the British people to give us help, and they will give it readily, and will send to our assistance one hundred thousand men or more. Are you going to say that the British army coming over to help us must be commanded by a Canadian ?

Sir FREDERICK BORDEN. No.

Mr. JABEL ROBINSON. I should think not. So you should give every Britisher a chance to be commander in chief of your army. Let us strengthen this grand empire, and not insert the thin end of the wedge, which, if driven home, will rend it asunder.

Sir FREDERICK BORDEN. Section 42 and section 43 are word for word as in the present law.

Mr. SAM. HUGHES. But since these sections were enacted, other heads of departments have been created. The minister is very properly reorganizing his department, and now we have the director general and other chief officers on the staff, and I would ask why these officers should not be included ?

Sir FREDERICK BORDEN. After consulting the best authorities on this point, it was thought best to leave these two officers, without whom it would be utterly impossible to organize an army. As to the other branches—the Intelligence branch, the Director General of Ordinance, the Engineer Department, and so on—they have all been organized under general authority given under the present law, which is continued in this new Bill. The form here proposed gives more elasticity to the organization and more authority to the Governor in Council to make changes such as may be necessary from time to time. We follow, in the organization of the Canadian militia, very much the lines of the British army, and it is therefore desirable that we should not be, so to speak, tied up too tightly, by statute, but should be free to follow the lines of the British organization or any other that we may desire to follow. That is the only reason. We shall never have an army without an adjutant general and a quartermaster general. Therefore, these two were left in. There is no stronger reason than that.

Mr. A. T. THOMPSON. In section 41, the salary of the general officer commanding is

said to be $6,000 per annum in full of all pay and allowances; but in clause 43 the pay of the adjutant general and the quartermaster general is said to be $3,200 per annum, but without the statement that it is in full of all pay and allowances. I understand at the present that these gentlemen are in receipt of $2,800 per year.

Sir FREDERICK BORDEN. $3,200 at present.

Mr. A. T. THOMPSON. May I ask the minister if they receive any allowances at present besides that?

Sir FREDERICK BORDEN. Yes, that is a portion of the present pay they receive. The statute I think provides for $2,600.

An hon. MEMBER. $2,800.

Sir FREDERICK BORDEN. Perhaps it is, and the difference between that and $3,200 is allowances, at present.

Mr. A. T. THOMPSON. Does that put these gentlemen in any better position, as far as pay goes, than they were before?

Sir FREDERICK BORDEN. Probably it would.

Mr. A. T. THOMPSON. It is to be hoped it does, because their positions are important, and they have been rather underpaid I think in times past.

Mr. SAM. HUGHES. It may be pointed out that this is just the same pay as similar officers in other departments receive. But the minister knows that these officers must have very expensive uniforms, they must support the dignity of their position. The minister knows that these officers are called upon to perform certain functions whenever visiting officers come to the city, and are called upon to do more or less informal entertaining otherwise. The minister knows that as well as any one living. He knows the incidental expenses of these officers are much greater than they are in any other branch of the service for corresponding positions. I would be pleased, and I am sure the country would be much pleased, if the minister could see his way clear to make the salary what it is stated here, with certain allowances.

Sir FREDERICK BORDEN. The pay is fixed at $3,200, and it is open to the Governor in Council, by regulation, to add to this in the way of allowances. The next section, 44, is the same as section 40 of the present law. Section 45 is the same as section 41 of the present law as amended in 1900.

Mr. SAM. HUGHES. In connection with section 45 of the proposed law the minister provides here:—

> In and for each of the military districts there shall be appointed by the Governor in Council an officer, of rank not lower than that of lieutenant-colonel, who shall, subject to the regulations, command the militia in his district.

I presume these are intended to be the district officers commanding.

Sir FREDERICK BORDEN. Yes.

Mr. SAM. HUGHES. The minister used the term 'district officer commanding' in section 36 of the present act. But this is the first notification he has given that there is such an official in the district. It is not defined in any way.

Sir FREDERICK BORDEN. It would be defined in the regulation, but I will take note of that.

Mr. SAM. HUGHES. This is an important clause. As the minister knows, I have previously advocated that these district officers commanding should be tied up, so to speak, office men, executive men, who would be responsible for routine, for the correspondence, for forwarding requisitions, for inspection, for arms and accoutrements; in other words, to see that the various corps throughout the various districts were preserved in a state of efficiency so far as the office work might go, so far as making up shortages and keeping everything in good form and so on; in other words, that these should be office men purely and simply. In addition to that I would suggest for the minister's consideration that there should be besides an officer who will take command of the troops when they go to drill. Let one officer be responsible for the maintenance of the efficiency of the equipments and the routine of the office work, and let the other officer be held responsible for the efficiency of the various corps in drill. The minister knows well that a man in an office gets to be a good office man, and a man in the saddle gets to be a good field man. I am satisfied that the minister will consider this proposition as of great advantage.

Sir FREDERICK BORDEN. I agree entirely with what my hon. friend says, and I hope to overcome that difficulty and to render these men less office men, as he calls them, than they are now, by increasing the district staff so that they will be able to perform the real functions they were intended to perform, the functions of command. Besides that I may say that the general, Lord Dundonald, has a scheme which I think has been promulgated, at any rate it has been mentioned, by which he proposes to group one, or two, or three districts together for the purpose of higher command, so that there will be over that group of districts an officer of the type which my hon. friend describes.

Mr. SAM. HUGHES. But the minister fails to catch the point of the debate. These men are now permanent corps men. Now there are many men who are occupying positions in the various corps of the active militia throughout the country, and outside the permanent corps, there are any number of them, who if given a chance, would be as

competent to command the militia, each in his district, as any of these district officers commanding. My point is this, that under the present system which has prevailed in this country for so long, an officer who does not get a chance to be of the regular district staff, of the regular permanent corps, has scarcely ever a chance of commanding a brigade. I maintain that there are officers who can command brigades and divisions, and have done so, as well as any gentlemen of the district. These gentlemen have had experience of the district. I think the minister should give every opportunity to such men of commanding brigades in the various camps. Let those gentlemen be in any official position they choose, but give officers other than of the permanent force an opportunity to command these brigades. As it is now, officers of the active militia have scarcely any opportunity of filling any position out of the ordinary routine. When the minister sent the last force to South Africa he complained that he was at a loss to get officers to command, he told me so. I reminded him at the time that he had not commenced to touch the fringe of the class of officers who were competent to command. In the early corps that were sent out the officers were largely taken from the permanent force of the country. I pointed out that I could get him two or three men from my own regiment capable of commanding, and I did get officers from my own regiment who were sent out as commanding officers, and sailed from Canada for South Africa. One of them was so highly regarded in his own force and in the field that he is still retained in South Africa, at a salary fully equal to that which the minister is paying the general officer commanding here by this Bill. The country is full of young men and middle aged men who are capable of taking any command he may place upon them.

Mr. A. T. THOMPSON. At the last camp in Niagara there were two brigades of infantry and one of cavalry, all of which were commanded by members of the non-permanent force.

Sir FREDERICK BORDEN. That plan has been adopted by a former general officer commanding, and in this Bill there is authority taken to create a higher grade of offcers temporarily, that of brigadier general.

Mr. SAM. HUGHES. They will be permanent corps men.

Sir FREDERICK BORDEN. Not necessarily.

Mr. SAM. HUGHES. My point is to give these appointments to active militia officers.

Sir FREDERICK BORDEN. In nearly all the cases to which my hon. friend has referred and to which I have referred, officers of the active militia were selected.

Mr. SAM. HUGHES. Speaking of the remark made by my hon. friend from Haldimand and Monck (Mr. Thompson) that these positions at the Niagara camp were held by certain officers last year I am glad to hear it. I was not at that camp last year but I had the honour of being there in former years, and I saw scarcely any officers of the active militia of the country filling these positions. I did see last year serious complaints in the Toronto press to the effect that certain favoured officers, not of the rural militia, but of the cities were placed in these various positions at the Niagara camp.

Mr. A. T. THOMPSON. I must say that while this is the case I would be very glad indeed to see the position of brigadier filled sometimes by men from the country corps who are rattling good men and not given exclusively to men from the city corps.

Mr. SAM. HUGHES. This complaint was made by the member for Haldimand and Monck himself.

Sir FREDERICK BORDEN. In regard to the men selected for several years I have absolutely refused to interfere in the slightest particular with the selection of these officers by the general officer commanding. Whoever is chosen, is chosen by the general officer commanding, and he is responsible. I felt that this was the proper course to pursue and I have pursued it.

Section 46 is the same precisely as section 42 of the present law. Section 47 is the same as section 44 of the present law. Section 48 replaces section 45 of the present law. Section 49 is new :

All commissions and appointments in the militia of Canada existing when this Act comes into force shall be deemed to have been issued and made in the militia under this Act.

Of course, the reason for that is obvious. Sections 50 and 51 replace section 47 of the present law. Section 52 is new :

The honorary rank of major-general may be conferred on retirement upon colonels who have held the higher executive appointments on the headquarters staff or in the department for valuable services to the country.

This is simply taking power on special occasions for very meritorious service to confer this rank. For instance, in the case of the general officer commanding it may be availed of. Take the case of the late general officer commanding, General O'Grady-Haly, or of other officers who have held a similar position and who would like to have their names retained upon our establishment list ; this will give the government of Canada an opportunity of conferring this honour, or it may be applied to men who have served with honour on the staff in Canada.

Mr. SAM. HUGHES. Why should not the hon. minister go a little farther than the headquarters staff? I can speak feelingly on this subject because I am a member of the headquarters staff and I can speak for those who are not of it. Why not make it applicable to the whole militia? There are men who might distinguish themselves in the field to whom it might be applied. Suppose that an officer in command of the force in the field were to distinguish himself after which he desired to retire, why should this honour not be conferred upon him?

Sir FREDERICK BORDEN. I think it might be dangerous to extend it beyond the present limitation, but I will think that over.

Mr. SAM. HUGHES. The insertion of the word 'or' after the word 'department' making it read 'or for valuable services rendered to the country' would meet the case.

Sir FREDERICK BORDEN. Section 53 is substantially the same as section 48 of the present law. Section 54 replaces sections 49 and 50 of the present law. That is one of the clauses to which I referred at the beginning of this discussion to-day, as one of the subjects which was under discussion and in regard to which I received the approval of the imperial authorities to make the alteration. Under the law as it is now, an imperial officer coming to Canada, of junior date of appointment, would immediately take precedence over a Canadian of senior rank. Take the case of a captain. A captain in the Canadian militia whose appointment dated back ten years is on parade; an imperial officer of the same rank, a captain appointed perhaps a month ago, or just before he crossed the Atlantic, would immediately take precedence and would command the Canadian captain although the latter ten years his senior.

Mr. SAM. HUGHES. That is only provided he took his service in the Canadian militia. The English captain per se has no control in Canada.

Sir FREDERICK BORDEN. The present law prescribes that he has.

Mr. SAM. HUGHES. Only where he takes service in Canada.

Sir FREDERICK BORDEN. Suppose he took service?

Mr. SAM. HUGHES. Well he would have to come and be gazetted here. I agree that this is a very proper provision. He has to be gazetted but the custom was to gazette these officers to a rank senior to that which they actually held.

Sir FREDERICK BORDEN. The next section, 55, is the same as section 52 of the present law.

Mr. SAM. HUGHES. Before leaving section 54 which is in connection with commissions, the question has arisen about the position of royal military college graduates. I know that under the College Graduates Act a royal military college graduate upon graduation is made a lieutenant in the engineers. It may not be necessary, inasmuch as that Act is continued in force, to embody it in this Bill.

Sir FREDERICK BORDEN. No, that is provided for in the Royal Military College Act. Section 56 is the same as in the present law with the exception of:

Mounted corps, to whom saddlery may be issued as prescribed.

Mr. SAM. HUGHES. The words 'mounted corps' in the original draft appeared as 'mounted militia.' Why not change the word 'corps' to 'officers'? Why not take in all mounted officers?

Sir FREDERICK BORDEN. That is worth considering.

Mr. SAM. HUGHES. It will never do to make a distinction. Why should an officer of a cavalry regiment get any consideration that the good colonel of the 37th regiment would not receive? A great many officers have great difficulty in securing proper equipment. Why not make it include horse equipment instead of saddles because horse equipment includes bridles and saddles?

Sir FREDERICK BORDEN. Saddlery includes that.

Mr. SAM. HUGHES. Make it apply to all mounted officers irrespective of corps.

Sir FREDERICK BORDEN. I think that is a good suggestion.

Section 57 of the Bill will be dropped. It is unnecessary because the Customs Act and an Order in Council framed thereunder provide for this clause. Section 58 is practically the same as ection 53 of the present law. Section 59 is the same as section 56 of the present law, except that the following words are omitted:

And he shall be entitled to quittance by certificate, and to see such quittance recorded in the book of his corps on returning such article.

These words are considered to be unnecessary.

Mr. SAM. HUGHES. There is a great deal of difficulty experienced by officers in getting the equipment of men who are not leaving Canada, but only their own regimental district. Would it not be advisable to amend it by saying: 'About to leave Canada or about to leave their own regimental district.' The officers have great difficulty in finding men who go to the Northwest and elsewhere.

Sir FREDERICK BORDEN. I am aware that that is a source of great trouble. I had a communication recently from Major

Lydon, of Montreal, in regard to the difficulty he has in connection with the clothing issued to the cadets. I wish my hon. friend (Mr. Hughes), would put his suggestion into writing later on.

Section 60 is the same as section 57 of the present law slightly modified. The word 'permission' in the Bill is substituted for the word 'order' in the Act. It reads: by 'permission' of the commanding officer. Section 61 is new.

Mr. SAM. HUGHES. Where did the minister get that?

Sir FREDERICK BORDEN. From the Commonwealth Defence Bill.

Mr. SAM. HUGHES. It is very badly worded.

Sir. FREDERICK BORDEN. Does the hon. gentleman object to the sense?

Mr. R. L. BORDEN. Is it provided by the imperial regulations?

Sir FREDERICK BORDEN. It is not in the Imperial Act, but I think it is in the regulations.

Mr. R. L. BORDEN. There must be some army regulations about it, because I think the question arose in Halifax, and the permission of the general officer commanding had to be obtained before some of the men could be allowed to appear on the stage.

Sir FREDERICK BORDEN. It seems to be necessary to make some provision of the kind.

Mr. SAM. HUGHES. Lest there be some question about it, I would suggest that the minister, in addition to the stage play, and music hall, and circus performances, would also include the Salvation Army.

Sir FREDERICK BORDEN. You want to get me into trouble.

Section 62 is also from the same source, and I suppose it would be subject to the same criticism. Section 63 replaces sections 51 and 59 of the present law.

Mr. SAM. HUGHES. Section 62 is all right, and I think it was the one referred to in the Halifax case.

Sir FREDERICK BORDEN. Section 63 is a change from the present law. The number of days specified in the present law is from 12 to 16, and it is changed now to read: 'not less than 12 days or more than 30 days in each year.' I might repeat the explanation in regard to that which I made in introducing the Bill. If a central camp, as is now proposed, should be established in Canada, 16 days would be altogether too short to carry out the necessary instructions, and therefore we are taking power here to increase the number of days to 30 for a specific reason. I may say, however, there is no intention at present to increase the term of the annual drill beyond the 12 days.

Mr. SAM. HUGHES. The point I raised earlier in the debate about the permanent force being continuously on service would have to come in here.

Sir FREDERICK BORDEN. I want to get all these proposed amendments into 'Hansard' of to-day, and I want to say now that it is proposed to amend section 29, so that it will read:

> The permanent force shall consist of such permanently embodied corps, not exceeding 2,000 men, enrolled for continuous service, as are, from time to time, authorized by the Governor in Council.

That will meet the point which my hon. friend has raised that we have nowhere in this Act, provided that the men of the permanent force shall be continuously employed.

Mr. A. T. THOMPSON. Inasmuch as the interpretation clause defines 'militia' to mean 'all the military force of Canada;' would it not be better to use the words 'non-permanent militia' in this clause?

Sir FREDERICK BORDEN. His Majesty may order as few or as many as he chooses; he is not compelled under this law to order the permanent force. As a matter of fact, it is intended though, to send the permanent force to the central camps very largely for the purpose of teaching the officers who may be assembled from all parts of the Dominion.

Mr. SAM. HUGHES. And parliament has always recognized, ever since the permanent force was organized, that that very distinction should be avoided.

Sir FREDERICK BORDEN. Yes.

Mr. SAM. HUGHES. That is, not to let it be regarded that the permanent force is in any sense a regular force.

Sir FREDERICK BORDEN. It is active militia.

Mr. SAM. HUGHES. It is part of the active militia.

Mr. JABEL ROBINSON. I ask the hon. the Minister of Militia if he has made any provision for rifle practice by the militia?

Sir FREDERICK BORDEN. My hon. friend will find that later on.

On section 64.—Pay of permanent force.

Sir FREDERICK BORDEN. This is a new clause, in that it differs materially from the present law. The present pay for the militia is provided for in section 59 of the present law. Section 64 of the new Bill reads as follows:

> Officers, warrant officers and non-commissioned officers of the permanent force shall be entitled to daily pay and allowances at rates to be prescribed.

2. The Governor in Council may, from time to time, fix the sums to be paid to privates of the permanent force, regard being had to length of service, good conduct and efficiency; but such sums shall not exceed the amounts following that is to say:—

	Cents.
For privates per diem	75
" buglers under 18 years of age, per diem..	40

I propose to make a slight change in section 64. Instead of the words 'such sums' in the fourth line of subsection 2, I wish to put in the words 'the ordinary pay.' I do this because we have recently incorporated into the permanent force what is known as the stores branch. It was necessary in transferring this branch from the civil side of my department to the military side to put them into the permanent force. These men receive special pay, $1, $1.25 and $1.50, per day, and under this clause as drafted it might be doubtful whether they could be paid more than 75 cents per diem. The members of the permanent force are provided with rations and with barracks, while the stores men of the permanent force in the ordnance branch are not so provided. Therefore it would be manifestly a mistake and not the intention of this Act, or of parliament I am sure, to limit these men to 75 cents per diem. To makes it absolutely clear, I propose to put in after the word 'but' the words 'ordinary pay,' which will make it clear. It will then read:

But the ordinary pay shall not exceed the amount following, that is to say:

	Cents.
For privates, per diem..	75
" buglers under 18 years of age, per diem..	40

Sir FREDERICK BORDEN. Now I come to section 65, to which I propose to add the following section:

An allowance of $1 per diem, or such other rate as may be prescribed, will be paid to each officer and man for every horse actually an necessarily used by him when on active service during the period of annual drill and training or when otherwise on duty as aforesaid.

This clause is in the present law, but was omitted from the Bill by error. The only change is that I have put in the words

Such other rate as may be prescribed.

This is done because it is found to be more difficult every year to get horses in certain districts, especially in the cities, and therefore the power is given the minister or the general officer in command to, if necessary, increase the rate of pay.

With regard to section 65, I observe that some newspapers have misinterpreted the intention of this clause altogether. The scheme I have in mind is not that the pay shall be limited to 50 cents during the first year, shall be increased to 75 cents in the second year and to $1 the third year. The idea is that the pay shall begin at 50 cents and at the close of the first camp, to such men as have no black marks against them and as have shown reasonable proficiency in learning to shoot with the rifle, an increase of 20 or 25 cents for the first year shall be at once given. Then at the beginning of the next year they will come to camp entitled to 50 cents plus the 20 cents. At the end of the second year if they still continue to conduct themselves well and to make further progress in the use of the rifle the pay will be increased by, say 15 cents, so that it will be 85 cents, and so on, the third year beginning at 85 cents and at the end of the third year reaching the full limit of the $1.00.

On section 67.—Provisions as to drill.

Sir FREDERICK BORDEN. Section 67 is the same as section 63 of the present law except that certain words are left out.

In such cases the daily pay shall be for each day of 24 hours, and the drill and duty to be performed in camp, or in going to and from camp, shall be as ordered by the commanding officer for the time being.

It was thought that could be better regulated by the regulations.

Section 68 is the same as section 69 of the present law.

On section 69.—Shooting privileges.

Sir FREDERICK BORDEN. Section 69 is new and it provides:

For the purpose of erecting works of defence, artillery ranges, or rifle ranges, shooting privileges only may be acquired on land, adjoining such works of defence or ranges; and compensation therefor shall be subject to the provisions of the Expropriation Act.

This is a power which it is in the public interest to acquire.

Section 70 is the same as section 71 of the present law. Sections 72 to 75 of the present law are omitted, they being provided for by section 30 of this Bill. Section 71 is similar to section 76 of the present law, concerning which the hon. member for West Elgin (Mr. Jabel Robinson) made inquiry a moment ago. In this section rifle associations and clubs are provided for.

Mr. SAM. HUGHES. I would take the liberty of suggesting again that in addition to the long range rifle, each company headquarters should be furnished with a miniature rifle range and a couple of small rifles, so that during the winter, or even the summer months, the volunteers in the locality might have regular practice. There is no use pretending that these little ranges are useless. The best shots in Canada to-day are men who in the olden days learnt, with the old muzzle-loading rifle, to blow out candles with caps. This practice accustomed the men to pulling the trigger and steadying the rifle, and the miniature gallery shoot-

ing would serve the same purpose. It would only cost a couple of rifles for each company, and after they had indulged in that practice the men would readily go to the long range.

Sir FREDERICK BORDEN. Section 72 is a new section :

In case of emergency the members of rifle associations and clubs shall become members of the militia and shall be under the direction and instructions of the district officer commanding ; and so long as the emergency exists and until lawfully discharged, all members of such associations and clubs shall remain members of the militia, and shall be subject to drill, training and discipline to the same extent as other members thereof.

Mr. R. L. BORDEN. How will the members of rifle clubs become aware that an emergency has occurred ? I suppose, whether or not an emergency has occurred, depends upon what view the authorities may take. If a riot should occur somewhere in Canada, would every rifle club in the country become forthwith a part of the militia ? If so, some provision should be made for informing them, by proclamation or otherwise, that they are part of the militia and liable as such.

Sir FREDERICK BORDEN. I shall take a note of the hon. gentleman's suggestion and see that it is done.

Mr. SAM. HUGHES. In this connection, there is no means, unless defined by regulation, by which an officer commanding a company is to notify his men.

Sir FREDERICK BORDEN. That will be done by regulation.

Mr. SAM. HUGHES. I have known of instances where the men claimed they had not been properly notified to attend drill, and in that way got off their penalty.

Sir FREDERICK BORDEN. I would like to ask the leader of the opposition whether he thinks it would be possible to deal with the question he raised in section 72 by regulation, or should there be an enactment ?

Mr. R. L. BORDEN. There ought to be an enactment.

Mr. SAM. HUGHES. I suppose these rifle associations will be uniformed and equipped?

Sir FREDERICK BORDEN. Yes. I might perhaps say that I doubt whether this clause will be really necessary, because it is the intention, under the scheme which Lord Dundonald has put forward, to practically abolish the present rifle associations and make the members immediately members of the militia.

Section 73 is new. It provides :

The minister may—

(a) Authorize boys over twelve years of age, who are attending school, to be formed into school cadet corps ;

(b) Authorize boys over fourteen years of age, and under eighteen years of age, to be formed into senior cadet corps ;

(c) Authorize senior cadet corps, or any portion thereof, to be attached to any portion of the active militia for the purposes of drill and training.

Section 74 provides that all cadet corps shall be subject to the authority and under the orders of the district officer commanding. Section 75 provides :

Cadet corps shall be drilled and trained as prescribed, and may be furnished with arms, ammunition and equipment under the conditions prescribed.

Mr. SAM. HUGHES. Why not provide here for this miniature rifle equipment for these boys ? It is much cheaper and will answer the purpose quite as well as the longer range.

Sir FREDERICK BORDEN. That will be a matter for regulation.

Mr. R. L. BORDEN. Is it the intention, under section 73, to deal with each individual case as it arises, or make some general regulation ?

Sir FREDERICK BORDEN. A general regulation, which will, of course, require the co-operation, I presume, of the provincial governments. Section 76 is the same as sections 78 and 79 of the present law :

The militia or any part thereof, or any officer or man thereof, may be called out for any military purpose other than drill or training at such times and in such manner as are prescribed.

Section 77 is to be amended. This is the section which includes the provision with reference to the command, in the event of the militia being called out in time of war to serve conjointly or in conjunction with His Majesty's regular army. The provision is subsection 2 :

In time of war, when the militia is called out for active service, to serve conjointly with His Majesty's regular forces, His Majesty may place in command thereof a senior general officer of his regular army.

I think myself it might stop there, although the clause has been drafted with these words in addition, 'who shall be senior in rank to the general officer then commanding the militia.'

Mr. SAM. HUGHES. That would only refer to the officer in command of the whole force ?

Sir FREDERICK BORDEN. That is all.

Mr. SAM. HUGHES. Suppose there were an isolated post with a colonial and an imperial regiment, does this mean that in such a case the imperial officer would command ?

Sir FREDERICK BORDEN. No. It means that the conduct of the war shall be placed under the control of an officer of the regular army ; that is all.

Mr. SAM. HUGHES. I trust that the minister will make that wholly clear in the clause. Because, there are a good many colonial officers who would object to serving under an imperial officer under such conditions as I have named.

Sir FREDERICK BORDEN. There will not be the slightest danger.

Mr. R. L. BORDEN. If the minister says he does not regard the last clause as necessary why does he include it ?

Sir FREDERICK BORDEN. The words 'the senior general officer' would seem to govern. But, if the words are necessary, we will leave them. In reading it I thought the words 'shall be' not very scientific either. Perhaps it should read 'must be'. Otherwise, it would seem that we are, by this statute giving senior rank to one who might be of inferior rank.

Mr. R. L. BORDEN. I do not know what would be the effect of the expression 'serving jointly.'

Sir FREDERICK BORDEN. In the event of war here in Canada and of a British force being sent to take part in that war, the two forces will be serving jointly. Then the contingency would arise under which His Majesty would naturally, properly and necessarily name the officer commanding the whole army, including the militia as well as the regular force.

Mr. SAM. HUGHES. But what would be the effect under the clause as proposed and with the intention expressed by the minister ? Take an instance. War breaks out to-morrow. The general officer commanding the imperial forces in Canada is Major General Sir Charles Parsons, of Halifax, who is many degrees junior to the general officer commanding in Canada, Lord Dundonald. Under this proposed section, the general officer commanding in Canada would be placed junior to some other officer. I am satisfied that if war broke out to-morrow Lord Dundonald would command the whole outfit in Canada. It may be that the minister was thinking of one of his own officers whom he has in mind as the future general officer commanding, and he would not desire to place him over Lord Dundonald.

Sir FREDERICK BORDEN. It does not matter who may happen at the time to command the Canadian militia. At the time when war breaks out there is an officer in command of the Canadian militia, and whether he is an Australian, an imperial officer or a Canadian does not matter. When the Canadian forces, and the imperial force, are to act together, the intention is that His Majesty shall appoint the officer to command the whole army, and that that officer shall be senior to the officer commanding the militia.

Mr. SAM HUGHES. It might be the same man. The hon. minister had better re-draft the clause.

Sir FREDERICK BORDEN. Well, the point will be considered.

Mr. R. L. BORDEN. I am not sure how it would work out in the present condition. If war should break out, with the British forces at Halifax and the west, would the command of the whole force pass to Lord Dundonald, or would the British troops be commanded by——

Mr. SAM. HUGHES. The officer at Halifax, no matter how junior.

Mr. R. L. BORDEN. But, under the provisions of this statute he would not take command of the whole, because he would be inferior in rank to the officer commanding the Canadian militia.

Sir FREDERICK BORDEN. That is the intention.

Mr. R. L. BORDEN. After all, the object aimed at is this—is it not ?—that, where the Canadian militia serve with the imperial forces, they shall be under command of the imperial officer, if he is senior in rank to the Canadian officer, but the converse is not true ?

Sir FREDERICK BORDEN. For instance, if war occurred, and there were a lieutenant general in command at Halifax, under the clause that I propose he would command. If he were junior to the officer commanding the militia, he would not command, but it would be within the power of the Crown to name an officer who should be senior to the officer commanding the militia.

Mr. SAM HUGHES. I have not the clause as proposed before me. But why not leave it to read that His Majesty should appoint the officer that should command the united force ?

Sir FREDERICK BORDEN. That is just what we are doing.

Mr. SAM. HUGHES. This says that he shall be senior to the officer commanding the Canadian militia. But he may be the same man. That is the point I am making.

Sir FREDERICK BORDEN. Take the case of my hon. friend (Mr. Sam. Hughes) suggested a moment ago. Suppose there is an imperial officer of senior rank and war breaks out, would he think that we should give power to the Crown to place over the head of Lord Dundonald an officer of inferior rank ?

Mr. SAM. HUGHES. No ; but what I want to point out is that if the hon. minister will make the clause provide that in case of joint action, His Majesty may appoint as commander of the whole force a senior general officer of his regular army, that would be sufficient.

Sir FREDERICK BORDEN. I am inclined to think that it is the best way.

Mr. SAM. HUGHES. There is no need to say 'Who shall be senior in rank to the general officer commanding.' Lord Dundonald would fill the bill exactly.

Sir FREDERICK BORDEN. That is right.

Mr. SAM. HUGHES. But if you put in these last words, you rule Lord Dundonald out. If the minister would stop at the words 'regular army.' Lord Dundonald might be the officer selected by His Majesty.

Sir FREDERICK BORDEN. The point did not occur to me. I will reconsider the section.

Mr. R. L. BORDEN. What my hon. friend (Mr. Sam. Hughes) suggests is that the imperial officer might be the general officer commanding the militia—he might command both forces.

Sir FREDERICK BORDEN. There is no intention to interfere with the power of the Crown to appoint the general officer commanding the militia to command the whole force.

Mr. SAM. HUGHES. Will the minister let this stand ?

Sir FREDERICK BORDEN. We are not passing this, we are simply discussing it. Section 78 is precisely the same as section 80 of the present law. 79 is the same as 82.

Mr. R. L. BORDEN. Does section 78 refer to the permanent force ?

Sir FREDERICK BORDEN. No.

Mr. R. L. BORDEN. Why ?

Sir FREDERICK BORDEN. Because there is a special clause governing the permanent force.

Mr. R. L. BORDEN. I am aware there is a special clause governing the permanent force, nevertheless the permanent force is included in the word 'militia' as defined in the interpretation clause. I think it will be necessary to look carefully into this Bill all the way through to see whether, by the use of the word 'militia' you are not applying to the permanent force certain provisions which perhaps you do not intend to apply to it. For example, you have a provision in one clause here that any man can obtain his discharge from the service on giving six months' notice. Is that intended to apply to the permanent force ? I do not know. Nevertheless, it seems to me that under the language of this Bill it would be held to apply to the permanent force, because you define the word militia as including the permanent force, and then you make this general provision with regard to all the militia.

Sir FREDERICK BORDEN. This was copied from the present law which has governed the whole militia including the permanent force, and never gave rise to ambiguity. But I see the point and will have that looked into.

79 is practically the same as 82 of the present law. The King's regulations are omitted and do not apply under the new law.

Mr. SAM. HUGHES. A point in connection with this clause has given rise to a good deal of speculation. There is no doubt that is the interpretation of the clause, and it is one on which I have acted myself. The officers of the Canadian militia are exempt from the Army Act while they are not on service. An attempt has been made by one general officer commanding in Canada to hold every officer of the ordinary active militia under the Army Act throughout the year, and I heard it whispered last year that the minister intended to make that specific by putting a definite clause in the Act, stating that the militia officers of this country should be under the Army Act throughout the year. I am glad to find that he has not placed that clause in the present law. I know it has been decided by one of the courts in the province of Quebec that this does not apply. The paragraph in the question reads as follows :

> In any drill shed or other building or place used for militia purposes, and also during any drill or parade of his corps when he is present in the ranks or as a spectator in uniform, and also when going to or from the place of drill or parade——

I suppose that also means in uniform.

> —and at any other time while in the uniform of his corps.

In the Montreal case it was held that the words 'as a spectator' did not bind the officer because he was not in uniform. Now the interpretation usually placed upon this is that he is there as a spectator in uniform, or he is on the drill ground and should be held under the law. I draw the minister's attention to the ambiguity in the wording of that section. In my own case I have no doubt as to where I stood in the matter, but I want it made clear for others ; it cannot be made too emphatic that the individual liberty of the officers of the Canadian militia when they are not on service must not in any case be interfered with.

Sir FREDERICK BORDEN. I call the hon. gentleman's attention again to clause 71 of the new Bill which I omitted to refer to. The last four lines of section 71 I presume my hon. friend will object to, and I propose to strike them out. They refer to the subject to which he has just alluded. They are unnecessary. If the part of section 79 to which he has just referred remains, then the last four lines of 71 are unnecessary, and I propose to amend the Bill

by striking them out. I merely mention this now so that it may go into the 'Hansard.' I also propose an amendment to section 79. Subsection 2 will read :

Officers and men of the permanent force and members of the permanent staff of the militia shall be at all times subject to military law.

This is absolutely necessary, I am informed, to maintain discipline. It is a continuance of the provision contained in subsection 3 of section 28.

Mr. A. T. THOMPSON. With regard to doing away with the King's regulations, I would like to ask the minister if he expects very shortly to publish the new regulations ?

Sir FREDERICK BORDEN. It is absolutely necessary that the new regulations should be prepared before this Bill becomes law, because we would be in a terrible jumble if that were not done.

Mr. A. T. THOMPSON. If that be the case, I would call his attention to the fact that when the regulations were published the last time the issue was so restricted in number that only two were available for each regiment ; the commanding officer and the adjutant, I think, got a copy each. The inconvenience was very great, for these two books were lost not long after. I think when we spend so much money in printing we might at least supply enough for each officer in a regiment.

Sir FREDERICK BORDEN. I can promise my hon. friend he will have two or three copies. The first issue of which he speaks was exhausted, and we did not issue any more because we knew then that the present law could not remain very long on the statute ; that it must be thoroughly amended or a new law enacted. It was my intention to carry a law through a year ago or more. That is the reason why the regulations were not issued in larger numbers. The new regulations are now being prepared in accordance with the provisions of this Bill, and when it becomes law they will be issued immediately.

Mr. A. T. THOMPSON. I thought it was a case of the economy which is so strikingly characteristic of the Militia Department.

Mr. CASGRAIN. Might I ask the Minister of Militia if that section he intends putting in the law now would have any bearing upon a case such as the one that arose in Montreal and was decided by the Court of King's Bench, the case of Cook and Cole ?

Sir FREDERICK BORDEN. It will meet a case of that kind.

Mr. CASGRAIN. The minister remembers that there was a good deal of difference of opinion between the judges and those members of the bar who belonged to the militia in reference to this question, and I think it would be well, if possible, to settle it for all time to come.

Sir FREDERICK BORDEN. This clause has been drafted with special reference to meeting difficulties of that kind.

Section 80 is the same as section 82, paragraph 2, of the present Act. Section 81 is the same as section 84 of the present law. Section 82 is the same as section 85 of the present law. Section 83 is the same as section 86 of the present law, with very slight modifications. Section 84 is the same as section 87 of the present law.

Mr. R. L. BORDEN. May I ask the hon. minister whether the regulations which it is proposed the Governor in Council shall enact are to take the place of the Queen's Regulations and Orders for the Army ?

Sir FREDERICK BORDEN. Yes.

Mr. R. L. BORDEN. Instead of using the Queen's Regulations and Orders for the Army, we will have regulations and orders of our own ?

Sir FREDERICK BORDEN. Quite so ; instead of dealing with two authorities, we will be dealing with one.

Mr. A. T. THOMPSON. Previously we had both.

Mr. R. L. BORDEN. I observe in the law that it is provided that Her Majesty in Council may direct that the provisions of the Army Act shall not apply to the militia force. That has been omitted from the proposed section. Does the hon. minister think it is wise to omit it ? We know what the Army Act is at present, but we do not know what it always will be. Might it not be wise to reserve a power of that kind ?

Sir FREDERICK BORDEN. The application of the Army Act to the Canadian militia is continued by this Bill, except in so far as it may be incompatible with the enactments of the Bill. Clause 79 deals with that.

Mr. R. L. BORDEN. In the law as it is at present there is a provision by which Her Majesty may direct that any provision of the Army Act shall not apply to the militia. That provision has been omitted in the proposed section. Might it not be possible that there might be certain provisions of the Army Act which, although not inconsistent with our own statute, might nevertheless, to some extent, be inapplicable to the militia of Canada ? Would it not therefore be wise to retain the power existing at the present time ?

Sir FREDERICK BORDEN. I think it would. I will look into that. I think that change is unintentional.

Section 85 is the same as section 88 practically, with the omission of certain words which are not considered necessary.

Mr. SAM. HUGHES. Is not section 85 a relic of pre-historic days ? Why is it necessary to have either 85 or 86 ?

Sir FREDERICK BORDEN. I do not think they do any harm.

Mr. SAM. HUGHES. I would suggest the insertion after the word 'females,' in line 3 of section 86, of the words 'and children.' What is referred to there is very clear and it is necessarily guarded, but why should a farmer's wife, if the farmer should be off fighting at the front, be liable to have troops billeted at her house any more than any one else ?

Sir FREDERICK BORDEN. Then we come to transport. Section 88 of the present law seems to have been divided into sections 85 and 87 of the new Bill. The present law says that :

> The Governor in Council may make regulations for the billeting and cantoning of troops and militia when on active service, for the furnishing of carriages, horses and other conveyance for their transport and use, and for adequate compensation therefor.

These words are made the subject of section 87 of the new Bill, giving power to the Governor in Council to make regulations in reference to transport. Section 88 of the new Bill is the same as section 89 of the present law with a slight modification. Section 89 is copied from the British law. Section 90 is new, copied also from the English Regulations of the Forces Act, 1871, Part iv, section 16.

Mr. SAM. HUGHES. Why not also take control of steamship lines ?

Sir FREDERICK BORDEN. Evidently that was not done in the law from which this was copied, but in view of our inland navigation it might be very proper in Canada. It is a good suggestion.

Sections 91, 92 and 93 are taken from the same source. Section 94 is the same as section 91 of the present Act, except that these words are omitted :

> But no officer of His Majesty's regular army on full pay shall sit on any such court martial

Section 95 is the same as section 92 ; section 96 is the same as subsection 2 of section 92 of the present law ; section 97 is the same as subsection 3 of section 92 of the present law ; section 98 is the same as section 93 of the present law, except that certain words are omitted. It is proposed to amend this draft Bill now before the committee, by inserting after the words 'court martial'; the words 'except on active service.' The reason for inserting these words is obvious; in time of war the decision would be delayed and the Governor in Council would have his hands full. Section 99 is the same as section 94 of the present law except that wherever the phrase 'commanding a corps of militia' occurs it is omitted and at the end the words are omitted, 'and shall also be liable to be tried and punished by court martial.' Sections 100 and 101 are the same as section 95 of the present law slightly modified. Section 102 is the same as section 96 of the present law ; section 103 is practically the same as the present section 97 ; section 104 is the same as the present section 98 ; section 105 is the same as section 99 of the present law; section 106 is the same as section 100 with slight verbal changes; section 107 is the same as section 101, slightly modified ; section 108 is precisely the same as section 102 of the present law ; section 109 is similar to 103 of the present law ; section 110 is similar to 104 of the present law, except that the amount of the fine is reduced.

Mr. SAM. HUGHES. It appears to me that that would bring a man under the control of an officer when he is not subject to military law, and that should not be the case.

Sir FREDERICK BORDEN. It is the same as the present law.

Section 111 is the same as 105 of the present law ; section 112 is exactly the same as 106 of the present law ; section 113 is the same as section 107 except for the words :

> If an officer, not exceeding $100, and, if a man of the militia——

Mr. SAM. HUGHES. Returning to clause 110, it is apparently taken from the British army regulations which deal with regulars continuously in service.

Sir FREDERICK BORDEN. It is precisely the same.

Mr. SAM. HUGHES. I suppose it was all copied from an old book of the Duke of Marlborough's time. I am anxious to guard the liberty of the individual as far as possible. Years ago these regulations were drawn up for men who were altogether soldiers. A member of the militia to-day is a member of the militia when on active service or when at home on his farm, and under this section a man is brought under this clause whether on service or not.

Sir FREDERICK BORDEN. Will my hon. friend draft a clause and send it to me.

Section 114 is the same as section 108 of the present Act.

Section 109 will be omitted because it is covered already by the Criminal Code of 1892, section 75.

Section 115 is the same as section 110 of the existing law, and section 116 is the same as 111.

Mr. SAM. HUGHES. Has the hon. minister noticed that under this section he may be convicting some poor unfortunate fellow on the evidence of one witness, and before one justice of the peace ? I do not know why that is, and I can conceive of cases where witnesses would go before one justice

of the peace and the accused would not have much show. I should say at least two witnesses would be required.

Sir FREDERICK BORDEN. There may have been only one witness.

Mr. FITZPATRICK. Men have been found guilty of murder on the evidence of one witness, and one witness might be as good as a dozen.

Mr. SAM. HUGHES. At the same time an officer might think he was insulted and when a man would be brought up before one justice of the peace, the trial might be one-sided.

Sir FREDERICK BORDEN. You might have two justices of the peace.

Section 117 is the same as section 112 of the present law, except that the words 'made under the authority thereof' are omitted.

Section 118 is the same as section 113 of the present law.

Mr. SAM. HUGHES. There is no provision in this for the Territories. There are no counties in the Territories.

Sir FREDERICK BORDEN. I should make a note of that.

Section 120 is the same as section 115 of the present law.

On section 121.—Execution of warrants and sentences.

Sir FREDERICK BORDEN. Section 121 is new and deals with the execution of warrants and sentences. It is copied from the Commonwealth Defence Bill, section 115, and reads as follows :—

The governor, keeper or warden of every jail, prison or penitentiary in Canada, shall receive and detain, according to the exigency of any warrant under the hand of any district officer commanding, or other person authorized under the regulations to issue a warrant, any person mentioned in such warrant and delivered into his custody, and shall confine such prisoner until discharged or delivered over in due course of law; and every such governor, keeper or warden shall take cognizance of any warrant purporting to be signed by any such officer as aforesaid.

Section 122 is new and provides for special places of imprisonment.

Section 123 is similar to 116 of the present law, but the wording is more specific.

Section 124 is practically the same as section 117.

Section 125 is similar to section 126 of the present law.

Mr. R. L. BORDEN. The law at present requires also a report of the state of the militia to be laid on the table of parliament.

Mr. FITZPATRICK. The Act dealing with the organization of the department of militia compels the minister to lay a report on the table of the House.

On section 126,

Sir FREDERICK BORDEN. Section 126 is new and is as follows :—

For the purpose of legal proceedings, all moneys subscribed by or for, or otherwise appropriated to the use of, any corps, and all arms, ammunition, clothing, equipment, musical instruments, or other things belonging to, or used by, any corps, shall be deemed to be the property of the commanding officer of the corps; and no gift, sale or other alienation, or attempted alienation, of any such thing by any person shall be effectual to pass the property therein without the consent of the said commanding officer.

That is new and is copied from the Commonwealth Defence Bill. I think it is necessary.

Mr. SAM. HUGHES. I think it is a very proper thing.

Mr. R. L. BORDEN. Might it not be better to have the property referred to in this section regarded as being the property of the Crown for the purpose of legal proceedings. Why should you regard them as the property of the commanding officer? They are for the public service of the country.

Sir FREDERICK BORDEN. It is for the purpose of enabling the commanding officer to deal more easily with questions of theft or the collections of arms that may be issued by him.

Mr. R. L. BORDEN. What is the advantage of calling the arms, ammunition, equipment and clothing, which are really the property of the Crown, the property of the commanding officer, for the purpose of any legal proceedings? I do not see that there is any advantage in doing that? I cannot see that it would expedite or facilitate legal proceedings in any way. You are really departing, in respect of those articles, from the facts.

Mr. FITZPATRICK. The property might not be vested absolutely in the Crown. The commanding officer might give certain articles of equipment to the corps, for instance, the headgear or musical instruments, which would not be vested in His Majesty, but rather in the particular corps with which he is connected.

Mr. R. L. BORDEN. You might have the instruments provided for the purposes of the band, but in respect of nearly everything in section 126, you find it is the property of the Crown. It would be more fitting to call everything the property of the Crown than call all these articles, which are really the property of the Crown, the property of the commanding officer. It is only a matter of detail, which I hope the minister will look into.

Mr. FITZPATRICK. Yes, the commanding officer might die or become insolvent.

Sir FREDERICK BORDEN. Section 127 is the same as section 118 of the present law. Section 128 is practically the same as section 119 of the present law. Section 129 is the same as section 120 of the present law.

Mr. SAM. HUGHES. I think we should strike out that part of the provision which requires the posting of notices on the door of every place of public worship. There are many places of public worship, the congregations would not want to have defaced by these posters being pasted on the doors.

Sir FREDERICK BORDEN. I will look into that. They might be put on the fence.

Mr. R. L. BORDEN. That might give offence.

Sir FREDERICK BORDEN. Section 130 is the same as section 121 of the present law, and section 131 is the same as 122. 132 is the same as section 123 of the present law except that the expression 'Governor in Council' is substituted for 'Her Majesty.' Section 133 is the same as section 124 of the present law, and 134 is the same as 125. The last section, section 135, repeals certain acts.

Mr. A. T. THOMPSON. Before we leave the consideration of this Bill, I do hope that the suggestion of the hon. the leader of the opposition will not be overlooked and that an unusually large number of to-day's 'Hansard' will be printed. Like many other members, I have received requests for copies of the Bill, and the discussion we have had upon it this afternoon is undoubtedly a complement of the Bill as printed. I hope that a sufficient number of copies of to-day's 'Hansard' will be printed to enable each member to have twenty or thirty, if possible.

Progress reported.

On motion of Sir Wilfrid Laurier, House adjourned at 10.15 p.m.

HOUSE OF COMMONS.

WEDNESDAY, March 23, 1904.

The SPEAKER took the Chair at Three o'clock.

RAILWAY ACT, 1903, AMENDMENT.

Mr. W. F. MACLEAN (East York) moved for leave to introduce Bill (No. 6) to amend the Railway Act, 1903.

Rt. Hon. Sir WILFRID LAURIER. Explain.

Mr. FITZPATRICK.

Mr. MACLEAN. Mr. Speaker, this Bill proposes to amend the Railway Act of last session in several directions. The first amendment I propose is one to bring express companies within the jurisdiction of the Railway Commission. The express companies have an intimate relationship with the business community and the public at large. They make extensive charges for their services, and as the tolls and tariffs of railway companies come within the jurisdiction of the commission under the Act, I think the tolls and charges of the express companies ought also to come within the control of the commission, especially as the express companies are owned by the railway companies. I tried to have this amendment introduced last session. The question has been discussed since then, and the public have expressed themselves as being in favour of the jurisdiction of the commission applying to express companies, and I propose to make another attempt to have this made the law this session.

Another clause has reference to a question which was discussed last session, and deals with the two cents a mile passenger rate over all railways in this country. I do not propose to go any further into that question to-day, but I do propose to explain two other clauses that I am bringing in to-day.

Section 10 of the Act reads as follows:

> Not less than two commissioners shall attend at the hearing of every case, and the chief commissioner, when present, shall preside, and his opinion upon any question, which in the opinion of the commissioners is a question of law, shall prevail.

In my amendment I propose to take away that special jurisdiction of the chief commissioner, and give complete jurisdiction on all questions to the three commissioners. I base my argument in favour of this proposed amendment on the decision given by the commission the other day in regard to the telephone question that came before it. The chief commissioner arrogated to himself the right to be the sole judge of the law, and his co-commissioners lacked the courage to disagree with him. I believe that as the Act stands they were fully competent to disagree with him, and I say that they should have disagreed with him on the ground that it was not a question of law so much as it was a question of policy. The decision of the two other commissioners which they gave in favour of the public should have overridden the opinion of the chief commissioner, and they should have taken the ground that if there was a question of law, it was involved in the public interest, that they were competent judges of what the public interest demanded, and I believe that under these circumstances the opinion of the two commissioners should have overridden that of the chief commis-

sioner. Whether that is a good opinion of mine or not, I propose to remove that doubt by taking away the exclusive jurisdiction of the chief commissioner. I do not see why his co-commissioners, men of ripe experience as they are said to be, men who have been members of this House, who have taken part in making the laws of the country, should not be competent to discuss a question of law. We have too much law in this country and not sufficient administration. There is too much consideration given to the letter of the law and not enough to the spirit and effect of it. What the public are looking for to-day is not law. They want relief in regard to this telephone question, which I am sorry to say they are not getting in this case, because there is only a question of law raised and the claims of the people are sent to the courts.

The other amendment which I propose deals with the same question. If hon. gentlemen will remember, after a long fight here last session in favour of the public having some relief from the monopoly of the Bell Telephone Company, the then Minister of Railways and Canals introduced a clause which reads as follows :

Whenever any municipality, corporation or incorporated company has authority to construct, operate and maintain a telephonic system in any district, and is desirous of obtaining telephonic connection or communication with or within any station or premises of the company, in such district, and cannot agree with the company with respect thereto, such municipality, corporation or incorporated company may apply to the board for leave therefor, and the board may order the company to provide for such connection or communication upon such terms as to compensation as the board deems just and expedient, and may order and direct how, when, where, by whom and upon what terms and conditions such telephonic connection or communication shall be constructed, operated and maintained.

Now, we had a hard battle with the then Minister of Railways and Canals last session on that clause and, after a great deal of hard fighting, he came to the House and assured the House that he had a clause which would afford relief to the people and remove their cause of complaint. He said that if the people in any portion of the country desired to have access to railway premises, and they made out a good case, the board would grant their request. He led me to believe, as he led the whole House and the country to believe, that the compensation would be simply for damages caused by the entrance of a new telephone system into a railway building and the expense of maintaining it there. There was no idea ever conveyed to the House or to the country that the Bell Telephone Company and the railway company were to be in a position to obtain enormous damages for interference with what they claim is a monopoly privilege enjoyed by them. Let me read the decision of the chief commissioner, so that you may see how far-reaching it is :

Our decision, therefore, is to make the order under clause 193, granting leave to the Port Arthur municipality to connect, operate and maintain their telephone systems within the passenger and freight stations of the Canadian Pacific Railway Company at Port Arthur, upon terms as to compensation for any actual pecuniary loss the Bell Company and the Canadian Pacific Railway Company shall satisfy us they, or either of them, will sustain by reason of, or consequent upon the interferences with the existing contractual rights of the parties, and also such charges and expenses as may be occasioned by the construction, operation and maintenance of the connection in the stations at Port Arthur of the telephones of the municipality.

There the chief commissioner lays it down that before the people of any municipality can have telephone connection with a railway station, they must pay such compensation as the Bell Company and the Canadian Pacific Railway Company can establish that they have sustained through their contract, all rights whatever they may be, having been interfered with. The two companies came before the board and they put up an argument that they would sustain hundreds of thousands of dollars of damages, and that the people of Port Arthur and Fort William or any other community, would have to pay compensation for these enormous damages before they could have telephone connection with the railway stations. I do not care to say; or I will not say that I was deceived by the statement made by the Minister of Railways at that time ; but I must say that I was not sufficiently alert to the workings of the legal mind. We were certainly led to believe in this House that something was to be done by the government to remove the grievances which existed, and that the people were to be given telephonic access to these railway stations. In order to make the law clear, I propose to amend that clause by putting in these words :—

And such compensation shall be limited to the direct and immediate local damages actually suffered by reason of such construction, operation, and maintenance by the railway company at such station and premises ; and not from any cause, matter, or business extending beyond the same.

I think that is a very reasonable amendment, and that it will carry out what was the expectation of parliament at the time this Act was passed. In order to show that this is the view the public take of it, I wish to read from the decision of Mr. Commissioner Mills. I have not the judgment of Mr. Commissioner Bernier, but I gather that it was in the same line as that of Mr. Commissioner Mills. I think hon. gentlemen will do well to pay attention to this statement of Commissioner Mills, who says :—

In all the cases cited one thing is clear, viz., that the fundamental and guiding principle is the

public interest, and that no restraint upon trade or restriction upon legitimate business in any part of the country should be regarded as reasonable and in harmony with public policy unless it can be clearly shown that it does not interfere, or tend to interfere, with the rights and interests of the public in that locality.

It may be said that an exclusive privilege such as that in the telephone agreement, does not interfere with the public interest, because the public will be better served by a strong well equipped organization, such as the Bell Telephone Company, than it would be served if free competition were allowed. That may or may not be so. One thing we know, viz., that this is the argument of all monopolists. We know, also, that generally speaking, the people are the best judges of their own interests, and on a well established principle of government in free countries they should be allowed to decide such questions for themselves—whether to depend wholly on an organization such as the Bell Telephone Company, or establish a municipal system of telephones for their own use.

There is a clear cut decision by one of the commissioners, saying that it was in the public interest that the people of Port Arthur and Fort William should be allowed telephonic access to the stations of the Canadian Pacific Railway. But unfortunately this was made a question of law, and the opinion of the two other commissioners is worthless, because the Act says that the opinion of the chief commissioner is everything on a law question and that the opinion of the other two commissioners is nothing. That is not a condition of things we should have in this country. We wish to have that exclusive privilege taken away from the chief commissioner, and if this question of compensation is to arise, we say that it should be strictly limited to the damages by the entrance of the wire and the maintenance of the wire, and that there should be no compensation for any monopolistic clause. Let me put it in this way to the government. Suppose that the government should decide to introduce a national telephone system without buying out the Bell Telephone system, would the government for one moment let the Bell Telephone Company, and the Canadian Pacific Railway say: you shall not come on our premises with your national system until you compensate us for any loss we may sustain in the monopoly we have created by the contract? And who are these two companies that seek to create a monopoly against the people of Canada? Both have been created by this parliament; they are the creatures of the people of Canada, and yet they think it well to make a long contract in order to create a monopoly against the people of this country. The Canadian Pacific Railway has received over $100,000,000 of the people's money. It has received enormous land grants, and when it was in dire distress for money and credit, it came to the people of Canada and had an enormous credit voted to it. I am glad the Canadian Pacific Railway paid back the money, but nevertheless it got millions and millions of the people's money when in dire distress, and yet it has the hardihood to say to-day, that it will join with the Bell Telephone Company to create a monopoly, objectionable to the people. The Canadian Pacific Railway should be above that. I grant that the Canadian Pacific Railway may say to the Bell Telephone Company: we will give you passes; we will carry your freight free in consideration of reciprocal advantages. But the Canadian Pacific Railway should never have allowed itself to be a party to a monopoly which is against the interests of the Canadian people. Take my own community of Locust Hill for instance, the people there are all customers of the Canadian Pacific Railway; they give all their freight to that railway; and before the Bell Telephone Company was in that country, the people offered to build their own telephone line to facilitate business, but they were denied access to the Canadian Pacific Railway station.

That is not in the public interest; it is not what we were led to hope last session would be the case when this clause was put in the Bill; and I appeal to the government for their assistance to have it made clear that the only compensation to be paid shall be compensation for entering upon the premises of the railway company. Now, we are going a roundabout way to afford relief to the public in regard to telephones and other matters. There is an easy way to grant the relief, and that is made clear by the despatches in the papers of this morning, which state that Lord Stanley introduced a Bill in the British parliament yesterday to take over the National telephone service. The reason for this is that the telephone service, which has been nationalized in England, has been a great success, and now they propose to nationalize the telephone service. Lord Stanley yesterday asked for a credit of £3,000,000 for the purpose, and a small select committee to consider details, and he said that the scheme would result in telephones costing the people £2 less than the cheapest now in use. In this House two years ago, the Minister of Justice gave his solemn word that he would introduce a Bill to regulate telephone companies, and I took for granted, as every one else did, that it would contain provisions preventing discrimination by any telephone company against any portion of the public. We have not that Bill yet, and the relief that was promised has not yet been granted. Representatives of the people of Port Arthur and Fort William are now on their way here, and will be here to-morrow or some other day this week, to ask the government to give them relief. The easy way to grant relief is to nationalize the long-distance lines, and to let the municipalities own the local lines. Look at what is happening at the present time. Last night the Bell Telephone Company, through distress, offered to

give the people of Ottawa domestic telephones for $20 a year, though in other places they charge a great deal more. Why should they be allowed to discriminate in this way ? If the law is unsatisfactory it is because the government have not kept their pledge and do not look with favour on the idea of nationalizing so important a public service. I would like the Minister of Railways or the Prime Minister to state whether or not the public may look for relief this session. For two years there have been people in different parts of the country desiring to establish a telephone service for themselves where the Bell Telephone Company do not supply it, and where they have no access to the railway stations. I would remind the government of what the members from the Northwest said last session, that a huge monopoly threatened them through the Bell Telephone Company, that they wished to have access to the stations, to learn about the movements of grain, when they could ship, and other matters, and that they could not have access unless the Canadian Pacific Railway Company and the Bell Telephone Company were dealt with. The people want an answer immediately. They want to build independent lines all over the country, and they are restrained by reason of this agreement. The hope was held out last session that as soon as the Railway Commission was formed, there would be an opportunity afforded to establish independent systems. Instead of that, a most discouraging decision has been rendered by the commission. A question of law has been raised, involving enormous damages. We do not want law in this country ; we want service for the public. It is easy to hang up a question of this kind in the courts for fifty years ; but let us give immediate relief. Let us say that the only compensation to be considered shall be compensation for the damage caused by entrance in and upon stations by the telephone wires. That is not a serious damage, either to the Bell Telephone Company or to the Canadian Pacific Railway Company. These claims of theirs for immense damages are merely pretentions ; there is nothing behind them. They may appeal to lawyers and courts, but to business men they have no solidity or argument behind them. They are merely attempts to strengthen the monopoly of these two companies who have conspired together against the public interest. If the question before the Railway Commission, was a question of law, as the chief commissioner said, the two other commissioners should have maintained that it was a question involving the public interest. The chief commissioner is evidently concerned over his decision, because he has issued an explanation, which is published in the papers of this morning. If it is only a question of law, parliament is above law or the interpretation of law. Parliament is competent to grant relief, and it is in that view that I introduce this Bill to-day.

Motion agreed to, and Bill read the first time.

STEAMBOAT INSPECTION ACT AMENDMENT.

Mr. LEIGHTON McCARTHY moved for leave to introduce Bill (No. 7) to amend the Steamboat Inspection Act. He said : This is the Bill which I introduced last session, I trust hon. members distributed it throughout the community and obtained an expression of opinion upon it from their constituents. It simply increases the standard of engineers and also prevents American tug boats doing business in Canada with engineers who have not obtained certificates from the Canadian government. The same remark applies to dredges. The present Act allows an uncertificated engineer to work in a dredge ; but under this Bill an engineer employed on a dredge must have a certificate from the Dominion government. It also seeks to do away with the permits which at present may be granted by the Department of Marine to men who act as engineers for a season, and creates a fourth class of engineers to whom certificates may be granted, in the event of the owners of steamers being unable to obtain engineers of the 1st, 2nd or 3rd class.

Motion agreed to, and Bill read the first time.

QUESTIONS.

COST OF CENSUSES.

Mr. KEMP asked :

1. What did the census of 1881 and that of 1891 cost respectively ?
2. What has the census of 1901 cost up to the present date ?
3. What books, pamphlets, bulletins, &c., have been issued disseminating varied information in connection with the last census ?
4. What further information, if any, is it intended to publish, pending the completion of the census, and when will the same be issued ?
5. When is it expected that the census of 1901 will be completed and issued to members of the House ?

Hon. SYDNEY FISHER (Minister of Agriculture) :

1. $456,904.19 for 1881 ; $570,115.54 for 1891.
2. To March 17th, 1904, $1,179,376.01.
3. Bulletin I.—Families, dwellings and population.

Bulletin II.—Rural and urban population of Manitoba and Ontario.

Bulletin III.—Rural and urban population of New Brunswick, Nova Scotia, Prince Edward Island and Quebec.

Bulletin IV.—Rural and urban population of British Columbia, the Territories and all Canada.

Bulletin V.—Religions of the people.
Bulletin VI.—Sexes and conjugal condition of the people.
Bulletin VII.—Population by origins and nationalities.
Bulletin VIII.—Immigration and birthplace of the people.
Bulletin IX.—Infirmities of the people.
Bulletin X.—Ages of the people.
Bulletin XI.—Agricultural statistics, Prince Edward Island.
Bulletin XII.—Agricultural statistics, British Columbia.
Bulletin XIII.—Agricultural statistics, Nova Scotia.
Bulletin XIV.—Agricultural statistics, Northwest Territories.
Bulletin XV.—Agricultural statistics, Manitoba.
Bulletin XVI.—Agricultural statistics, New Brunswick.
Bulletin XVII.—Agricultural statistics, Ontario.
Bulletin XVIII.—Agricultural statistics, Quebec.

Volume I. of the census, which deals wholly with population, the following being the tables :

I.—Population of 1871, 1881, 1891 and 1901, compared by electoral districts within their present limits.
II.—Houses, families and population in 1891-1901, compared by census districts.
III.—Sex and conjugal condition in 1891-1901, compared by census districts.
IV.—Rural and urban population in 1891-1901, compared by census districts.
V.—Population of cities and towns having over 5,000 inhabitants in 1901, compared with 1871-81-91.
VI.—Areas of lakes in Canada.
VII.—Areas, houses, families, population, sex, conjugal condition.
VIII.—Religions of the people by provinces.
IX.—Principal religions by census districts, 1891-1901.
X.—Religions of the people by sub-districts.
XI.—Origins of the people.
XII.—Nationalities.
XIII.—Birthplace by provinces.
XIV.—Birthplace by census districts.
XV.—Birthplace and citizenship of immigrants.
XVI.—Immigrants by provinces.
XVII.—Immigrants by census districts.
XVIII.—Population by birthplace—1881, 1891, 1901.

4. The 52 tables comprising the census statistics of agriculture and dairy products were finally completed and transmitted to the printer in the month of December last. These were intended to make Volume II. of the report; but as the printing office could not print these the tables of forest products, fisheries and minerals were subsequently added so as to embrace in one volume the statistics of natural products, all now being in the hands of the King's Printer.

All the tables of the census of manufactures (1901)—twenty-one in number—were completed in December, and they are awaiting the convenience of the Printing Bureau.

5. A fourth volume comprising statistics of ages, infirmities, morality, occupations and wages and real estate will complete the work of the census, and I hope will be issued to members of the House before the end of the present calendar year.

COLLECTOR OF CUSTOMS AT ST. JOHN, N.B.

Mr. DANIEL asked :

1. Who is the collector of customs at the port of St. John, N.B. ?

2. Has the government been informed of the demise of W. A. Lockhart, collector of customs at the port of St. John, N.B. ?

3. On what date did the office of collector at that port thus become vacant ?

4. Has any appointment to fill the vacancy been made ? If not, why not ?

5. When does the government propose to fill the vacancy ?

Hon. WILLIAM PATERSON (Minister of Customs):

1. Mr. Dunn. George F. Matthew, surveyor of customs acted as collector at the port of St. John, N.B., after the death of the late collector until the appointment of the present collector.

2. The death of Collector Lockhart took place on November 9, 1903.

INSPECTION AND SALE OF SEEDS.

Mr. LENNOX asked :

1. What steps have been taken since 23rd July last to acquaint the farmers of Canada and other interested parties, with the provisions of Bill (No. 200) an Act respecting the inspection and sale of seeds, introduced and discussed last session ?

2. What information has been obtained from farmers or farmers' associations ?

3. Is it the intention of the government to enact a law in the terms of the said Bill, or any similar law, at the present session ?

Hon. SYDNEY FISHER (Minister of Agriculture):

1. Some thirty thousand copies of the Bill, substantially in the form in which it was introduced and discussed last session, were printed in pamphlet form, with explanations of its several clauses and comments thereon, and distributed among the farmers of Canada and other interested parties. In addition to this distribution, at many of the Farmers' Institute and other agricultural meetings, held throughout the

Dominion during last autumn and winter, the Bill was explained by lecturers of the Department of Agriculture and others, and generally discussed.

2. The principal information from farmers has been obtained through the lecturers at the above meetings, who report that at those meetings resolutions approving of the Bill and urging its passage at this session were, with hardly an exception, unanimously passed. Some copies of resolutions in the same sense, passed at the meetings of Farmers' Institutes or farmers' associations, have also been received by the department.

3. It is the intention of the Minister of Agriculture to introduce a similar Bill at this session.

COLD STORAGE EQUIPMENT ON ATLANTIC STEAMERS.

Mr. HENDERSON asked :

What is the total amount that has been paid from the 1st of July, 1896, to the present time for the equipment of steamships sailing between the port of Montreal and ports in Great Britain, with cold storage and cool air facilities, and ventilated storage, for the carriage of Canadian products from Canada to Great Britain ?

Hon. SYDNEY FISHER (Minister of Agriculture). $231,875.28.

DOMINION VOTERS' LISTS.

Mr. BLAIN asked :

What has been the total expenditure for preparing and printing the Dominion voters' lists since the adoption of the Franchise Act of 1898; also the total expenditure for each province ; and the expenditure for the counties of Peel and Cardwell, respectively, in each year ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). Under the Franchise Act of 1898 the voters' lists are not prepared by the Dominion government, except when there is no provincial voters' list prepared within a year, available for an election about to be held. Copies of the provincial lists are bought from the local custodians. The outlay for the purchase of these provincial lists since 1898 is as follows :—

Ontario	$10,907 92	
Quebec	11,368 95	
Nova Scotia	3,052 03	
New Brunswick	1,724 48	
Manitoba	108 00	
British Columbia	2,394 52	
		$29,555 90
Preparation of voters' lists for use in by-elections :		
Winnipeg, 1900	$ 872 21	
Lisgar, 1902	6,634 49	
		7,506 70
Total		$37,062 60

Outlay for purchase of voters' lists of county of Peel :

1898-99	$25 89
1899-1900	26 27
1900-1901	25 48
1901-02	25 64
1902-03	25 17
	$128 45

It is impossible to determine what proportion of the amount paid for lists belongs to the federal electoral district of Cardwell, as it includes parts of three counties.

Expense of printing the voters' lists.

Expenditure by provinces.		
Ontario	$24,913 17	
Quebec	21,305 73	
Nova Scotia	3,715 06	
New Brunswick	2,518 06	
British Columbia	1,493 71	
Manitoba	2,175 76	
		$56,121 49
		37,062 60
Grand total		$93,184 09

The following lists were only once printed:

Printing of lists for Peel	$132 66
Printing of lists for Cardwell	125 12

I. C. R.—EMPLOYEES DISMISSED AT ST. JOHN.

Mr. DANIEL asked :

1. Is it true that two Intercolonial Railway employees, viz. : James P. Demill, a checker and delivery clerk, and Oscar Pederson, a foreman car cleaner, in the round-house at St. John, have been summarily dismissed ?

2. How long has each of these men been in the employment of the Intercolonial Railway ?

3. For what reason or reasons have they been dismissed ?

4. Is it proposed to hold any investigation into the cause of these dismissals ?

Hon. JAMES SUTHERLAND (Minister of Public Works). It is true that two of the railway employees at St. John have been dismissed. The name of one was James P. Demill and the other Oscar Peterson—not Oscar Pederson as named in the question.

2. James P. Demill was first employed in 1879. Oscar Peterson was first employed in 1900.

3. They were not deemed desirable employees to retain in the service.

4. No.

EXPORT GRAIN TO HALIFAX VIA INTERCOLONIAL RAILWAY.

Mr. KEMP asked :

1. How many bushels of grain have been hauled by the Intercolonial Railway during the six months preceding March 1st, 1904, for delivery at Halifax for export ?

2. What was the proportion delivered in each month ?

3. What lake ports was it shipped from ?

4. What was the rate per bushel from such lake ports to Halifax ?

5. What was the mileage of each railway over which it was hauled ?

6. What was the earnings per bushel of each railway ?

7. What was the estimated cost per bushel for the service the Intercolonial Railway performed ?

Hon. JAMES SUTHERLAND (Minister of Public Works).

1. The number of bushels of grain hauled by the Intercolonial Railway during the six months preceding March, 1904, for delivery at Halifax for export was : Wheat 87,826½ bushels. Corn 59,611 bushels.

2. Proportion delivered each month was :

	Bushels.
November, wheat	47,836
December, wheat	23,990½
January, wheat	16,000
February, corn	59,611

3. All of it was shipped from Depot Harbour.

4. The rates from Depot Harbour to Halifax were :

	Per bushel.
16,000 bushels wheat	5·15
31,836 bushels wheat	4·90
39,990½ bushels wheat	5·40
25,718½ bushels corn	4·94
33,892½ bushels corn	5·00

5. The mileage of each railway over which it was hauled was :

	Miles.
Canada Atlantic Railway	346
Grand Trunk Railway	34
Intercolonial Railway	828

6. The earnings per bushel of each railway was :

	Cents.
Canada Atlantic Railway on 16,000 bushels wheat	2·27½
Grand Trunk Railway on 16,000 bushels wheat	·60
Intercolonial Railway on 16,000 bushels wheat	2·27½
Canada Atlantic Railway on 31,836 bushels wheat	2·15
Grand Trunk Railway on 31,836 bushels wheat	·60
Intercolonial Railway on 31,836 bushels wheat	2·15
Canada Atlantic Railway on 39,990½ bushels wheat	2·40
Grand Trunk Railway on 39,990½ bushels wheat	·60
Intercolonial Railway on 39,990½ bushels wheat	2·40
Canada Atlantic Railway on 25,718½ bushels corn	2·19
Grand Trunk Railway on 25,718½ bushels corn	·56
Intercolonial Railway on 25,718½ bushels corn	2·19
Canada Atlantic Railway on 33,892½ bushels corn	2·22
Grand Trunk Railway on 33,892½ bushels corn	·56
Intercolonial Railway on 33,892½ bushels corn	2·22

Mr. KEMP.

7. The estimated cost per bushel for the service performed by the Intercolonial Railway was 2·27 cents. There was thus a slight loss on the export business, but having regard to the inward cargo and passengers obtained for the Intercolonial, the business was not considered unprofitable.

RETURN ORDERED WITHOUT DISCUSSION.

Return showing the names of all persons employed on the Bronte Harbour improvements, in connection with the construction or repair of the pier, during the year ending 30th June, 1901, as foreman, time-keeper, carpenters, labourers, or workmen of any kind. Also the several amounts paid as wages to each of such persons. And a similar return giving the like information for each of the years ending 30th June, 1902, and 1903 ; and for the six months ending January 1st, 1904, respectively.—Mr. Henderson.

ANTI-CIGARETTE LEGISLATION.

Mr. W. S. MACLAREN (Huntingdon) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to bring in a Bill to prohibit the importation, manufacture and sale of cigarettes.

He said : Mr. Speaker, it is not my intention to detain the House at any great length in connection with this subject. The House will remember that it was very fully debated at the last session when a similar resolution with the same object in view was proposed and was carried by a vote of 103 to 48, or a majority of over 2 to 1. This resolution was not carried into effect as the Bill based upon it was subsequently ruled out by the Speaker on the ground of its having been irregularly introduced in the House. The discussion of last session and the information that was then given on the matter, very much reduces the task which I have to perform to-day. I am not one of those members who believe that the eloquence of members in the House of parliament very often affects a vote in the House, nor would I care to employ eloquence if I were possessed of it in order to move people to vote in a manner different from what their convictions really are.

The Bill of last session was divided into different sections. The first of these is one on which I fancy there is no difference of opinion in this House, viz.:

That the object of good government is to promote the general welfare of the people by a careful encouragement and protection of whatever makes for the public good; and by equally careful discouragement and suppression of whatever tends to the public disadvantage.

The question is as to whether the cigarette evil is of such a nature as to require this legislature to do what they can to lessen it. I am not going to give you my own opinions regarding the evil effects of

cigarette smoking, more particularly on those of tender years; but I will quote for you opinions of those who have made a study of this matter. In selecting opinions regarding the evil effects of cigarette smoking, I have tried as far as possible to select them from people that I know something about myself, believing they will have more weight upon the House than the opinions drawn from foreign sources. I propose to deal with these opinions under three different heads. The first class comprises the opinions of people who are engaged in education in this country.

I will read first a statement from Mr. F. J. Johnston, M.A., assistant master, Richmond high school, Ont.

After a few years observation it is my firm conviction that the cigarette is not only injurious to the system, but is also demoralizing in its tendency. A vigorous crusade against the habit should be welcomed by every one who is interested in young Canadians.

Rev. Frank W. Gunsaulus, D.D., president of Armour Institute, Chicago, Ill., U.S.A., says:

I do not believe there is an agency more destructive of soul, mind and body, or more subversive of good morals, than the cigarette. The fight against the cigarette is a fight for civilization. This is my judgment as an educator.

Dr. C. A. Clinton, of the San Francisco Board of Education, has made a special study of the effect of cigarette smoking among the public school children of that city, and expresses himself in the following unmistakable language:

A good deal has been said about the evils of cigarette smoking, but one-half the truth has never been told. I have watched this thing for a long time, and I say calmly and deliberately that I believe cigarette smoking is as bad a habit as opium smoking. I am talking now of boys, remember. The effect upon grown men is, of course, not so marked.

These are opinions of gentlemen who are engaged in the education of the youth, and who know something of the effect of cigarette smoking upon boys particularly those who are attending school. I will now give you something from a medical standpoint, and I will first quote the opinion of Sir Wm. Hingston, of Montreal, a senator of this Dominion, one whom everybody knows:

'To youth generally, hurtful, sometimes disastrous, never beneficial.' When asked in what way or on what organs, replied, 'the digestive, nervous, and circulatory, chiefly.'

Dr. Sheard, medical health officer, expressed a most emphatic opinion on the injurious effects of cigarette smoking:

'You can say that the whole trend of medical opinion is diametrically opposed to boys smoking cigarettes,' said he. Dr. Sheard described how the cigarette got in its deadly work, exciting certain functions and nerves at the most critical period in a youth's existence, giving him illusions which he should never have. 'Such a youth,' said the medical health officer, 'is next door to an insane asylum. I can give you case after case where the cigarette has got in its work with ruinous effect.'

Dr. Benjamin King, of Philadelphia, who was a military examiner in four states during the war of rebellion, has given this testimony:

I have been inspecting the papers in a number of cases under the present recruiting Act (Spanish American War) and I observe that most of the men who failed to pass the medical examination have weak hearts or lack the vitality necessary to make a good soldier. I had expected that the percentage of rejections would be greater now than in 1861, but I did not dream for a moment that it would be about three times as great. The examining physicians with whom I have talked have generally told me that the excess of rejections is due to the large number of young men applying for enlistment who have become victims of the cigarette habit.

Now we find a good many large employers of labour taking up this question, more particularly in the United States, and are refusing to have boys in their employ who are confirmed cigarette smokers. I find this statement issued by the chief of the United States weather bureau:

Since our cigarette order was issued many business concerns in Chicago have taken the same course as that taken by the Weather Bureau. Cigarette smoking is not permitted in the office of the Board of Education; Montgomery Ward & Co. have refused to employ boys addicted to the cigarette habit; Marshall, Field & Co. now provide bi-monthly lectures on the evils of the practice for the benefit of their employees, believing the physical energy and mental acuteness of their working force are injured by the use of the cigarette.

In an interview with President Harriman, of the Union Pacific Board, he is quoted as saying that the new rule has been found necessary, because cigarette users become 'dopy' and worthless. He said that the company might just as well go to the county lunatic asylum for its employees as to retain cigarette smokers in its service at big salaries. When our boys and young men begin to realize that the use of cigarettes erects a barrier in their path of promotion in business, it may be they will come to their senses and abandon the offensive habit.

The action of the officials of the Rock Island Road in placing a ban on cigarette smoking on the part of employees will not fail to impress the public mind with the fact that the movement against the cigarette is one of business and not of sentiment.

Here is a quotation from the Farmers' 'Advocate,' of London, Ont.:

Acts like that in Ontario, against the sale of tobacco to minors, have been found to be practically inoperative.

In Canada in 1900 there were consumed 116 million cigarettes, 121 millions in 1901, and 134 millions in 1902, so that the habit is increasing with frightful rapidity. Productive of evil, and only evil, and without a single redeeming feature, the manufacture, importation and sale of the cigarette should be absolutely prohibited

by the Canadian parliament, and a government measure to that effect should be brought down at the approching session. It ought to have the unanimous support of the political parties.

At the 26th national conference of Charities and Corrections, held in Cincinnati, the section on reformatories and industrial schools, was addressed by George Torrence, of Pontiac, Ill., superintendent of the Illinois state reformatory, on 'The Relation of the Cigarette to Crime.' After reciting his experience with boys coming to his institution, Mr. Torrence said :

'I am sure cigarettes are destroying and making criminals of more of them than the saloons.'

In his reformatory now there are 278 boys. Of 63 averaging 12 years of age, 58 were cigarette smokers. Of 133 averaging 14 years of age, 125 were cigarette smokers. Of 82 averaging 15 years of age, 73 were cigarette smokers. This demonstrates that 92 per cent of the whole number were cigarette fiends at the time of committing the crimes for which they were committed to the reformatory. The general discussion developed a similar experience with others connected with reformatories for boys.

Now let me show you what legislation has been passed by different states in the union for the purpose of doing away with this evil :

Forty-two out of the forty-six states of the union have enacted anti-cigarette laws. Many cities and towns have passed prohibitive or restrictive by-laws. Last year a wave of education, produced by attempts to secure legislation, passed over the country and as a result more than one billion less cigarettes were sold in 1899 than in 1898.

To show what methods have been used the following may be of interest :—

Two states, Nevada and Montana have cigarette license laws : the first is with, and the second is without an age limit. One state forbids sale of cigarettes to those under 14 years of age another to those under 15. Sixteen states forbid sale under 16 years of age ; one under 17. The Indiana, Iowa, Georgia, N. Dakota, S. Carolina and Wyoming laws prohibit sale to 'minors' ; while Maine, Nebraska, Nevada and Wisconsin put the prohibitive limit at 21. Florida rules out the sale altogether, except under certain specified circumstances. Massachusetts prohibits sale and manufacture, and Tennessee, which has no manufactures within its borders, caps the legislative climax by putting its bar upon sale and importation.

The lowest fine permissible ranges, in various states, all the way from $2 to $100. The highest from $20 to $500.

These, Mr. Speaker, are the only opinions regarding this matter which I intend to produce before the House at this time. If it can be shown that the use of cigarettes, especially by children, is hurtful to them, the question then arises whether it is the duty of this parliament to pass restrictive legislation in the form of a Bill which may be based upon this resolution, prohibiting the manufacture, sale and importation of cigarettes. Is it to the public advantage to do this ? Of course we know that objection is made that you are depriving grown-up people of the privilege, or the pleasure, whatever you may call it, of smoking cigarettes. Well, I appeal to the good sense of this House. There are many other forms in which tobacco can be used, and if gentlemen cannot forego the pleasure of smoking cigarettes for the purpose of helping the boys of this country, I am mistaken in the calibre of the men who occupy seats in this House. As I said, there are other ways in which people may use this narcotic if they feel inclined to do so.

I believe that the members of this House will be as satisfied as I am that cigarette smoking is doing a great deal of harm to our boys and to our young people, and that the sentiment of the House will be in favour of this resolution calling for the prohibition of the manufacture, importation and sale of cigarettes. I think that in nearly every province of this Dominion they have restrictive laws of some kind regarding the sale of cigarettes, principally fixing an age limit. It was stated here last session, that, whatever the reason may be, these laws have proved practically inoperative in all of the provinces. These laws are not enforced and that is one of the reasons why it is necessary to adopt such legislation as I have proposed. A good many members of this House and others seem to be in favour of restrictive legislation but not in favour of prohibiting the manufacture, importation and sale. I do not wish to detain the House at any greater length in connection with this matter. It is one which has been fully discussed in this House as well as in the public press and it is a matter upon which most people have made up their minds as to what is the best course to pursue in regard to it. We are all proud of the fine country which we possess. We are proud of the prosperity of Canada and we are proud of our great Northwest Territories which have been so rapidly filling up. We should be very careful, and I hope we are, about the kind of immigrants we bring into this country to be citizens of this great Canada of ours. We must remember that the wealth of the nation does not always consist in the prosperity of the nation, but that it consists largely in the character and the mental and moral qualities of the people who compose the state. We cannot always judge of the prosperity of the country by the amount of its exports and imports ; we have to look sometimes below that and find out what is the trend of the character of those who are the citizens of the country. We have a young country here, and in some parts a cold country. This is a country in which we need a good deal of brawn and muscle in order to do the best for the country and I think it can be clearly demonstrated that the use of the cigarette is sapping the vitality of our young people and that it is high time that we should take

some definite action in regard to this matter. I know that there is a feeling against drastic legislation of this kind. Many of our people are perfectly willing that restrictive measures should be adopted. Now, the argument used is that if you pass a law of this kind and it is not observed, it will give our young people who are growing up a contempt for all law. I have had some experience in regard to restrictive legislation and my opinion is that if there is an evil in the country it is pretty hard to license and restrain it. Talk about people having a contempt for the law and violating the law! I would ask any hon. member of this House if there is any law more persistently violated that the license law designed to restrict and restrain the liquor traffic. I have had some experience with these matters and my opinion is, after thinking it over, that if you have an evil in the country it is almost impossible to license and restrain it. The best thing to do is to stamp it out. That is why I have taken up this matter in connection with this cigarette business. It is not because I have very much personal knowledge of the subject. I live in a rural constituency, in a small village in which I do not think there is so much harm being done as in larger places. I am sincere in the view which I am upholding because I think that we should not handicap our boys in the struggle of life. I think everything should be removed from them that will injure them or which will interfere with that physical ability which is necessary to enable them to undertake any position in this democratic country, which may be open to young men and that they may have the mental and moral qualities which will enable them to fill creditably any position in which they are placed. There are a great many people who shrink from the word 'prohibition.' I am not afraid of the word 'prohibition.' Is not all legislation in restriction of that which is wrong, prohibitive in its character? Upon all legislation of that kind from the decalogue to the present time is written large and full the memorable words 'Thou shalt not.' That is nothing more than we are trying to introduce by this legislation and I trust that a large majority of the hon. members of this House will be in sympathy with the resolution which is brought before them and vote for it as they did last year, and that they will vote for the Bill based upon this resolution so that we may stamp out this cigarette habit which is admittedly an evil in our country.

Mr. T. S. SPROULE (East Grey). Mr. Speaker, I do not wish to interfere with this discussion but merely to try to get at it in some regular way. I rise to a point of order to inquire whether this is regular or not. The notice paper contains a motion which says:

That it is expedient to bring in a Bill to prohibit the importation, manufacture and sale of cigarettes.

The motion which was put from the chair as I understood it, was that this House resolve itself into Committee of the Whole to bring in a Bill. In the first place I draw attention to the fact that the motion on the Votes and Proceedings must be in accordance with the notice, or the notice in accordance with the motion, and in the second place if it is claimed that the notice which the hon. gentleman gave the other day when motions were called should be regarded as a notice of motion, I draw attention to the fact that he did not withdraw his original notice, which was on the paper, and that he cannot anticipate it by another motion dealing with the same subject and that while the notice on the paper deals with the abstract question the motion to which the hon. gentleman is talking now is that the House resolve itself into committee to bring in a Bill on some subject.

Mr. SPEAKER. I understand that the hon. member for Huntingdon (Mr. Maclaren), after giving the notice of motion which is to be found at page 4 of the order paper the other day, substituted for it the notice of motion which I find printed in the Votes and Proceedings of March 21st, and which is as follows:

Mr. MACLAREN (Huntingdon)—On Wednesday next—Will move that the House do go into Committee of the Whole—To Consider the following resolution:—That it is expedient to bring in a Bill to prohibit the importation, manufacture and sale of cigarettes.

I understood that this motion was in substitution of the motion of which the hon. member had previously given notice. The only question before the chair is the one that I do now leave the chair to enable the House to go into committee.

Mr. SPROULE. Should that motion not have been dealt with when you called 'motions'?

Mr. SPEAKER. The only order on the paper was the motion which I have put that I do now leave the chair to enable the House to go into committee to consider the resolution proposed by the hon. member for Huntingdon.

Mr. SPROULE. I ask you whether the notice on the motion paper covers that?

Some hon. MEMBERS. Order.

Mr. SPEAKER. I may explain again. The hon. member (Mr. Sproule) evidently did not understand me. The hon. member for Huntingdon first gave notice of a motion as printed on the order paper of to-day. His attention having been called to the fact that this was irregular he substituted a notice of motion that he would move that the House go into committee to consider the resolution. I take it that the motion is now quite in order and that the hon. member, having given notice of it, was privileged to move it to-day.

Mr. R. L. BORDEN (Halifax). We should give the hon. gentleman (Mr. Maclaren, Huntingdon) every possible facility to introduce the motion and if I intervene it is only with the desire to have the proceedings of the House absolutely regular. It would seem to me that either one of two things must be concluded, that the hon. gentleman should have introduced his motion when motions were called or that the order paper should have been amended so that when the motion was called it would correspond with the motion which the hon. gentleman makes. I think that would logically follow from the rules of the House. I am not saying this with the slightest desire to prevent my hon. friend from proceeding with the resolution because I am desirous that he should have an opportunity to do so, but it is desirable that we should follow the rules of the House in reference to this resolution.

Mr. SPEAKER. If any violation of the rules has taken place it has been in printing on the order paper the notice of motion which the hon. gentleman (Mr. Maclaren, Huntingdon) gave the other day. That is the only error as far as I can see.

Mr. M. K. RICHARDSON (South Grey). Mr. Speaker, in rising to second the resolution which has been moved and so ably supported by the hon. member for Huntingdon, (Mr. Maclaren) I recognize the fact that the subject which is brought to the attention of the House is one of a unique character differing from those which ordinarily occupy the attention of the House. It is a question which rises above the din and the dust of ordinary partisan political strife; one which makes for the highest well-being of this country for the present and for the future. This resolution appeals to our highest instincts. If the cigarette habit is the evil which we believe it is; it is an evil that demands a prompt and effective remedy. I recognize that the application of a remedy presents difficulties, but I believe that the difficulties are not insuperable. I do not believe, that they can prevent legislation doing away with the evil as it at present exists. I myself am a non-user of tobacco in any form. I do not, however, presume to make an attack on the use of tobacco in general, because I recognize that many of my own friends whom I esteem very highly use it, and I have every occasion to respect these gentlemen for their mental and intellectual attainments; for their good judgment and for their manly qualities. Were I to attack a habit to which these friends of mine are addicted, I might be regarded as one of those who

> Compound for sins they are inclined to
> By damning those they have no mind to,

I may be asked, why I should favour legislation not only of a restrictive character, but of a prohibitive character as this resolution proposes. The objection has been taken in this House often, that prohibitory legislation is generally ineffective and is vicious in its character. But as has been wisely observed by the member for Huntingdon (Mr. Maclaren) we find prohibition in every page of our statute-book. All law, human and divine, has in it more or less the character of prohibition. Thou shalt not, is written in the Divine Law and we, putting it in other words say, that the citizen shall not do so and so without rendering himself liable to certain penalties. A good deal is said about liberty; a good deal is said about interfering with the liberty of private judgment in matters pertaining to personal habits. Let us ask, what is liberty? There are many different notions as to what liberty consists of. I believe, Sir, that all liberty is law, because liberty is protected and ensured by law, and being so ensured and protected by law, then law is liberty in its highest form. Then, Sir, we need to cast aside that bugbear of interference with personal liberty. We know that the very foundation of society essentially interferes to some extent with personal and private liberty. I believe that this resolution will meet with the support of men who use tobacco in certain forms; men of high, noble, wide, liberal patriotic views, who recognize that this is a great evil which demands a drastic remedy. I believe that there are thousands of men in this country who now use cigarettes, and who would be willing to make some small sacrifice for the general well-being of the nation. The law of self-sacrifice appeals to the highest characteristics of humanity. Only by self-sacrifice can the highest ideals of life be obtained, and all the blessings which have been conferred by mankind on society, have something more or less of the character, of self-sacrifice. What do we admire most in the statesman who gives his life's efforts, and the best of his abilities, mental and physical to the well-being of his country? We admire most in that man his spirit of self-sacrifice. We admire and revere men and women in every walk of life who are willing to subordinate their own habits for the general good of their fellow creatures. It may be asked, is this evil as great as it is represented to be; does it really exist to the extent we have been told; are we to believe or are we to discard the expert evidence which has been adduced again and again to prove that it is an evil and an evil that is widespread in our country? We have the evidence of medical men; we have the evidence of men engaged in education; we have the evidence of men in charge of public institutions such as asylums and hospitals; we have the evidence of men in large business enterprises; we have the evidence of men in various walks of life, that the use of cigarettes is an evil and an evil which is widespread. I may be excused if I adduce some

of this evidence. The first authority I shall quote is a well known physician, a gentleman who for nigh twenty years was a member of this House. I refer to the late Dr. Christie, M.P. He says with regard to the cigarette habit :

I believe it is the almost universal opinion of medical men that the cigarette habit is most deleterious to the young, producing impairment of growth and physical degradation before the full maturity of the system is obtained. Even the smallest amount of smoking is hurtful, as it often produces nervous functional diseases of the stomach, debility and irregular action of the heart, impaired vision and irritation of the throat, sometimes called 'smoker's sore throat.' I am fully convinced that it is a baneful habit, which should be denounced in trumpet tones, by all who have the welfare of humanity at heart.

This the evidence of a gentleman who was well known to many of the members now sitting in this House ; a man standing high in his profession ; a man standing high in public opinion. Then, looking at it from the physical standpoint, Dr. Benjamin King, of Philadelphia, who was military medical examiner in four states during the civil war gave this testimony.

I have been inspecting the papers in a number of cases under the present Recruiting Act (Spanish-American War), and I observe that most of the men who failed to pass the medical examination have weak hearts or lack the vitality necessary to make a good soldier. I had expected that the percentage of rejections would be greater now than in 1861, but I did not dream for a moment that it would be about three times as great. The examining physicians with whom I have talked have generally told me that the excess of rejections is due to the large number of young men applying for enlistment who have become victims of the cigarette habit.

This is startling testimony and it is well it should be paid attention to by the members of this House. I shall now adduce that evidence of men engaged in education, and I could quote more from them than this House would be willing to listen to this afternoon. J. M. Palmer, M.A., principal of Mount Allison Academy and Commercial College, Sackville, N.B., a gentleman well known in this House says :

Having had an experience of nearly twenty years as teacher in the schools and academies of New Brunswick, a large number of boys and young men from the ages of twelve to twenty-one years have passed under my direct notice. On such youths the evil effect of cigarette smoking have been very evident in the impaired physical development and especially in the retarded mental growth and deranged nervous system. Students addicted to the tobacco habit have less power of application and concentration of thought than those not using this narcotic.

As to its effects upon the vitality of youth, I would adduce the testimony of the principal of the Iowa State Normal School, who says :

Tobacco, used in any form, destroyed the ability to apply one's self to study, and prevented his comprehending or remembering his lessons. The mental faculties of a boy under the influence of the narcotic seem to be in a stupor, and since depraved nerve power stultifies and weakens the will power, there is but little use for the teacher to seek to arouse the dormant, paralyzed energies, or to interest and foster the fagged desire. I have not met a pupil that is addicted to the habit who will go through a single day's work and have good lessons. I have never had one whose scholarship record was good, and in almost every case the deportment was below the average standard.

I might read much more to the same effect ; but I would turn to another aspect of the case. I will show how the habit is regarded by men engaged in directing some of the largest business enterprises on this continent. The following railways prohibit the employment of cigarette users : the Chicago, Rock Island and Pacific, the Lake Shore and Michigan Southern, the Chicago, Burlington and Quincy, the Central Railway of Georgia. Director Harriman, of the Union Pacific, makes this remark :

A railroad company might as well go to the county lunatic asylum for its employees as to continue to engage cigarette smokers.

General Manager Parker, of the Rock Island Road, says :

In my judgment it is impossible for a cigarette smoker to make a good railroad man. As a rule they are dull and half asleep most of the time. These are not the kind of men the Rock Island wants to operate its trains and its great system, which is daily responsible for the lives of thousands of people.

George Baumhoff, superintendent of the Lindell Railway, St. Louis, Mo., says :

Under no circumstances will I hire a man who smokes cigarettes. He is as dangerous on the front end of a motor as a man that drinks ; in fact he is more dangerous. His nerves are bound to give way at a critical moment. If I find a car beginning to run badly and getting irregular for any length of time, I immediately begin to investigate the man, to find out if he smokes cigarettes. Nine times out of ten he does, and then he goes for good.

Much further evidence along this line might be adduced. The Chicago post office, a very large institution, bars out cigarette users. At a conference of the Chicago post office authorities it was decided to hereafter employ no boy who smokes cigarettes or who is known to have been addicted to the habit. Heretofore there has been a rule in force that boys employed by the office could not smoke while working, but, believing that smoking has a demoralizing effect, and because of the need of the most intelligent and active boys, it is thought wise to make closer restrictions.

Then, we might look at the question from a still higher standpoint—the moral effect of the habit upon the youthful users of the

cigarette. I have here evidence adduced at the 26th National Conference of Charities and Corrections, held in Cincinnati. The section on reformatories and industrial schools was addressed by George Torrence, of Pontiac, Ill., superintendent of the Illinois State Reformatory, on 'The Relation of the Cigarette to Crime.' After reciting his experience with boys coming to his institution, Mr. Torrence said :

I am sure cigarettes are destroying and making criminals of more of them than the saloons.

Here are some statistics which he gave on the subject. In his reformatory there are 278 boys. Of 63, averaging 12 years of age, 58 were cigarette smokers. Of 133, averaging 14 years of age, 125 were cigarette smokers. Of 82, averaging 15 years of age, 73 were cigarette smokers. This demonstrates that 92 per cent of the whole number were cigarette fiends at the time of committing the crimes for which they were sent to the reformatory. This is surely very pregnant evidence demonstrating the evil effects of the habitual use of cigarettes on the morals of those who become addicted to the habit. Dr. C. A. Clinton, of the San Francisco Board of Education, gives the following testimony :

A cigarette fiend will lie and steal, just as a morphine or opium fiend will lie or steal. Cigarette smoking blunts the whole moral nature. It has an appalling effect upon the system. It first stimulates and then stupefies the nerves. It sends boys into consumption. It gives them enlargement of the heart, and sends them to the insane asylum. I am physician to several boys' schools and I am often called in to prescribe for palpitation of the heart. In nine cases out of ten it is caused by the cigarette habit.

Other evidence as to its effect in tending to produce insanity might be adduced, but I do not wish to weary the House. I am pleased to notice that this question is attracting widespread attention, not only in our own land and throughout the United States, but in England. Some of the states of the Union have adopted legislation imposing restrictions upon or prohibiting the manufacture and sale of cigarettes, and now the movement is assuming form in Great Britain. I received yesterday an English paper, by which I notice that a large meeting had been held at Bolton, in the north of England, by an association called the Anti-Tobacco and Anti-Narcotic League. The member for the county, speaking on the subject, said :

They had not yet been successful in the ballot for the introduction of a measure in parliament dealing with juvenile smoking, but he was convinced that the time was coming when no government, Liberal or Conservative, would dare to refuse their claims. They would meet with opposition from interested quarters, but it was becoming more and more widely recognized that great harm was done to the rising generation by the indulgence in cigarette smoking which, he felt sure, was a contributing cause of the physical deterioration in this country. He hoped that before Whitsuntide a resolution on the subject would be introduced in the House of Commons.

It has been said that national deterioration has been a marked result of the widespread use of tobacco. One hon. member speaking in the House of Commons in England not long ago, made some reference to the cause of the ignominious defeat of the Spaniards in the recent war with the United States. He attributed the loss of their manhood, their virility, and courage largely to the widespread excessive use of tobacco in the form of cigarettes among the youths of that country. This question is one that appeals to us on moral ground. I know that it has been stated in this House that improper attempts are made, not only here, but in various legislatures to relegate to the state the duties which ought to be performed in the home, such as the education of the morals and the religious teaching of our children. But, Sir, what is the use of giving that teaching and instruction in our homes, if immediately the boys leave our homes, they are surrounded with temptations and with examples that tend to break down all the teachings they receive in the home. A boy goes to school and sees four-fifths of his companions indulging in the habit. He is tempted to indulge in it too, and if facilities for that indulgence are furnished in the cheap and convenient form of cigarettes, it does not matter what the teaching of the home may be, temptation is too strong and he gives way to it and becomes subject to the habit. This resolution appeals to us very strongly on moral grounds because we wish to save our boys, to save them from all degrading tendencies, from everything that will lead them unnecessarily into temptation. We want to make it as easy as possible to do right and to live right in this country and as difficult as possible to do wrong. It appeals to us on patriotic grounds. We love our country, I believe that every man, whatever his political views may be, he has a strong and earnest desire for the well-being, prosperity and advancement of this great Dominion. We have great hopes for the future of this country, but if we would further advance its best interests and secure the realization of these hopes, we must pay attention to large questions like that which is before us to-day. Our future well-being as a country will not be entirely determined by the development of its material wealth, by the extension of its commerce and by populating it with immigration or by other material influences. It will be determined by none of these things, so much as by the character of its people, and of the boys who will take our place in the near future, who will be in future the leading citizens and will have the direction of the material interests of this country. Therefore it becomes our

duty, as far as possible to realize all the difficulties that lie around this question, and so to speak on it to-day by our votes on this resolution as to endeavour to support our government in legislating upon it, and in trying to secure the prohibition of this evil. I say 'trying' because I recognize the difficulties that surround it. I recognize that so long as tobacco is used, people can make cigarettes, but, Sir, it is the cheap, convenient and handy form in which the cigarette can be obtained by boys, which leads them into the injurious habit. I hope that this resolution will meet with the hearty support of the members on both sides of the House. It is not a partisan or political question at all, but is one which appeals to our highest and best instincts in the effort to make for the highest and best interests of the people of our country. I take great pleasure in seconding this resolution.

Mr. FRANK OLIVER (Alberta). Mr. Speaker, I believe the cigarette is an evil, a very great evil, and I also believe that if this resolution is adopted and a law based upon it enforced, no one who now smokes cigarettes will thereby be worse off and every one who now smokes them will be better off. I am therefore compelled to vote for the resolution. At the same time I do not consider this is a matter that should be dealt with by this parliament. As I understand the principle of confederation, all such matters should be left with the individual provinces to deal with as they see fit. The justification for bringing the question up in this House, is that under the letter of the terms of confederation, the provinces have not the full power necessary to make their legislation effective ; that is, they have the power to regulate but not to prohibit. Only the federal authority has that power.

Regulation of the liquor traffic, of Sunday observance, and of the cigarette evil has been tried by several of the provinces, but has proven a failure, because of the lack of final and complete authority. Therefore in this case parliament is asked to prohibit. The responsibility of voting on this question having been placed upon me, and believing as I do, I have no choice in the vote that I shall give. But the difficulties in the way of securing the passage of the national legislation asked for by the resolution are very great, if not insurmountable. The difficulties of national enforcement would be much greater. There would be no such difficulty, either in securing the legislation desired as a provincial matter or in afterwards securing its enforcement, provided the paramount authority in the case now held by the federal power through an unintended application of the terms of the Confederation Act, were transferred to the provinces by an amendment to that Act.

While supporting the resolution, I would respectfully suggest to the opponents of the cigarette, of the liquor traffic, and of the non-observance of the Sabbath, that their first efforts might be best put forth to have all these matters placed absolutely under provincial or territorial jurisdiction,—as the liquor traffic in the Northwest Territories has been,—as the first and most necessary step towards effectively dealing with all of them. The authority changed with the regulation of an admitted evil should have the right to prohibit as well as regulate.

Cigarette smoking is only a national evil, in so far as it affects the individual. It is therefore essentially a matter for local or provincial regulation and control, if there is any purpose in having local or provincial authority separate from that of the Dominion. But so long as only the Dominion has the power to prohibit, as a member of the Dominion parliament, I vote to prohibit. In my belief, that which is admitted to be an evil, should as far as possible be prohibited, not regulated or in other words licensed, or sanctioned, by authority of law.

Mr. ROBT. HOLMES (West Huron). I think that my hon. friend from Alberta (Mr. Oliver) is slightly astray in some of his conclusions. One of the reasons why the promoters of this legislation and legislation of a similar character—such as the Lord's Day Bill and Liquor Bills—are so very earnest is because they realize that the legislation passed by the provinces is not effective. The provincial legislatures have not the power to entirely prohibit, and the promoters of this Bill, realizing that local restriction has been a failure, desire a Dominion enactment which will absolutely prohibit the importation, manufacture and sale of cigarettes. It was admitted in the debate last session, and I think it will be conceded by almost every hon. member, that the cigarette habit is an evil, but I am afraid that we do not realize the full extent of the evil. Let me quote from the figures of the Trade and Navigation Report to show how this pernicious habit is growing. In 1899, 106,000,000 cigarettes were manufactured in this country. In 1900, that number increased to 123,000,000. In 1901, the amount had reached 125,000,000, and in 1902 the manufacture ran up to 138,000,000. And, notwithstanding the agitation which took place in the country and the debate in this House—which, one would suppose, would have had a beneficial effect—we find that during the year 1903 no less a quantity than 178,000,000 cigarettes were manufactured, or an increase of 40,000,000 over the year 1902. When we find this evil thus increasing by leaps and bounds, surely it is our duty to take some action to check it. Every medical man in the House last year, I think, admitted that the habit of cigarette smoking by our youth was very injurious, and as in the discussion this afternoon that

fact has again been brought out most clearly, I need not take up any time in making any proof in this respect. It does seem to me that the only way by which we can check this habit is by a Dominion Act. It is of the greatest importance to the public welfare that our Canadian youth should develop into the very best manhood. If we thought that our boys were diseased in any way, we would bring them to medical men in order to have, if possible, the disease removed. And if we desire that growing generations should attain their best development, physically and mentally, we should not hesitate to take the most effective steps to root out this evil, which, if unchecked, will sap their manhood. We have realized the importance of keeping the health of our people free from all taint by preventing undesirable and diseased immigrants coming into the country. It is quite possible that in time immigrants infected with disease might overcome their ailments and develop into desirable settlers, but the Dominion government, realizing the necessity of safeguarding in every way the health of the community, have passed legislation absolutely prohibiting the entry of settlers infected with disease. I submit that we are equally bound to take steps to prevent the deterioration of our youth and enable our boys to attain their best development by removing from them this growing evil. We cannot too much commend the exertions of those who are behind this legislation. They are not governed by any sordid motives. They are not actuated by any desire to make dollars and cents out of this movement, but are moved by the best motives in the interests of society at large, and I am of the opinion that the best interests of our population demand that legislation of this kind should be placed on our statutes.

Mr. ARMAND LAVERGNE (Montmagny). As I am not proficient, Mr. Speaker, in the use of the English language, and am besides more at home on the hustings than in discussing public questions in parliament, I feel bound to preface the few remarks I intend making by appealing to the indulgence of the House. My only apology for taking part in the debate is that, being a cigarette smoker myself, I find it difficult to let this resolution go without saying a few words. We have been told by a number of hon. members that the smoking of cigarettes is a very great evil. Well, this is an opinion which is very much contradicted by many medical men and scientists. There are many authorities who take the view that cigarettes are the purest form of tobacco, and that, consequently, if smoking is to be prohibited at all, it would be much better to prohibit the use of pipes and cigars. But there is another point of view which should not be lost sight of. It is the parents, after all, who are responsible for the education of their children. You cannot take from the parents the right to give that training to their children which they consider best for them, and if a father should see that the smoking of cigarettes does not harm his son, if he finds his son, on the contrary, full of life and health, and doing well at college, I do not see why the law should step in and tell him that he must not let his son indulge in what he, from his experience, finds to be a mild and innocuous pleasure. I am a cigarette smoker myself, and I am not aware that the habit has had any evil effects on my system, or that my record so far has been a very bad one. I may say that I started smoking not long after I was ten years of age, and have never found that it hurt me in any way. My course at college was not worse than that of the average boy, I have had the good fortune to have been elected to a seat in this House, and I intend going on smoking cigarettes, not simply because I find pleasure in the habit, but also because it is good for my health. No doubt an excess in this indulgence, as in any other, would be an evil, but if we are to prohibit everything that may become an evil, if overdone, we should prohibit a great many things. For instance, we should prohibit the eating of fruit, because if you eat too much fruit you will do yourself a lot of harm. My experience is that the use of cigarettes in moderation is not harmful. If you smoke too many pipes and cigars, you will do yourself just as much harm as if you smoked too many cigarettes. It is not the cigarette itself that is to blame, but the excessive use of tobacco, and what may be injurious when used to excess may be beneficial when used in moderation. There are no men better endowed physically, there are none who have greater physical endurance than the Indians, and they are all great smokers. They smoke in their councils, and in fact nearly the whole time. What has been the experience in the South African war? I have heard Miss Pope, who was one of the nurses, say —and that was the general opinion of the nurses—that when Tommy Atkins came to camp nothing could do him more good than a cigarette. This parliament should not prohibit the manufacture, importation and sale of cigarettes. It would be much better to prohibit smoking by youths up to a certain age. The proposed legislation aims at the liberty which every man should enjoy to do what he pleases, provided it is not against the law and his conscience. I heard the hon. member for South Grey (Mr. Richardson) say a moment ago that the Spaniards were defeated in their late war because they smoked cigarettes. I thought it was the smoke of the guns and the smoke of the powder that lost the battle to the Spanish arms. But it appears now that it was the smoke of cigarettes. Well, then, Mr. Speaker, I would propose in amendment that we supply cigarettes to the army, so that our soldiers, instead of fighting the enemy with

guns, may fight them with cigarettes. It would be a more humane way of conducting warfare, and a more effective way, apparently, to send a package of cigarettes to the enemy than by fighting him with bullets. Mr. Speaker, I merely rise to say that I propose to vote against this resolution, because I think it is an interference with our liberty. I do not think that cigarette smoking is as great an evil as some hon. gentlemen have contended. I think that the use of tobacco in any form is not an evil, but is, on the contrary, a source of innocent pleasure to mankind.

Mr. L. G. McCARTHY (North Simcoe). This is a matter which is certainly agitating the constituencies in the province of Ontario, at all events. I have received a great number of communications, both last year and this year, in reference to the matter. There is no doubt that cigarette smoking is an evil for the younger generation; there is no doubt also that there are numerous other things that are likewise evils, both to the old and to the young. It may be true that we have not yet been able to legislate so as to prevent these latter evils; but if we were able to legislate in such a manner as to prevent the evil which cigarette smoking is undoubtedly doing to the younger generation, we would be doing a work very commendable on the part of this parliament. Just how that is to be effected is another question. Prohibitory legislation may or may not be good, it may or may not be an advantage to the state. In this case I do see some difficulty, because it is not sought to prevent the importation of tobacco, it is only sought to prevent the importation and to prohibit the smoking of cigarettes. However, so far as this parliament can go I am in sympathy with the movement. Any movement which will tend to do away with an undoubted evil, which is undoubtedly injuring the youth of this country, I am prepared to support.

Mr. MACLEAN. Will the hon. gentleman give up his cigar?

Mr. McCARTHY. I have not yet heard it stated that I smoked a cigar. So far as the records of this House go, it does not appear. I do not, however, propose to be cross-examined on the subject. Now the question just asked by the hon. member for York (Mr. Maclean) undoubtedly suggests the real difficulty. Some hon. members of this House and many people in the country enjoy their cigars, and undoubtedly derive from them some comfort. At the same time, there may be some constituents in a cigarette that work evil to the constitution of the youthful generation; and that, being so, if by legislation even of a prohibitory nature that can be prevented, I think we would be doing our duty to support it.

Mr. E. B. OSLER (West Toronto). I would be sorry to find that the only protest against this proposed legislation should come from the youngest member of this House, the hon. member for Montmagny (Mr. Lavergne). I take this opportunity of congratulating him upon his maiden speech, and I venture to say that if he speaks in future on weightier subjects as well as he has spoken on this subject, he will be a credit to this House and to the country. If I thought this Bill would accomplish the end its advocates have in view, even though it might prevent me smoking a cigarette myself, I would vote for it. But I do not believe it will accomplish this end. I do not believe that legislation of this class does good, on the contrary I believe it does harm. Granted that evil is done to the youth of this country by the early smoking of cigarettes; still I do not think the remedy should be sought for in this House, it should rather be sought for from the parents of these boys, and from teaching in the day schools and Sunday schools. We all know that some of the boys' schools are loosely and laxly managed, and if they are not under proper supervision, worse evils even than cigarette smoking creep in, and are not stamped out until they are taken hold of by a man who has knowledge of and sympathy with youth. Now, I venture to say that if the energy that has been and is being displayed in bringing in Bills of this nature was exercised directly upon the youth of this country, upon their parents, or upon the schools they attend, infinitely better results would be attained. Some of the speakers have referred to the fact that smoking cigarettes produces indigestion. Might I be permitted to suggest to my lady friends who are so interested in this matter, that there is more indigestion produced in Canada, more evil wrought among the youth of this country, by bad cooking than by the use of tobacco. Fortunately, I live in a city constituency and have not to do election campaigning in the country. I make the assertion without hesitation that the best education you can give to the farmers' wives of this country is to teach them how to cook and economize. Not long ago it was my pleasure to attend a meeting in the east end of Toronto, though not in my constituency, where I could make no votes; but there I found two or three ladies had established a school for teaching girls how to cook. They found that a great many girls enter factories at 12 or 14 years of age and marry at 18 or 20 years of age, without having had an opportunity to learn how to cook a potato or to make a cup of tea. Now these ladies are engaged in teaching girls how to do housework, and I understood there were girls there who were to be married within a few months, and they were working as late as the regulations would permit in order to learn how to do a little cooking. I believe you

will benefit the morals of boys more by making them healthy than you will by legislation looking to the prohibition of cigarette smoking. As I said, if I thought this Bill would do any good, if I thought it would have any effect in stopping the smoking of cigarettes by young boys, I would vote for it. But I do not believe in this class of legislation. I do not believe that this Bill if passed would have the effect its supporters expect from it; therefore I must reluctantly vote against it.

Mr. DAVID HENDERSON (Halton). I do not propose to offer any extended remarks on the resolution moved by the hon. member for Huntington (Mr. Maclaren). I do not think it requires any elaborate argument to convince the hon. members of this House and the people of this country, or the majority of them, that evil attends cigarette smoking. To my mind it is apparent wherever we go. We see it in going up and down the streets of our towns and villages, and I do not think that any member of this House would fail to recognize a cigarette smoker wherever he met him.

There is no question in my mind that the evil is a very great one in Canada. It is very injurious to the youth of our land, to growing boys and young men. Notwithstanding the declaration that we have heard to-day from the youngest member of the House who, perhaps, has not yet been a cigarette smoker for any great length of time, I am not prepared to accept the statement of the few. I base my opinion on observation from year to year and the more I have watched young men and boys indulging in this habit the more convinced I am of its extremely injurious effect upon their health and therefore I have no hesitation in stating to this House that if the resolution is pressed to a division I will vote in support of it. I trust that the resolution will carry if for no other purpose than as a means of educating the people of the country. I think it is well to agitate this question, to draw the attention of our young people to it and point out to them the injurious effects to which they subject themselves by indulging in this, what I call, very pernicious habit.

Mr. A. W. PUTTEE (Winnipeg). Mr. Speaker, as I understand it the question now before the chair is simply a formal resolution that we go into Committee of the Whole so as to permit this Bill afterwards to be introduced. I would have no objection to voting for the motion although I would not promise that my vote for that motion would carry with it a vote for the Bill which is brought in unless the Bill is far broader than this resolution. Last session when this matter was brought up, the hon. Minister of Justice (Hon. Mr. Fitzpatrick) proposed, in connection with the criminal code amendment, what appeared to me a far better plan of dealing with this evident evil existing in the country to-day, a plan which I believe would be more sensible because that which is advocated to-day is not in accord with the general sentiment of the people of the country. I do not believe such legislation would be sufficiently well observed.

Mr. J. M. DOUGLAS (East Assiniboia). Mr. Speaker, I am not a cigarette smoker or user of tobacco in any form, although sometimes gentleman say to me: You do not know how much pleasure you have lost. Well, I do not regret that which I never knew, and as far as I am concerned I am healthy and happy without it. I have some medical knowledge and I believe that any stimulant that is given to either man or animal in an unmatured state, in an imperfect form, is sure to be objectionable, it arrests growth, causes the constitution to deteriorate and destroys the texture and strength of the brain matter. I had the opportunity of listening to a lecture in this city on a very grave question, and one aspect of the question which was dealt with was the educational question and the possibilities arising out of the present statistics in connection with education in the United States, both the common school and collegiate education. The lecturer who was well qualified to speak, having had large experience in the United States, said that it was not at all improbable that the day might come when they might have a lady president of the United States. He based his argument on the use of tobacco. He said that there was no getting around the difficulty that in educational circles the young women of the United States were far in advance of the young men in the acquirement of knowledge and this is just another evidence that the use of tobacco in early life is injurious to the human system. I do not want to dwell upon the evils of the use of tobacco, but, while I have had no personal experience of it I have the advantage of my observation. There is a great deal of agitation in society on the question throughout the country generally, as has been manifested in the circular which reached the members of this House. I believe in the principle very strongly that we cannot make people good by legislation, that we cannot bind the human conscience by a man-made law. It is a principle that I hold to be everywhere applicable, but our duty, notwithstanding, is to make it difficult for people to go astray or to injure themselves in any form. The tobacco evil is not the only one we have. There is the use of cocaine, the morphine habit, and there are other habits—private habits—that are most destructive to the development of the physical frame of our race. As we have heard others speaking patriotically and very kindly in reference to the youth of our land I would also say that we all wish them well and I

am sure that it will be admitted that if we can supplement the paternal influence which is such an element of human strength by making it difficult for our young men to go astray in any practice or habit that will interfere with their physical growth and development, it is our duty to do so. I am in favour of the Bill and will vote for it. I know it is surrounded with difficulties and that the prohibition which we may make may not prohibit. A great many people are very shy of the word 'prohibit' but in society we cannot do without the word 'prohibit.' It is a word which is continually in the fore front. As has been seen in this debate the statute-books of Canada are overrun with this word 'prohibit' and why should we be afraid to prohibit what we believe to be wrong or injurious? If we prohibit the use of something that is good there might be room for complaint, but I think we are all of one opinion in reference to the use of tobacco by juniors and that is that it is injurious. Why then should we not recognize the evil and adopt every means to make it as difficult as possible for our youth to go astray?

Mr. R. G. MACPHERSON (Burrard). Mr. Speaker, I did not purpose taking up the time of the House on this question but a suggestion made by the hon. member who has just resumed his seat (Mr. Douglas) in reference to this matter has called me to my feet. I am not a cigarette smoker nor do I object to any body else smoking cigarettes. I would say, however, that a boy who smokes cigarettes could not be employed by me. I made it a principle while in business never to employ a boy who smoked cigarettes because I have always found that a small boy who smokes cigarettes will almost do anything to get cigarettes. There is no question that it is a drug which the young man is bound to get when he once acquires the habit. I do not think there is much danger of a man of 21 years or more hurting himself by the use of cigarettes but cigarette smoking is injurious to small boys and for that reason I shall very strongly support the resolution. There is one point which the hon. gentleman who has just resumed his seat brought out and that is in connection with the cocaine and morphine habits. I have had an opportunity of knowing something of a most pernicious habit that is prevalent throughout Canada at the present time. I wish to tell the House that we have on the market a patent nostrum for the cure of catarrh which contain 5 per cent of cocaine. The rest of the compound is boracic acid. I have known women and men to become useless, to lose their positions and to lose their minds as a result of the use of this nostrum. I know of one household that was entirely broken up by the use of some of these patent nostrums which contain cocaine. I think this is a point which might well be driven home with a reasonable amount of hope that some good might be done by such a disclosure. I do not think that in my position as a member of parliament I should specialize the article I refer to because I do not wish to say anything here that I cannot back up outside, but I know very well that the catarrh cure I speak of which contains cocaine and others as well containing cocaine are being used largely by a good many people in the country who have gone into the thing very innocently indeed. I know of one case in which 240 bottles of a preparation of this kind were used in one month by one person. It ruined the man, and killed him in the end. This, Sir, is a very serious question. My experience is that the morphine, the cocaine, and the cigarette habit all go together. I never yet met a person who came to me and asked for cocaine, who did not smoke cigarettes. I do not say that the logical conclusion is that a person who smokes cigarettes will necessarily have the cocaine habit, but I say that I never knew a cocaine fiend who was not an habitual user of cigarettes as well. I believe that the government should do all that it can to stop our young Canadians from smoking cigarettes and I believe also that something should be done to investigate these nostrums in the shape of certain drugs, that are sold throughout the country.

Hon. WILLIAM ROSS (Victoria, N.S.). This question should be looked upon with great seriousness. It is all very well to say that this is a thing which should be left to parents, but parliament is here to protect the best interests of the country and in safeguarding the welfare of our young men we accomplish that result. Certain people who have not had the good fortune to have children, will describe to you how children should be brought up, but I wish hon. gentlemen to remember, that the young cigarette smokers take good care that their parents do not see them. They not only practice the habit beyond the sight of their parents, but as has been known in the city of Halifax, sometimes they steal money to buy cigarettes. The young member (Mr. Lavergne) who has spoken, is not old enough yet to experience the disadvantage of cigarette smoking, but I may tell him that I do not believe that I would have arrived at my ripe old age, had I practiced the use of tobacco in any shape or form. Of course most of us are old sinners in the use of tobacco, and we do not look upon the seriousness of this evil as we should. Reference has been made to good cooking, and I think progress has been made in that art in the Dominion. I do not think that any of us suffer from bad cooking; perhaps we suffer more from eating too much than from eating too little. It has also been said that this question should be dealt with by the different provinces. It is my opinion

that the laws passed by the provinces are not so effectually carried out as those passed by the Dominion parliament. For instance if the Customs Act and the Inland Revenue Act were provincial Acts, they would be abused to some extent, but because they are enacted by the parliament of Canada they are enforced to the fullest extent. It may be true that we cannot prevent the evil, but there is no doubt that we can reduce it, and if we succeed in bringing the evil to the minimum, then we would be doing service to our country. If we trace the history of those who find their way to our penitentiaries, you will find that many of them had taken to cigarette smoking during their youth, and had gone from bad to worse until at last they disgraced themselves and their families. I shall have great pleasure in supporting the motion introduced by the hon. member (Mr. Maclaren) with which I am heartily in accord. I trust the House will deal with this question in that seriousness which it demands and not treat it flippantly.

Mr. R. L. BORDEN (Halifax). I quite agree with my hon. friend from Victoria (Mr. Ross) that this is not a subject that should be treated in a flippant way, because if we are to believe the opinions of medical men of eminence, a great deal of injury is done to youths of an immature age who use cigarettes to an excessive extent. The difficulty that I have about the resolution proposed by my hon. friend (Mr. Maclaren) is that I cannot see that it strikes at the root of the evil. The resolution is: that it is expedient to bring in a Bill to prohibit the importation, manufacture and sale of cigarettes. Now, the importation, the manufacture and the sale of cigarettes are not in themselves a danger to the youth of this country; you have not got to what the lawyers call the proximate cause of the evil. The proximate cause of the evil to use a legal expression, is the use of cigarettes to excess by persons of immature age. I speak with diffidence on the subject as having perhaps not studied it as much as those who are promoting this legislation but speaking with diffidence, it seems to me that you do not get to the root of the evil, because if you permit tobacco to be manufactured and sold in this country, you do not prevent youths from making cigarettes themselves, so long as you permit them to buy tobacco and paper. Any one who knows anything about the rolling of a cigarette knows that any child can in half an hour learn to manufacture cigarettes if he has the tobacco and paper. There does not seem to be very much doubt that if parliament did pass the legislation in exactly the form in which it is proposed, you would still have great difficulty in suppressing this evil; presuming it is the evil it is said to be. I understand that medical men say that some of the cigarettes sold in this country have other constituents than tobacco which are injurious to the health. The point we have to touch in the first place is the selling of cigarettes to persons of immature age, and in the second place, the all important point is that persons of immature age should not be allowed to smoke them. How shall you accomplish that? You shall accomplish it in the first place by parental influence. I am willing to concede that parental influence may not be sufficient. There may be mothers and fathers in this country who cannot give their children sufficient care to prevent them from smoking cigarettes, and it may be that the state should interfere so far as these are concerned; and indeed so far as all of immature age are concerned, and should say: you shall not sell cigarettes to a boy or girl below a certain age, and having gone that far the state might go still farther and say: the boy or girl of immature age who is found smoking cigarettes shall be admonished in the first place, punished in the second place and probably sent to the reformatory in the end if the habit has reached such an aggravated form that it cannot be cured in any other way. I am prepared to concede that it is a subject that should engage the attention of parliament; but I submit to my hon. friends who have introduced and seconded this resolution that there are difficulties in the way of reaching the evil by the method they have suggested to the House.

Let me point out before I sit down that the government seem to have had a policy on this subject last session, which they promised the House would be carried out. My hon. friend from St. Lawrence division (Mr. Bickerdike) introduced a Bill which was ruled out of order by the Speaker because it had not been preceded by a resolution in Committee of the Whole. It is to avoid that difficulty that my hon. friend from Huntingdon (Mr. Maclaren) has adopted the procedure before us to-day. I find that after the Bill of last session had been ruled out of order, my hon. friend the Minister of Justice introduced a Bill, No. 215, to amend the Criminal Code, which contained a section dealing with this matter. That section was as follows:

> Every one is guilty of an offence and liable, on summary conviction, to a penalty not exceeding $50 and not less than $10 or to imprisonment with or without hard labour for thirty days, or to both, who, either directly or indirectly, sells or gives or furnishes to a minor under the age of eighteen years, cigarettes, cigars or tobacco in any form: Provided that this section shall not apply to the sale to a minor for his parent or guardian under a written request or order of such parent or guardian.

When that part of the Bill came finally before the House, my hon. friend the Minister of Justice explained that this provision had not found favour either in the eyes of those who were agitating the legislation

introduced by my hon. friend from St. Lawrence division or in the eyes of those opposed to any legislation of this kind. The latter thought it extreme; the former thought it did not go far enough. After a great many hon. members had protested very strongly against the withdrawal of this section, my hon. friend the Minister of Justice said he thought it would be possible for the government to introduce legislation that ought to be satisfactory to all persons, even those holding such conflicting views as had been expressed. The final observations of the Minister of Justice on the subject are to be found in 'Hansard,' at page 10758, where he said:

> It is understood, of course, that I drop this clause for the purpose of re-introducing another clause, which I think will better meet the real necessities of the situation. I am not going to allow myself to be influenced too much by those who are interested in the sale of cigarettes, nor on the other hand, by those who think that because they do not smoke themselves, nobody else should do so. I wish to introduce legislation with reference to the use of cigarettes by children.

My hon. friend went on to say that the legislation to which he made reference would be introduced by the government last session. A great many matters of importance occupied the attention of the government during the succeeding part of the session, and I am not now making it any reproach against my hon. friend that he did not overtake this question. But there was a distinct pledge that legislation of some kind would be introduced by the government to meet this evil, and I would like to ask the Minister of Justice or the Prime Minister what the policy of the government is with regard to the question. I do not think we should be called upon to vote upon this resolution before us without some expression by the government as to how they regard this evil—whether they think it should be met by legislation, and if so, what direction that legislation should take. I am disposed to think that it is a matter of some seriousness. Although there are some gentlemen who perhaps have smoked cigarettes for many years and from a very early age, we must not argue from the particular to the general. Many articles might be mentioned which are used with impunity by some but are admittedly injurious to most persons. It does not do to argue that this man or that man has smoked cigarettes from the age of ten years and is now enjoying good health. The question is whether this habit is injuring the health of any great number of young persons throughout Canada. There seems to be good ground for supposing that it is an evil; but I have not yet been able to see that in order to meet that evil it is necessary to prohibit the sale of cigarettes, cigars and tobacco of all kinds to persons of mature age. I think that the evil can perhaps be reached by means which would be more effectual than that proposed by my hon. friend who has introduced this resolution. Therefore, I hope that the Prime Minister or the Minister of Justice will give the House some information as to whether it is proposed to proceed this session with some such legislation as that promised by my hon. friend the Minister of Justice last year.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). Mr. Speaker, there is abundant evidence, which is not controverted in this age, that the use of tobacco in any form is deleterious to immature humanity. At the same time, it is, I suppose, not disputed that the use of tobacco by grown-up men is an innocuous habit, and I understand that it is conducive to enjoyment. I have never been able to understand, however, that the use of tobacco in the form of cigarettes is any more noxious than in any other form. I have never seen any evidence that tobacco enveloped in paper is more injurious to health than tobacco smoked in the form of a cigar or in a pipe. But if it be true, as stated by my hon. friend from Burrard (Mr. Macpherson), that cigarettes not only contain tobacco, but are treated with cocaine or morphia or some such noxious substance, it is quite evident that the use of such cigarettes would be injurious not only to youth, but to grown-up people as well. If such cigarettes are on the market to-day, there is, as I am informed and believe, no need of any legislation to prohibit their use or manufacture. We have on the statute-book to-day legislation which is sufficient to prevent the manufacture of such noxious substances. But the resolution which has been placed before the House certainly goes too far. I do not for my part see how it can be accepted in view of the debate which we have had and the opinions which have been expressed. My hon. friend from Huntingdon asks the House to agree to this proposition:

> That it is expedient to bring in a Bill to prohibit the importation, manufacture and sale of cigarettes.

If it be admitted, as my hon. friend himself would not deny, that cigarettes can do no harm to anybody who is grown up, and are simply injurious to immature boys, it is neither logical nor practical to ask that tobacco in the form of cigarettes should be prohibited altogether to every citizen of the country. If it is not injurious to men, but simply to boys, the proposed remedy goes too far. If those who take an interest in the health of the young—and I claim to be one of those—would direct their legislation simply to reaching where the evil exists, I would subscribe to such legislation, but any legislation which not only prohibits what is an evil, but also that which is not, goes too far. I think we should be careful not to enact legislation which would not be ob-

served by the community. I have always been opposed to prohibition, simply because the experience of mankind shows that if you prohibit a thing, which is not in itself an evil, your law will not be observed, and I think it is always an evil to pass enactments which will not be accepted by the respectable part of the community. If a man can smoke a cigarette with no more injury to himself than the smoking of a cigar, why should you prevent his indulging in the luxury ? If he prefers a cigarette to a cigar, why should you interfere ? I agree with my hon. friend the leader of the opposition that in our legislation we should try to reach the evil where it exists, and the admitted evil is the smoking of cigarettes by boys. I would prevent boys from smoking, not only cigarettes, but tobacco in any form. I do not hesitate to say that it grates on my feelings to meet a boy ten or twelve years of age with a cigarette in his mouth, and I always wish that the parents would look sharply after such a boy. But to say that because the habit is injurious to a boy, it shall not be allowed a grown-up man, is going altogether too far. In my opinion the peculiar obnoxious feature of the cigarette is its cheapness. Nowadays when a boy gets five cents, instead of spending it on candies, as they used to do when I was a boy, he invests it in a package of cigarettes. How are you going to prevent that ? The remedy, to a large extent, is in the provinces, and I would call the attention of the House to the fact that there is a tendency to-day to come to Ottawa for legislation which should not be asked for at Ottawa but in the provincial legislatures. There has been lately a reaction against that practice, and last year we had on the floor of this House several members on both sides protesting against the invasion by the Dominion parliament of the rights of the provinces in the matter of legislation. There are many subjects on which the provinces and the Dominion parliament have a concurrent right to legislate, but in all these matters I think we should endeavour to maintain the autonomy of the provinces. The legislation now sought for exists already to some degree in most of the provinces. There is in most of the provinces legislation dealing with this very evil, but we are told that the laws are ineffective and not enforced. I submit, with all deference to those who are asking us to legislate, and whose motives I sincerely respect, that if they would see to the enforcement of the provincial laws, the evil could be checked. I agree to a large extent with the hon. member for Toronto (Mr. Osler) that the ladies who are promoting this legislation could do more good by giving their attention to the matter of education than by seeking legislation on this subject. More can be done by the beneficial influence of women in teaching and educating our youth than in seeking legislation in this respect. The subject engaged the attention of parliament last year, and my hon. friend the Minister of Justice attempted to cope with it, but unfortunately, as he said himself at a later day, with very indifferent success. He introduced a measure which did not satisfy anybody, but he has been since looking into the matter. I am not prepared to say, however, that he has yet found a remedy. That something should be done goes without saying. Legislation to be effective should reach the man who supplies the noxious weed to the boys and prevent the sale to boys of tobacco in any form, but I do not see how we can undertake such legislation. It will be, however, the duty of the government to apply itself further to this question, and perhaps at some later day my hon. friend the Minister of Justice will be able to give information to the House on the subject. The question is not a party one, and I think that the best interests of those who seek this legislation will be served by our not voting for this resolution.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

UNDESIRABLE IMMIGRANTS.

Mr. URIAH WILSON (Lennox). Mr. Speaker, before the orders of the day are called, I wish to call the attention of the government to a paragraph which appeared in the morning 'Citizen' which says :

> Fifty Russian Jews have been deported from Fargo, North Dakota, to Winnipeg by United States immigration authorities.

I would like to ask the government what they intend to do with these immigrants. Are immigrants who are not good enough to become citizens of the United States to be allowed to settle in this country or do the government intend to have these immigrants sent back to the country from which they came ? The matter is one of importance and we should have an answer from the government.

Sir FREDERICK BORDEN (Minister of Militia). In the absence of the Minister of the Interior, I would suggest that my hon. friend bring the matter up again to-morrow. In the meantime I will mention it to the attention of the minister so that some statement may be made.

QUESTION OF PRIVILEGE—MIDLAND WATER LOTS.

Mr. LEIGHTON McCARTHY (North Simcoe). Before the orders of the day are called I desire, in view of the fact that charges, or rather insinuations, of improper conduct are becoming somewhat prevalent in this House and are becoming particularly

frequent from one individual member, in reference not to one but to several members of this House, and attacks of this character have been made for some time past. I desire to occupy the attention of the House for a short time and if necessary I will conclude with a motion in order to put myself in order. The subject to which I particularly desire to address myself this evening is a grant made by the government for the construction of a dock at the town of Midland, in the constituency of East Simcoe, and also the purchase by the town of Midland from Messrs. Burton and Brothers, of Barrie, of the site upon which that dock was to be erected. The hon. member for East Simcoe (Mr. Bennett) in addressing this House on the 15th instant made certain references to that transaction which appeared in the 'Globe' newspaper and in the 'Mail and Empire' on the following morning. The 'Globe's' report is as follows:

MR. BENNETT'S CHARGE.

THAT A MEMBER WAS PAID FOR MIDLAND DOCK SALE.

MIDLAND DOCK PURCHASE.

Mr. Bennett accused members on the government side of the House of failure to observe the provisions of the Independence of Parliament Act. A dock was, he said, to be purchased by the government in Midland and the owner of the dock was very anxious to effect a sale. His opponent in the last campaign, Mr. George Chew, made a bargain with the owner that if he effected a sale he was to receive $400. When the deal was made and Mr. Chew did not receive his money he brought his agreement to the law firm of which Mr. Bennett was a partner, and a writ was issued to collect the amount. The money was paid, but the excuse offered by the former owner for not paying the $400 was that Mr. Chew had not secured the sale of the dock, but that it had been secured by a certain member of parliament, who, Mr. Bennett said, was not in his place in the House while he was speaking, to whom he had to pay $600 for putting the deal through.

The 'Mail and Empire' referred to it as follows:

Another matter of a similar nature was that relating to the dock at Midland. The owner sold it to the government, and Mr. Chew was to get $400, if the deal went through. Mr. Chew was Mr. Bennett's opponent in the last election. He did not obtain his fee and asked Mr. Bennett's firm to collect the money. It transpired that a Liberal member had received $600 for putting the deal through. The owner, therefore, objected to paying Mr. Chew's fee, but the firm, however, had succeeded in obtaining the money.

This charge or insinuation, so far as it affects a member of this House, applies to every member of the House who was absent at the time the speech was made. It is made anonymously, it is not made specifically, and as one member of a firm of solicitors who have acted for Messrs. Burton and Brothers for the last 20 years, I desire, so far as I am concerned, to say that my firm did act in connection with an application made by Burton and Brothers for the completion of the title of their water lots in Midland harbour, and did complete the transaction, acting as their solicitor. But I hurl back at the hon. member (Mr. Bennett) any charge that there was any deal in the transaction. I say to him that the charge is as false as the hon. meember is narrow and small. That hon. gentleman has for some years in this House sought to pose as a paragon of political morality. I would rather say to you, Sir, and to the members of this House that he has proved himself, in the speech he made last week, to be the conduit pipe by which the garbage of political scandal mongers is conveyed to the public. The hon. member makes that charge under the protection of the statute of this parliament in that behalf which protects him from the law by which if a man makes such charges outside the House he would be susceptible to the law and would have to pay the damage therefor.

As I said in opening, the Midland dock matter was not the only subject to which the hon. gentleman addressed himself. Most hon. members, if they had any belief in the charges which were made, would have contented themselves not to have dragged irrelevant scandal into the discussion upon the address in reply to the speech from the Throne. Most hon. members would have said: I am possessed of information upon which I will make certain specific charges upon the floor of this House upon my responsibility as a member and I will have those charges investigated. But, Sir, I say that is not the usual method of the purveyor of scandal in this community. What did he do? He first talked about the right hon. the Minister of Trade and Commerce (Sir Richard Cartwright) and his relatives; then he let out and spoke about the whole government. They were buccaneers and free-booters, but there was no evidence to support the charges except the statement of the hon. gentleman himself.

Then he attacked the Minister of Justice.

Third, he attacked his late opponent Mr. George Chew, in reference to an alleged improper or immoral contract and sought by what I venture to say was an insinuation of the meanest kind to convey the idea that that gentleman had had to do with a transaction whereby certain property was sold to the government, whereas, the hon. gentleman well knew that this was not the fact as I shall show conclusively. The hon. gentleman knows that it was a sale of property from Burton and Brothers, the owners, to the town of Midland, of which he himself was the solicitor. And yet he allowed the statement to go forth to the public without contradiction and without a fair statement of the case, that that gentleman who had been his opponent and yet, Mr Speaker, was his client, had made a deal,

an immoral deal, in reference to the sale of certain property to the government. I would not go so far with the hon. gentleman as to say that if Mr. Chew had entered into an engagement whereby he was to get a commission on the sale of the property that he was debarred from doing so by any act of which I have knowledge, though I do not mean to say that I would approve of such a transaction.

Fourth, the hon. gentleman assailed anonymously, without name, every member in this House, be he on the Conservative or the Liberal side who was absent from his seat at the time. He said that some member who was not in his place—he did not mention his name—had received $600 for putting the deal through, and later on we shall learn what the deal was.

Fifth, he assailed the hon. member for Digby (Mr. Copp) who has already made his statement on the floor of the House and so I need make no reference to it. These are all serious matters and must be treated seriously. It is not right—and I appeal to the fairness of every hon. member in this House. In a debate such as the debate on the address in reply to the speech from the Throne, it is not right or proper for hon. gentlemen to make such insinuations and not to back them up with charges. I say and I say it without fear that a man who does that sort of thing and lays no charges is a man who has a degree of narrowness and smallness which is very difficult of description unless it be described as despicable.

Now, Sir, I have no fear of an investigation so far as I am concerned, and I am going to lay all the facts before this House this evening, in order that if it is thought by the House that I have transgressed, the facts can be taken by admission and the hon. gentleman can move and have my seat vacated. I make no bones about the fact. The firm of McCarthy, Osler, Hoskin and Harcourt acted for Burton and Brothers until the sale was completed and for a part of the time for one Jeffrey and one Playfair in reference to the application made to the Department of Marine and Fisheries to confirm the title of these three parties to the water lots. My firm was first instructed to make that application in the beginning of July, 1900. Burton Brothers had registered title to that property since 1875. James L. Playfair was the owner of 12 water lots on the Midland harbour and he or his predecessors in title held registered title since 1870 as the hon. gentleman well knows.

The father-in-law of the Messers. Burton Brothers, who is their predecessor in title, was the founder of the town of Midland, the title to these specific lots was very complicated, or rather the description was more complicated than the title by reason of the fact that small bits had been granted, rights of way had been given to the Midland Railway and to others, and therefore the work of describing these lots was somewhat laborious. However, an application was put in on behalf of Burton Brothers and James L. Playfair by my firm in September. Nothing more was done in connection with it except that certain correspondence and attendances at the department took place until January, 1901, when I personally took the matter up. Until then the work had largely been done in the office by persons much more expert in matters of that kind than I am. I made application in person to Sir Louis Davies, who said he would not dispose of it unless the other parties thereto were notified. On the 18th of January, Mr. Steers, representing the town of Midland, and myself representing Burton Brothers, appeared before Sir Louis Davies and Hon. Mr. Tarte and made application for these water lots. Up to that time I do not admit for a minute that there was any breach of the Independence of Parliament Act in the work which my firm did, and which I personally did on those occasions ; in fact I maintain that I have a right to do it, and I shall continue to do it until I find an Act of Parliament saying that it is improper or unlawful.

Mr. COCHRANE. Hear, hear.

Mr. McCARTHY. I will show you before I am done that the hon. gentleman made more than one, yea, two, and perhaps more applications to the Department of Marine and Fisheries, in the name of Bennett and Finlayson, for the water lots of one Drummond and one Little in that harbour. And, Sir, those applications were heard. Nothing further was done in the Burton matter, and it drifted along. Mr. Steers, a month or so later, prepared a written argument that was submitted to the minister, and I replied to it. Then in the month of February or March, 1901, Mr. Steers came to Ottawa, and he made the first suggestion to me that the town of Midland was thinking of buying this site in order to get rid of this difficulty. He told me then—the correspondence will show that I did not know anything about the value of it nor did I engage in negotiations with regard thereto—he told me the price they were asking was $10,000. I said, I know Mr. Burton has a very high opinion of the value of that property, and for that reason had maintained the title intact in himself. Then soon after my hon. friend delivered himself in this House in these words, on the 9th of May, 1901, 'Hansard' page 4806 :—

> I can tell the hon. minister that if he is asked to construct a dock in the town of Midland, he is being asked by certain heelers of the hon. gentleman, who want to unload a dock of their own on this Dominion. That is the point in the town of Midland. Party friends of the hon. gentleman have a dock that they want to unload on this government, just like this man at Hilton.
>
> The MINISTER OF PUBLIC WORKS. I am asked to build a new dock.

Mr. BENNETT. That means that he has to buy the old dock first, because the government does not own a foot of frontage in the harbour of Midland where they could build a dock. Now, since the hon. gentleman has made this statement, I want to know who asks for the dock; is it the corporation of the town of Midland or a private party?

The MINISTER OF PUBLIC WORKS. I am not asking any money from this parliament for that dock this year, and I am not going to make any statement. I say there is a suggestion to build one. I am sure there are many other parts of the hon. gentleman's riding where they would like docks very well.

Mr. BENNETT. Now, it was not a piece of braggadocio on the part of the minister to say that he was asked to build another dock. I know that certain parties there are endeavouring to unload on the Dominion their dock property at fancy prices——

Mark you Mr. Speaker, 'fancy prices.'

—and if that proposition ever comes up here, that the government shall pay an extravagant sum for it, I shall object to it. There are private docks there, the Grand Trunk Railway Company and other parties have docks, and let the people who use them pay a proper rental to the parties who own them.

Then the hon. gentleman delivered himself again two or three weeks after, on the 20th of May, page 5703 of 'Hansard':—

The hon. minister is taking some votes in Ontario that I intend to condemn, and I shall do so when we reach those items. The hon. minister stated the other night that an application had been made in my own town for the purchase of some property there from a party interested in the property. I quite accept the statement of the minister, because I know it is a fact that these people are endeavouring to foist their private property on the Dominion.

Mr. McCARTHY. Who are the parties who are doing that?

Mr. BENNETT. If the hon. gentleman knows them perhaps he may be able to state.

Mr. McCARTHY. No, I would like to know who they are. I doubt that it is so.

Mr. BENNETT. The hon. gentleman has an idea of them perhaps.

The MINISTER OF PUBLIC WORKS. When we come to that we will have the facts.

Mr. BENNETT. This business of asking the public to intervene and construct these docks is reprehensible. It was tried on in my own riding and it failed.

Mark you, Mr. Speaker, the hon. gentleman, speaking from his place on the 20th of May, 1901, stated it was a reprehensible idea for the government to construct a dock there, that the purchase of this property for $10,000 was iniquitous. Now, so far as I am personally concerned—the hon. gentleman waves his hand.

Mr. BENNETT. To another hon. gentleman who is amazed.

Mr. McCARTHY. The hon. gentleman will realize that from this time on, I had nothing more to do with the matter—and I think the documents show it conclusively—except in endeavouring to get the department to straighten out the title of Burton Brothers. I was not successful in that, and the affair drifted on until about November, when, as every one knows the Hon. Sir Louis Davies gave up the Department of Marine and Fisheries, and the Hon. Mr. Sutherland then became the head of that department. On the 6th of December, 1901, the Town of Midland, evidently not sharing the views of the hon. gentleman, had expressed some six or eight months before, obtained from Burton Brothers an option to purchase this property for $10,000. Now note the peculiar coincidence. I find upon looking into this matter, because I have spent considerable time on it in view of the charges that were made, and I think that when hon. gentlemen view it in the light of subsequent events they will be equally amazed with me. I find that in January, 1902, the town of Midland appointed by formal resolution the firm of Bennett & Finlayson as their solicitors, and the town made application for the grant of a sum of money to construct a dock. The answer made to them was not reassuring. Then the town of Midland, of its own free motion, so far as the correspondence in the department shows—and I have gone into the matter very carefully—on the 11th of March, 1902, the town of Midland sends this letter to the Minister of Public Works:—

Dear Sir,—I have been instructed by the town council of the above named corporation to state, that they are now so strongly impressed with the fact that a wharf or dock is of much vital importance to the property of our town that they have finally decided to purchase water front sufficient for this purpose at a cost of $10,000, an option on which they have for thirty days dating from March the 6th, provided the department at Ottawa, of which you are the honoured head, make such a grant as will build a suitable and efficient dock thereon.

Kindly note that the option stands good for thirty days only. We trust, therefore, that the matter shall receive early consideration by your department.

I have the honour to be, sir,
Your obedient servant,
(Sgd.) THOS. I. TRUEMAN,
Town Clerk.

Now, Sir, that has reference to the very option to purchase the property given by Burton Brothers to the town of Midland. The then Minister of Public Works answered that letter by saying that he understood the importance of the town of Midland and that he would endeavour to have placed in the estimates the sum of $10,000 for the purchase of the dock. That scheme seemed to have appealed to him. And in May of that year, just twelve months from the time the hon. member was shrieking in protection of the public, as he put it, saying: I will protest if any such grant is made for the foisting of this property on the public at a fancy price, the grant of $10,000 went through the House without a murmur from him as is shown

by the records of the House. It is not for me to impute motives, it is not for me to suggest, but, had the retainer of the town of Midland anything to do with that? That year was a most important year in the history of the town of Midland as far as litigation was concerned. There were looming up in the near future arbitration proceedings between the town of Midland and the Electric Light Company out of which the hon. gentleman has made a considerable sum of money.

Mr. BENNETT. Hear, hear, and made a good win for the town, too.

Mr. McCARTHY. 'Hear, hear,' the hon. gentleman says. If the hon. gentleman can say 'hear, hear,' in reference to anything that took place in that arbitration, I am sorry to hear it, because it shows that his skin is even thicker than I thought it was. Now, I ask the hon. gentleman, being the solicitor of the town of Midland from January, 1902, to the 29th September, 1902, whether he ever had any communication with the firm of McCarthy, Osler, Hoskin & Creelman, as it then was, or with myself, in reference to the purchase of the dock property at Midland. He answers 'no,' and he cannot answer truthfully, yes. There was a communication between him self and myself or between his firm and my firm during those dates. The by-law which was submitted by the hon. gentleman who says that this is foisting property on the public at a fancy price, was prepared by the firm of Bennett & Finlayson, they were paid for it a fair price by the municipal council of the town of Midland, it was submitted with the support of that hon. gentleman to the ratepayers of the town of Midland.

Mr. BENNETT. Hear, hear.

Mr. McCARTHY. Yes, he says he supported the purchase which he had condemned twelve months before and it was carried by the people of the town of Midland by 160 majority. Mr. Speaker, hon. members, where is the impropriety in connection with this matter? Where is the deal? Here the municipality, supported by a gentleman who had condemned this measure, supported by a gentleman who had called it a deal, carries the by-law by a majority of 160. Under the legal guidance of the firm of Bennett & Finlayson, debentures were issued for $10,000, these debentures were cashed and the money paid over as I will hereafter describe. The hon. gentleman does not say that he had any communication with me or with my firm in connection with the matter up to the 29th of September. I have been careful to go through the correspondence which took place between my firm and the Department of Public Works and even at the risk of wearying the House in order that there may be no doubt about the matter, because a charge or an insinuation of this kind is not to be lightly treated, I will read some of it. I had never seen this option up to the 29th September and I only knew of it then. I wrote Mr. Burton on the 29th September, 1902, as follows:

> I have never seen the agreement between you and the town. I understood from you that you gave them an option. If you have a copy of it I would like to see it.

On the 1st October, Mr. Burton wrote me in reply, as follows:

> I am in receipt of your favour 29th ult., in re water lot patent, together with plans and copy of your letter to the department. In reply we would say, we are more than surprised at the proposed change; we understood the whole matter was satisfactorily arranged between those acting for the town of Midland, Jeffrey and ourselves. In view of this we think the best plan now is as you first suggested, we to make deed to the town and to sign our rights from the Dominion government. We herewith send copy of the option given the town, together with description and also return plans sent yesterday. You better communicate with Bennett & Finlayson with regard to accepting deed and assignment of our rights from government on payment of $10,000.

I got a copy of that option and I found that it covered a description of property to which I had some doubt whether Burton & Brothers could deliver the title. I therefore advised them that they should withdraw that option and submit another. My firm came into it then, advised them and prepared another letter which was written by Burton & Brothers to the town of Midland on the 4th October, setting out fully the option which they were then making upon the withdrawal of the other option and the option which they then made was the one which was finally accepted and carried into effect. That letter is dated the 4th October. On the 7th October, the letter which I had prepared was sent. Then on 11th November, I was advised by the hon. Minister of Public Works (Hon. Mr. Sutherland) that the grant which he had made in the previous March was not to be confirmed in the way that I had anticipated. I had thought that an order had been made whereby the title of this property on the part of Messrs. Playfair, Burton & Brothers, and others was to be confirmed in accordance with their applications. The hon. minister said that was not his order, that was really the reason why the option given by Burton & Brothers in 1901 was withdrawn and another substituted. Then comes a more interesting part. On the 14th November, I wrote this letter to Bennett & Finlayson. I saw Mr. Bennett's partner in Toronto prior to the writing of this letter and I said to him: Don't you think the wisest way to carry out the purchase of the property would be for Burton & Brothers to give to the government a quit claim or surrender deed as might be agreed upon and thus save the necessity

of giving a deed to the town of Midland, and the town of Midland giving a deed to the goverment as per arrangement made with the Minister of Public Works ? After that conversation this letter was written. I am not certain whether I wrote it myself or not. It is as follows :

Nov. 14, 1902.

Messrs. Bennett & Finlayson,
Barristers, &c., Midland.

Re sale of water lots, Burton Bros., to town of Midland.

Dear Sirs,—Messrs. Burton & Bros. advise us that the by-law raising $10,000 for the purpose of completing the purchase on behalf of the town of Midland of their dock and water frontage has passed council and that the town is in a position to pay the money over at any time upon their making title.

Referring to the writer's conversation with you in Toronto a week ago, we would suggest as the most expeditious way of putting the matter through, that upon Messrs. Burton & Bros. assigning or giving a quit claim to the government of all their rights in respect of this property, and upon the Minister of Public Works expressing himself as satisfied with this title that the town would thereupon pay over the consideration for the property, namely, $10,000. There will then be no necessity for title deeds being granted by the government to Burton & Bros. and assigned by them to the town of Midland and by the town of Midland assigned to the government.

The method suggested by us avoids the preparation of many documents and attains the same result.

We purpose interviewing the Minister of Public Works on Tuesday for the purpose of ascertaining whether he would acquiesce in this being done, and if he seems inclined to favour it we will telegraph you on that day asking you to meet us in Ottawa on Wednesday for the purpose of arranging that the matter be closed in that way.

Kindly advise us whether this suggestion meets with your approval.

Yours truly,
McCARTHY, OSLER, HOSKIN & HARCOURT.

Then, I think, I came to Ottawa and found that Bennett & Finlayson had written to the hon. Minister of Public Works, and that on the 19th November the Minister of Public Works wrote Bennett & Finlayson as follows :

Referring to your communication of the 3rd inst., re Burton & Bros.' property on the water front, Midland, I beg to suggest that the most expeditious way to carry out the transaction referred to therein would be for Messrs. Burton & Bros. to assign a quit claim of all their rights direct to the Crown, and upon their doing this, then the town of Midland should pay the consideration agreed upon, and upon that being satisfactorily carried out I will give directions to proceed with the work upon the lot, as arranged.

I think it would be advisable for you and Messrs. Burton & Bros.' representatives to come here on a date you arrange to suit the convenience of all. I am to be away for a couple of days, and, therefore, suggest Thursday, the 27th inst. as being suitable.

You to bring with you certified cheque in favour of Burton & Bros. for the consideration money, and their representatives to bring with them satisfactory assignment and quit claim to the Crown of the property agreed to be transferred. The whole matter can, in this way, be closed without any further delay or trouble.

Yours sincerely,
(Sgd.) JAMES SUTHERLAND.

Then Messrs. Bennett & Finlayson answered that letter as follows to the Minister of Public Works :

Midland, Nov. 24, 1902.

The Honourable Minister of Public Works,
Ottawa

Dear Sir,—We have your letter of the 9th inst., suggesting that Messrs. Burton Bros. give a Quit Claim Deed to the Crown of their interest in the property purchased by the town.

Mark you, Mr. Speaker, 'purchased by the town.'

and upon this being satisfactory the town to pay the consideration to Messrs. Burton Bros., and the work to proceed under the direction of your department.

We will lay this matter before the town council and advise you at the earliest possible moment, but we will be unable to attend before you on Thursday the 27th inst., as suggested. We shall consult with Messrs. Burtons' solicitors and endeavour to arrange some suitable date within the near future.

We have to thank you for your kindness in the matter.

Yours truly,
(Sgd.) BENNETT & FINLAYSON.

There is a clean acquiescence on the part of my hon. friend's firm, acting for the town of Midland, and my firm, acting for Burton & Brothers, to meet before the Minister of Public Works and close the transaction.

Mr. COWAN. What is the date of that letter ?

Mr. McCARTHY. November 24th, 1902. Then the document was prepared in my office, and my firm wrote Messrs. Bennett & Finlayson on the 24th November :

Nov. 24th, 1902.

Messrs. Bennett & Finlayson,
Barristers, &c., Midland.

Re sale of water lots, Burton Bros., to town of Midland.

Dear Sirs,—Following up our letter to you of 14th inst., we interviewed the Minister of Public Works, who seemed inclined to favour our suggested method of carrying out the transfer of the property to the Crown.

We are unable to see him in time to telegraph you to meet us in Ottawa on Wednesday last. The minister, however, suggested that it would be wise for you, to meet him in Ottawa some day this week, and wrote you, we understand, to this effect, suggesting Thursday, the 27th inst., and also advised us that he would like us to be present at the interview (representing Burton & Bros.) when he hoped we would be able to satisfactorily arrange the matter—we to bring with us Assignment and Quit Claim

of the property in question to the Crown and you to bring with you certified cheque for the consideration money.

We inclose you herewith for perusal a copy of the grant and surrender to the Crown, and will have the originals duly executed by the Burtons with us in Ottawa on Thursday next.

Yours very truly,
(Sgd.) McCARTHY, OSLER,
HOSKIN & HARCOURT,

Messrs. Bennett & Finlayson answered that by saying :

Midland, Nov. 24, 1902.

Messrs. McCarthy, Osler & Co.,
Barristers, &c.,
Toronto, Ont.

Re Burton & Brothers and Midland.

Dear Sirs,—We have your favour of recent date.

We have received a letter from the Minister of Public Works suggesting that the matter be put through by your clients executing a Quit Claim Deed to the Crown and our paying over the consideration. The minister also suggests that we attend before him on Thursday, the 27th inst., in order to get the matter closed.

It will be impossible for us to go to Ottawa on the 27th inst., as the matter has to come before the council, and we have an arbitration pending here which will be going on on that date. We will, however, bring the matter before the council at once and obtain instructions so that there may be as little delay as possible. We will try and arrange some convenient date with you to attend before the minister.

In the meantime it may expedite matters if you would be good enough to submit to us a draft of the proposed Conveyance to the Crown.

Yours truly,
BENNETT & FINLAYSON.

Which draft conveyance we had sent them on that very day, and which they, as solicitors for the town of Midland, approved and acquiesced in as being satisfactory. I think, Sir, I have read nearly enough to show the position which is occupied by the firm of which I am a member and by the firm of which the hon. member for East Simcoe (Mr. Bennett) is a member, in reference to the professional aspect of this matter, except so far as the conclusion is concerned. With that I propose to deal, and have yet a volume of correspondence which I do propose to weary the House with. The matter drifted along—as the hon. gentleman explains in a personal letter of his own to the minister—owing to some friction between the lawyers acting for the people who were buying the debentures and the hon. gentleman's own firm, and consequently the money was not raised upon the debentures until January. Then, on the 2nd of January, the hon. gentleman (Mr. Bennett), over his own signature, writes as follows :

Midland, January 2, 1903.

Hon. Jas. Sutherland,
Minister of Public Works,
Re Town Dock.

Dear Mr. Sutherland,—After the usual amount of defections as to form of debentures, &c., between the lawyers they have been finally signed and inside of a week the proceeds $10,000 will be with your department to hand over to the vendors for the Dock property when you will take over deed to the Crown.

Therefore, Mr. Speaker, over his own signature, the statement which he made in this House is denied. He knows full well, and so he wrote there, that the purchase of that property was by the town of Midland from Burton & Brothers, and the money is sent to the Minister of Public Works to pay over in that way. He goes on in this letter to speak of the winter slipping away, and he trusts that the minister will endeavour to have that work constructed. The minister answers that letter, and then, on the 31st January, Bennett & Finlayson wrote to McCarthy, Osler, Hoskin & Harcourt :

Messrs. McCarthy, Osler,
Hoskin & Harcourt,
Barristers, &c.,
Toronto, Ont.

Re Burton & Midland.

Dear Sir,—Referring to our former correspondence with you in reference to the grant of $10,000 by the Corporation for the purchase of the Burton property in the town of Midland for the erection of docks thereon by the government.

We have to-day transmitted to the Minister of Public Works a certified cheque for the sum of $10,000 in accordance with his suggestion which is to be handed over upon a conveyance of the property satisfactory to the department, being delivered.

We trust this will be satisfactory to you. We may add that at the request of Mr. J. L. Burton over the telephone some days ago we have written him advising him that the money has been sent to the minister.

Yours truly,
BENNETT & FINLAYSON.

Then, Bennett & Finlayson again write to the Minister of Public Works on the 31st January, as follows :

Midland, January 31st, 1903.

The Honourable James Sutherland,
Minister of Public Works,
Ottawa, Ont.

Dear Sir,—Referring to our former correspondence with you in reference to the grant by the Dominion government of a sum of money for the construction of a dock in Midland harbour, and also for the grant of $10,000 by the corporation of the town of Midland for the purchase of the property upon which the said dock is to be constructed from Messrs. Burton & Brothers, of Barrie.

In accordance with your suggestion, and under the instruction of the municipal council of the town of Midland, we send you herewith certified cheque of the corporation of the town of Midland for the sum of $10,000, being the amount granted by the town of Midland for the purchase of the Burton property in Midland harbour.

Under instructions from the town council we also inclose herewith a memorandum which we have prepared—that is Bennett & Finlayson have prepared it—in reference to the matter showing certain matters which the council

would submit, ought to be considered in preparing the plans for the proposed work.

We may add that when the department's engineer, Mr. Sing, was here a short time ago we went over the matter with him as fully as possible, and he is fully aware of all the circumstances connected with the matter. If there is any further information or material we can supply you with we should be glad to do so.

Yours truly,

(Sgd.) BENNETT & FINLAYSON.

Hon. gentlemen will note that the firm of Bennett & Finlayson are communicating professionally with the Minister of Public Works on behalf of a client in reference to a grant made by the government for the construction of a dock. Now, the memorandum that the hon. gentleman's firm prepared and sent along was this :

1. The marked cheque of the corporation of the town of Midland for the sum of $10,000, the purchase money of the Burton property, payable to the honourable the Minister of Public Works is submitted herewith.

Can there be any doubt in anybody's mind that the purchase was by the town of Midland, and from Burton, to be given to the government ? Then, in paragraph 5, he said :

2. In accordance with the suggestion of the minister the consideration money is paid herewith in order that the conveyance may be given directly to the Crown——

And mark you, Mr. Speaker :

—and that the department may investigate the title directly and make all adjustments directly with Messrs. Burton & Brothers.

Now, whether the hon. gentleman's firm sought to entrap either myself, my firm, or the Minister of Public Works by the way he worded this, I do not know ; but any way I think he entrapped himself if his own theories are correct, because paragraphs 2, 3 and 4 are communications entirely written by his firm, especially in reference to grants made by the government to the town of Midland for the construction of the dock. However, the Minister of Public Works made it very clear in the letter he wrote in reply to that. On the 2nd February, in answer to that letter, the minister wrote to Messrs. Bennett & Finlayson as follows :

Yours of the 29th ultimo, with inclosure, received. We don't understand why you should send us a cheque. What we want is a deed of the property as per arrangement. I did suggest in a previous letter that, if it would expedite matters and save the town trouble and expense, there would be no objection to a deed of the property to be acquired by the town, being made from the present owners direct to the Crown and that as soon as this was done and the matter closed up, the work would be proceeded with.

I wish the town would have this attended to at once, and closed up because, if we are to go on with the work this season, we will have to commence without further delay.

We will hold the papers sent us for a few days until a reply is received from you as to whether the matter is to be promptly closed up.

And then, if there was any kind of a trap in the mind of the hon. gentleman or his firm, they immediately dropped it, because they write to the hon. Minister of Public Works as follows on the 3rd of February :

We have to thank you for your favour of the 2nd instant, acknowledging receipt of our letter of the 29th ult. inclosing cheque for $10,000, the purchase money of the Burton property in Midland harbour.

This cheque was sent you in pursuance of your suggestion and with the object of expediting the closing of the sale, and to save trouble and expense in that way.

Could anything be clearer than the words written by the hon. gentleman's own firm, that the matter was put through in this way for the purpose of expediting it and saving expense ? And the hon. gentleman has the audacity to insinuate—for he has charged it —that it was a sale of property to the government. I will not weary the House with any further correspondence, although there is considerable more if I chose to read it, both with my firm and the hon. gentleman's firm and the Minister of Public Works. I make this statement candidly, that my firm acted in the matter in the way I have described. If it is improper, I challenge the hon. gentleman to make his attack, and let it be decided once and for all whether gentlemen of our profession have a right to act in matters of this kind or not. If they have not, I venture to say that not only the seat of North Simcoe, but the seat of the hon. member for East Simcoe will be vacated for the same reason.

The hon. gentleman says there was a deal whereby some hon. member of this House got $600. Neither my firm nor I received $600. It is none of the hon. gentleman's business, nor is it the business of any other hon. member of this House, how much we did receive. But I am not going to stand on any such technicality as that. I am willing to tell the hon. gentleman that for nearly three years' work in connection with these water lots and the closing of this transaction my firm rendered their accounts every six months, and were paid in the ordinary course of business for the legal services rendered to Burton & Brothers the sum of $400 or thereabouts, and that my personal share of that was about $60. The hon. gentleman may compare that with the Bill which he rendered to the town of Midland. His bill, I have ascertained, for closing the matter was only $40.

Mr. BENNETT. Hear, hear.

Mr. McCARTHY. The hon. gentleman did nothing except draw the by-law and write these letters which I have read. He had nothing to do with the searching of the title or with drawing the document ;

that was all done by my firm, and involved a considerable amount of work. Prior to that there was two years of work in connection with the water lots ; and the sum I have mentioned was paid for all that work. However, my firm were satisfied with the remuneration and our clients were satisfied. This is a frank statement of the case, and if that is a violation of the Independence of Parliament Act, the hon. gentleman has only to make his motion, and we shall have an investigation of the matter. But, Sir, the position the hon. gentleman occupied was the position which I or my firm occupied. He acted for the town of Midland, we acted for Burton Brothers, and the government was between us. But that is not the view of the hon. gentleman. I think, Mr. Speaker, you will remember that some years ago in this House the hon. gentleman held up his hands in holy horror so far as expression by words is concerned, and said : 'No hon. member of this House should dabble at all in departmental matters—it was most flagrant.' He repeated that in this House the other night. This is what he said :

What have we heard on the floor of this House ? I can recall a case of a few years ago when a man of this House stood up and said that he was entitled as a lawyer to take all the cases he could get against the government. What does that mean ? It means that members of this House can advertise : 'I am a supporter of the government, and if you have a case against the government, bring it along, and all the power I have as a member of the House I will exert on your behalf in order to advance your interest.' What has that to do with the Independence of Parliament Act ? I say it is most flagrant. This thing is spreading in this country.

Yes, Mr. Speaker, it is spreading. But it has spread before the hon. gentleman spoke. On the 11th November, 1903, over the signature of W. H. Bennett, this letter is written to the Department of Public Works :

Some considerable time ago my office filed the necessary papers for the grant of a water lot in Midland harbour to Mr. Thomas J. Drummond, of Montreal. The papers were all found to be in order and an Order in Council made approving of the grant. I understand from the Department of Marine and Fisheries that the papers have all been sent over to your department for approval, and I should be glad if you would be good enough to have the matter put through as rapidly as possible.

Apparently there was not expedition enough to suit the firm of the hon. gentleman, and he enters into that arena, which he had before held up his hands in holy horror at any member of this House having anything to do with. Such pharisaical denunciations and hyprocrisy we had better be done with in this House. If any member has charges to make, let him make them, an investigation will be granted, and we shall be done with them. If the hon. gentleman has anything against me, I hope he will have the nerve to make a charge direct, and not simply indulge in innuendoes and insinuations. The hon. gentleman has said there was a deal. I ask him to-night to state wherein there was a deal. If there was a deal, the hon. gentleman's firm, as solicitors for the town of Midland, were a party to it. If there was any deal, neither I nor my firm knew anything of it. If there was a deal, the hon. gentleman was the dealer, for he is the only person who knows anything of it.

But the hon. gentleman was not content with that. The hon. gentleman's opponent in the last election was Mr. George Chew, and in the same speech he made a charge against that gentleman in these words :

A dock was to be purchased for the government in the town of Midland. The gentlemen who owned that dock were very anxious to effect a sale to the government.

In this statement the hon. gentleman was conveying an incorrect idea, for the dock was to be purchased by the town of Midland and for the government, not by the government for itself. I do not believe the gentlemen who owned the dock were very anxious to effect a sale to the government, except for the fact that the town of Midland had been holding them up as to their title which by reason of the decision of the Privy Council in the fishery decision, Burton Brothers had to get confirmed, they never would have sold the dock for $10,000. It was the only bit of property in Midland harbour which was available for the purposes of a dock, and the property was valued, by the hon. gentleman himself, at over $10,000. He goes on to say :

The gentlemen who owned that dock were very anxious to effect a sale to the government. My opponent in the last campaign, Mr. George Chew, made an open bargain with the men who owned the dock that if he effected a sale, he should receive a commission of $400.

Is this the condition into which political morality has fallen in this country ?

When that deal was made the gentleman did not receive his money, and he brought his signed paper into the office of the firm of which I am a member as a law partner ; and we issued a writ for the $400 and the men paid it.

Now, I ask the hon. gentleman whether that is a true statement. Is it true that he issued a writ ?

Mr. BENNETT. Yes, a writ was issued.

Mr. McCARTHY. There is no record of a writ having been issued in the county of Simcoe against Burton Brothers, at the instance of George Chew. I am advised by people in Barrie who know that no writ was issued, and I make this allegation, that in May, 1903, the hon. gentleman did threaten to take proceedings, but no writ was issued, or rather, I should say, a writ was drawn up in the high court and sent to his agents

at Barrie. But it was improperly drawn, as the hon. gentleman should have known, in the high court, the matter being in the jurisdiction of the county court. The hon. gentleman was telephoned to that effect and the writ was never served.

Mr. BENNETT. If the hon. gentleman will allow me a moment, this was done by my partner. I always understood that a writ was issued, but I had nothing personally to do with it.

Mr. McCARTHY. I accept the hon. gentleman's explanation that he made a statement concerning something he knew nothing about. Then I ask him, did his firm recover $400 from Burton Brothers for Mr. Chew?

Mr. BENNETT. I understood that the amount was paid over.

Mr. McCARTHY. Well, my understanding is that there was a counter claim set up in the adjustment of accounts, and $300 was received in settlement. Whether that be true or false makes no difference. The salient fact is the intention of the hon. gentleman to divulge to this House something made known in his consultation room as attorney or solicitor. I never heard of anything of the kind before, and cannot find language too strong in which to characterize such a proceeding. The hon. gentleman, taking advantage of the privilege and cloak thrown round himself in this House, tells us that a client came to him with an immoral bargain, something that was illegal, and then coolly tells us that he is going to divulge what was disclosed to him in his consultation room.

Mr. COWAN. And after collecting it.

Mr. McCARTHY. And after collecting it. If the hon. gentleman advised his client that it was an immoral and an illegal bargain, no writ should have been issued, or if a writ was issued, the hon. gentleman is nothing more or less than a blackmailer. He can take which ever horn of the dilemma he chooses. Either this was a proper bargain which could be recovered in court, or it was blackmail. It was simply a commission on the sale of property from Burton Brothers to the town of Midland. The hon. gentleman took advantage of his position here to divulge what he never should, if I know anything of the ethics of the profession or of the law of this country. I say that what a man tells me as an attorney, or counsel is his property, and it is his privilege to say whether that shall be divulged or not, and not mine. In a court of justice the hon. gentleman could not have made the statement he did. The law of the land would not have allowed it. It would have been his client's privilege to say : your mouth is closed and you shall not open it. But the worst has yet to come. Does the hon. gentleman know what became of that money which he recovered ? I would like him to tell me if he does. This was a county court case, and the hon. gentleman charged $31, being ten per cent on the amount recovered. Mr. Geo. Chew said : 'I do not want that money, give it to the parson of the Methodist church in Midland, give him $245 to dispose of for charitable purposes.' This was something which transpired between the solicitor and his client which the hon. gentleman did not see fit to divulge. The hon. gentleman must have known that this money—which he says was got in a deal—was by himself or his firm handed over for charitable purposes. Why then, in the name of common decency, did he not likewise divulge that fact to the public ? I have known the hon. gentleman a long time, and the hon. gentleman knew that I was connected with this matter, and I would ask him now to be frank and say whether I am the hon. gentleman to whom he referred in the speech he made on that occasion ? Let us have no misunderstanding about it.

Some hon. MEMBERS. Answer ; name.

Mr. McCARTHY. Apparently the hon. gentleman will not even now answer, but I must say that I did not expect him to. I know his disposition. I know how, if I had not put on record in this House the actual facts, they would have been misrepresented, and how they would have been howled about in the constituency I have the honour to represent. But I have stated the facts, and shall be glad to have an investigation into them. I cannot understand why this hon. gentleman should desire to take to himself the role of public disseminator of political scandal. But he seems to pride himself on that role and to rejoice in giving evidence on every possible occasion of a narrow and bitter spirit. But even to gratify that spirit, I do not think he should have gone so far as he has done. Let him make a charge if he has one to make, but if he has only insinuations, let him keep his scandals to himself. It would be more in accord with his dignity as a member of this House that he should cultivate a better reputation, and he would stand higher in the esteem of the public if he would cease disseminating scandals and make straight charges, if he has any to make.

This is my sixth session in this House, and I think it is the first occasion on which I have felt compelled to indulge in any personalities or make ill-natured remarks, but when I have been made the butt of insinuations such as the hon. gentleman has indulged in, I could not, with any respect to myself, refrain from replying to the hon. gentleman in the way he deserves, and I have done so in as temperate a manner as I could under the circumstances. So far as any of my actions are concerned, since I have entered this House, they have all been open and above board and I invite investigation into each and all of them.

Mr. W. H. BENNETT (East Simcoe). Mr. Speaker, I must plead the absence of the hon. gentleman, Mr. McCarthy, from the House when I spoke the other day, as my excuse for not naming him then, as I do now, as the member to whom I referred. I came into this House in 1894 ; I then had perhaps no stronger supporters than the firm of Burton Brothers, Barrie, lumbermen, and they were even stronger supporters of my hon. friend opposite ; in fact they were his political god-fathers, they were his wet nurses, and here we are told by him frankly, fully and fairly, that when they asked for a little departmental work to be done, $400 is the price of his services.

Mr. McCARTHY. No.

Mr. BENNETT. The hon. gentleman states that the sum he received was $400. If Burton and Brothers, will look over the files of their office from 1891 to 1896, when I had the honour of being a supporter of the then Conservative administration, they will find that there were many offices performed by me for them in departmental work, for which I did not charge them a single cent.

An hon. MEMBER. Bribery.

Mr. BENNETT. And the services by me performed were of more importance to them than the services performed by the hon. gentleman. Now Sir, what is all this to do about. I started out with a statement and I am prepared to stand by it now. I discussed it with the hon. gentlemen on the other side of the House and stated that it seemed necessary to-day with the low state of morality that if you want anything put through with the departments, there are certain impecunious lawyers, who, for a consideration are prepared to do it, and who receive by reason of what they do fees that are grossly in excess of what they should be.

In 1886, I was reeve of the town of Midland, and continued to be reeve for a number of years. I was elected reeve a year or two after I went to the town. I continued in that position and had a great deal to do for the town with the then Conservative administration in connection with public matters, and from that day until the Conservative administration went out of power, the books of the town of Midland will not show that I ever charged one cent for duties of a public nature.

Mr. COWAN. You dare not, as reeve of the town.

Mr. BENNETT. And I did not ask for it.

Mr. COWAN. You would have disqualified yourself as reeve.

Mr. BENNETT. Some two years ago George Chew came down here and asked me what stand I would take in the House, if the question of the erection of a public dock in Midland was brought up. I then told him that I was in favour of such a dock, but that I was opposed to buying either of two docks, that I understood the owners intended to unload on the government or the town at fabulous figures. One was Burton and Brothers dock, and the other Jeffrey's. I might add that Burton & Brothers with the shifting of political waves had become good Liberals. Be that as it may, I assured Mr. Chew, that I was prepared to support his proposition of a town dock in Midland. We saw the hon. member for St. Mary's division (Mr. Tarte), who was then Minister of Public Works in connection with the matter. At that interview, Mr. Tarte gave us very little encouragement that the government would be prepared to build a dock. I think that after that occasion, Mr. Chew stated to me that Burton & Brothers would sell this site at $10,000 and he asked me if I was prepared to support the purchase. I may say that I am one of the largest individual tax payers in Midland, outside of the two or three companies. The figure at first was not known, but later, when I was told that Burton & Brothers were prepared to sell at $10,000, I then said that I was prepared to support it and did support it ; I also asked my friends in the town, and the result was that the by-law for the $10,000 was carried almost unanimously. I shall now explain where the difficulty arose in the town. There was a dock owned by a gentleman named Jeffrey, and there was a piece of water frontage adjacent to that dock and also to the property of Burton & Brothers. This piece of water frontage had never been deeded to any person, and the fee was vested in the Crown.

Mr. McCARTHY. It was owned by Burton and Brothers.

Mr. BENNETT. There was a piece in dispute referred to in the letters.

Mr. McCARTHY. The hon. gentleman will find in an Ontario patent that the whole piece in dispute was conveyed to Burton & Brothers or their predecessors in the title, but the Minister of Marine and Fisheries said that it was not fair to grant that lot to Burton Brothers and shut out the Jeffery lot.

Mr. BENNETT. That proves what I said. There was a piece of water frontage in dispute; Burton & Brothers asked in the department that they might have this, and at the same time Jeffrey was working for the same thing. Now, the town did not wish either of these parties to secure this piece of water front, but said : If we buy this Burton property, the Crown, now owning the piece in dispute, then if we give the Burton dock property to the government and have the new dock built upon it, the government will retain the piece of water frontage to

which Jeffrey and Burton both lay claim. The hon. gentleman (Mr. McCarthy) says that he had been for twenty years solicitor for the firm of Burton & Brothers.

Mr. McCARTHY. If my hon: friend will pardon me, I did not. I said that the firm of which I am a member had been solicitors for Burton & Brothers for more than twenty years.

Mr. BENNETT. It is rather a reflection on his firm that when Burton & Brothers have big lawsuits, they go elsewhere for the conduct of their cases.

Some hon. MEMBERS. No, no.

Mr. BENNETT. I recall having seen Mr. W. A. Boys, of Barrie, acting there, with Mr. Aylesworth as senior counsel, in probably one of the largest suits that Burton Brothers ever had.

Mr. McCARTHY. The hon. gentleman will know that the firm of McCarthy, Pepler and McCarthy, were sollicitors for the county of Simcoe in that case, and McCarthy, Osler and Co. could not therefore act for Burton & Brothers.

Mr. BENNETT. Then I can recall to recollection the further fact that when they had another large suit, about a very extensive timber limit, they——

Mr. COWAN. Peanuts, peanuts.

Mr. BENNETT. Will the hon. member for South Essex (Mr. Cowan) please deport himself for a little while ?

Mr. COWAN. Certainly.

Mr. BENNETT. I do not usually interrupt that hon. gentleman. When the firm of Burton Brothers had one of their largest suits on their hands, involving a considerable amount, the firm of McCarthy, Osler & Company were not called in at all.

Mr. McCARTHY. I was consulted before that action was brought by Mr. J. L. Burton, of Barrie, and I said that as we had up to that time acted as solicitor for Mr. Playfair, I was sure that Mr. Creelman would not like it, and I refused to take it.

Some hon. MEMBERS. Come again.

Mr. BENNETT. My hon. friend the leader of the opposition (Mr. R. L. Borden) was concerned in a case in the Supreme Court the other day in which the Burtons were interested, and the hon. gentleman's firm were not called in then.

Mr. McCARTHY. Will the hon. gentleman ask the hon. the leader of the opposition if Mr. Christopher Robinson had not up to that time held a brief in that appeal ?

Mr. SPEAKER. I would remind hon. gentlemen that this discussion is becoming rather unseemly and is very much outside of the record.

Mr. BENNETT. I notice also that Messrs. Hewson & Creswick, of Barrie, have been for a long time acting for Burton & Brothers in the town of Barrie. Be that as it may, Burton & Brothers were anxious to sell their dock, and unless an appropriation was granted by the government for the construction of a dock at Midland there would be no sale, as the town would not buy the dock unless there was a guarantee and an assurance that the government would spend a large sum to build the dock ; it was therefore necessary to put leverage and power behind the government, in order that the announcement might be made public that the government would build a dock, and then the town would go on and complete the purchase. Mr. Chew and I had appealed to the hon. the Minister of Public Works (Mr. Tarte), and he had assured us practically that there was little prospect of the dock being built, and the people of the town had been told so, and did not expect that the dock would be built owing to the fact that the Minister of Public Works had not been able to encourage them. But a change came about. Burton & Brothers were anxious to sell the dock, and apparently enlisted the services of the hon. member for North Simcoe (Mr. McCarthy), and what happened ? The sale of the dock went on, and a promise was then made that the money would be expended in the purchase of this dock. Did not the hon. member for North Simcoe have something to do in the prompting and helping the progression of that grant ?

Mr. McCARTHY. If the hon. gentleman is asking me, I say no ; and I challenge him to show that I had any connection with it, good, bad or indifferent.

Mr. BENNETT. Well, Sir, what happened next ? Leverage was exerted by somebody, and the result was that an announcement was made publicly that a dock would be built at Midland, and at the same time the town went on and made a purchase of this property. Now, I am here to say that I do not believe the hon. member would ever have been called in by Burton Brothers had he not been a member of parliament, and merely for drawing up a deed he gets this large sum of $400. My position was this : I was a member of a firm in the town, and the town consulted my partner and myself—most of the business was done by my partner because I was away. But acting for the town in this and other matters, any little business that was to be done on behalf of the town was done through my firm to the value of some $40, and we had a great deal more to do than the preparation of a deed. But what happened next ? The question that was in dispute was this piece of water frontage, and the town was anxious that it should not be handed over to this gentleman named Jeffrey, but that it should be kept by the

Crown so that the Crown might have the benefit of all that frontage. I called on the Minister of Public Works (Hon. Mr. Sutherland), who was then acting as Minister of Marine and Fisheries, and he told me the matter had been before him, and very courteously handed me a file of papers, some six inches high, and said: You can look these over, and call my attention to any that you wish me to look at. I commenced to look over them and the result was that I found a number of these water frontages were in dispute between the government and certain applicants. And who was the solicitor acting on behalf of all of them? There were several from the town of Parry Sound. These gentlemen in the town of Parry Sound had sought the services of the member for North Simcoe, Burton & Brothers sought the services of these people too.

Mr. McCARTHY. I acted for all of them.

Mr. BENNETT. Oh, yes, they wanted somebody with a pull. I now come to the town of Collingwood, and what do I find there? I find there a meat company who are claiming a certain water frontage; I find that the town of Collingwood are asking for some water frontage too, and I find that the member for North Simcoe is arrayed against the public interest in favour of a private interest; and I have been assured by one of the gentlemen connected with one of these concerns in the town of Collingwood that they had to pay the hon. gentleman pretty handsome fees for what he did, and judging from the fact that he gets $400 for drawing a deed, goodness only knows what he got out of these other companies.

Mr. McCARTHY. So far as Collingwood is concerned, the moment that the town objected to the grant to the Collingwood Beef Company for whom I acted, I withdrew from the matter entirely.

Mr. BENNETT. Now, what happened? A deputation came down from the town of Collingwood, and I was met by some of these gentlemen on the deputation who said to me: There is a dispute as to a valuable water frontage in the town of Collingwood. The town of Collingwood wishes to secure that from the government so that we can give it to a large industrial concern which proposes to settle in that town. But we are met at the threshold of the Department of Marine and Fisheries by the hon. member for North Simcoe and this meat company, and we cannot do anything. We claim that he is acting against the interests of the town, although he is the representative of that district, and we claim that he is being paid handsome fees for his services, and unless Mr. McCarthy withdraws all opposition we will to-morrow place in your hands certain papers which we deem it in the public interest should be brought forward in the House of Commons so that the whole matter may be shown up. I started out with this statement the other day, that it is notorious that members of parliament are collecting these large fees. It is true, I stated, that the sum of $600 was paid in one case. That gentleman had some qualms of conscience, but there will be no qualms of conscience in the hon. member for North Simcoe. But that is the way that Burton Brothers, the political godfathers of this hon. gentleman, get little services performed for them in these departments. Now, the Minister of Justice the other day gave an opinion on professional ethics, and perhaps the hon. gentleman will understand it and act upon it. Speaking of a similar matter he said: I am prepared to make such a statement. The statement in effect was that no part of the profits that were drawn from a certain matter were included in his share. But the hon. member for North Simcoe is not so sensitive, I am bound to say he will accept his share.

Mr. McCARTHY. Does the hon. member mean to say that he did not accept his share in regard to the Drummons, the Little, and this transaction?

Mr. BENNETT. Certainly I did, but I was on a different footing in this way, that when the smelter company was established at Midland a few years ago, they employed my firm and have done so ever since they came there. They have been clients of mine for a number of years. These people did not seek my services because I had any leverage with the government at all. But the hon. gentleman's services are sought because he has a pull with the government. Now what is the position we find him in? He cannot deny that Burton Brothers have been his political stalwarts from the outset. What the hon. gentleman should do, and what I believe 99 out of every 100 in this House would do in a similar case, would be to say: Seeing I am your representative in the House, seeing you are warm political supporters of mine, anything I can do for you in the departments, I will do freely without making any $400 charge for it.

Mr. COWAN. That would disqualify you in any election trial.

Mr. BENNETT. I suppose the hon. member for South Sussex (Mr. Cowan) thinks this charge too low. I am prepared to say now, and I say it in badinage, that I have never heard anything disreputable in the conduct of the hon. member for South Essex in steering business through the Railway Committee or in any of the departments.

Mr. COWAN. Have you or has anybody else?

Mr. BENNETT. I think the hon. gentleman has heard it himself. It is a question the hon. gentleman and I have discussed.

Mr. COWAN. Let us settle this before we go any further, because we are both here. Will the hon. gentleman tell me exactly what he means by that statement? Does the hon. gentleman mean that since I became a member of this House, for any work done in this House, I have ever received a three cent piece—work done either in the Railway Committee or anywhere else? Don't shirk it, but say whether you do or not.

Mr. BENNETT. I just said my remark was jocular—that in all my acquaintance with the hon. gentleman, I have never heard of his doing anything improper, and I reiterate that statement.

Mr. COWAN. I accept that.

Mr. BENNETT. The hon. gentleman and I have had some heart to heart talks as to the conduct of other members of this House—that is between ourselves, however. Now what is the position of this whole matter? It is disclosed by the statement made by the hon. gentleman to-night, that his services were secured by gentlemen in the town of Barrie, who employ the firm of Hewson & Creswick, and I leave it to gentlemen there to draw their conclusions as to why Burton Brothers did not employ Hewson & Creswick to act in the matter of drawing up this deed instead of leaving it to the hon. gentleman to do, for which he was paid the large sum of $400. I say this, that the hon. gentleman's services were presumably sought because he was a member of parliament. I say that his relations with these people of Parry Sound, with these people in the town of Midland, with Jeffrey, Playfair and the Burtons, were openly discussed by members of the town council of Collingwood, and they made it so very interesting and so very warm for the hon. gentleman that he was forced to recede from the position he had taken against the interests of the town of Collingwood, and they dismissed him from their employment.

I can only say that it is a very vexed question as to what position the hon. gentleman occupies towards his constituents on the one hand and his pocket on the other. I say the time has arrived in this parliament when every man on both sides of this House should endeavour to stamp this thing out, that it should be known that every member of this House would spurn the payment to him of a fee of $400 for doing some trifling thing in one of the departments. If you are going to apply the principle that any man who has an honest matter to bring before a department or the House has to pay an extortionate or exorbitant fee then you are going to tell the whole country that if any one has a Bill before the Railway Committee, or before any other committee he will have to encounter men standing with open hands—and thank God there are not very many of them in this House—demanding the payment of fees in order that their voices and votes may go for the Bill. If any hon. member of this House to-night can feel that it is right and proper for any member to ask a fee of $400 for the services which have been performed by the hon. member for North Simcoe I can only say that he is sinking very far the dignity of a member occupying a position on the floor of this parliament. The right hon. leader of the government recalls to recollection, and other hon. gentlemen opposite know it full well, than on the occasion of the case being dealt with that I referred to the other day, the case of the St. Catharines Milling Co. the declaration was made by those hon. gentlemen who were then on this side of the House that the fees and costs paid to the firm of McCarthy, Osler, & Co. were an indirect bribe to the then sitting member for North Simcoe, the late Mr. Dalton McCarthy, and they denounced it as strongly as it could be denounced. I believe they were right in their denunciation of it and if these hon. gentlemen——

Mr. McCARTHY. Does the hon. gentleman mean to say that under the last administration the government ever paid to the firm of McCarthy, Osler, Hoskin & Creelman fees direct for work done by the late Mr. Dalton McCarthy?

Mr. BENNETT. They paid fees to the firm.

Mr. McCARTHY. The costs incurred were in respect to the constitutional fight conducted by the firm of McCarthy, Osler & Co. on behalf of the St. Catharines Milling Co., and these costs were guaranteed by the government.

Mr. BENNETT. I do make this statement that the hon. gentleman who then sat on this side of the House took the position, that, Mr. McCarthy being a member of the firm, the fees should not have been guaranteed.

Mr. McCARTHY. I am sure the hon. gentleman does not want to misrepresent the late Mr. McCarthy. The government never gave the fees or had the power to give the fees to Mr. McCarthy in any case. His clients were the St. Catharines Milling Co. who fought the case and it was only when it went to the Privy Council that the government guaranteed the fees. The matter has been threshed out over and over again.

Mr. BENNETT. I say that it was denounced by the then opposition as something unseemly and indecent for a member of parliament to do. Now, as far as Mr. George Chew is concerned he lives in the town of Midland and he will be my opponent. He has been nominated. I can only say that I do not think that if Mr. Chew had to do this over again he would have taken this $400 or $300 as it is said to be. It is a matter between Mr. Chew and the public and I do not know that any of his friends

are very proud of the fact that he entered into the arrangement that he did enter into with Burton & Brothers. I understand that he gave a part of it to the church just to ease his conscience to that extent. I say that if the government is going to reprobate the conduct of members of this House taking matters into the departments and charging grossly excessive fees, all well and good. I do not think it will raise the tone of the parliamentary institutions of this country and I do not believe that such a thing would be tolerated in Great Britain or in any other country. If it is right and honourable for a member of parliament to take a departmental matter up and charge a fee for it, it is equally right and honourable to go up into the Railway Committee and demand a fee for advocating a claim there. I have nothing to take back in regard to what I have said and I can tell the hon. member for North Simcoe that in the township of Oro which will form a part of the constituency of North Simcoe he will have an opportunity in the next election, although it is not in the riding I have the honour to represent, of hearing these matters discussed on the public platform, and I would invite him to ask the electors to decide whether such conduct in a member of parliament is to be reprobated and condemned or whether it is to be admired.

Mr. McCARTHY. I accept the challenge.

Mr. BENNETT. If the sole duty of a member of parliament is to see what he can make by trucking around the departments then I say that the dignity of parliament will sink to a low depth. The hon. gentleman has evidently been scouring everything. I am not going to throw back names; he can call me what he likes, but he should remember that:

> Immoderate words admit of no defence
> For want of decency is want of common sense.

I am prepared to discuss this case upon its merits and I am not afraid to say that I believe that the right hon. the Prime Minister regrets that the matter has been made public and hopes with hon. gentlemen on both sides of the House who are actuated by a high sense of public duty that a recurrence of such an incident will not be heard of for many years to come.

Mr. M. K. COWAN (South Essex). Mr. Speaker, I think that the House, one and all, will agree with the last expression which fell from the lips of the hon. member for East Simcoe (Mr. Bennett) and that is that an incident of this kind will not occur again in the Dominion House of Commons. I sat within sound of the voice of that hon. gentleman on March 15th, when I heard charges made which seemed to me decidedly dark against two hon. members of the House of Commons under which they must have lost the personal respect of every member of this House who felt that they must either clear their skirts or compel the hon. gentleman who laid the charges to make them good. The hon. member for North Simcoe (Mr. McCarthy) each and all felt, was the hon. gentleman who was referred to as being a party to a deal between some gentlemen named Burton & Brothers, in the town of Barrie and the Dominion government, and who had used his parliamentary position in order to pocket $600 which he otherwise would not have received. I say that there was no member upon this side of the House or upon that who did not feel that the dignity of this House was lowered if that statement were true. They also felt that a man with the parliamentary experience and with the position and standing which the hon. member for East Simcoe had in this House ought not to stand up and traduce the character of men of the standing of the hon. member for Digby (Mr. Copp) and the hon. member for North Simcoe, unless he had the documents in his hands and is prepared to prove that statement and make it true or get out of the House, because one of two things ought to occur—either that the hon. member for North Simcoe ought to be drummed out of it for having done what he is charged with—or the hon. member for East Simcoe ought to be drummend out of it for having made a statement which was untrue. We have waited until the return of the hon. member for North Simcoe for the purpose of clearing his character which was traduced by the hon. member for East Simcoe that night. In order that there should be no misunderstanding in this matter, in order that this House may know that I have read aright, I propose to turn up 'Hansard' of March 15th, page 146, not the unrevised, but the revised 'Hansard,' to show the impression which the hon. gentleman sought to convey and it is this:

> I will give the House another instance of it. A dock was to be purchased for the government in the town of Midland.

There is a clear statement made by a man who was living in the town of Midland, a man in whose constituency it is; yea, the man who acted as the paid counsel for the town of Midland when that dock was purchased. And when he made the statement that the dock was to be purchased for the government in the town of Midland, intending to convey the impression to this House that it was being paid for by the government, the hon. gentleman (Mr. Bennett) was making a statement that he knew was absolutely untrue, absolutely far from the fact.

Some hon. MEMBERS. Order.

Mr. BENNETT. Let him go on.

Mr. SPEAKER. I am afraid that the hon. gentleman (Mr. Cowan) is exceeding the rules of debate.

Mr. BENNETT. Let him follow his inclination.

Mr. COWAN. I quite appreciate, Mr. Speaker, that a man speaking on the floor of parliament, with all the safeguards provided to make this a dignified body, may possibly use language that is not parliamentary. I endeavour to keep myself inside the rules, but apparently I have failed, and I therefore withdraw the language most kindly, and I apologize to the hon. member for East Simcoe.

Mr. BENNETT. Not necessary.

Mr. COWAN. Then, Sir, the hon. member for East Simcoe (Mr. Bennett) goes on :

My opponent in the last campaign, Mr. Chew, made an open bargain with the man who owned the dock that if he effected a sale he should receive a commission of $400.

Well, as I understand the case, the town of Midland made a proposition to the government of Canada, that if the government would build a wharf in the town of Midland the town would supply the site. That was the proposition that emanated from the town of Midland, and that is the proposition that came through the hon. gentleman (Mr. Bennett), I have no doubt, as solicitor for the town of Midland, or with his full knowledge and consent. Then comes the purchase of that site from the Burton Brothers ; the gentlemen to whom he referred to with pride to-night as being his supporters in the earlier days and apparently his clients, but who are not his supporters or his clients now. I can tell the hon. gentleman (Mr. Bennett) that if a physician divulges the weakness and the illness of his patient he is guilty of gross unprofessional conduct, so a solicitor, if he dare divulge the secrets of his clients, is subject to be repudiated by the profession and castigated by the courts. I am not surprised that the clients that the hon. gentleman (Mr. Bennett) once had, and the supporters he once had, are neither his clients nor his supporters now.

Mr. BENNETT. The hon. gentleman (Mr. Cowan) and myself may perhaps have records in the courts of Ontario, and I have no such record in the courts as he has.

Mr. A. T. THOMPSON. That's right ; that is absolutely true.

Mr. BENNETT. The hon. gentleman knows what I refer to.

Mr. COWAN. I would be extremely sorry if I had the same record as has the hon. gentleman (Mr. Bennett). The courts of this country have no record of me, but they have of the hon. gentleman in connection with transactions and in reference to the hon. gentleman's dealings. I am not here to discuss the private life of the hon. gentleman, or my own. I would not want to compare mine for a single instant with his. At the same time I want to tell him, that if he got the information from George Chew, that he was to receive a commission of $400, it was a perfectly legitimate transaction because George Chew was buying between the town of Midland and the Burton Brothers. It has nothing to do with the government at all. More than that the town of Midland was to supply the site for the wharf. Then I say, that if that was a wrong or an illegal transaction, the firm of the hon. gentleman (Mr. Bennett) were willing to take it up and collect the money. If it were a fair and an honest transaction it was unworthy of the hon. gentleman of East Simcoe (Mr. Bennett) to try to make political capital against a man whose voice cannot be heard in this House in his own defence. The hon. member for North Simcoe (Mr. McCarthy) makes the statement that George Chew got less than $300 for negotiating a transaction between Burton Brothers and the town of Midland in respect of which the member for East Simcoe (Mr. Bennett) was acting for one party, and the member for North Simcoe (Mr. McCarthy) acting for the other party. If it were wrong for the hon. member for North Simcoe (Mr. McCarthy) to act, then it was doubly wrong for the member for East Simcoe (Mr. Bennett) to act because the property was situated in East Simcoe and not in the constituency of North Simcoe. The hon. member for East Simcoe (Mr. Bennett) stated that Mr. Chew got $400 and that he issued a writ. It turns out that he (Mr. Bennett) does not know whether a writ was issued or not, although he said in his speech that it was issued. The hon. member for North Simcoe (Mr. McCarthy) says Mr. Chew did not issue a writ, and the hon. gentleman (Mr. McCarthy) goes further and says, that it was not $400, but that after paying Mr. Bennett's fees, Mr. Chew directed Mr. Bennett's firm to give the balance to charity, and that a cheque for him went out from Bennett & Finlayson for $245. If that be true then the cheque of the hon. member for East Simcoe, or of the firm to which he belongs, went to the Methodist parson to be used for charitable or church purposes as authorized by Mr. Chew. The hon. member for East Simcoe (Mr. Bennett) must have known that on the 15th of March when he made that speech charging George Chew with pocketing $400. In point of fact George Chew did not pocket $400, but after paying Bennett and Finlayson's fees, Mr. Chew gave the balance to the Methodist church. The hon. member for East Simcoe did not give that information to the House, but he gave the impression to the House, that George Chew had sold a dock to the government, in which statement the hon. member for East Simcoe (Mr. Bennett) was not strictly wedded to the fact. The hon. member for East Simcoe gave the impression that George Chew had made $400 from dealing with the government, and again I regret to say the hon. member (Mr. Bennett) was not wedded to the facts. George Chew had asked his firm—I do not know

why he asked the firm of Bennett and Finlayson to give their cheque to the Methodist church; whether he thought this matter would ever come up in parliament; and he wanted the signature of the member for East Simcoe on the cheque in order to show where the money went to;—but what I want to say is, that it was not an honest statement such as we would expect from the hon. member for East Simcoe, or from any other member of this House.

I do not care what the hon. member for North Simcoe charged Burton Brothers for selling to the town of Midland any more than if they had sold to the city of Montreal or the city of Ottawa. In a matter between the hon. member for North Simcoe and his clients, his own clients are the best judges of whether or not the charge has been excessive; and they apparently paid the bill without remark, something that had nothing to do with the government at all. But, Mr. Speaker, if it had anything to do with this government it was perfectly proper. If the hon. member for North Simcoe acted improperly, the hon. member for East Simcoe was the first sinner in that respect, because after he was a member of this House and before the hon. member for North Simcoe was a member, he was dabbling in water lots in the town of Midland and along the shores of the county of Simcoe. I am not here as solicitor or counsel to say that is wrong for one single instant. The Independence of Parliament Act does not say it is wrong; the hon. member for East Simcoe had a perfect right to do it. But the hon. member is getting to a depth to which few men will descend when he tries to smirch a member of this House by first making statements which the Speaker has decided I must not say are untrue, but which are not strictly in accordance with the facts, and then places a wrong interpretation upon the facts for the purpose of striking at a man who is a political opponent, but who is not a member of this House and therefore cannot be heard.

Motion of Mr. McCarthy withdrawn.

ADJOURNMENT—BUSINESS OF THE HOUSE.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. R. L. BORDEN. Does my right hon. friend propose to bring up any government business to-morrow? If so, what will it be?

Sir WILFRID LAURIER. I need hardly remind my hon. friend that to-morrow is a private members' day. There are several Bills on the paper, and if we get through with them in a reasonable time, we shall take up government business and go into Supply.

Motion agreed to, and House adjourned at 9.50 p.m.

Mr. COWAN.

HOUSE OF COMMONS.

THURSDAY, March 24, 1904.

The SPEAKER took the Chair at Three o'clock.

PUBLIC ACCOUNTS COMMITTEE.

Mr. F. B. WADE (Annapolis) moved:

That the Public Accounts of Canada for the fiscal year which ended on the 30th June, 1903, together with the report of the Auditor General, be referred to the next Standing Committee on Public Accounts.

Motion agreed to.

FIRST READINGS.

Bill (No. 8) to further amend the Act respecting the Nova Scotia Permanent Benefit Building Society and Savings Fund.—Mr. R. L. Borden.

Bill (No. 9) to revive and amend the Act respecting the St. Clair and Erie Ship Canal Company.—Mr. Tisdale.

Bill (No. 10) to incorporate the Campbellford, Lake Ontario and Western Railway Company.—Mr. W. Ross, (Ont.)

Bill (No. 11) respecting the British Columbia Southern Railway Company.—Mr. Galliher.

Bill (No. 12) respecting the Montreal, Ottawa and Georgian Bay Canal Company.—Mr. Mackie.

Bill (No. 13) respecting the Canadian Pacific Railway Company.—Mr. A. T. Thompson.

Bill (No. 14) respecting the Atlantic and Northwest Railway Company.—Mr. A. T. Thompson.

Bill (No. 15) respecting the Ottawa, Northern and Western Railway Company.—Mr. Champagne.

Bill (No. 16) respecting the French River Boom Company, Limited.—Mr. Grant.

Bill (No. 17) to confer on the Commissioner of Patents certain powers for the relief of the Hon. C. A. Parsons.—Mr. Clarke.

Bill (No. 18) respecting the Manitoba and Northwestern Railway Company of Canada.—Mr. McCreary—by Mr. Douglas.

QUESTIONS.

EXPERIMENTAL POULTRY STATIONS.

Mr. LaRIVIERE asked:—

1. Has the following copy of a motion taken from the minutes of a meeting of the Manitoba Poultry Association, held in Brandon on January 28th, 1904, been received by the hon. the Minister of Agriculture:—

'That, realizing the good results derived from the experimental farms to the agriculturists, but as these farms do not make a specialty of poultry breeding, we feel that one or more stations for this purpose, together with the fattening and dressing of poultry for market,

should be established in the province of Manitoba ; which would prove to be of great benefit to those who are unacquainted with this branch of farm work ' ?

2. Is it the intention of the government, in compliance with the recommendation contained in the above motion, to establish one or more stations in Manitoba for the purposes therein mentioned ?

Hon. SYDNEY FISHER (Minister of Agriculture) :

1. Yes.

2. It is the intention of the government to endeavour to meet the wishes of the members of the Manitoba Poultry Association, as expressed in the resolution.

THE QUEBEC BRIDGE COMPANY.

Mr. CLARKE asked :

1. To what extent have the conditions or obligations set forth in the agreement entered into on the 19th day of October, 1903, between His Majesty the King and the Quebec Bridge Company, been carried out ?

2. Has the said Bridge Company fulfilled any or all of the conditions set forth in the said agreement ; and if so, in what regard or to what extent ?

3. Have any of the bonds, debentures, or other securities, authorized by the said agreement, been issued by the said company ; and if so, to what extent, and on what date were they issued ?

4. Have the government guaranteed the payment of interest and principal on said bonds or other securities ?

5. What amount of the said bonds of the company have been issued ?

6. Have any of the said bonds of the company been sold ; if so, to whom, at what price, and on what date ?

7. Have any of the bonds of the company been delivered to the said company, or to any other person or party ; if so, to whom, what amount, and when were such deliveries made ?

Hon. W. S. FIELDING (Minister of Finance) :

1. An agreement has been entered into between the Quebec Bridge and Railway Company, the Royal Trust Company, and the government providing for an issue not to exceed $6,678,200, of first mortgage bonds of the Bridge Company under the Act of last session and the agreement therein ratified, and on the security therein provided for, the principal and interest of such bonds being guaranteed by the government of Canada.

2. The conditions required by the Act of last session and the agreement thereby ratified before the issue of such bonds and the guarantee thereof by the government of Canada have been fulfilled by the said Bridge Company.

3. None of the bonds have as yet been issued, but a temporary advance has been made to the company by the Bank of Montreal, in anticipation of such issue.

4. The government have guaranteed the payment of the interest and principal of the bonds so to be issued upon the terms and conditions and subject to the stipulations mentioned in the Mortgage Trust Deed.

5, 6 and 7. See answers to foregoing questions.

IMPROVEMENT OF ST. ANDREWS RAPIDS.

Mr. PUTTEE asked :

1. What amount has been paid to the contractors under the contract for the improvement of St. Andrews rapids ?

2. Has any extension of time not yet expired been granted to the contractors ?

3. Are arrangements being made to proceed with the work when the season opens ?

4. Will the Public Works Department complete the work, or will a further contract be let ?

Hon. JAMES SUTHERLAND (Minister of Public Works) :

1. $75,800.

2. No.

3 and 4. The matter is under consideration.

CHINESE LABOUR IN BRITISH COLUMBIA.

Mr. PUTTEE asked :

Has the government received any information that the Chinese government demands free entry of Chinese at Vancouver, in return for its sanction of the peonage system of Chinese labour in South Africa ?

Rt. Hon. Sir RICHARD CARTWRIGHT (Minister of Trade and Commerce). The government has not received any information on the point.

SALE OF MODELS BY GOVERNMENT.

Mr. PORTER asked :

1. Have the models deposited by inventors in the Patent Office Department been sold ?

2. If so, under what right were they so sold ?

3. How many models were sold ?

4. Were they sold by public tender or private contract ?

5. To whom were they sold ?

6. Were these models catalogued or listed, or were they sold en bloc ?

7. What was the gross and what the net amount realized from such sale ?

8. How many of these models were full size, or commercial machines or articles ?

9. Was any restriction placed upon the purchaser or purchasers to prevent these full-sized or commercial machines or articles coming into competition with the product of the inventor, or interfering with his rights as such inventor ?

10. What is the wholesale or retail value of the total number of models of full size or commercial machines or articles so sold ?

11. Was the consent of the inventor, or any assignee of the inventor, of these various models procured for the sale thereof ?

12. Was any opportunity offered to each inventor to procure by purchase or otherwise his own model, without acquiring by purchase all other models ?

13. Has any compensation been made, or is it the intention to make any compensation to the inventor for his labour and expense in producing these models ?

Hon. SYDNEY FISHER (Minister of Agriculture) :

1. Yes.

2. 3 Edward VII., cap. 46, sec. 15.

3. It was estimated that there were between 25,000 and 30,000. The sale was made without any warranty as to number.

4. By public tender.

5. T. G. Brigham, of Ottawa.

6. They were sold en bloc.

7. The gross amount was eight hundred dollars. The net amount was four hundred and ninety-nine dollars and sixty-five cents, the difference being the expense of advertising.

8. The records of the department do not show what models were full size or commercial machines or articles. The only requirement of the law and the regulations has been that the models should be working ones of convenient size, not to exceed twelve inches on the longest side ; and the only entry in the records respecting them it is of their deposit or filing.

9. The sale was made under the law above cited, and in accordance with the terms of the notice calling for tenders, which was as follows :

DEPARTMENT OF AGRICULTURE.

SALE OF PATENT MODELS.

Tenders are invited for the purchase en bloc of the models heretofore deposited in the Patent Office by applicants for patents of invention.

The models are some twenty-five to thirty thousand in number, and are made of every variety of material.

The sale will be made for cash, and without any warranty as to the number of the models or their condition.

The purchaser must remove all the models from the premises in which they are stored within two weeks from the date of notice by post of the acceptance of his tender.

The lowest or any tender will not necessarily be accepted.

Sealed tenders addressed to the undersigned and endorsed 'Tenders for Purchase of Patent Models' will be received at this office until Tuesday, the 1st day of March, 1904, at 1 o'clock p.m.

By order.

A. L. JARVIS,
Secretary.

Department of Agriculture, Ottawa, 21st January, 1904.

(N.B.—Newspapers inserting this advertisement without authority from the department will not be paid for it.)

10. The department has no knowledge of the value of all or any of the models, except that placed upon the lot en bloc by the tenderers for the same, whose tenders varied from one hundred and forty-nine dollars to eight hundred dollars.

11. No, as they were the property of the Crown.

12. No. Owing to lack of space, for some years the models have not been displayed, but have been stored in different public buildings, the greater part of them being packed in large cases. In order to give each patentee an opportunity of selecting his model, it would have been necessary to procure a large building where the models could have been exposed to view. A large staff would have been required to rearrange and classify and select the models as they were required. As it was not recognized that the inventors had any right of property in the models, and rarely showed any interest in them, it was not considered that the expense that such a course would have necessitated was warranted

13. No. The production and furnishing of the model was a condition imposed by law of obtaining the patent.

GRAND TRUNK PACIFIC RAILWAY DEPOSIT.

Mr. BARKER asked :

1. Was the deposit mentioned in clause 12 of the schedule to the National Transcontinental Railway Act made in accordance with such clause, or in any other, and what manner ?

2. Was any other deposit made for the purposes mentioned in said clause, or in connection with the agreement forming such schedule ? When was such deposit made ; where, and with whom, and on whose behalf ?

3. Of what securities did such deposit consist ? What was the amount of it ? Were the securities examined, approved and accepted on behalf of the government, and by whom ?

4. Are the securities still in such deposit ? If not, when and by what authority were they released, and at whose request ?

5. Was there any agreement between the government and any company or person as to the conditions on which such deposit was actually made ? What were the conditions ? Were the agreements or conditions in writing ; or partly verbal and partly written ? With whom were they made ?

Hon. W. S. FIELDING (Minister of Finance) :

1. A deposit has been made under the provisions of the original agreement respecting the National Transcontinental Railway as modified by the subsequent agreement now before parliament. Such deposit is in the form of a deposit receipt issued by the Bank of Montreal, March 9th, 1904, certifying that there has been deposited in the bank by or on behalf of the Grand Trunk Pacific Railway Company, the sum of five million dollars for the purpose of the said agreements ; which sum the bank agrees to account for, without interest, to the Minister of Finance, and Receiver General, six calendar months' notice to be given of withdrawal.

2. A previous deposit was made for the same purpose on the 17th December, 1903, in London by the Grand Trunk Railway Company of Canada in favour of the government of Canada.

3. Such deposit consisted of a certificate for one million pounds 4 per cent guaranteed stock of the Grand Trunk Railway Company, with an endorsement that the

said one million pounds stock had been allotted subject to the condition that unless such allotment was sanctioned and approved by a general meeting of the company the allotment was to be null and void. The certificate was not approved and accepted by anybody on behalf of the government.

4. The said certificate for one million pounds Grand Trunk guaranteed stock is still in such deposit. It has not been released, but will be, now that a cash deposit has been substituted for it.

5. There was no agreement between the government and any company or person as to such deposit, except the agreements that are before parliament.

The deposit under the agreement, was to bear interest at the rate of three per centum, as the companies arrangement with the bank is for a deposit without interest. No interest were to be paid by the government.

PAYMENT OF TROOPS RE LONGSHOREMEN'S STRIKE AT MONTREAL.

Mr. CLARKE asked :

1. Have all the demands made upon the municipal authorities of Montreal, in connection with the calling out and maintenance of the militia in that city on the occasion of the recent disturbance been satisfied ?

2. What was the amount demanded by the proper military authority from the municipality ?

3. What amount has been paid by the municipality of Montreal, in connection with these military services ?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence):

1. Nothing has been paid to the military authorities.

2. $18,850.42 was the amount demanded.

3. No amount has yet been paid by the municipality. The city has been sued and judgment recovered for the above sum. An appeal has been entered which appeal it is expected will be heard shortly.

INSPECTORS OF HAY.

Mr. LEONARD asked :

1. Is there an inspector, or inspectors, of hay appointed to inspect the hay exported to the United States ?

2. If so, who are those inspectors ?

3. If not, is it the intention of the government to establish such inspection ?

4. Has the government ever been, in any way whatever, asked to establish such inspection ?

5. If so, when, and by whom ?

Rt. Hon. Sir RICHARD CARTWRIGHT (Minister of Trade and Commerce). There are no inspectors specially appointed to inspect hay exported to the United States, but Mr. Bickerdike, of Montreal, and Mr. Adamson, of Toronto, can inspect hay. As to the other three subsections of this question they are answered by numbers 1 and 2.

WEIRS AND FISH-WAYS.—RIVER JESUS

Mr. LEONARD asked :

1. How many weirs or dams are there in the River Jesus, or the Mille Iles river ?

2. Are these weirs supplied with fish-ways, according to law ?

3. Does the government purpose having the law respected in this regard ?

4. When were these weirs or dams inspected the last time ?

5. What report was made, and by whom was it made ?

6. Why does not the government oblige the owners of these weirs to erect therein fish-ways as the law requires ?

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries) :

1. Two dams have been reported to the department as existing in the River Jesus.

2. One dam has the means provided for the ascent of fish, in the form of a natural pass or opening. The other has practically no effective fish-pass.

3. The Fisheries Act leaves it optional to require the construction of a fish-pass. If a fish-pass is necessary in the public interest, the owner or occupier may be compelled to erect one ; but for the reasons stated in answer to question No. 6, extreme measures have not been adopted.

4. On the 24th June, 1902.

5. Inspector Belliveau made the inspection, and his report is attached.

6. There are four reasons why urgent action has not been taken. A reliable fish-way could not be prescribed for these two dams, pending an experiment with some new models. Litigation pending as to the ownership of the upper dam. The impassable obstruction at the Carillon dam, in Lake of Two Mountains, and the small importance of the local fishery.

Inspector Belliveau's report is as follows :

The local overseer at Lachenaie complained to me re certain dams at Terrebonne, and as it recalled departmental correspondence of years ago, I took the first opportunity while in the vicinity of visiting the locality last week.

There are two dams barring River Jesus on either side of an island called Masson island. The first one on the north channel is about 300 feet long and is owned by the Masson estate of Terrebonne. While it is not provided with a regular fish-way, there is on the island side of the channel a sort of natural pass, which in high water, during the spring time, might permit the ascent of fish. When I saw it at the end of June the water was getting low, and I doubt if any of the fresh water species frequenting that stream would have surmounted the obstruction ; but I noticed that it could be easily improved by the removal of a few large stones to deepen the pools, thus enabling the fish to rest while ascending the obstruction.

The other dam about an acre further up, is on the south channel of same stream, abutting on the said Masson island. It is even higher than the first one and is owned by the Messrs. Meuniers. I was informed that there is certain litigation going on re its ownership.

This dam is not provided with a fish-way. There is merely a cut of about six feet wide

on the island side of the dam, which would make a very strong current at high water and little fall at low water, both useless to the ascent of spawning fish.

While no doubt it would be beter to have these dams provided with good fish-passes, I hesitate to urge their construction before the department decides to build one in the Carillon dam; otherwise the Lake of the Two Mountains alone would benefit by fish-ways in the Terrebone dams. The department should also endeavour to test fish-ways of different models and adopt the one best suited to our inland streams, so exposed to heavy ice and strong freshets.

With the above obstacles removed, efficient fish-ways in the Terrebonne dams would permit the St. Lawrence fishes to ascend the Ottawa as far as the Chaudière. The fish now found in River Jesus consist chiefly of coarse fish, suckers, sturgeon, carp, catfish, eels, bullheads, and perhaps a few pickerel.

UNDESIRABLE IMMIGRANTS.

Mr. URIAH WILSON (Lennox). Mr. Speaker, before the Orders of the Day are called, I wish to call the attention of the government to a paragraph which appeared in the morning 'Citizen' of yesterday, which says:

> Fifty Russian Jews have been deported from Fargo, North Dakota, to Winnipeg by United States immigration authorities.

I would like to know what the government intend to do about this matter. Will they allow these people to stay in this country, having been turned back from the United States, or will they send them back to the country from which they came? I think it is very desirable that this matter should be looked into and that we should not be burdened with this class of people. If they are not fit to be citizens of the United States, I think they are not fit to be citizens of Canada.

Sir WILFRED LAURIER. I am sorry that I have not the information to give my hon. friend (Mr. Wilson) to-day. But I will endeavour to have it to-morrow.

RAILWAY ACT, 1903, AMENDMENT.

On the order being called for:

> House in Committee on Bill (No. 2) to amend the Railway Act, 1903.—Mr. Lancaster.

Mr. SPEAKER. There has been a mistake in connection with this item. I understood the hon. gentleman (Mr. Lancaster) moved the second reading the other evening. But I did not understand that the second reading had been carried, and certainly not the motion to go into Committee of the Whole. I understand that the hon. gentleman desired to speak on the second reading. To correct the error that was made, I would ask him if he would move again the second reading of the Bill.

Mr. E. A. LANCASTER (Lincoln and Niagara). Mr. Speaker, at your instance I am willing to move again the second reading of the Bill, but you will remember that when the matter was up before, I asked the question whether the motion for the second reading had been carried, and when I was informed that it had been carried I saw that it was not necessary to speak. However, I am quite willing to explain the principle of the Bill if the House desires it.

Some hon. MEMBERS. Louder.

Mr. LANCASTER. I do not intend to shout in order to make myself heard. My voice is not considered to be very weak and if hon. gentlemen wish to hear me, let them prevail upon those who are near them to refrain from carrying on conversation, and then, probably, we shall all get along better. This Bill is required, as I explained on the first reading, because of a decision of the Supreme Court, delivered by that body since the close of the last session of this parliament. When we were in committee on the Railway Bill last session, the question of providing protection for life at those points where the highways and railways cross at rail-level came up. At that time the law was as it had been decided by the Court of Appeal in Ontario, and it was decided in accordance with what I believe every hon. member will say was the intention of parliament when the law was passed years ago. The section in question has been changed in wording twice since the consolidation of the Act in 1888. But I may say at the outset, that the principle of the section was not affected by the changes in the wording made by either of the amendments. The first amendment is in section 8 of the statutes of 1892. But first I had better read the section as originally passed in 1888:

> No locomotive or railway engine shall pass in or through any thickly peopled portion of any city, town or village, at a speed greater than six miles an hour, unless the track is properly fenced.

In 1892, that section was amended by section 8 of the Act of 1892, so that it read:

> No locomotive or railway engine shall pass in or through any thickly peopled portion of any city, town or village at a speed greater than six miles an hour, unless the track is fenced in the manner prescribed by this Act.

The only change made there is the substitution of the words 'fenced in the manner prescribed by this Act' for the words 'properly fenced' in the original section. Then, last year, in consolidating the Railway Act, using the section that I have used as a basis, we passed the following as section 227:

> No train shall pass in or through any thickly peopled portion of any city, town or village at a speed greater than ten miles an hour——

I pause here to remark that, at the instance of the Minister of Railways of that time the maximum speed was increased from six to ten miles an hour.

—unless the track is fenced or properly protected in the manner prescribed by this Act, or unless permision is given by some regulation or order of the board. The board may limit such speed in any case to any rate which it deems expedient.

I think that every hon. member of the House is aware that, entirely outside that section the fullest powers are given to the board to regulate the speed of trains and prescribe the protection at highway crossings. Therefore, when the legislature on these three different occasions passed this section, particularly dealing with crossings at rail-level in thickly peopled portions of cities, towns and villages, they intended to provide special protection for life at these crossings all over the country. But, under the decision that has been rendered, if this amendment that I propose or something like it is not passed, this section will be nugatory so far as the purposes for which it is intended are concerned. It is unnecessary, because it is overriden by the decision of the Supreme Court and because the other sections of the law give the necessary power. To leave it as it is will be merely confusing; it will create uncertainty, and will not accomplish what parliament intended to accomplish. This, as will be seen, is not a question of the fencing of the track, or of turning in the fence as provided for at cattle-guards, but it is a question of the protection of the public at highway crossing. There is a grievence here that is not provided for by the law and the Supreme Court say that it is for the legislature to cure it. This has to do with the crossing of highways in cities, towns and villages where buildings obscure the view and prevent a person on the sidewalk or on the road from seeing the train approaching, while the noises characteristic of a centre of population prevent him from hearing it. In order that the hon. members may understand the position in which the law stands, and appreciate the danger to the community, I would read the judgment of Sir Louis Davies, who gave judgment for the court in this case. This decision has not yet been printed in the Law Reports, so I am not able to refer hon. members to the volume, but I have obtained a copy of it from the registrar of the court, and any hon. gentleman is quite welcome to examine it. I propose to read some parts of the judgment given on that occasion. Sir Louis Davies said:

> The negligence which did cause or lead to the accident was found by the jury to be the speed at which the train was running over the street crossing and the absence at such crossing of a flagman or gates. The contention of the plaintiff is that the speed at which the train was running was a violation of the statutory provision of the Railway Act because it was of a greater speed than six miles an hour through a thickly peopled portion of the town of Forest; the railway track at the crossing of the street not being fenced as he contended in the manner required by the Act. The plaintiff further says that even if the Act has been complied with as regards fencing, the rate of speed in the absence of gates or watchman at the crossing was a matter at common law open to the jury to pass upon, and if they found it, under the circumstances, a dangerous rate and a cause of the accident the defendant company would be liable.
>
> The Court of Appeal reached the conclusion that the proper construction of statutory provisions with regard to the fencing required at the crossings and the rate of speed at which a train could run through a thickly peopled portion of any city, town or village, requires either a fencing across the highway at the crossing, so retaining the travelling public in a place of safety while the train is passing, or the stationing of a watchman or the maintenance of a reasonable fence sufficient for the purpose, or the reduction of the speed of the train to the permitted maximum of six miles an hour. As the company had not adopted any of these precautions which the court decided were obligatory by statute, they held it liable under the findings of the jury and dismissed the appeal.

Before I read any further I wish to point out that in my opinion parliament intended exactly what the Court of Appeal decided. Although we are bound by the decision of the higher court, it is exactly, in my opinion, what parliament intended and what the Court of Appeal has decided they intended, although they may not have framed the legislation as the court thinks they ought to have done; that is, that the railways must either have a watchman, or fences, or gates, at the crossings, or else bring down their speed to the prescribed limit at these places. Sir Louis Davies goes on:

> A careful reading and consideration of the whole Railway Act and its general scheme and purpose has led me to the conclusion that the construction placed upon these sections by the Court of Appeal in this case was not the proper one and that the sections relied upon by that court in its judgment do not either require or authorize railway companies, without the previous order of the Railway Committee of the Privy Council, to fence highways or place gates across them where they are crossed at the level by the railway, or compel them to place flagmen at these crossings to warn the public when trains are crossing.
>
> In my judgment parliament has by the 187th section of the Railway Act vested in the Railway Committee of the Privy Council the exclusive power and duty of determining the character and extent of the protection which should be given to the public at places where the railway track crosses a highway at rail level.

Now if that is so we must change it, and we must assume that it is so when we have the judgment to that effect of the highest court in the Dominion of Canada. It is therefore up to us as representatives of the people to enact such legislation that that decision will no longer be the law. That decision means that if you do not get a special order from the Railway Commission—which you can get in any case, that is to say, you can apply for it—if you do not get that order, there is to be no

difference between the rate of speed at which these trains are run in cities, towns and villages and the rate at which they are run in the open country where everybody can see them for miles. If this parliament is of the opinion that the law should be as the Supreme Court has by this judgment decided it is now, then I wish to point out that they are repealing and undoing a provision in that respect that has existed since 1888, and I am satisfied that never was the intention of this parliament; it was not their intention in 1892 when they amended it and substituted the word 'fenced as required by this Act,' for the words 'properly fenced'; it was not their intention last year or they would have drawn up that section in a different manner. True it is that under that section as interpreted by Sir Louis Davies the Railway Commission can always be invoked in respect to any particular crossing to order some protection, but what does that amount to? It means that every village, town and city where there is a crossing which they regard as dangerous would have to go to the commission with a special application for a special order and that means considerable expense on their part. One thing that parliament intended was that there should be one general law for thickly peopled portions of cities, towns and villages, that the railways should be compelled either to keep their speed down to ten miles an hour until they get outside the corporate limits of a municipality, or to put a watchman at these crossings that are on the rail level. Of course we know that a limitation to ten miles an hour practically means more than that; limiting them to ten miles an hour is practically allowing them to run fifteen miles an hour, because you have only the evidence of the trainmen to rely on, and they would not likely admit they were going faster than ten miles an hour, unless they were going about fifteen. If this judgment stands, and the only tribunal that can reverse this judgment, namely this parliament, does not enact the admendment which I propose then the law will stand amounting to this, that the railways are not bound to bring down their speed to ten miles an hour nor to give any more protection at thickly peopled portions of cities, towns and villages where they cross at a rail-level, than they give in the open country. Now, I am satisfied that never was the intention of parliament. The intention was to make a class of cases which would cover the general needs of the public interests. I have mentioned the objection on the score of expense, where you have to come down in each instance to the Railway Commission and ask for special protection. Now I hold that the 214 members of this House are better judges of the needs of the public in this respect than any Railway Commission. It is not a matter which should naturally come before a railway commission it is a matter that applies to every city, town and village from Halifax to Vancouver, and I maintain that the 214 members of this House are better qualified to decide upon a general rule of that character and to apply a general rule of that character, than any three commissioners, I care not how able, or how industrious, or how little time they may have to bestow upon each case on account of the multiplicity of other cases coming before them. These matters do not require the special and peculiar abilities of gentlemen such as compose the Railway Commission they are matters which can be better dealt with by the common sense of the 214 members of this House. No doubt it was to save the municipalities from expense that this section was retained in the law in 1888, and enacted again in 1892, and then re-enacted with the additional language which I have read, giving the commissioners power to limit the speed and to order any other protection necessary. A general rule should be adopted applicable to all cities, towns, villages and thickly populated portions of the country where the vision of the track is obscured and where the noise of the approaching train is deadened. The question must be asked: Why should not the railways be required to provide gates as well as watchmen. I am not contending for that. I am trying to be fair to the railways but I am also trying to save the lives of young and old, a great many more of whom are being killed than is necessary, particularly in the province of Ontario of which I speak with a good deal of knowledge. Too many people are being killed at these level crossings because of the violation of this enactment by railway companies. These accidents occur by reason of the railway train rushing on at such a rate of speed that the traveller has not time to avoid it. Some of these cases occur while people are walking on the sidewalk, sober people, young people going home from school or church. Three people were hurled into eternity a year ago at the village of Grimsby while they were going home from church on Sunday evening—proper living people—two young ladies and a young gentleman escorting them. None of these people could see the train coming. It was rushing along at the rate of 45 miles an hour, as the train hands said, at the rate of 50 miles an hour, as others said, and, of course, they could not see it approaching. A freight train had passed just before the express at the rate of 30 miles an hour and these young people had waited until it had passed. The express train rushed along at the rate of 45 or 50 miles an hour and there was no chance for these young people to see or hear it because the buildings in the vicinity obscured the vision, and the freight train made so much noise that they could not hear the express coming. There was no watchman to warn

them that the express was coming. Another case occurred with a farmer who was driving out in the daylight, who was perfectly sober and there was no suggestion that there was anything wrong with his hearing or his eye sight. He could not see the train which was rushing along at the rate of 25 miles an hour. The accident which resulted in the case of McKay vs. the Grand Trunk Railway Company, decided in the Supreme Court, occurred in the county of Essex or Lambton. A man, his wife and two children were going home at six o'clock in the evening when the train came along at the rate of twenty-five miles an hour, rushing around a curve with nobody to warn these people of their danger and the result was that they were killed. These lives would all have been saved if proper precautions had been taken to protect these travellers, and these illustrations go to show that the travelling public are entitled to protection. In the year 1888 trains did not run half as fast as they do now. We recognize that the exigencies of travel require trains to run at a faster rate of speed than they formerly did, that the travelling public are calling for trains that will get them to their homes an hour or two, or eight or ten hours earlier than formerly was possible with the result that trains must run at a higher rate of speed than they used to do. I would also like to point out that the railway companies would not carry the travelling public at a faster rate of speed if it did not pay them to do so. They are making money by running these fast trains and they would not do it if it did not pay them. They have the benefit of running their trains at a faster rate of speed, because, in our legislation, we recognize that trains must run faster than they did eight or ten years ago. The rate of speed at which they can run their trains without being restricted, or without being compelled to provide protection, has been fixed at ten miles an hour instead of six miles an hour as formerly. It used to be that they could not exceed six miles an hour without providing protection, but that rate of speed was increased by the legislation of last session to ten miles an hour. They will be permitted by the law, as I seek to amend it, to still retain a rate of ten miles an hour without any protection whatever, but if they exceed ten miles an hour they surely ought to be required to do something to protect the lives of the people crossing the railway track. If this amendment is not adopted under the judgment of the Supreme Court, the railway companies as the law now is, are not required to take any further steps to protect the public. I wish to point out that although I was taking a more or less active part in the consolidation of the railway law last session the alternative of the provision of this section escaped my notice. I thought the word 'and' was there instead of the word 'or'. If the hon. gentlemen will read the Bill they will see that I propose to strike out the word 'or' and put in the word 'and.' Perhaps the word 'and' was omitted because we were passing the sections towards the end of the Bill a little faster than they probably ought to have been passed. We did not make as rapid progress in consideration of the earlier portions of the Bill as we hoped to make and perhaps at the end of the Bill we were not as careful as we ought to have been. But, speaking for myself, I thought the word 'and' was in there and not the word 'or'; otherwise I would have moved an amendment at that time, notwithstanding the decision of the Court of Appeal which has been reversed by the Supreme Court and for a reason outside of that which influenced the Court of Appeal. The Act, as it was adopted last session, provides that:

> No train shall pass in or through any thickly peopled portion of any city, town or village, at a speed greater than ten miles an hour, unless the track is fenced or properly protected in the manner prescribed by this Act, or unless permission is given by some regulation or order of the board. The board may limit such speed in any case to any rate which it deems expedient.

You will see that if the railway company fence their track and provide cattle-guards they do not have to do anything else. 'Or' they have to protect the track. They do not have to do both. They can exceed a rate of 10 miles an hour if they do either one or the other and it seems to me that it goes without much argument that they should do both. They should fence the track as required by the Act, they should keep stray animals off the track, they should fence against the adjoining proprietors and they should also protect. By this section as it stands to-day no protection is provided for people crossing the railway tracks at rail-level by the fences and cattle-guards which the section requires to be provided. We should require them to protect the lives of the people by guarding against collisions with the trains on the highway, because, to say that if they have fences they need not do more, is idle. Every hon. member of this House who considers the question for a moment will agree that the word 'and' should be there in place of the word 'or.' In the consolidation of the railway Act last session no manner of proceeding was prescribed by the Act except to say that you must go to the Railway Commission of the Privy Council to get a special order in each case. As I have said, the Railway Commission of the Privy Council do not know how to deal with these matters as well as members of this House on general principles applying to every city, town and village. They would probably, in some cases, on a special application do a great deal more than we might ask them to do in this legislation; they would doubtless in some very busy or thickly settled section of this country order both a flagman and gates. We are not asking

for that. We are asking for a reasonable measure of protection in regard to everybody at these crossings within the incorporated limits of any city, town or village, and I have yet to hear any one tell me that this request is unreasonable. We have to ask in regard to this legislation, as we have in regard to all other legislation: What is the evil to be remedied ?

The evil is that the people who have a right to use the highway, and who are the prior users of that highway as against the railway corporation, cannot enjoy the use of that highway without being subject to the danger of being killed through the operation of that railway. The Supreme Court of Canada has decided that the common law is superseded by the restrictions in the special statute, and when we override the common law by special legislation passed in this parliament, we should be careful to preserve that same measure of protection that the common law afforded to the public. In the case of McKay and the Grand Trunk, the jury found that the rate of speed was excessive at a particular crossing, but the Supreme Court decided that they had no right to so find, because the common law could not operate in the face of the special statute dealing with the matter. Now, what fairer remedy can be provided against that evil than the one which I suggest ? If any member of this House, on either side, will suggest to me a more reasonable remedy from the railway standpoint, I shall be glad to adopt it, if it is a remedy. I do not want to put the railway company to any more expense than is necessary, but I do want protection to be given to the public ; protection which they cannot get without such a law as I now submit for adoption to this parliament. The people who use railway crossings are not trespassers ; they have a perfect right to use them, and they must use them in the transaction of their ordinary business. I do not wish to get sentimental, but I do say that when a man goes out to work in the morning, his family expect to see him come home alive at night, and as a member of the community that man has a right to be protected from being killed by a railway train. The fathers and mothers of children who go to school in the morning, expect them to come home alive at night, and not to be brought back as little corpses. Too many people are being killed in Canada at these railway crossings, and the railways will not do anything to stop it unless the law of the land compels them. Our courts have decided that we will have to come here to the Railway Committee of the Privy Council (now the Railway Commission) to get a special order for protection at a particular crossing before recourse can be had against a railway company for not putting that protection in. We have always understood that in thickly populated places the speed of a railway train should not exceed ten miles an hour unless the track is fenced in the manner described by the Act. The Court of Appeal in Ontario held—and it seems to be the common sense—that tracks should be fenced so as to protect the travelling public on the highway. The Supreme Court has, however, held that the legislature simply required fencing to the right and the left of the highway. In my opinion that is not protection to the travelling public on the highway. Now, the legislature has increased the speed from six to ten miles an hour, and to provide against the evil which I have pointed out, I have amended the section of the present law by adding the following words :

> And wherever in a city, town or incorporated village a railway crosses a highway at rail level, the said speed of ten miles an hour shall in no event be exceeded, unless the railway company keeps a watchman at such crossing to warn all persons using the highway of approaching trains.

Crossings that are not on the level are not dangerous, and it is level crossings that we propose to deal with. I propose to ask the railway companies, when they cross on rail-level, to protect the public in some inexpensive way, as the legislature always intended they should protect them. If there is any less expensive way to save the lives of the people than that which I propose, I shall be quite content to adopt it when the Bill gets into committee. I contend that it would be much better to strike the whole section out as it now stands in the law, rather than to have it remain unamended, because, as the section reads now, it is nugatory and confusing. It is our duty not to permit to remain on the statute-book either a nugatory section or an ambiguous section, which only leads to litigation and expense. I would point out to the House that Sir Louis Davies, in his judgment, said :

> In my judgment parliament has by the 187th section of the Railway Act vested in the Railway Committee of the Privy Council the exclusive power and duty of determining the character and extent of the protection which should be given to the public at places where the railway track crosses a highway at rail level.

I am not finding fault with that as good law, but if Sir Louis Davies is correct, then this section is of no effect, and its only mission in the statute-book is to confuse the public. Sir Louis Davies continued :

> In a thickly settled country like Great Britain, parliament has thought fit explicitly to provide that wherever a railroad crosses a highway on a level it shall maintain good and sufficient gates across the road on each side of the railway and employ proper persons to open and shut them.

Well, Mr. Speaker, I stand by the British constitution, first and last and all the time, and I would ask this House if Canadians are not entitled to the same protection as their fellow-subjects in Great Britain ? Should

we Canadians not look to our own parliament in Canada to protect the residents of thickly populated portions of the country, just as the British parliament protects the residents of Great Britain, which is a thickly populated country. Although I am a Britisher, first, last and all the time, I am also a Canadian, and I think we ought to be able in Canada to pass legislation to protect Canadians, just as much as the parliament of Great Britain is able to pass legislation for the protection of the people in the British Isles. Later on, Sir Louis Davies says :

I think the proper construction to be placed upon these sections of the Act is that the powers therein given are exclusive, and intended to vest in the tribunal selected plenary statutory powers, the exercise of which, excepting as otherwise provided, are final.

I want the exception 'as otherwise provided' carried out in my amendment, so far as cities, towns and villages are concerned ; and to make the matter quite clear, I have drawn the Bill so as to limit its application to them. It means that the railway, even within the limits of cites, towns and villages, can increase its speed to more than ten miles an hour, if it has a watchman only at the level crossing ; but if it has not it must keep its speed under ten miles an hour. I do not think we are asking anything unreasonable in this, particularly as it was always intended by the legislature of Canada that there should be some provision of this kind for these thickly-settled localities. Sir Louis Davies goes on to say :

The exceptions embrace the power of reviewing its own decisions from time to time by the tribunal as circumstances may change and the power of appeal to the Governor General in Council as provided by section 21.

Could there be anything more mischievous or dangerous to the community than that ? Sir Louis points out that this matter is delegated to the Railway Commission, and but that delegation includes the power of reviewing its own decisions. What does that mean ? If the village of Grimsby went to the expense of going before the Railway Commission, and after a hard fight with the railway corporation, it obtained an order to the railway company to protect a certain crossing by a watchman this year, the next year that decision might be reversed. We would have uncertainty as to the law, and lawyers could never advise people what their rights were. Surely this parliament wants to enact something different from that for the protection of the people. Surely it is right that within the limits of cities, towns and villages, there should be gates or a watchman to protect the level crossings, and that the railway corporations should be ordered to provide more protection wherever a special case is made out. I submit that this is what parliament always intended. You cannot have any cheaper protection than watchmen ; and we always intended that in addition, at certain dangerous places, there should be some special protection which the Railway Commission could always order. Sir Louis Davies then quotes the section providing that 'at every public road crossing at rail-level of the railway, the fence on both sides of the crossing and on both sides of the track shall be turned into the cattle-guards so as to allow of the safe passage of trains,' and then goes on to say :

As I have already said, these sections neither authorize nor empower the railway to place fences or gates across the highway, and their object was not to provide for the protection of the public travelling along the highway, which was provided for by the 187th section of the Act.

The decision of the court is that this enactment that I am seeking to amend was not intended to protect the people at the railway crossing, but only required the fencing to be done at the side of the roadway and turned into the cattle-guard in order to keep animals off the track. It seems to me that we should not allow legislation of that kind to remain on the statute-book. It cannot be successfully contended that that is the meaning it was ever intended to bear. It is true, it is so worded as to cause a majority of the highest court in the land to decide that it does not go far enough to provide for the necessary protection in thickly settled districts. To enable the section to give any protection at all, I cannot conceive that we could adopt legislation that would be more fair to the railways than what I am proposing.

In conclusion, I want to say a word about the uncertainty of the law in this country. In this case of McKay vs. The Grand Trunk Railway, Mr. Justice MacMahon, who is pre-eminently a safe and fair trial judge, decided that the man had a right to recover. He put that construction upon the Act which the legislature intended it should bear. The case was appealed to the highest court in the province of Ontario, the Court of Appeal, which unanimously decided that he was right. The railway company then brought the case down to the Supreme Court, where we have Mr. Justice Girouard agreeing with Mr. Justice MacMahon and the full Court of Appeal of the province : we have Mr. Justice Sedgewick deciding in favour of the railway company, but on different grounds from Sir Louis Davies : and we have Chief Justice Taschereau and Mr. Justice Davies agreeing and giving the judgment of the court. So that the decision which controls this case, unless we in this parliament rectify it, is the decision of two judges of the Supreme Court, agreed to by Mr. Justice Sedgewick on different grounds, and dissented from by Mr. Justice Girouard. What does that mean ? We have decisions of all these eminent judges, every one of whom we know to be a man of the highest ability,

both in the Supreme Court, in the Court of Appeal of Ontario, and at the original trial of the case. Still we have these judges disagreeing on the meaning of that section and on the exact rights of the people and of the railway. I appeal to this House to frame this legislation in some certain way so that when a man goes to his counsel, his counsel will be able to tell him that there is no doubt what the section means; that he cannot recover because parliament has said he cannot, or that he can recover because parliament has made it quite clear that he can. Let us have certainty in this matter and we shall save a lot of money for the people, and render the laws more easy to administer. We are not doing justice to the people of this country if we do not clear the statutes of these indefinite laws.

Hon. CHARLES FITZPATRICK (Minister of Justice) Mr. Speaker, this whole matter was very fully discussed last session in connection with the Railway Act. My hon. friend (Mr. Lancaster) then took a very large part in the discussion of the Act generally, and more particularly in the discussion of this section. I notice by 'Hansard' that he spoke at least four times respecting the amendment. I think the result was that the House came to the conclusion that under all the circumstances it would be necessary to give adequate protection——

Some hon. MEMBERS. Hear, hear.

Mr. FITZPATRICK—at highway crossings, but that highway crossings must of necessity vary and that protection must vary in accordance with the conditions of each particular crossing. As a result of that discussion it was decided that adequate protection should be given, but that the protection in each case would be a matter to be decided upon by the Railway Commission. My hon. friend (Mr. Lancaster) has deemed it necessary to bring the matter before this House again because of the judgment in the case of McKay and the Grand Trunk Railway Company. I have no desire to criticise that judgment, but I think my hon. friend will bear me out when I say that in effect the judges of the Supreme Court decided there that the Railway Act contained the whole law with respect to the management of a railway, and that the common law obligation with respect to the protection of life and property would be eliminated if the statutory requirements were complied with. My hon. friend (Mr. Lancaster) has no doubt considered that judgment. He has the great advantage of having the notes of the judges before him; but he, I am sure, has not overlooked this fact—and as I said before I have no desire to criticise the judgment—that the judgment goes very much further than the same court went in Fleming and the Canadian Pacific Railway, and also goes further than the same court went even more recently in a New Brunswick case, and I cannot understand, how it is possible to imagine that if the statutory requirements had been complied with, the common law obligation ceased to exist in view of the statements made by the Lord Chancellor in the case of Roy and Canadian Pacific Railway. That, it seems to me, is an authority exactly to the contrary of what the Supreme Court has held. However, perhaps my hon. friend would not overlook this other fact which is of importance; that the Supreme Court decided, the case Mackay, on a statute that has been amended and that is not now the law at all, on an entirely different statute from the provision of the present law.

Mr. LANCASTER. I do not want to prolong a discussion, but I would point out to my hon. friend the Minister of Justice that the part I am proposing to amend remains the same.

Mr. FITZPATRICK. My hon. friend will bear in mind that the words 'or properly protected' were not in the old statute; that is a provision of the new statute. My hon. friend agrees with me, I am sure, that 'adequate protection' will not give to the public that certainty which a litigant is entitled to expect. 'Adequate protection' may mean anything; especially when dealing with a railway crossing adequate protection must necessarily vary in accordance with the conditions which exist at each particular crossing. At one crossing it may be necessary to carry the road overhead, and at another to carry it underground. At one crossing it may be necessary to have gates as well as watchmen, but my hon. friend (Mr. Lancaster) provides merely for watchmen. The law now provides that you shall have protection, and that you can go to the Railway Commission and that the Railway Commission will decide in each case what protection is necessary. What more does my hon. friend want? That is what the law now gives him; all you have to do is to go to the Railway Commission put the facts in connection with the particular case before that commission, indicating what are the circumstances connected with the crossing, and the Railway Commission will determine what protection is necessary in the public interest at that particular place.

Mr. LANCASTER. Why should it be necessary to go to the Railway Commission for a watchman? If my Bill passes, we will have a watchman at each level crossing and any further protection that may be required will be given to us by the Railway Commission.

Mr. FITZPATRICK. By your Bill you must have a watchman, although a gate is perhaps a better protection. Why insist upon a watchman, if it is necessary to go to the Railway Commission for further pro-

tection. Why not leave the whole matter with the commission and permit the commission to determine whether a watchman or a gate, or both, are necessary.

Mr. LANCASTER. Because in many cases we do not require more than a watchman, and we do not wish to go to the Railway Commission unless it is necessary.

Mr. R. L. BORDEN. I would not interrupt the discussion except for the purpose of obtaining information. I fear I do not quite apprehend the point in dispute. I find in the Act:

No train shall pass in or through any thickly peopled portion of any city, town or village, at a speed greater than ten miles an hour, unless the track is fenced or properly protected in the manner prescribed by this Act, or unless permission is given by some regulation or order of the board. The board may limit such speed in any cases to any case which it deems expedient.

Could my hon. friend the Minister of Justice tell me whether there is any specific provision in the Act as regards protection at a highway crossing? It seems to me a great deal would depend upon that.

Mr. FITZPATRICK. If my hon. friend (Mr. R. L. Borden) will look at section 25 he will find:

The board may make orders and regulations; (a) limiting the rate of speed at which railway trains and locomotives may be run in any city, town or village, or in any class of cities, towns or villages described in any regulation; and if the board thinks fit, the rate of speed within certain described portions of any city, town or village, and allowing another rate of speed in other portions thereof.

It is always within the scope of the Railway Commission to determine the rate of speed and in addition to that, my hon. friend is aware of the fact that no crossing of a highway either at rail-level or overhead or underground can take place without the permission of the Railway Commission. The railway must come to the commission to get permission to cross and when application for permission is made the commission determine the conditions under which the crossing is to take place and the amount of protection necessary in each particular case. It appears to me under these circumstances that we have in the existing Act all that we require, that is to say a certain amount of elasticity. We have a proper tribunal and a certain amount of elasticity which enables the tribunal in each particular case to determine what is required. For example if it is intended to cross at rail level a highway over which no road had been carried before, permission can only be granted by the Railway Commission which at the same time determines the conditions under which such crossing may take place. If the crossing is already in existence then on application to the board, the board can determine the conditions under which it is to continue. The board shall determine what is meant by 'properly protected,' and they will determine what proper protection under the particular circumstances of each case as desired. Now, this is a matter of importance. I grant to my hon. friend that it is a matter that ought to be looked into. And, in the absence of the Minister of Railways (Mr. Emmerson) I would suggest, if there is no objection to it, that this Bill be referred to the Railway Committee, where we may have an oportunity of going into the matter more fully, and, perhaps, of getting some further light and information on the subject.

Motion agreed to, and Bill read the second time.

Mr. FITZPATRICK moved that Bill (No. 2) to amend the Railway Act, 1903, be referred to the Select Standing Committee on Railways, Canals and Telegraph Lines.

Mr. LANCASTER. Before that resolution is carried, I desire to say a word or two about it. We have had a good deal of experience in the last two years, in the way of referring the matters of general law to the Committee on Railways, and I am bound to say—perhaps it would be better if some one else said it—that I think that what I said three years ago was well founded, and that no progress is made by referring Bills of this general character to that committee. I have never known progressive legislation to be passed in this House except in Committee of the Whole. We do not find that the Minister of Agriculture, when he introduces a Bill relating to some agricultural question referring it to the Committee on Agriculture. And, when we undertook to consolidate the Railway Law last session, a work that occupied the Committee of the Whole for seven or eight weeks, nobody suggested that it should be referred to the Committee on Railways. My hon. friend from St. John and Iberville (Mr. Demers) several sessions ago, introduced a Bill which I thought a most proper piece of legislation, dealing with fires started by railway locomotives. That Bill was referred to the Railway Committee in two sessions, but no result was gained by following that course. But when it was proposed last session, to deal with this matter in Committee of the Whole and to incorporate the provisions suggested by the hon. member for St. John and Iberville in the general Railway Act, the provision became law. In the same way, my hon. friend from South Essex (Mr. Cowan), introduced a Bill which I myself strongly favoured, to enable farmers to drain their property across railway lands. It was referred to that Railway Committee on two different occasions, but, as in the other case, nothing came of it. The Bill was smothered, or chloroformed, or died a natural death in the Railway Committee. But when we were in Committee of the Whole on the General

Railway Act, this reform also was embodied in the statute. And last, but, I think, not least, there was the cattle-guard legislation. I introduced a Bill and it went through the same formalities, went to the same cul de sac, went into that opening which leads nowhere, and at last it had to come back to the Committee of the Whole House as the only channel through which it could reach a place in the statute-book. For every Bill referred to the Railway Committee must come back to us. It is not with these public measures as it is with private Bills. If a private Bill is reported adversely by the Railway Committee, it ceases to have existence. But the most that the Railway Committee could do with a public Bill of this nature, would be to send it back to this House with an unfavourable report—and that report would not be unanimous in this case, because I am a member of the Railway Committee myself. To refer such a measure to the Railway Committee is merely to give us unnecessary work and waste our time. When these matters come up in the Railway Committee we argue and discuss, but the party that is outvoted is not satisfied. I know I shall certainly not be satisfied if some reasonable measure of protection—some 'adequate protection'—is not granted to the people in regard to this matter. I do not wish to discuss again the merits of the Bill, but I would remind the House that this is a Bill that affects the whole community and not a matter requiring some special technical knowledge for its discussion. It is a matter that must be discussed on the floor of the House in any case. And so I ask the House not to agree to the proposal of the Minister of Justice. That hon. gentleman and I are the best of friends, but it seems clear to me that it is unreasonable to go to the Railway Committee with a law of this kind when, in any case, it must be dealt with on the floor of this House.

Mr. R. L. BORDEN. There might be some advantage in having this measure discussed in Committee of the Whole; and yet, perhaps there are interests involved that should be heard in some way before the amendment passes.

Mr. FITZPATRICK. There are municipal interests and corporate interests affected by the Bill, which, I think should be heard.

Mr. R. L. BORDEN. I appreciate that. I was going to make a suggestion to the Minister of Justice and to my hon. friend from Lincoln and Niagara. I would like to discuss this Bill in Committee of the Whole to see what its scope is and whether it would not be possible, with due regard to the interests of the railway companies, to amend the statute so as to provide greater security for life. Would it not be possible to go into Committee of the Whole on the Bill in any case? The Minister of Justice would have the right at any time to move to discharge the order and not send the Bill to the Committee on Railways. Thus we should have the opportunity of discussing it more freely than we can with Mr. Speaker in the chair, and, later on, we would have the advantage, if thought desirable, of sending it to a committee where those who are interested could be heard. Would that course be acceptable to my hon. friend from Lincoln and Niagara.

Mr. LANCASTER. I was about to say, as I have already said, basing my opinion on experience, that we do not make any progress in the Railway Committee. The Railway Committee has other matters to deal with, and we cannot concentrate our minds on this. The party that is defeated comes back to the floor of the House, where he ought to have been all the time. I think we shall discuss the matter much better if we remain in the Committee of the Whole House. By that course, also we avoid delay. I am not saying that delays are intentional, but they are unavoidable. It is not reasonable to send public Bills of this nature to a committee having a multitude of private charters to deal with. It is mainly to deal with these private corporations that the Railway Commission is appointed. One in charge of a public Bill before such a body does not like to find fault because of matters involving corporate interests being put ahead of public and general legislation. With all deference, I am against the principle of sending such Bills to Standing Committees.

Mr. R. L. BORDEN. Perhaps it could be arranged in this way, without prejudice to my hon. friend's (Mr. Lancaster's) right to oppose the sending to the Railway Committee or the right of the Minister of Justice eventually to propose sending it to that committee. We might go into committee of the Whole on the Bill in order that I might discuss with the Minister of Justice the possibility of improving the wording of the statute.

Sir WILFRID LAURIER. I do not myself see any objection to the suggestion of the leader of the opposition (Mr. R. L. Borden) that the Bill be first referred to the Committee of the Whole for further discussion. But I feel confident that we shall have to insist on its ultimately being sent to the Railway Committee. There are technical matters involved which cannot be sufficiently discussed on the floor of this House. For instance, it is possible that the railway companies and the municipalities may have a word to say. But they could not very well be heard before the bar of this House, while they could easily be heard before the Railway Committee. I would like to confer with the Minister of Railways on the matter. But I am disposed for my part to accept the suggestion of my hon. friend to have it further debated in Committee of the Whole, eventually to be sent

back to the Railway Committee ; but in the absence of the Minister of Railways I move that the debate be adjourned.

Motion agreed to.

CRIMINAL CODE AMENDMENT.

Mr. E. A. LANCASTER (Lincoln and Niagara) moved the second reading of Bill (No. 3) to amend the Criminal Code, 1892.

Sir WILFRID LAURIER. What is the object of this Bill ?

Mr. LANCASTER. It is to protect the young people of this country to a still further extent than it was sought to do in the debate of yesterday, with all deference be it said to the supporters of that motion.

Mr. FITZPATRICK. I lost the benefit of nearly half the remarks the hon. gentleman made on his previous Bill because I was unable to hear him. Will he come down a little closer ?

Mr. SAM. HUGHES. Take him over on the Treasury benches.

Mr. FITZPATRICK. It is only a question of time.

Mr. LANCASTER. Won't you take my leader with me ? The object of this Bill is to provide protection to young men and young women, or boys and girls as you may prefer to call them, when they are charged with a criminal offence. The section I wish to amend is that which requires the magistrate in certain cases which I need not particularize, to ask the defendant whether he elects to be tried by a judge and jury or by the magistrate. Now what I seek to do by this Bill, in case the child is not represented by counsel, is to allow his guardian or his parents to elect for him. I am not dealing with the Juvenile Offenders Act, I am dealing with any crime which a person under 21 years of age can be charged with, be it a case of theft or assault or anything else. We have had a great many such cases in my part of the country where young people are charged with offences, such as boys charged with assault or domestic servants with theft, and where they have been convicted and are now serving terms of imprisonment, and they would not have been convicted if they had been tried by a superior or county court, or by a jury. It is a question of animus furandi, of distinguishing between a tort and a crime, and the question arises, where the child does something wrong but does not commit a crime, whether the act was done with the wicked intention which is necessary in order to make the act a crime. I propose that when a person appears to be of the age of 21 years or under, the magistrate shall not call that person to waive his right to a trial before a jury or a higher court, but shall first call upon his guardian or parent to advise him, in case he is not represented by counsel. Of course if he is represented by counsel, my amendment would not apply. I propose to amend the section by which the defendant is called upon to elect whether he shall be tried by a magistrate, and if convicted, whether he shall be sentenced by a magistrate, or whether he shall waive what, since King John's time we have all got, the right to trial by jury. My Bill has only one section and it reads as follows :

Section 786 of the Criminal Code, 1892, is amended by adding thereto the following subsection :—

'2. Whenever the person charged appears to be about the age of twenty-one years or an infant under that age, and is not represented by counsel present at the time, the magistrate shall not proceed under this section without first asking the person charged what his age is ; and if such person then states his age as being less than twenty-one years, the magistrate shall defer any further action, and shall at once cause notice to be given to the parents, living in the province (or if none, then to the guardian or householder with whom the person charged resided at the time of the alleged commission of the offence), of such person having been so charged, and of the time and place when such person will be called on to make his election as to whether he will be tried by the said magistrate,—which notice shall allow reasonable time for the said parents, guardian or householder to be present and advise the said person charged before he is called on to so elect.'

Now speaking as an active practitioner in these matters, the most important thing to decide with regard to any young person who is charged with an offence, is what should be done with him if convicted. If there be a doubt, by all means give him the benefit of the doubt ; but if convicted see that you do not dishearten him by compelling him to herd with criminals worse than himself, or by placing a stigma upon him that will shut him out from good society afterwards. Therefore I say the most important thing is the choice of the tribunal which shall try him. Sometimes there is more harm done in the sentence than in the conviction. It does not do so much harm sometimes to convict with a suspended sentence, although it brands the young person perhaps improperly as a criminal, and compels him to associate with other people worse than himself. If the young person is allowed to go under suspended sentence with a warning from the magistrate, he keeps that warning in mind and may grow up correctly enough afterwards. In our part of the province, and I am told it is the same in many other parts, we have a good deal of fault to find because the magistrates are not restrained by statute. They think their first duty, when a child is brought before them, is to make them elect by what court he shall be tried. Complaints of this kind come from St. Catharines, from Grimsby, from

Smithville, Welland and other places. Whenever a young person is brought in the magistrate says: 'I suppose you want me to try you,' or, 'Do you want me to try you'? The child says that he does not know, or it does not make any difference. He has no counsel, or parent or guardian. But it does make all the difference in the world. These are cases where the offender should be represented by some one.

As the hon. Minister of Justice knows, nearly all of the offences which are apt to be committed in early life can be tried by a magistrate, and directly the young man or young woman charged with one of these offences is brought into court the magistrate asks the accused: Do you want me to try you? Then, he is called upon to elect. If he says that he wants the magistrate to try him, the magistrate tries him, and he disposes of the law and of the sentence. In a great many of these cases no lawyer would decide them in the way in which the magistrate decides them. In many cases the magistrates are laymen. If we were appointing magistrates, I could suggest a way of getting over this difficulty outside of this proposed amendment, but the provincial authorities appoint magistrates, and I am sorry, not because I am a lawyer, that they are not professional men. I think they ought to be, because they would then understand where the mischief is done in these cases. A lawyer or a judge would take care that a child brought before him had the advice of some one competent to advise him before he would ask him to elect. We do not in any province—at least, I know we do not in the province of Ontario—allow a child's property to be dealt with until he is twenty-one years of age; yet, the young man or young woman of sixteen or eighteen years of age is called upon to make an election affecting his or her liberty and whole reputation without advice from anybody. Because such people cannot afford habeas corpus proceedings they go down. There are in the reformatory at Penetanguishene boys that I am satisfied would never have been sent there if any lawyer had been called upon to deal with the case. There are those who have been condemned who have been guilty of nothing but a tort, and no crime at all. They were charged with stealing when they were simply guilty of a conversion of property, believing that they were entitled to use it for the time being. I know of a case where a gun was said to have been stolen, when, as a matter of fact, it had been borrowed and returned, but because the man wanted to be smart, he went on with the case and sent the child who was accused of stealing the gun down to Penetanguishene for three years. He was a boy just out of the high school who had borrowed a gun to take with him when he went out with some other boys hunting squirrels. I have had to deal with cases where servant girls were charged with theft, when, as a matter of fact, they took

the articles alleged to have been stolen believing them to be theirs. No judge would have believed that there was any intention on their part to do wrong. No jury would have convicted them of any intention of committing a crime. These people are convicted because they elect to be tried without proper advice, they become branded as criminals, and it is a bad thing in this country to lightly brand young men or young women as criminals. We might better give them a chance until they are twenty-one years of age, when they are better able to judge for themselves the course which they should pursue. Living near the border, I know dozens of instances of young men and women who formerly lived in the neighbourhood of my county who are now earning their living in the United States, because they prefer to live in a country where there is no record against them. They are not Canadian citizens, and they would be good Canadian citizens had they not become disgusted with their country because they were harshly treated when they were young. This proposed amendment can do no harm. This probably will commend itself more strongly to my hon. friend the Minister of Justice than my proposed amendment which we have just been discussing to protect the lives of people at railway crossings, because he might say that by its adoption the railways would be hurt by having to pay a little. Nobody is hurt by this amendment. The prosecutor cannot be hurt; he may have to wait a week before he is able to have the child convicted, but if the child is guilty a conviction can then be secured. In the meantime the child can remain in custody, and nobody can possibly be hurt by this legislation, while, on the other hand, we will do an act of justice to the young people of our country who are now labouring under a great injustice. If the hon. Minister of Justice can propose any other remedy, I am ready to accept any suggestion he may make in that respect. My object is to so amend the law as to provide that these young people, when they appear to be under twenty-one years of age, shall be asked their age, and if they are under twenty-one years of age, a reasonable time shall be given so as to allow their parents, or guardians, or the householder with whom they resided at the time the offence was said to have been committed, to come and give them their advice before they are asked to elect as to whether they shall be tried by the magistrate and thus waive their right to have a trial by a superior court judge and a jury. I propose that they shall not be called upon to waive that right without the advice of their parents or guardians, if they have no counsel present. I trust the matter will receive the careful consideration of the hon. Minister of Justice. I believe the hon. Minister of Justice is just as anxious to protect the children of the country as I am. I be-

lieve that we can do no harm, but that we can accomplish much good in this matter. Nobody, as I have said, can be hurt by it. It cannot cause any trouble to any one. There may be a little expense incurred by having a policeman deliver a notice at the door. If the hon. Minister of Justice wants a special form of notice to be appended to the Bill, I have no objection. I would be willing to leave it to the magistrate to draw up that notice, but if the hon. Minister of Justice thinks that to make it clear and complete we had better give the form of the notice, I see no objection to that.

Mr. CHAS. FITZPATRICK (Minister of Justice). Mr. Speaker, my hon. friend (Mr. Lancaster) is aware that our criminal code is filled with provisions designed to protect those who are charged with crime. I must confess that, to my mind, we surround criminals with more than adequate protection as far as the trials of these persons are concerned. What is the procedure in cases that arise under the circumstances indicated by my hon. friend ? A man is brought before a magistrate charged with an offence against the criminal law. The first thing that is done is to examine the witnesses.

Mr. LANCASTER. They ask him to elect first. That is how the law is carried out.

Mr. FITZPATRICK. I am not saying how they carry the law out. When my hon. friend tells me of the laymen who administer justice in the province of Ontario, I have nothing to say. We have lawyers administering justice in our province. I can only tell him what the law is ; I cannot tell him how the law is administered in the province of Ontario, but I do know how it is administered in my own province, where I have had the opportunity of practising. The law, under section 786, provides that the accused shall be brought before the magistrate. Then, there must be what is called a preliminary investigation, and it is only after the preliminary investigation is held that the accused is asked to make his option. My hon. friend is aware that the option is the second step in the proceedings. The first step is to bring the prisoner before the magistrate, and after the preliminary investigation is held the man is asked to make his option. That is only after the magistrate has determined, having heard the witnesses, that there is some case for an inquiry and that the man should be put upon his trial. My hon. friend asks that when the time comes for the man to declare his option as to whether he shall proceed in a summary manner before the magistrate or have a jury trial, he should have the assistance of a guardian. It seems to me that my hon. friend, with his experience, will corroborate the statement that criminals progress very rapidly. I have known criminals under twenty-one years of age, who were real experts, I have known repeaters under twenty-one years of age, and there are many of them in the penitentiary at the present time. There are men eighteen, nineteen and twenty years of age who are amongst the most dangerous criminals in this country, especially amongst the class addicted to thieving. I have given this matter some consideration in connection with the amendments that I prepared for the criminal code, and if my hon. friend will look at section 810, which has reference to punishments for stealing, he will realize with me that, perhaps, when we have reduced the age to sixteen years, we will have gone as far as it is necessary for the protection of youth. Youths are protected pretty fully in this country, and if it be necessary to have such legislation as this at all, surely we need not go beyond the age of sixteen.

Mr. LANCASTER. That protection only deals with theft.

Mr. FITZPATRICK. Yes, in connection with theft the age is fixed at sixteen. If the hon. gentleman would adopt a suggestion as to the age of sixteen, it might be possible to do something to come to the relief of those to whom he has referred, but the section would be required to be drawn in a different form than in the Bill.

Mr. LANCASTER. I cannot see why we should draw the line at sixteen years. I think, with all due deference to the minister, that we have no expert criminals in this country under the age of 21, whereas there are a very large proportion of youths between sixteen and twenty-one about whom we should be very careful to see that they get fair-play. Magistrates have told me that they have a perfect right to ask a man to elect, that there was nothing to prevent them, and that once having elected the prisoner could not elect a second time.

Mr. FITZPATRICK. Can you refer me to any reported case in Ontario where such a point was decided.

Mr. LANCASTER. I have several of them in my mind. It often happens with persons over twenty-one years, but I think a man over twenty-one ought to know enough to send for his lawyer before he elects. Not long ago an express package was lost and a young man about twenty-five was charged with stealing it. He telephoned for me, but before I got there the magistrate had asked him to elect, and said he did so. I had to threaten the magistrate with all sorts of things, and the Crown Attorney had to assist me before the magistrate would give that young man another chance to elect. I thought that the age of twenty-one was reasonable, but if the Minister of Justice wishes I will compromise at eighteen years.

Mr. FITZPATRICK. If the hon. gentleman will withdraw the Bill, I shall endeavour to draw an amendment myself.

Mr. LANCASTER. I suppose we can adjourn the debate.

Mr. FITZPATRICK. Very well.

On motion of Mr. Lancaster, the debate was adjourned.

CERTIFICATES TO MASTERS AND MATES.

On the order being called for :

Second reading of Bill (No. 4) to amend the Act respecting certificates to Masters and Mates of ships.—Mr. Lancaster.

Sir WILFRID LAURIER. I understand that this Bill stands.

Mr. LANCASTER. The Minister of Marine has asked me to allow this to stand, because he says he is going to introduce legislation which will cover all that is in this Bill. I am quite willing to allow it to stand on that understanding. I have not agreed to withdraw it, but if I have the understanding that the Minister of Marine will introduce and pass a Bill that will cover all that is in this Bill, I shall do so. The Minister of Marine assured me in the corridor, that he only wanted to have this stand until he brings in his Bill, and of course I would expect him to bring it in within reasonable time. The masters and mates who are interested, sent a deputation who went into the matter carefully with me, and they are anxious to have this Bill passed as it is. It is because the Minister of Marine has a majority of the House behind him, that I am willing to let this Bill stand until he brings in his own Bill covering these points.

Mr. FITZPATRICK. It is absolutely impossible for the government to introduce a Bill that would cover all the points mentioned in this Bill. My hon. friend (Mr. Lancaster) has overlooked the fact that we cannot make British subjects in this country.

Mr. LANCASTER. I am not asking that the government should make British subjects.

Mr. FITZPATRICK. Yes.

Mr. LANCASTER. I beg your pardon. I am asking in this Bill, that a man who is not a British subject should not get a license to run a boat as master or mate in our waters when a man who is not an American citizen, cannot run a boat owned by American people in the same waters.

Mr. SPEAKER. The discussion is out of order.

Mr. LANCASTER. I am answering what the Minister of Justice said.

Sir WILFRID LAURIER. The Bill stands and will be called again.

Order allowed to stand.

Mr. FITZPATRICK.

RETURN ORDERED WITHOUT DISCUSSION.

Copies of all contracts entered into between the government of Canada and any corporation, company or person, during the past five years, for the carriage of mails between any port or ports on the St. Lawrence and the United Kingdom ; and copies of all such contracts for the carriage of mails, during the period aforesaid, between any port or ports in Nova Scotia or New Brunswick and the United Kingdom.—Mr. R. L. Borden.

SUPPLY.

House in Committee of Supply.

Mr. R. L. BORDEN. Before you proceed with any item, I wish to ask the Minister of Finance whether he is yet prepared to bring down the statement respecting the indebtedness of the provinces to the Dominion ?

Hon. Mr. FIELDING (Minister of Finance). I have not yet been able to have the statement prepared. It will require a little time ; but I will endeavour to bring it down in good season, before any other matters relating to the Finance Department are dealt with.

Office of the King's Privy Council of Canada —salaries, $35,610.

Sir WILFRID LAURIER. The only changes are a promotion from the first-class to a chief clerkship, and a promotion from the second-class to the first-class. All the others are statutory increases.

Mr. SAM. HUGHES. Have all the clerks received their statutory increases ?

Sir WILFRID LAURIER. Yes, all who are eligible under the statute.

Mr. SAM. HUGHES. Who are not eligible under the statute ?

Sir WILFRID LAURIER. In my department I think they were all eligible.

Mr. COCHRANE. Messengers too ?

Sir WILFRID LAURIER. Yes.

Office of the King's Privy Council of Canada —contingencies, nothwithstanding anything in the Civil Service Act, $9,000.

Mr. R. L. BORDEN. What is the meaning of that provision ?

Sir WILFRID LAURIER. I am sorry to say that the meaning of it is that we have been employing for a great many years persons to do temporary work who are not qualified under the Civil Service Act. The only justification I can plead for that is that it has been so ever since I have been in office, and before.

Mr. R. L. BORDEN. How many persons are employed in that way ?

Sir WILFRID LAURIER. The total amount expended in that way last year was $1,955.19.

Mr. R. L. BORDEN. That was not exactly the information I wished to get. How many persons are employed in that way ?

Sir WILFRID LAURIER. I cannot give my hon. friend the information.

Mr. R. L. BORDEN. What are their duties ?

Sir WILFRID LAURIER. I think the duties are chiefly copying.

Mr. R. L. BORDEN. I do not understand why we cannot have these duties performed without creating exceptions to the terms of a statute. The matter was up last year, and I expressed the opinion that instead of having these perpetual exceptions for persons who have been employed as temporary clerks for a great many years, we should amend the Civil Service Act so that they might be employed under these exceptional conditions without having continual recourse to an exception to the terms of a statute which has been passed by both branches of parliament.

Sir WILFRID LAURIER. I can give some explanation as to that. There is for the Department of Privy Council an expropriation for the copying and classification of old records, and $1,100 was paid last year to Miss Macdonald for that work. Miss Macdonald could not receive that money if we were to apply to her the provisions of the Civil Service Act. She is a very old lady. When I came into the department there were two of these old ladies, who were employed by Sir John Macdonald, but one of them has since died.

Mr. R. L. BORDEN. I was not suggesting that the work should be withdrawn from old employees, but rather that where you have an employee who as a temporary employee has discharged certain duties for a great number of years, we might have a provision in the Civil Service Act which would bring that person within the terms of the statute and in that way obviate the necessity of these continual exceptions.

Mr. SAM. HUGHES. Are the departmental messengers employed temporarily or permanently ? I understand that a young man in one of the departments here who served with distinction in South Africa found on his return that his position had been filled, notwithstanding the pledge of the right hon. the Prime Minister (Sir Wilfrid Laurier) that all those who went to South Africa would have their positions retained for them. The young man has since been temporarily employed as a messenger or junior third-class clerk.

Sir WILFRID LAURIER. Under the law as it was until last session messengers could be appointed only temporarily. I am not familiar with all the intricacies of the old Civil Service Act, but I understand that under the new Act these messengers can be appointed permanently.

Mr. R. L. BORDEN. I notice on page U—2 of the Auditor General's Report, there are three private secretaries to the Premier. Would my right hon. friend tell me how long these have been employed, and what the practice has been ?

Sir WILFRID LAURIER. I do not know that there is any practice ; I have three secretaries, two of whom have been employed since I have been in office. The third, Mr. McDougall, has been in my department and acting as my secretary for the last two years.

Mr. R. L. BORDEN. I can only say to my right hon. friend that he made it rather a matter of reproach to me last year when I suggested that my accommodation in this House for the purpose of doing my work was not very good, and he seemed to think that it was a perfect answer to me that very eminent men in days gone by had got along with the same accommodation as I now have. I suppose I might say that there have been very eminent men in his place who got on without three private secretaries. I say this to my right hon. friend only to suggest that comparisons may be made on both sides if he desires to make them ; I am not suggesting that the three secretaries are unnecessary. They may be necessary by reason of the greater amount of business, but the comparison is as fair as that which he made last year.

Sir WILFRID LAURIER. Perhaps those who were in my place were more diligent than I am and did not require so much assistance.

Mr. R. L. BORDEN. If my right hon. friend desires to take that position I am sure none of us will wish to dispute it.

Department of Justice—Salaries, including John Chisholm at $1,650, and allowance to private secretary of the Solicitor General, notwithstanding anything in the Civil Service Act, $39,090.

Mr. HAGGART. What is the cause of the increase ?

Mr. FITZPATRICK. The first item of the increase is caused by an increase in the salary of the deputy head, Mr. Newcombe ; he comes under the Civil Service Act of last session and secures $1,000 increase. In addition to that there are the usual statutory increases of $50 per year for two chief clerks. The first-class clerks, Mr. Leslie and Mr. Coté, receive $50 increase each and there is an increase for Mr. Chisholm of $150. I promoted Mr. Chisholm to the position of first-

class clerk, which necessitated an increase of $150. Then there are other statutory increases. Mr. Mullen has an increase of $100 and Mr. Verrett also has an increase.

Mr. R. L. BORDEN. Why is it necessary to make this exception from the Civil Service Act with respect to private secretaries?

Mr. FITZPATRICK. The reason for the provision with respect to the private secretary of the Solicitor General is that under the Civil Service Act it is not permitted to pay anything extra to a member of the civil service, and in the creation of the office of Sollicitor General there was an omission in regard to a private secretary which does not apply to the secretaries of ministers; therefore, in order to justify the extra payment to him, it is necessary to have this provision.

Mr. COCHRANE. Why is there an increase of salary?

Mr. FITZPATRICK. My hon. friend will remember that the practice has been to make an employee of the department a private secretary and to give him the allowance for a private secretary in addition to the salary by him received from the department.

Mr. COCHRANE. But this practice was sometimes very strongly condemned by hon. gentlemen when on this side of the House.

Mr. SAM. HUGHES. I would ask the Minister of Justice if the Solicitor General is a member of the cabinet under this administration?

Mr. FITZPATRICK. No change in that respect has taken place.

Mr. SAM. HUGHES. Surely after the language used by hon. gentlemen opposite when in opposition, they are not going to keep a gentleman of the distinguished legal attainments of the worthy gentleman who occupies that position knocking at the door, but will make him a minister?

Mr. FITZPATRICK. I am afraid in that respect we suffer from the misfortune of bad example.

Mr. R. L. BORDEN. It is a pity my hon. friends are so susceptible to bad but not to good example. I would like to mention a matter in connection with the administration of the Department of Justice, but I shall not discuss it now and my remarks to-day may be taken rather as an intimation that it will be discussed later on. I do not know the present practice with regard to the professional work of the Minister of Justice and Solicitor General, outside of the department. My hon. friend the Minister of Justice and the Solicitor General will understand, of course, that my remarks are entirely impersonal, that I am speaking without regard to the gentlemen who occupy these positions to-day, and only with a view to what should be our conduct with regard to this matter generally. In Great Britain it was the practice, as I recollect it—I have not refreshed my memory recently—that the law officers of the Crown were considered quite at liberty to engage in private practice. They have very large fees. If my memory serves me well the Attorney General of Great Britain has a salary of £8,000 a year, with fees pertaining to his office of about £4,000 a year. The Solicitor General in England has a salary of £6,000 a year, with fees pertaining to his office of about £2,500 a year. Yet, notwithstanding these very great emoluments, under the practice in the mother country these gentlemen were at liberty to take briefs and to engage in private practice. About ten years ago this came to be regarded as rather an abuse and a change in the practice was made. I do not think it was made by any law or regulation, but by what came to be regarded as the established practice of the office.

Mr. FITZPATRICK. And a change made at the same time with respect to salaries, I think.

Mr. R. L. BORDEN. Perhaps so. At any rate as I understand the matter the Attorney General and the Solicitor General are not supposed to engage in private practice or to appear in court, except in cases where they are called upon to appear as law officers of the Crown. I realize that the condition of affairs in this country is very different so far as the emoluments of the officers are concerned. Still, I would like to know whether my hon. friend the Minister of Justice has had under consideration the question as to whether or not it has not become, or may not soon become, desirable that some such rule should be adopted in Canada as has been adopted in England, and if necessary for the purpose of having these offices properly filled that the offices, perhaps, should be attended with greater emolument than those now afforded. I have had brought to my mind certain considerations, which, perhaps, might make that a very desirable step in this country. I will not enter into the considerations to-day, but if the Minister of Justice has not had the matter under his attention I would be glad if he would consider it because it is probable that on some later day in the session I shall consider it my duty to discuss the matter—of course in a respectful way and in a manner which my hon. friends who now occupy those positions will consider quite impersonal so far as they are concerned.

Mr. FITZPATRICK. Of course, I have had this subject under serious consideration for some time, I was forced to consider it as the result of the position I find myself in at present. The position of Minister of Justice is one which necessitates

the practical exclusion of the man who holds it from practice at the bar. So far as I am personally concerned, since I have accepted the office I have absolutely declined to take any briefs in court. I have at times, advised as counsel in connection with the business I was engaged in before I took this office. The restriction of income to which I am obliged to submit by the change caused me to consider the whole position. I have never accepted a brief since I took the position of Minister of Justice. I do not think it quite fair that the Minister of Justice should be excluded from practice in the court, nor do I think it quite advantageous to the profession or to the position itself. It was a good thing for the Minister of Justice to be in touch with the courts and to know something of what was going on in that arena. It would be a benefit to the country perhaps, if he could be more in touch with the courts than I can be at the present time. But, so long as the Minister of Justice is expected to advise with respect to the appointment of judges it is difficult for him to appear in court. Judges who depend upon the Minister of Justice for their appointment or promotion might possibly by some be regarded as being influenced by him. That is the determining cause that affected me and excluded me from the courts. All this, my hon. friend will see does not apply to the Solicitor General. The Solicitor General has no place in the cabinet and has nothing to do with the appointment of judges. It seems to me absolutely fair that he should be free to practice——

Mr. COCHRANE. Don't we pay him a salary ?

Mr. FITZPATRICK. Yes, and for the salary he is paid he performs services. But that does not prevent him from rendering services to others without interfering with those for the rendering of which he receives his salary. And I would say to my hon. friend (Mr. Cochrane), if he will allow me to speak in the light of my experience, that the Solicitor General is better able to perform the services to the country if he keeps in touch with his profession. He keeps himself in touch with his profession, and commands to a large extent the confidence of the bar and of the bench. However, I have put the case of the Solicitor General by itself. So far as I am concerned personally, I have never appeared in court since my appointment as Minister of Justice, except for the Crown, and never even in that capacity except in the Supreme Court. I have made an exception of that court because the appointment of Supreme Court judges is the exclusive patronage of the Prime Minister.

Mr. RODOLPHE LEMIEUX (Solicitor General). I appreciate the remarks made by the leader of the opposition and those of my hon. friend the Minister of Justice. As to the Solicitor General's work I can say this, that when I was called to this office I had. I will not say as extensive a practice as the Minister of Justice, but still a fair practice. It is not very long since I assumed this office, but I have been in it long enough to learn that it is not necessary to put in the law anything to prohibit the Solicitor General from attending to his private practice. I find that there is quite enough work in the department to keep the Solicitor General very busy. And, in the future, following the example of the Minister of Justice, I intend to attend to the business of my office and to make it an office which will be a credit to the country and to the government.

Mr. R. L. BORDEN. What the Solicitor General (Mr. Lemieux) has said was very much what I had in my own mind. As this country grows and develops the work of the department of Justice must necessarily increase. I shall not go over certain matters that have been discussed in days gone by as to the work that should be performed by the Minister of Justice and the Solicitor General in connection with litigation in which the Crown is engaged. All I have to suggest at present is that I entirely agree with the view the Solicitor General has expressed when he says that ample work can be found in the Department of Justice to fully occupy his time. I will go further and say that very probably the remuneration afforded by the country to the man who gives up his whole time to the work of the country is not up to the standard of what he might expect. But I think that when we have a Minister of Justice, and Attorney General and a Solicitor General, we should require them to give their whole time to the work of their department, and we should give them such a salary as would induce the acceptance of those offices by men qualified to fill them at all times. That is the view I take. As I said before, I will not discuss it further at present, but I may have a private conversation with my hon. friend the Minister of Justice in regard to it. Possibly, as I said before, at some later date in the session I may take occasion to discuss this matter in connection with certain other matters in relation to the Department of Justice.

Mr. COCHRANE. I want to draw the attention of the hon. gentlemen opposite to what they used to say when the party I support was in power.

An hon. MEMBER. Dispense.

Mr. COCHRANE. No, I won't dispense. You don't like to swallow yourself, but you do it very often. You made as much noise as any man in the former opposition when they sat on this side of the House. I know you don't like to hear of these things now, but you must take your medicine like a man. I dare say the Minister of Customs

will remember very well when the Conservative party was in power, how the opposition used to talk about us in the House and in the country. I am sorry the Prime Minister has gone out, because I recollect very well when he made as a text of speeches in the country the enormous expenditures of the Conservative government in connection with the administration of justice.

Hon. Mr. TARTE. He won't do it again.

Mr. COCHRANE. Well, I don't think he will. Still, they have got a good deal of cheek and can do almost anything. Even the Minister of Justice tells us they are very ready to accept good sense, especially where there are dollars and cents. Now is it not a sad comment to think that the Prime Minister of this country used to go around preaching of the enormous expenditures alleged to have been made by the Conservative government, and now we find that his government is doing even worse? I am not finding fault with them for doing this, but I am finding fault with them for condemning us for doing what they are now doing. They said that we were doing wrong. I say with the leader of the opposition that if the salary of the Minister of Justice is not sufficient he should have a sufficient salary to pay him for all his time, and the same with the Solicitor General. The premier when in opposition used to complain that we were paying enormous amounts to outside parties to do business that the Minister of Justice and the Solicitor General ought to have done. What do we find to-day? I have not added up the figures, but I think I am safe in saying that they have spent $40,000.

Mr. TAYLOR. $72,000.

Mr. COCHRANE. Well, that is worse still. I do not blame the Minister of Justice for he was not in the House then, but I daresay he supported these gentlemen at the time, and now when they are in power we find them perpetrating the same thing. I consider they are doubly guilty, because they are now doing what they said was wrong when we were in power. I am glad to see the Minister of Customs looking serious. I know that when he reflects on what he used to say with reference to this matter, if he has any conscience at all it must upbraid him. He has made me uneasy sometimes when I was on that side of the House by his strong denunciations of the government on those lines; now he sits complacently here and sees his colleagues do the same thing. They are doubly guilty now in doing what they denounced us for doing. $70,000 is an enormous sum, it is more than we ever spent.

Mr. FITZPATRICK. I quite agree that we pay a very large amount for lawyers' fees. We paid a large amount before, and we pay a large amount still. At the same time let me draw attention to this fact—and I am sure the hon. gentleman will give me credit for it—that in 1893 we paid $143,000, while this last year he will be glad to learn that we have reduced the general legal expenses down to $72,000. In 1894-95-96, the amount paid to solicitors in Ottawa for services rendered varied from $17,000 to $19,000 a year; whereas last year, finishing the 1st of July, the amount paid was only a little over $5,000. I am sure he will agree that although we still spend a large amount, we have been endeavouring, as far as possible, and successfully, to reduce that expenditure. We shall continue in the same direction, and I can assure him that we shall do even better in the future.

Mr. R. L. BORDEN. I think the Minister of Justice ought to have stated also that we have to make an allowance to certain officers of the Department of Justice for performing the same duties that were formerly performed by outside solicitors, so the difference is not as great as he suggests.

Mr. FITZPATRICK. I added that we had increased the salary of the deputy by $1,000. Let me also add this, that there is no man in this country who has more effectively co-operated in this work of reduction than the Deputy Minister of Justice. That reduction could not have been accomplished without his effective and loyal co-operation.

At six o'clock, committee took recess.

After Recess.

Committee resumed at eight o'clock.

Department of Public Works—salaries, $53,150.

Mr. TAYLOR. Mr. Chairman, perhaps at this stage it would be well for the hon. Minister of Public Works (Hon. Mr. Sutherland) to make a general explanation as to how the Department of Public Works and the Department of Marine and Fisheries stand now, so that we will know whether the money to be voted in the main estimates is to be expended by the hon. Minister of Public Works or transferred to another department. I see by the newspapers that there has been a general shakeup, that the Department of Public Works has been practically robbed of all its powers and that they have been handed over to the Department of Marine and Fisheries. The Department of Public Works might as well shut up shop, because it has practically nothing to do except to look after a few public buildings, and, under these circumstances, I think it is right and proper that we should have from the hon. minister now a full explanation of what changes are to be made.

Mr. CLARKE. Make a clean breast of the whole affair.

Mr. JAMES SUTHERLAND (Minister of Public Works). There will be an opportunity of making an explanation in regard to that matter on another occasion. I shall not ask the committee to vote any money that is to be spent by any other department than by the Department of Public Works. There may be one or two items in the estimates referring to the hydrographic surveys and to some improvements relating to the St. Lawrence channel, upon which an explanation may have to be given later on. I am not now asking the committee to consider any appropriation that will not be spent by the Minister of Public Works.

Mr. HENDERSON. We certainly do not expect that the hon. minister is going to ask for any money that is not to be spent by the Department of Public Works, but what we want to know is: Who is the Minister of Public Works, who is going to spend the money? As has been so well said by my hon. friend the member for South Leeds (Mr. Taylor), there has been such a shake-up in these two departments that I am quite sure we on this side of the House, as well as those on the other side of the House, have no perfect knowledge at all of what is under the control of the hon. Minister of Public Works and what is under the control of the hon. Minister of Marine and Fisheries. I fail to see why this information should be withheld. It seems to me that if we are going to do the public business, we must have a reasonable understanding of the matter with which we have to deal. I am glad that my hon. friend brought this question up. It is a matter that I had thought of myself, and I have been wondering how we would succeed in getting the information, because, doubtless, as the session goes on, we will from time to time require to know what minister we ought to appeal to for certain appropriations, if we should make an appeal at all, in regard to something we thought was required, and to my mind, when we are considering these estimates at this early stage of the session, it is very desirable that we should have a clean breast made of the whole thing. I hope the hon. Minister of Public Works, or the hon. gentleman who is acting to-night as the Minister of Public Works, is not ashamed to tell the committee how much of his prestige and authority have been taken away from him by the hon. Minister of Marine and Fisheries (Mr. Préfontaine). I sympathize with the hon. gentleman, because my own impression is that he has not been very fairly dealt with, and we in the province of Ontario would prefer that the Public Works had not been dealt with with the iron hand, as it must have been, under the direction or under the pressure of the hon. Minister of Marine and Fisheries. I think it is better now that the hon. Minister of Public Works should make known to us exactly how the matter stands, and then we will be able to discuss each item intelligently.

Mr. J. SUTHERLAND. In reply to my hon. friend (Mr. Henderson), I may say that I am still the Minister of Public Works, not having resigned, and I may possibly be for the balance of the year for which these estimates are asked. If there is a general election and a change is made, my hon. friend may take my place, and I am sure he will see that this money is applied in the best way possible. I will try to see, while I am Minister of Public Works, that the country gets value for it. There is one item under the head of the Department of Public Works for hydrographic surveys, and when we come to that I will explain that the vote to be taken will be under the jurisdiction of the Department of Marine and Fisheries for the coming year. That is a change which I announced last session. It is a very small vote of something like $20,000 or $30,000. The only other item of a like character upon which the change may be discussed is the appropriation for the St. Lawrence river improvement. My hon. friends, having taken my assurance last session that the money voted would be spent by the Department of Public Works, I am sure will be willing to take that assurance again, because any money voted for the Department of Public Works will be expended by the Minister of Public Works. There is no change in regard to any of the items in the estimates for which I am now asking a vote. There is some proposition to make a change in regard to the two items I have mentioned. I am not keeping anything back from the committee in regard to them.

Mr. CLARKE. Does the Department of Public Works remain in the same position as it was twelve months ago?

Mr. J. SUTHERLAND. Just the same.

Mr. CLARKE. Does it exercise the same jurisdiction over the works and services as it did twelve months ago?

Mr. J. SUTHERLAND. Yes.

Mr. SPROULE. What is going over to the Department of Marine and Fisheries, because it was given out in the press that the Department of Marine and Fisheries would deal with certain public works which seemed more appropriately connected with that department than with the Department of Public Works? Was the country misled, or was it intended that the Department of Marine and Fisheries should take charge of these works?

Mr. J. SUTHERLAND. I think there may be a wrong impression as to what I said last session that in my opinion the hydrographic surveys would be better carried on under the Department of Marine and Fisheries, and it is only recently that that change has been made. We were then really at

the end of the season during which that work can be done, and it was not thought well to make the transfer until the opening of another season. I have given instructions to transfer that work to the Department of Marine and Fisheries for the coming year. There may also be a change in regard to work in the St. Lawrence river.

Mr. CLARKE. What will be the nature of that change ?

Mr. J. SUTHERLAND. That is as to the improvements which are being made in the St. Lawrence river. That with the hydrographic survey is the only change, and I do not think there is anything kept back, or that there is any misunderstanding in regard to that matter. When these items come up, either in the estimates of the Department of Public Works or the Department of Marine and Fisheries, a full explanation will be given in regard to them.

Mr. CLARKE. What works are being carried on under the authority or supervision of the Department of Public Works in the way of improving the navigation of the St. Lawrence which it is intended to transfer to the Department of Marine and Fisheries ?

Mr. J. SUTHERLAND. The improvement of the channel between Montreal and Quebec.

Mr. CLARKE. Of what nature ?

Mr. J. SUTHERLAND. Almost altogether the dredging and sweeping of the channel. Lighting and all other aids to navigation are now under the control of the Department of Marine and Fisheries. It has been thought that perhaps a saving might be made if that work was done under the Department of Marine and Fisheries. That is the only change that is under consideration now.

Mr. CLARKE. All the dredging was formerly done under the superintendence of the hon. gentleman's department ?

Mr. J. SUTHERLAND. Not at all ; none whatever, except what refers to the main channel.

Mr. CLARKE. All the dredging connected with the improvement of the channel on the St. Lawrence which has been done under the hon. gentleman's department is to be taken away ?

Mr. J. SUTHERLAND. No, there may be a misunderstanding. Any dredging that is properly under the department now in regard to harbours or any other improvements that may be made to wharfs along the St. Lawrence will still be retained under the control of the Public Works Department. It is only the improvement of the ship channel that is given over to the Department of Marine and Fisheries.

Mr CLARKE Then everything connected with navigation will be taken away from the hon. gentleman's department ?

Mr. J. SUTHERLAND. In the channel.

Mr. CLARKE. Was that done formerly by the Public Works Department or by the Marine Department ?

Mr. J. SUTHERLAND. The Public Works Department.

Mr. CLARKE. Is that gone also ?

Mr. J. SUTHERLAND. I said that no change has been made and that there would not likely be any change this year.

Mr. CLANCY. When the minister speaks of the St. Lawrence, does he mean the whole of the St. Lawrence or only that below Montreal ?

Mr. J. SUTHERLAND. Only the channel below Montreal.

Mr. TAYLOR. All the work done by the dredges has for years been done under the Public Works Department, but now it is to be divided between that department and the Marine Department. The Public Works Department had at Sorel a large plant for building and repairing dredges, and I should think that the change which is now proposed would not only have a tendency to confuse the accounts, but would entail extra expense on the country. I believe that this change is a great mistake in the interests of the country. The Public Works Department will have to send certain dredges to the Department of Marine and the Department of Marine will have to man them, and if they are to be repaired they will have to be repaired by the Public Works Department, or else, more costly workshops will have to be built. I do not think that any business man would manage his business in that way. I believe that the work could be more efficiently and more cheaply done, if it were done under the one head.

Mr. J. SUTHERLAND. These matters will all come up for discussion when we come to the appropriation for that purpose later on.

Mr. CLARKE. Is it intended that the Sorel establishment shall be taken from the Public Works Department and handed over to the Department of Marine and Fisheries ?

Mr. J. SUTHERLAND. That was the proposition, but if any vote is asked for that purpose, full information will have to be given.

Mr. CLARKE. And if that is done, then the dredges of the Public Works Department will be handed over to the Marine Department for repairs ?

Mr. J. SUTHERLAND. Not necessarily.

Mr. CLARKE. How will it be done ?

Mr. J. SUTHERLAND. It will be done as the great bulk of it is done at the present time. The dredges will be repaired wherever they are working whether they are in Nova Scotia or Ontario. There has been considerable work done at Sorel on plant that is not used on the channel, but all these details will have to be given later on.

Mr. INGRAM. Last year the minister asked a vote under this head for $51,800, and this year, notwithstanding the fact that the Department of Public Works is to be less important than it was, the minister has increased this vote to $53,150. For years that work has been done by the Department of Public Works, and there must be some good reason, or there ought to be some good reason for making the change. This matter was fully discussed last session, but parliament has never yet been told how it is that this change in the departments has come about. This is the proper time for us to have an explanation.

Mr. J. SUTHERLAND. None of the officers paid out of this vote are at all affected by any change that may be made. I may say that the increase in the amount this year is almost altogether made up of the annual increases of $50 each which have been allowed on the report of the deputy minister to the officials he considered were entitled to it. Of the thirty-two officials in the department, twenty-seven have been allowed an increase of $50 each, which practically includes all the officials entitled to it, outside of the deputy minister, the chief engineer and the chief architect. I think that my hon. friend (Mr. Ingram) will see that it will be far more convenient to discuss this matter when we are considering a vote which is affected by any change proposed.

Mr. INGRAM. We must conclude that this change was made, either because the Minister of Public Works was not competent to administer his department, or else that another minister had to be satisfied at his expense. A reflection is cast upon the Minister of Public Works by the change, and if the explanation is a good one it ought to be made now.

Mr. J. SUTHERLAND. My deputy informs me that the special vote which had been expended under the late minister, was taken out of the vote for the ship channel, and that is the only item in connection with these estimates, which will give rise to any discussion on that point.

Mr. SPROULE. There are two things which in my judgment should be given to parliament at the earliest opportune time : one is the change of the portfolios, and the other is the changes of work in the departments. The former should be given as soon after the opening of parliament as possible, and the latter as soon as we begin to vote moneys. If you do away with half the work of a department, it necessarily follows that you will not require the same number of hands to do the smaller amount of work ; and now that we are voting money for the Public Works Department, we want to know whether half the work which has hitherto been done by the Public Works Department is in future to be done by the Department of Marine and Fisheries. It is important that we should know how the work is to be divided between the two departments, so that we may judge whether it is necessary to vote this amount of money or a smaller or a larger amount. For that reason, this is the opportune time for having a full explanation not only with regard to the Public Works Department, but every other department of the government, where it is proposed to transfer any of the work from one department to another.

Mr. J. SUTHERLAND. I fully agree with the policy laid down by my hon. friend ; but I thought I made it clear to the committee that not one cent of the salaries of any of the officials or men employed in connection with any of the work that is being transferred will be paid out of this vote.

Mr. SPROULE. That is not the question. If you require much less work to be done, do you require all this vote ?

Mr. J. SUTHERLAND. I leave the hon. gentleman to infer, when I say that the full amount of expense to be affected by the change which will be made at the beginning of this season will be about $500,000 which is not a large amount out of a total of between $5,000,000 and $10,000,000, and would not greatly affect the size of the staff at headquarters, especially as the staff in connection with these particular works are not located at Ottawa, and are not paid at all out of these appropriations.

Mr. HENDERSON. During last session power was taken by the government to transfer by Order in Council from one department to another, various works which were formerly under the control of either the Minister of Public Works or the Minister of Marine and Fisheries. We have now at length succeeded in getting the information that about $500,000 of work is to be performed under the direction of the Minister of Marine and Fisheries, which would otherwise have been under the control of the Minister of Public Works. It is quite possible that before the 30th of June, 1905, some material changes may still be made. I would like to know from the Minister of Public Works, whether the transfer of work to the Minister of Marine and Fisheries which has thus far been decided

upon has been made at the suggestion of the Minister of Public Works, or was the demand made by the Minister of Marine and Fisheries ? I shall expect when I sit down to get an answer to that question. The hon. member for East Elgin (Mr. Ingram), a few moments ago drew attention to the fact that the minister was asking for the staff this year $1,000 more than was required last year.

Mr. J. SUTHERLAND. Only the $50 increases, as I have explained.

Mr. HENDERSON. I quite understand so. But what I want to draw attention to is this, that while the department has been relieved of some of its work, involving less office work, less engineering, less work for the architects, the amount asked for the payment of the staff has not decreased. To my mind, if there is a decrease in the expenditure, the cost of the staff ought to decrease. Now, I turn to the estimates of the Minister of Marine and Fisheries, and I find that a very material increase is to be asked for by him ; and no doubt, when we reach those estimates, we shall be told by the minister that the increase is all owing to the fact that a considerable amount of work that was formerly done by the Minister of Public Works, is now to be carried out by the Minister of Marine and Fisheries. If the whole of the work to be performed by the two departments is simply equivalent to what is done by the two departments to-day, there should be no increase in the staff, whereas we find that for the Department of Marine and Fisheries provision is made for an increase of the staff from 52 to 56. Now is the time when all these matters should be explained, because if we vote this sum, a sum in excess of what we think the minister requires for his staff, we shall be handicapped when we come to vote the salaries for the department of Marine and Fisheries, which amount to some $4,500 more than those of the previous year.

Now, I think that perhaps the Minister of Public Works has not been very fairly treated in this matter. Of course if the change has been made at his own request, if he has asked that a certain amount of his work be transferred from his department, then I have no fault to find with the head of the government. But if a demand has been made by another minister, his junior in the government, and that demand has been acceded to, I think there is some unfair treatment of the Minister of Public Works and it is just as well that we who are voting this money should know just whence the pressure came that brought about the change that seems to have occurred. That there is a change is perfectly evident from the fact that the Minister of Marine is asking for a very large increase in the vote for his staff whilst the Minister of Public Works is asking for practically no increase.

Mr. J. SUTHERLAND. If my hon. friend (Mr. Henderson) will look at this vote he will see that it provides for no engineers except the chief engineer of the department. As to the architect he never had anything to do, and would not have anything to do, with any of the changes that are proposed. On a previous occasion I stated in this House that in my opinion the work of the hydrographic survey should be transferred to the Department of Marine and Fisheries.

Mr. SPROULE. Is that all that has been transferred ?

Mr. J. SUTHERLAND. It is.

Mr. HENDERSON. Ten years ago the hydrographic survey was under the Department of Marine and I was not aware that it had been transferred.

Mr. J. SUTHERLAND. The ex-Minister of Public Works (Hon. Mr. Tarte) had taken it over and established a boat and staff for the purpose of doing hydrographic survey work. I stated last session that in my opinion this was a mistake and that the work should be under one department as in that way it could be done more cheaply and more efficiently. I think I then stated that it was too late to make the transfer that season but the deputy has now taken steps to transfer it. The balance of the vote applies to the improvements in the St. Lawrence channel and none of these votes can be effected in any way by that transfer.

Mr. TAYLOR. If the argument of the minister is correct with reference to the hydrographic survey, it certainly is a great deal more applicable in the case of dredging. He thinks the surveys can be carried on more efficiently when all under one department and how can he say that it will be in the public interest that the dredging, which requires a large and expensive plant, should be divided between the Marine and Public Works Departments ?

Mr. J. SUTHERLAND. This is the change that is being made now and in the event of any changes being made in the future that would be a fair matter for discussion.

Mr. TAYLOR. We must accept as gospel the statement of the Minister of Marine in Montreal before the last election. He said that this was all coming to him ; he was to have control of the dredging plant, and the deepening of the St. Lawrence channel. If the plant at Sorel and one half of the dredging is to be handed over to the Department of Marine and Fisheries, surely the Minister of Public Works should hand over six or eight of the clerks employed in the Public Works Department ? If a man were engaged in a wholesale and a retail business and sold out the retail business he could dispense with a great deal of his help and in

the same way the Minister of Public Works could cut down his staff. We know that as soon as the work is divided up the cost to the country will be nearly doubled.

Mr. J. SUTHERLAND. My hon. friend (Mr. Taylor) does not seem to under stand that there is a complete, separate staff connected with that work and the officers for whom this vote is taken are not in any way affected by the change. When a vote is asked for that purpose then we can give it consideration, but I am sure my hon. friend will take my word that not one of the staff here will be affected by the change except in so far as the deputy minister and chief engineer may have had the matter under their jurisdiction.

Mr. TAYLOR. The staff at Sorel are paid through the Public Works Department, their cheques are made out in that department, and all of this has been done by the regular staff. Now the staff will be relieved of that work. The deepening of the channel was also under the Public Works Department but now the clerks will be relieved of that correspondence, &c. Therefore, I think some of them will be dispensed with and handed over to the Marine Department.

Mr. J. SUTHERLAND. I do not think so. My hon. friend will see that the work of the department is not materially affected. Cheques are made out here by the Public Works accountant, but we do not make up the time or check the accounts or anything of that kind. That is all done at Sorel. The accountant will be relieved of the mere making out of the cheques for the payment of these men but the chief accountant and his assistants will still have sufficient work in the department for the staff for which we are now asking this vote. This work is done by technical officers who have no connection with the head office at Ottawa. So far as the works at Sorel are concerned the specifications, plans and so on are made there and not by the department here.

Mr. SPROULE. What department attends to the lighting of the St. Lawrence and the putting in of buoys and lighthouses ?

Mr. J. SUTHERLAND. The Marine Department.

Mr. SPROULE. What department had this work previously ?

Mr. J. SUTHERLAND. I believe it was in the hands of the Harbour Commissioners.

Mr. SPROULE. Did not the Public Works Department at one time build lighthouses ?

Mr. J. SUTHERLAND. They have not had that work in hand for years.

Mr. SPROULE. How is it in the case of the harbours on the upper lakes ? It is desirable that we should be informed on these points in view of what has appeared from time to time in the newspapers. We see it stated here and there that work formerly done by the Public Works Department and by the Railway and Canals Departments is to be handed over to the Department of Marine and Fisheries. If we are to discuss these things intelligently, we must know how the departments are being divided so that we may understand who is to be in charge of the expenditure of money.

Mr. J. SUTHERLAND. The hon. gentleman (Mr. Sproule) must leave out of account the things he sees in the newspapers. But he knows that power was taken by the Governor in Council to make such changes. I can only speak for myself, but I can say that in asking for votes I do so with the expectation that no change will be made during the year for which the vote is given. That ought to satisfy the House that when they vote money they know what department it will be spent by. I have gone further and have intimated in a general way what would be the result if the proposed arrangements with regard to the St. Lawrence channel are carred out. If the change is made, it will not affect this vote or any other I ask the House to grant.

Mr. CLANCY. I have listened with some interest to the hon. gentleman's explanation in answer to the question asked by the hon. member for Halton (Mr. Henderson), namely whether the changes that have been or are about to be made have been or will be made on the recommendation of the Minister of Public Works himself. I do not wish to do the hon. gentleman an injustice, but perhaps he will take what I am about to say as a compliment. He seems to have the art of answering questions that are not asked. The hon. gentleman was asked if he had made such a recommendation. His answer as I understood it was that he had stated on a former occasion—last session I believe—that the vote of the hydrographic survey should be placed under the department of Marine and Fisheries to which it had formerly belonged. But apparently that did not cover the point. For, the hon. gentleman said that half a million dollars at least would be involved in this change. If I understand it aright we are not spending half a million on hydrographic surveys. What we are spending a part of this money for is the improvement of the channel below Montreal. If the hon. gentleman will permit me, I will repeat the question in a narrower form :—Has the hon. gentleman recommended changes with regard to the expenditure of money for the improvement of the channel as well as for the carrying on of the hydrographic surveys ? Has it been under the hon. gentleman's recommendation that these changes have been made ? He has just had a second conference with the Minister of Finance (Hon.

Mr. Fielding) and surely he will be able to make it clear this time. And I am sure the Minister of Finance will assist his colleague the Minister of Public Works in giving an answer to my question.

Mr. J. SUTHERLAND. I do not know whether that is a fair question or not. Of course, my hon. friend (Mr. Clancy) understands the constitutional practice. Personally I have no objection to answer, and I thought I had done so. I said I had suggested although I did not recommend one change—it had to be recommended by the Prime Minister. I suggested one change, but not the other. It is a matter for discussion at a future time.

Mr. CLANCY. Then the hon. gentleman I understand, agrees to this change in his department. He will be willing to give back the Marine Department what he thought properly belonged to it. But, since the hon. gentleman did not recommend the change, it would seem that his department is being dismantled without his consent. Some hon. gentlemen on this side say that this is a reflection on the hon. gentleman himself. I am not willing to believe that he is not capable of doing the work of the department. I believe the Minister of Public Works shares my opinion. Let us be perfectly frank about this. Here is a great spending department under the control of the hon. gentleman. Another hon. gentleman wants more patronage than he has. I do not think I am going too far when I say that the Public Works Department is to be cut and carved to suit the wishes of this other gentleman. I think the country will be gratified with the frankness of the avowal of the Minister of Public Works that a portion of the work that has been conducted for many years successfully under his department is to be taken over not in the public interest—because I am sure he considered the public interest as well as the proper jealousy for his own department—by another department. And he refused to give his consent to the change. I think the House and the country have a right to the fullest explanation not only as to what has been done, but as to the policy of the government in future. Is the Public Works Department to be reduced by a supposedly painless process of taking small portions at a time to gratify the hunger for patronage of the hon. gentleman who presides so ably over the Marine and Fisheries Department, or is this the last change that is to be made in this direction? As has been stated by one or two gentlemen on this side there is a large increase of expenditure on civil government disclosed on the face of the estimates I think mainly due to this change. So, I think the hon. gentleman can scarcely hope that he should proceed with any of these estimates—knowing as he knows better than I do that he is responsible not only for his own department but for the policy of the government of which he is a distinguished member—until he is ready to go further and tell us what the policy of the government is in this respect.

Mr. J. SUTHERLAND. The hon. gentleman (Mr. Clancy) asks, as he said, a more direct and pointed question than was asked by the hon. member for Halton. I thought it my duty to try to answer the question put by that hon. member (Mr. Henderson). The hon. gentleman has taken advantage of my answer to make it appear that I had intimated something which I did not intend to. My hon. friend well knows that if any change were made it would have to be done by authority of the Governor in Council. If I remained a member of the cabinet I would assume the responsibility for the change, with my colleagues. The hon. gentleman knows that. But I do not think it is necessary or desirable for the government to take any notice of reports in the newspapers such as these. There is only one question perhaps that can come up for discussion, and that is whether any change would be in the public interest. That question would come up more properly and could be discussed more effectively when the vote is being asked for that purpose. The hon. gentleman does not expect me now to explain newspaper reports that I have not seen, or any that I have seen. I have merely stated the actual facts as I know them to be.

Mr. CLANCY. I have not been interrogating the hon. gentleman in regard to newspaper reports, I made no reference to newspaper reports. The hon. gentleman is aware that authority was taken last session by an Act of this House giving unlimited power to the government of which he is a member to change the divisional work of the departments. They could practically hand over the greater portion of the work done in his department to the Department of Marine and Fisheries had they thought proper to do so. Now I think we have a right to know whether there is one dollar being expended under the Department of the Minister of Marine and Fisheries other than that which belonged to it previously. As the minister of the Crown especially responsible for the expenditure of his own estimates, I think he should give us that information at this time. I asked the hon. gentleman if it was the policy of the government—he certainly knows the policy of the government—if it was the policy of the government to continue to make such changes from time to time in his own department as they would have authority to make under the Act passed last session.

Mr. J. SUTHERLAND. I have endeavoured to make it clear to the House that no

change was proposed except what I have intimated. I think I am able to state positively that so far as the government is concerned no change will be made during the year for which these appropriations are taken other than that I have intimated.

Mr. CLANCY. That is not quite answering the question. The hon. gentleman says that during the present year for which the vote is taken there will be no change. But there is more. The hon. gentleman says that this year there will be an expenditure of half a million dollars ; what about the next year ?

Mr. J. SUTHERLAND. My hon. friend will see that we are dealing with this year's estimates, and he could not expect me to declare the policy of the government for all future time. I do not mean to keep anything back. No such policy as he intimates is under consideration—I do not know how I can give a franker answer than that. I have never heard of any other policy being considered by the government.

Mr. SPROULE. I do not know whether the minister desires to withhold from us as full information as he is able to give, or whether he has not got the information. I do not think his information is as full as the House is entitled to. We passed an Act giving the government certain authority, and we want to know whether they have acted on that authority or not. He has not told us whether they are going to do it in the future or not. We ought to know whether they have done it in the past, and we ought to know whether they propose to do it next year. That is not an unreasonable request. Knowing that, we will be better able intelligently to discuss the expenditure of the money that he now asks for. He told us the hydrographic survey was under the Marine Department. Am I correct in understanding that the hydrographic survey which was to be carried on on Lake Superior has been transferred to the Marine Department ?

Mr. J. SUTHERLAND. That has always been under the control of the Marine Department since it was established.

Mr. SPROULE. What surveys did the minister refer to ?

Mr. J. SUTHERLAND. That which is being done on the St. Lawrence river. That is the only survey under the Public Works Department that is being transferred.

Mr. SPROULE. And that which was being done by the Railway Department ?

Mr. J. SUTHERLAND. That will all be consolidated in the Marine Department.

Mr. SPROULE. We are still without the information we desire. There are two things parliament is entitled to at the earliest possible moment. First, we are entitled to an explanation regarding ministerial changes. That I am informed we have not got yet. In the next place, when we commence to vote money we are entitled to an explanation of what changes have been made in the various departments in the way of transferring work from one to another. I think we ought to have that explanation with regard to all the departments, because when we are dealing with one it indirectly affects another.

Mr. J. SUTHERLAND. No other changes have been made, and none others are under consideration.

Mr. SPROULE. I understood some changes would be made during the time this money was being expended.

Mr. J. SUTHERLAND. One cannot tell what may be done more than a year hence. Something may occur which may render other changes necessary. But no other changes have been made than I have stated, and there will be no other changes made until parliament meets again.

Mr. SPROULE. But the law provides that changes may be made at any time by Order in Council, it becomes a matter of importance to know whether it is contemplated to make any during the present year.

Mr. J. SUTHERLAND. I wish to make it clear that so far as my department is concerned, and so far as the policy of the government is concerned, of which I have any knowledge, there is no intention of making any change.

Mr. SPROULE. I want to bring up another question. I notice in some of the departments some of the officers have received their statutory increases under the Civil Service law we passed last year. Looking over the Act I cannot understand very clearly when it will come into force. I am told that in some departments it has already been enforced and that some are enjoying the benefits of the law while others are not, that some have got them in the past and that some will get them in the future. Perhaps the hon. Minister of Finance would be good enough to give an explanation as to what the operation of the law is at the present time, what departments have been brought under it, and what civil servants are enjoying the increases provided for by it ?

Mr. FIELDING. The Act was an enabling Act authorizing the government to do certain things. As respects some portions of the Act I think all the departments—I am speaking from memory—have availed themselves of the privileges of it. There are some parts of the Act that have not yet been put into operation, for example, that portion of the Act which creates a class known as grade 'A.' The matter is under consideration as to what officials in

the departments are entitled to receive the promotion of the character which is contemplated by the Act. I think I am correct in stating that all of the departments have availed themselves of some of the provisions of the Act.

Mr. SPROULE. I do not know how the Act is worked out because I am not sufficiently familiar with it, but I am told that by the estimates which are before us there will be a doubling up of the salaries of some civil servants and not of others, that while some will receive an increase of $25 only, others will receive an increase of $50 and that the Act is not in operation along the same lines in the various departments. In looking over the estimates I judge that may be the case because I find in some cases where they have the same number of civil servants this year as last, there is only an increase in the amount asked for which would provide for the ordinary statutory increase, while in other departments there appears to be no statutory increase provided for. For instance, in the Department of Public Works there is an increase of $1,350 and the number of employees is 32, the same as last year. I take it that the $1,350 will represent the statutory increase that is given to these civil servants under the new law.

Mr. J. SUTHERLAND. The number is 27, and if you multiply the amount by that it will give you the amount of increase that each will receive.

Mr. SPROULE. I assume that in the Department of Public Works they are getting it while in some other departments, I am told, they are not getting it. Why is it that some benefit and others do not?

Mr. J. SUTHERLAND. The deputy minister informs me that all are to be benefited under the Act.

Mr. SPROULE. There are others who do not benefit outside of grade 'A.'

Mr. J. SUTHERLAND. All in the Department of Public Works who are entitled to it under the Act get the benefit.

Mr. SPROULE. I understand that in the Department of Public Works they get it but in some of the other departments they do not.

Mr. FIELDING. We will have to deal with the question as each department comes up. The operation of the Act may not be uniform in this respect, that although the Act empowered the government to do certain things each department would have to take the initiative as respects its own officials and that initiative may not have been taken at the same moment. I think I am correct in saying that all the departments have availed themselves of the general provisions of the Act. I know that in my own department each official got the benefit of the Act in all matters outside of grade 'A.'

Mr. SPROULE. That which may have been done by one department may not have been done by all at the same time. If the Order in Council was passed last year bringing the Act into operation as respects one set of civil servants, and it was not brought into operation in another department until this year, it would be a great injustice.

Mr. FIELDING. It would all be within the same year. I do not mean to say that it was brought into operation in different years.

Mr. SPROULE. I have not before me a particular instance, but I am told this is so, and of course I thought the hon. Minister of Finance would be able to explain it. I think still there has been a blunder in regard to it in some way or other.

Mr. FIELDING. There were one or two features of the Act which were open to debate as to their possible interpretation and there was some delay as to that, but I think I am quite safe in saying, that, as respects the well established classes of civil servants in all the departments, they have received the benefits of the Act. They may not all have received them on the same date but they have received them. If there are exceptions there must be good reasons for them and of course the hon. gentleman would have to point to a particular case before we could give the explanation.

Mr. SPROULE. The Act was passed in the current year but it was after the commencement of the financial year. Would the civil servant get the advantage of one-half or three quarters of a year or how much?

Mr. J. SUTHERLAND. I understand the Act would come into force as soon as it became law.

Mr. SPROULE. It does come into force but here is the only thing that I can find that bears upon the subject:

All sums of money voted by parliament for the financial year ending on the thirtieth day of June, 1904, and applicable for the payment of the salaries or the increases to the salaries of any person in the public service, shall, in the event of the promotion of any such persons to higher classes or grades, or on their transfer to other positions in the public service, or other becoming entitled to, or being granted, increases of salary under the provisions of this Act, be applicable in or towards payment of the salaries or increases to the salaries of such persons so promoted or transferred, or becoming entitled to or being granted increases as aforesaid.

The money is available whenever the government do a certain thing, but the question is whether the government have done that certain thing to enable all civil servants to take advantage of it at the same time, or whether some have been able to take advantage of it for a half year, or three-quarters of a year, while others have not received

any advantage from it up to the present time.

Mr. FIELDING. The Act took effect, I think, on October 23.

Mr. SPROULE. It was assented to then.

Mr. FIELDING. On the day of prorogation.

Mr. SPROULE. Yes.

Mr. FIELDING. My recollection is that the Act took effect from that date and that it would apply to each civil servant just as soon as the minister of the department would deal with the matter. I would take it that there must be a difference of some weeks owing to the absence of the minister, owing to the minister being otherwise engaged. The dates on which these promotions might take place might vary to a small extent but I do not think they would be to a sufficiently large extent to make any material difference in the salaries of the different officers. It may be that one department took advantage of the Act promptly while another department may have delayed for a few weeks before the Act was brought into operation by the minister of the department, but I do not think there was any material difference in the time.

Mr. SPROULE. Would the salary commence from the date on which the Order in Council was passed, or from the quarter of the year, or the half of the year ?

Mr. FIELDING. That would depend on the action taken in each case. As a general rule salaries take effect upon the date at which the appointment is made. If the increase were made early, to date from the passage of the Act, I suppose the Auditor General would pass the account, but if it were delayed for a considerable period I fancy it would take effect from the date of appointment. We would be obliged in each department to look into the action taken under the Act before we could give a fuller statement.

Mr. SPROULE. The hon minister is referring to one thing and I am dealing with another. The hon. minister is dealing with those special classes that have been created under the Act while I am dealing with the ordinary statutory increase that is provided for all of them.

Mr. FIELDING. Of course the ordinary statutory increase is one thing and the special increase of last session is something additional. The ordinary statutory increase was provided for before. In some cases the the scale of salaries adopted under the new Act would entitle the official to something beyond the statutory increase and in other cases perhaps not, but wherever he was entitled to statutory increase already provided for, I think I am safe in saying that he has received it.

Mr. HENDERSON. Going back to the question that we were discussing before in reference to the change in the Department of Public Works and the Department of Marine and Fisheries I have been endeavouring to find the Act to which I referred a short time ago, but the indexes made by the well paid government officials of these statutes are so extremly vague that I am always at a loss to find anything that I want to get. I wonder that some Minister of the Crown does not take this matter up, and suggest a better system of indexing the statutes. There are indexes scattered all over the book and you have to look here and there and everywhere before you come across, accidentally in the end, what you want to get at. Now, Sir, the government having acted upon that Act of Parliament in one instance, by transferring under Order in Council to the Marine Department a portion of the attributes of the Public Works Department ; can they go on from year to year passing Orders in Council, based upon the authority of this Act, and constantly change the duties of one department to another. I am sorry that the Solicitor General is not here to give a legal opinion on the question. It is my belief that once having exercised their power under that Act, the power of the government is exhausted, and they have no right to go on from year to year making constant changes. Probably the fact that I did not know what the minister meant by a hydrographic survey, led me to make comments which were not necessary. We have had hydrographic surveys in the Georgian Bay under the Marine Department, but these were surveys of the bed of the lake for the purpose of charting the obstructions to navigation. I never understood before that dredging would come under a hydrographic survey, and I do not think that most other people understood it either. The fact is, that the minister was speaking of a hydrographic survey, when we were speaking of dredging, and that is where the difficulty arose. I believe that we were right, and that a hydrographic survey is not a proper description of that dredging work.

Mr. J. SUTHERLAND. I would not go so far as to say that there should be no hydrographic survey on the St. Lawrence river. Of course the department will have to carry on surveys which are quite different from the ordinary hydrographic survey, for the purpose of charting. The surveys of the department for dredging purposes will be carried on as usual wherever that work is to be done. There was established under the late Minister of Public Works, a hydrographic survey, which I thought might be better handed over to the Marine Department.

Mr. HENDERSON. I agree with the minister that anything in the nature of a hydrographic survey should come under the Department of Marine, but I do think that

there was no good reason why any change should be made in the dredging even in the lower St. Lawrence. I am sure the House would have been better satisfied if the whole work, which had been assigned to the Department of Public Works for years had remained with the department. I am rather happy to know however, that the Minister of Public Works was not an assenting party to the change that was made. I notice here that there is an item of $600, for allowance to a private secretary. As I understand it, the minister selects a civil servant who has a certain salary, as his private secretary, and on account of the additional duties, or on account of the greater responsibilities that attach to the position of private secretary, he is allowed an extra salary of $600. I presume that is what the item refers to, because surely the minister does not pay his private secretary the paltry salary of $600.

Mr. FIELDING. My hon. friend (Mr. Henderson) is quite correct, subject to the qualification, that in some instances the $600 may be divided between two officials. That has been the practice for generations.

Mr. HENDERSON. If that be so, then why is it that in regard to this $600 for private secretaries, you have the words 'notwithstanding anything contained in the Civil Service Act' in most cases, while they are not connected with this particular vote.

Mr. J. SUTHERLAND. The explanation probably is that the gentleman who is acting as private secretary to the Minister of Public Works, is qualified under the Civil Service Act. It is quite possible that a minister might appoint as private secretary, one who has not passed the examination, and then these words would be necessary in order that he be paid.

Public buildings, Ottawa, Astronomical Observatory, $35,0000.

Mr. SPROULE. In what stage of advancement is this work now ?

Mr. J. SUTHERLAND. It will be completed during the coming year.

Mr. SPROULE. Building, fittings and everything ?

Mr. J. SUTHERLAND. Building, fittings and everything are supposed to be completed this year, and this is to provide for its completion.

Mr. SPROULE. What are the building and equipment expected to cost ?

Mr. J. SUTHERLAND. In round numbers $96,000 including equipment and fittings. The original contract for the building was $74,999. The rest is for equipment and fittings.

Mr. SPROULE. When do you expect to have your arrangements all complete ?

Mr. HENDERSON.

Mr. J. SUTHERLAND. During the current year.

Mr. SPROULE. Can the hon. minister give us some information in regard to the instruments and equipment generally ?

Mr. J. SUTHERLAND. The instruments are not included in this vote. They will be furnished by the Department of the Interior.

Mr. HENDERSON. Why by the Department of the Interior ?

Mr. J. SUTHERLAND. Because they carry on the work. We simply complete and furnish the building for them. We do not furnish the technical instruments.

Mr. HENDERSON. Where is the connection between the Department of the Interior and an astronomical observatory ?

Mr. J. SUTHERLAND. Because all the staff connected with that work are in the Department of the Interior.

Mr. HENDERSON. It seems to me that it would be more naturally connected with the Marine Department, and I am surprised that it is not handed over to that department. I presume that a part of the observatory has to do with warning mariners of coming storms. If the power of transferring work from one department to another is to be exercised, the Department of the Interior may be next attacked in order to bring prestige and patronage to the Department of Marine.

Mr. SPROULE. I see it rumoured from time to time in the press that the observatory at Toronto is to be moved to Ottawa. Is that the intention ?

Mr. J. SUTHERLAND. The two observatories are not in connection with the same branch at all. The Toronto observatory is under the Marine Department now as it always has been, and it will remain as it is.

Mr. CLARKE. There is no vote being asked for, to move the meteorological office from Toronto to Ottawa ?

Mr. J. SUTHERLAND. No, there is no vote being asked for.

Ottawa Royal Mint, $50,000.

Mr. J. SUTHERLAND. I may say that we hoped last session to have provided a site for this building before now; but owing to the very late prorogation, we have not yet been able to settle upon a satisfactory site. I understand that it is necessary to have a level point about three hundred feet square. We had thought a lot might be obtained down beside the printing bureau; but when the matter was gone into, that was found to be impracticable. The plans are prepared, and we are ready to go to work as soon as we can secure a satisfactory site.

Mr. SPROULE. It is some time since the Act was passed giving the government authority to build a mint, and the question has been dangling before the people both here and in British Columbia, and has done service in two or three elections. How much longer may we expect it to be before the government begin operations ?

Mr. J. SUTHERLAND. When I took the vote last session, I expected that the contract would have been let before this winter ; but as we were unable to obtain a site, that was impossible. There is no intention of having any unnecessary delay. The intention of the department is to have the work proceeded with early this spring.

Mr. SPROULE. Where is the site ?

Mr. J. SUTHERLAND. The site will be settled on very soon.

Mr. CLARKE. Has the hon. gentleman a site in his mind's eye now ?

Mr. J. SUTHERLAND. Yes.

Mr. SPROULE. What is this mint expected to cost when completed ?

Mr. J. SUTHERLAND. From $250,000 to $275,000.

Mr. SPROULE. Then, none of this money has been expended up to the present ?

Mr. J. SUTHERLAND. My hon. friend will see, from the way I take the vote, that we expect to spend $20,000 before the 30th of June. So he will see that we are quite in earnest in asking for the vote.

Mr. BLAIN. I remember that two or three sessions ago the hon. Minister of Finance gave us a pleasing statement with reference to the establishment of a mint. Perhaps he can give us some information now. I find, on looking over the debates, that he said then that the contract was let or was about to be let.

Mr. FIELDING. I think my hon. friend will find that he is mistaken in that. No contract was let. The matter made some progress and it was contemplated to place the building on Nepean Point, possibly not a very wise decision. While the matter was under consideration, and about completed, in fact I think after tenders had been invited, the military authorities raised objection to the placing of the mint on that site. The matter had then to be reconsidered, and since then the Department of Public Works has been negotiating for sites, but I am sorry to say has not been very successful. There is no other explanation to be given than that.

Mr. BLAIN. Might I ask when we may expect this work to be completed and the mint established.

Mr. FIELDING. The Minister of Public Works (Hon. Mr. Sutherland) assures me that he will press the question of site almost immediately, and as soon as that can be secured tenders will be invited. I suppose it will take a year after the contract is let before the building can be completed.

Mr. SPROULE. I presume that about the time that a Liberal candidate for Ottawa is chosen we will have the announcement of the choice of a site ?

Mr. FIELDING. I can assure my hon. friend that the high-minded electors of Ottawa are not influenced by such things at all. They realize that this is the capital of the whole Dominion and take no notice of these things.

Victoria Memorial Museum and other buildings, $170,000.

Mr. J. SUTHERLAND. A site has been purchased, and I shall ask for a revote of the balance not taken last session. The plans now are almost completed, and I expect to be able to lay them on the table of the House within a very short time. The site purchased is the Stewart estate at the foot of Metcalfe street. It contains nine acres and cost $73,500. I believe that the selection of this site has met with the general approval of the members of this House, as well as of the citizens of Ottawa. Along with the other members of the government, I have given the matter considerable attention, and after a full discussion of the whole subject we thought that in the public interest this particular site, which has a fine large plot of ground about it, would be better than any other site available.

Mr. COCHRANE. What do you mean by 'other buildings' ?

Mr. J. SUTHERLAND. We had several other buildings under consideration, such as the erection of a fire-proof office for the records of Canada, for which there is now no proper accommodation.

Mr. COCHRANE. Does this include rent of buildings ?

Mr. J. SUTHERLAND. No ; this is only for new buildings. The present buildings are so overcrowded that we have been compelled to rent office room.

Mr. COCHRANE. I am surprised to hear that the buildings are crowded. When the Conservatives were in power we heard a great deal of the buildings being all crammed from cellar to garret, but now I see the buildings are filled, and almost every second block I ask about in the streets of Ottawa I am told is rented by the government.

Mr. J. SUTHERLAND. There is no doubt that with the increase in the business of the country the departments have been so crowded that it has been necessary to find more accommodation.

Mr. COCHRANE. If, as the minister has said, the decrease in the work of his department does not relieve the country of any expense, why should the increase in the business of other departments entail additional expense ?

Mr. J. SUTHERLAND. I have several times stated that the Public Works Department at Ottawa is not affected by any of the proposed changes. I may say that the Public Works Department, as far as my experience is concerned, is pretty well crowded, and after all the changes that have been made in that building we have not secured an extra room, and I can assure my hon. friend that we have not too much accommodation.

Mr. COCHRANE. I have seen two or three men sitting in a place where there would be only one under the Conservative government. I have seen two or three men to wait on a minister where one was sufficient when we were in power.

Mr. TAYLOR. Was the property purchased by tender, by public auction or by bargain and sale ?

Mr. J. SUTHERLAND. By court sale. I am not sure through what officer, but I believe it was the Master in Chancery.

Mr. TAYLOR. Was there any commission, retainer or other sum paid besides the purchase price ?

Mr. J. SUTHERLAND. There was a commission, I think of 2 per cent paid to Mr. Taggart, the real estate agent.

Mr. SPROULE. What would be the size of the building it is proposed to construct ?

Mr. J. SUTHERLAND. I did not furnish myself with the details, as it was my intention to lay the plan on the table. The building will be 280 feet front, with two wings 126 feet in depth.

Mr. SPROULE. Will it be fireproof ?

Mr. J. SUTHERLAND. It will be of stone, and practically fire-proof.

Mr. TAYLOR. Do I understand the minister to say that he gave some gentleman a commission of 2 per cent on the $75,000 over and above what was paid for the property ?

Mr. J. SUTHERLAND. An arrangement had been made by the previous minister to have an option on this property. Negotiations had been carried on and a bargain was practically made with the owner, but I was informed by the solicitors that the owners could not give a title except through the courts. So, the purchase had to be made in that way. But the bargain had already been made, and morally and legally the man was entitled to his commission.

Mr. HENDERSON. I do not see that. It would seem that this agent undertook, for a commission of 2 per cent, to secure this property for the government, but was obliged to come to the minister and say that he could not carry out his agreement.

Mr. J. SUTHERLAND. It was the solicitor for the owner who informed me that a court sale would be necessary in order to give a title. I took advice, and was assured that, the negotiations having been placed in the hands of the agent, and he having made arrangement, we were liable for the commission.

Mr. LENNOX. Was this a compromise ? Was the original claim for commission higher than this ?

Mr. J. SUTHERLAND. I think it was 2 per cent originally—no compromise about it.

Mr. LENNOX. Was there any other bid at the sale except that of the government ?

Mr. J. SUTHERLAND. I think not.

Mr. TAYLOR. Was the amount paid over by the government as commission over and above the amount of purchase ?

Mr. J. SUTHERLAND. The amount of the purchase was paid into court, and besides that the government paid the agent $1,500 for commission. The owners I may explain wished me to pay $75,000 for the property and the commission in addition. I objected. The arrangement had been made, and I was not willing that the property should cost more than the amount stated.

Mr. LENNOX. I understand that negotiations for the purchase had advanced to a certain stage, and the amount to be paid agreed upon—$75,000. Then, because there was some difficulty in making the title, the solicitors for the vendors suggested that there would have to be a court sale. As I understand it, then, it would hardly be fair for the minister to say that this was in any proper sense an auction sale. It was a private contract after negotiation, and the matter was put through at a formal auction sale for the purpose of completing the title.

Mr. J. SUTHERLAND. That is as I understand it.

Mr. LENNOX. The amount agreed upon was $75,000, and the government paid that into court. I am not quite clear as to whether this 2 per cent was paid in addition.

Mr. J. SUTHERLAND. The amount was paid less the 2 per cent.

Mr. TAYOR. Then, the parties only received $73,500L, instead of $75,000?

Mr. I. SUTHERLAND. The negotiations brought us to a basis of $75,000 including everything. It was late in the negotiations when I learned that there was an agreement to pay a commission. I said I would not increase the price by the commission and that the parties would have to pay that, and that if I had to buy it in court I would take the commission from the amount.

Mr. LENNOX. What steps were taken by the department to ascertain the actual value of the property?

Mr. J. SUTHERLAND. This gentleman furnished me with a number of valuations made by some of the most prominent men in the city dealing in real estate. I cannot now recall the names, but I remember that some of them I knew personally. I may say that the great majority of them valued the property at over $75,000. I thought myself it was a pretty high price. It was quite a large lot of land, between eight and nine acres, beautifully situated. Probably not another lot of land could be secured anywhere in the city so well suited for this national building of that size. The real estate men valued this property upon the basis of what it would be worth if it were sold out in building lots at the present market value, and not with a view of selling it to the government. The property was assessed at the time in the books of the city at $46,000.

Mr. BIRKETT. I can fully bear out what the Minister of Public Works says. I know for a fact that the property was held at $80,000; that was the valuation put on it by several real estate men in the city. I think I had something to do myself in getting it at the reduced figure. Mr. Taggart, I think, was one of the valuators, with Mr. McDermott and several other real estate men of good reputation, and who know the value of property. Any person knowing where that property was situated would not hesitate to give $75,000 for it. It is large enough to make sixty or seventy town lots worth $1,000 to $1,500 each or more, according to the situation. The property is high and dry, and one of the most valuable in the city. The reason why the government could not get the title was owing to a mortgage which had to be taken to the courts and foreclosed.

Mr. HENDERSON. Does Metcalfe street run through the property?

Mr. FIELDING. No, it only runs to the property. The property lies between Elgin and O'Connor streets.

Public buildings—Nova Scotia—Halifax immigrant building, $11,000.

Mr. TAYLOR. I would like the minister to allow this item to stand, in the absence of the leader of opposition. He might want to ask some questions.

Mr. J. SUTHERLAND. I do not think this is a contentious item. I think we might go on with it on the understanding that if the leader of the opposition or any other gentleman wishes on a future occasion when the Public Works estimates are under consideration, to discuss it or to ask any questions, he can do so.

Mr. TAYLOR. The hon. member for Pictou (Mr. Bell) is here. Perhaps he will know something about these Nova Scotia items.

Mr. BELL. I do not see that any great advantage would result from taking up these items now and then going back and discussing them again at a future time.

Mr. J. SUTHERLAND. There is this advantage, that we would be getting on and doing some business.

Mr. BELL. We might take up the next item.

Prince Edward Island—Charlottetown Dominion building, improvements, additions, &c., $5,000.

Mr. LEFURGEY. I would like some explanation of this item.

Mr. J. SUTHERLAND. This is to complete the improvements and additions that are being made to the Charlottetown Dominion building. The repairs are going on at the present time.

Mr. LEFURGEY. Would the minister tell me if this contract was let by tender?

Mr. J. SUTHERLAND. It was let to H. & S. Low for $11,155. Theirs was the lowest tender. In addition to the contract there were some fittings.

Mr. LEFURGEY. When was the contract to be finished?

Mr. J. SUTHERLAND. It was to be completed on the 16th of February last.

Mr. LEFURGEY. I understand there are many complaints from the people who have to use a small building in the upper part of the town. In this contract were there some repairs to the roof to be made for the $11,000?

Mr. J. SUTHERLAND. No, they were not included in the contract.

Mr. LEFURGEY. Do you contemplate any repairs to the roof of the building?

Mr. J. SUTHERLAND. The chief architect informs me they are not included in this vote?

Mr. LEFURGEY. Have you got anything in coming estimates?

Mr. J. SUTHERLAND. The matter is now under consideration. If the chief architect reports that it is necessary to make these improvements to that building there is no doubt we will have to ask for a sum in the supplementary estimates and have them carried out.

Mr. LEFURGEY. I have advices from different people in Charlottetown that the work now being done on the inside of the building, which is quite elaborate, will certainly be destroyed if the building is not repaired as it is in a very bad condition at the present time, and as my informant says, leaks like a sieve. If the hon. minister will

take this matter in hand he will find that the repairs to the roof should have been done before the repairs to the inside of the building.

Mr. J. SUTHERLAND. My deputy informs me that the report has reached the department within the last few days in regard to the matter and it will be attended to.

New Brunswick—Campbellton public building, $12,000.

Mr. FOWLER. I would like to have an explanation from the hon. minister as to this item.

Mr. J. SUTHERLAND. This is for a public building in Campbellton, N.B. The site has been purchased from Mr. Archibald Mackenzie for $4,000. It is on Water street and is 100 feet square. It is reported to be advantageously located in the central portion of the most important thoroughfare of Campbellton. This vote of $12,000 is for the purpose of erecting a building on the site already purchased.

Mr. FOWLER. Was the site purchased by a bargain between the department and the owner ?

Mr. J. SUTHERLAND. It was a bargain between the owner and the department.

Mr. FOWLER. Who acted on behalf of the department ?

Mr. J. SUTHERLAND. Mr. Waterbury, of St. John, one of the officers of the department.

Mr. FOWLER. Will this $12,000 complete the building ?

Mr. J. SUTHERLAND. We are having the plans prepared and advertising for tenders. I should say that to complete the leading building it will cost between $15,000 and $18,000. We had a vote last year to pay for the site. The amount we are asking for now is probably as much as we will be able to spend this year.

Mr. FOWLER. What were the expenses of securing the title ?

Mr. J. SUTHERLAND. They were very small. The work was done through the Department of Justice.

Mr. FOWLER. You have not let the contract ?

Mr. J. SUTHERLAND. No, we are just advertising for tenders now.

Mr. SPROULE. Is this for the post office and custom-house ?

Mr. J. SUTHERLAND. Yes.

Richibucto public building, $3,500.

Mr. J. SUTHERLAND. This is to complete the building at Richibucto under contract.

Mr. LEFURGEY.

Mr. FOWLER. When was the contract let ?

Mr. J. SUTHERLAND. In November, 1902.

St. John Dominion buildings—improvements, repairs, &c., $3,000.

Mr. DANIEL. I would like to ask the hon. minister if this applies to all the government buildings in St. John and if it is just for ordinary repairs.

Mr. J. SUTHERLAND. It is just for ordinary repairs to all the buildings.

St. John quarantine station—water service, drainage, heating, &c., $20,000.

Mr. DANIEL. I would like to ask the hon. minister if this is intended to complete the building and also as to whether it is the intention of the department to make such changes in the present building as will make it fairly safe in case of fire ? I have heard very great complaints made in the city of St. John in regard to this building. In the winter, as the hon. minister will know, it is filled to overflowing with a large number of immigrants and the complaint is made, and I believe it is justly made, that the building has been erected in such a way that it will be extremely unsafe in case of fire and that it will certainly imperil lives of the men, women and children who may be in it at such a time.

Mr. J. SUTHERLAND. Is the hon. gentleman (Mr. Daniel) speaking of the building on Partridge Island ?

Mr. DANIEL. No, I am speaking of the building at Sand Point.

Mr. J. SUTHERLAND. This vote applies altogether to the water service and improvements being made to the buildings on Partridge Island. The other building will come up again under another item.

Mr. FOWLER. Where are you getting the water from ?

Mr. J. SUTHERLAND. From St. John.

Mr. FOWLER. How are you carrying it ?

Mr. J. SUTHERLAND. Pipes are being laid under the bay.

Mr. FOWLER. What is going to be the total cost ?

Mr. J. SUTHERLAND. I think this will complete the work.

Mr. FOWLER. Was it found impossible to obtain water by boring on the island ?

Mr. J. SUTHERLAND. Absolutely so. I am told that the department have expended a considerable sum and that they have always failed. This more expensive scheme was adopted as a last resort but it is the one which will be the most satisfactory when completed.

Mr. FOWLER. It seems a large expenditure for water supply for that one station.

Mr. J. SUTHERLAND. It is a large amount but it is necessary to have the water.

Mr. FOWLER. How much have you expended altogether ?

Mr. J. SUTHERLAND. I think the total is about $23,000 ; $10,000 of this is a revote.

Mr. FOWLER. $15,000 was voted last year of which $5,000 was expended and this year you are asking for $20,000, making $25,000 altogether.

Mr. J. SUTHERLAND. Pretty nearly.

Mr. FOWLER. That is the whole amount ?

Mr. J. SUTHERLAND. Yes.

Mr. FOWLER. That is for heating too ?

Mr. J. SUTHERLAND. Yes. The laying of the water pipes is very expensive.

Mr. CLANCY. Perhaps the hon. gentleman will give the committee separately the cost of each service, namely, water, drainage and heating ?

Mr. J. SUTHERLAND. The water service is estimated to cost $22,000 and the balance of $3,000 is for the improvement of the lighting and heating.

Mr. FOWLER. How did you get the water heretofore ?

Mr. J. SUTHERLAND. By boat.

Mr. FOWLER. As I understand it, this is used as a quarantine station in case there is infectious disease on board ship.

Mr. J. SUTHERLAND. I am not familiar with the quarantine practice there but I understand that the station is to St. John what Grosse Ile is to the St. Lawrence.

Mr. DANIEL. If a vessel comes in carrying any sick with an infectious disease, the patient is landed at Partridge Island and frequently others of the passengers are landed who have been exposed to the contagion. Can the minister say how much of this $20,000 is paid to the city of St. John ?

Mr. J. SUTHERLAND. $4,725.

Mr. FOWLER. Was this work done by contract ?

Mr. J. SUTHERLAND. No. It was done under the supervision of Mr. Shewan, the resident engineer.

Mr. TAYLOR. According to the Auditor General's Report there was an expenditure here last year of $1,565, and I find that Mr. G. R. Beatty was clerk of works and he was paid for 117 days at $3.50 per day, making an expenditure of $409 for inspecting a work that cost $1,100. And besides, there was a permanent officer there who, the minister says, had charge of the work.

Mr. J. SUTHERLAND. Mr. Shewan is the resident engineer for the whole province, and of course there had to be a foreman in charge of that particular work. My hon. friend knows that quite considerable work has been done there, and he is only quoting from the Auditor General's Report up to 30th June last, which is nearly a year old.

Mr. FOWLER. I do not think that my hon. friend (Mr. Taylor) is quite fair in criticising the minister for having expended $409 for supervising a work that cost $1,100. That was a public work in my own county on which the expenditure was something like $3,000—I would not be sure as to the exact figures but the proportions are all right—and out of that $3,000, about $2,000 was paid to the clerk of works, and the balance went into the work.

Mr. TAYLOR. Why that is worse.

Mr. FOWLER. If the minister has succeeded in this particular case in getting $1,100 expended for $400 to supervise it, he is to be congratulated on the improvement.

Mr. J. SUTHERLAND. There is improvement going on all the time.

Mr. FOWLER. I refer to the Sussex armoury and as I say, the salary of the clerk of works amounted to about two thirds of the total expense, but in that case they forgot to discharge the clerk of works ; and he was getting $3.50 or $4 a day for months and months after the work had been completed. Not only that, but there might be some criticism as to the fitness of the clerk of works for such a job. There was carpenter work, and masonry work, and plumbing to be done, and the House will understand that the clerk of works was well qualified to superintend this, when I state that by occupation he had all his life followed the business of a merchant tailor. However, he had one qualification in a very high degree ; he was perfectly capable of drawing his salary. He supervised the work so well, that one night the windows of the basement were left open, and the pipes froze and burst and it cost the department $700 or $800—I do not say that these are the exact figures but they are approximately correct, to repair the damages caused by this gentleman's neglect. I would not ask the minister whether it is his intention to charge the clerk of the works with the damages caused by his neglect.

Mr. J. SUTHERLAND. I believe they were paid for by the department.

Mr. FOWLER. The department paid a man to supervise the work for twelve months after it was completed, so that he drew over $2,000 on a work the total cost of which was less than $9,000, and considering the

particular part of the work that he had to inspect, his pay was in the proportion of two to one ; two parts going to the clerk of works and one to the contractor. Therefore, the hon. member for Leeds (Mr. Taylor), instead of criticising the minister for spending $400 on the supervision of an $1,100 job in this case, should have commended him for the economy which he is practising.

Mr. DANIEL. I would ask the minister, in regard to the Sand Point building, whether the insecurity of that building in case of fire has been brought to his notice, and whether it is his intention to remedy the defect ? This is a very urgent matter indeed, and the minister should give it his attention at the earliest possible date.

Mr. J. SUTHERLAND. I shall make a note of the statement of the hon. gentleman (Mr. Daniel) and have it inquired into. It has not been brought to my attention before.

Mr. TAYLOR. The hon. member for King's (Mr. Fowler) has rather censured me for referring to what the minister has done in connection with the St. John quarantine service, but I want to tell him that the only item in the expenditure they would require a clerk of works for was the building of the steward's house which cost $364, and for superintending that job they paid the clerk of works $409.50.

Mr. J. SUTHERLAND. He must have been in charge of the whole works.

Mr. TAYLOR. Well, there were bedsteads bought, and there was the travel to Ottawa of John Cowan, which cost $64.85, and it did not require any clerk of works to supervise his trip. The only thing the clerk of works had to do was to supervise the building of the steward's house, which cost $364, and for that he was paid $409. That is worse than the Sussex armoury job.

Mr. J. SUTHERLAND. They laid half a mile of inch pipe there, and that had to be superintended. Seriously speaking, I believe that this is one of the weak spots in the conduct of work away from the centre. Delays take place that are perhaps sometimes unavoidable in the erection of these public works, and the foreman cannot very often be discharged after he has undertaken the work. It is impossible to get a man at all competent to oversee a work like that for less than $3 a day. In fact, I find that we have sometimes to pay more for men of practical knowledge. I know it is one of the weak points about having works carried on at a considerable distance from head quarters ; but since I have been in the department I have endeavoured to see that only qualified men are employed.

Mr. TAYLOR. The hon. member for King's (Mr. Fowler) says the clerk of works at Sussex was a tailor. Perhaps the hon. minister can inform us what was the occupation of Mr. Beatty, who was superintending the construction of this building at St. John.

Mr. FOWLER. He was a baker.

Mr. J. SUTHERLAND. I have no personal knowledge of the matter.

Mr. FOWLER. It seems to me that there should be some record in the department as to the occupation of these men. Surely the department does not take the mere recommendation of the person who has the patronage without inquiring whether the person recommended has the necessary qualifications or not. It seems to me that in the case of a little public building that is only going to cost $364, it would be better to take chances on the contractor doing his work honestly rather than to pay more than the actual cost of the building for the supervision of its construction ; because, even if the contractor would try ever so hard, he could not cheat the country to the amount of more than about $100, so that the country would be ahead $264. I think the minister had better take this matter to heart, and put an end to this practice in connection with this class of works. It is generally done for the purpose of giving a sop to some hungry man who has been a ward politician. I do not wish to speak harshly of that class of men, who sometimes do useful work, especially at election times, and are often very worthy people. But it seems to me that the system should be done away with. In the case of large works costing $10,000 or $15,000, it is perhaps necessary to have a clerk of works ; but it is not necessary in the case of these small buildings. Then, it is a perfect farce to appoint a man who has no building experience whatever to superintend the construction of a work about which he can possibly know nothing. It is a criminal waste of public money. It would be far more honest, if you wish to reward a man for services to the party, to vote a sum of money directly to him out of the treasury. We on our side would be more ready to vote it than we are in face of the pretense that it is for superintending the construction of a work about which the man knows absolutely nothing, however clever he may be in his own line of work.

Mr. CLANCY. I would like to ask the Minister of Public Works if it is the custom of the department to appoint bakers and tailors to superintend works under construction. I see that it prevails very generally. Is that a mere accident, or is it the practice of the department ?

Mr. J. SUTHERLAND. It is not the practice of the department. Since I have been in the department, I have endeavoured to get the best qualified men. In almost every case where I could do so, I have employed an architect and paid him by fees,

so that the delay of the work does not materially increase the cost of superintendence. It is very unsatisfactory to the department to have a man who is not well qualified to see that the specifications are carried out.

Mr. CLANCY. That I shall not of course take exception to; but I would like to ask the hon. gentleman if, when he is seeking to get men who are qualified, he inquires what their former avocations in life have been, and whether they were such as would render them fit to superintend works of that kind. I am not questioning the respectability of the callings of the gentlemen who have been referred to. That is not the question. They are both very respectable callings; but are they such as would fit the men to superintend the construction of buildings? Is it not rather that the member for the county suggests certain men for appointment, and the appointments are made? I would like to know from the hon. minister whetner these occupations are such as would lead him to appoint these men to overlook a work of that kind?

Mr. J. SUTHERLAND. I should think that any member who represented a man to oversee a work in his constituency who was not well qualified would lose a good deal by such a recommendation. Is there any disqualification because a man may have been engaged at a previous period of his life in some other occupation? My hon. friend and myself would not like to have a standard applied to us by which, because we are farmers we would not be qualified to oversee certain works or conduct business outside of mere farming operations. A man's qualification would depend on his experience and ability. In a general way it is true that a man with no experience would not be well qualified and I can hardly imagine any one so foolish as to recommend a man who was not qualified and who was not known in the community in which he lived to be qualified. There is little complaint about the qualifications of the inspectors; and the difficulty we have to deal with as was well pointed out by my hon. friend from Leeds (Mr. Taylor), is that these works, especially where the appropriations are small, are often delayed for a long time, and the man goes on drawing his pay for months although little if anything is being done. In this way his pay becomes a large amount in comparison with the amount to be expended. That is the real difficulty with which we have to contend; I have seldom had complaints of the incompetency of the men appointed since I have been Minister of Public Works. Latterly we have taken every possible means to have men of the highest possible qualifications appointed, and generally, where there is a building of importance if there is an architect in the town we have him engaged to oversee the work and pay him the usual commission given by mercantile houses.

Mr. CLANCY. The hon. gentleman has disclosed that he has no will of his own. He trusts entirely to the good judgment of the man who represents the riding, and if the member recommends any gentleman, no matter what his previous business in life has been, the minister assumes at once that he is a first-class man and appoints him. I notice that no farmers are appointed to positions of that kind. As far as I can discern they are regarded as too stupid a lot. I happen to belong to that class and I do not know but what it might be a standing grievance that they are not recommended to positions of that kind. I was, probably falsely, under the impression that we were as intelligent as butchers and bakers, and I do not see any reason why farmers should be excluded. We could safely adopt the rule that no man should be appointed to a position of this kind unless he was qualified by some previous experience. I do not think, to repeat the words of the hon. minister, that any member of this House would be so foolish as to recommend a man not fit for the position, but I do not think the members generally concern themselves whether he is fit or not, the thing is to get the appointment, it seems that the hon. minister is very amiable and that if one of his supporters in this House makes a recommendation he concludes at once that it is a capital appointment. The minister should at least make inquiries and not have a man placed in charge of a work who is not thoroughly qualified.

Mr. FOWLER. There should be no difficulty of the kind the minister mentions, caused by these men charging for time when the work was not in progress. If the department refused to pay the account, as they would have the right to do, the matter would be settled. There should be some check over the clerk of works and he should not be able to obtain more money than he is entitled to. The minister does not go far enough in simply urging that certain things should not be done. It is his duty to insist on the appointment of competent men. In the case to which I have referred this man had never followed any other occupation than that of a merchant tailor. This building was being erected in my own town, and this man's place of business is directly opposite my own. I know, as a matter of fact, that that man never spent much time at the building, when drawing his $3.50 a day. He never spent two hours a day at the building. His custom was to go up to this work at noon hour and then to come back to his place of business and follow his ordinary vocation during the rest of the day. The department forgot that they had appointed him and although the contract lasted only four months he continued to draw the pay

for two years. That is a fact that can be ascertained by the minister. That has happened, I have no doubt, in many other places. In this case the only work he could do would be to supervise the erection of a house which would cost only $300 unless he may have supervised the putting up of some of these beds. The total cost of the beds was six cents a bed, or about $10 in all. Add that to the $367 which the house cost, and you have $377 and he is supposed to have worked 117 days on it. If there were only one carpenter on the job a house costing $367 ought to be built in less than 117 days. This may seem a small matter, but if this kind of thing is going on all over the country it means that a very large sum belonging to the public is wasted. It seems to me the minister should do something more than urge. He should inquire into the matter and hold the engineer in charge responsible. I suppose the engineer must certify this account. Is that the custom of the department ?

Mr. J. SUTHERLAND. Yes.

Mr. FOWLER. Of course, the minister cannot undo what has been done, but he should see to it that such waste is not repeated. The minister cannot say he has not had warning.

Mr. CLANCY. What has the minister to say to this very serious charge made by the hon. member for King's (Mr. Fowler)? Is this the first intimation he has had of the matter ? If so, the hon. gentleman owes it to himself to ascertain why it was that the case was not called to his attention before. If this case is an index to the general condition of affairs, it is evident that very large sums are wasted, and the minister should give us an explanation.

Mr. J. SUTHERLAND. The case the hon. gentleman refers to is quite old.

Mr. FOWLER. It is not out-lawed yet.

Mr. J. SUTHERLAND. I think we could hardly collect what has been paid out. I have endeavoured to have economy in these matters, and have found serious fault where there was evidence of waste. It is true that cases do occur where a good deal more is paid out than is necessary. It may be that the resident engineer or other person in charge should be hauled over the coals. But in that case, one excuse or another is given, and if a man is a good man and well up in his business, you do not want to deprive the department of his services by discharging him. I have made every effort to have well qualified men, and to have them paid by commission rather than by the day, as I believe that saves a good deal. I will ask Mr. Waterbury, who is in charge of these matters, how this large amount was paid out. This work went on right in St. John, where he lives and he could not help but know whether this man was at work or not.

Mr. FOWLER. I would like to correct the misapprehension as to the Sussex Armoury. I think that until the first of last July, this gentleman was on the work. And the course of the department is all the more reprehensible because I drew attention to the fact once before, that this man was drawing pay and yet was unfit for his work. The contract price for the armoury was a little over $4,000. When the building was finished, nothing was done with respect to the plumbing for five or six months, but during this time the clerk of works, though he had no occasion to visit the building, still drew his pay. His services should have been dispensed with when the building was completed. When the work of plumbing was gone on with, the same man who had supervised the work of erecting the building, was continued and supervised the plumbing. Whatever knowledge a man may have acquired of building by having buildings of his own erected and so on, he could not possibly have acquired any knowledge of plumbing without special training. That is work that it is far more difficult to acquire knowledge of, than the ordinary carpenter or mason work. For three years or more this man was drawing $3.50 a day. Or rather, I believe that while superintending the building, he received $4 a day, and while superintending the plumbing, $3.50. I called attention to the case, and yet it was allowed to go on. A part was under the hon. gentleman's predecessor, but a part was under his own administration. I would like to ask if the hon. gentleman made inquiries when attention was called to the case ?

Mr. J. SUTHERLAND. Speaking from memory, I believe that as soon as I heard of it, I made inquiries and the matter stopped as soon as completed. I recollect it now—it stopped immediately I heard of it.

Mr. FOWLER. I called attention to it months before it was stopped. It must have taken a long time for the hon. gentleman to hear of it. This gentleman's employment did not stop until the 1st of July last year, although I had referred to the matter early in the session.

Mr. DANIEL. Before this item is passed, I would like to call the attention of the minister to the question of the proposed drill shed at St. John. We were under the impression that the drill shed was to be built there this season. A short time before the election that took place there on the 16th of February plans for a drill shed were sent down, examined and descanted upon. Yet, I do not find in these estimates any appropriation for that purpose. Yet, I assume, from the next item in the list, that this is a matter that would come under the Minister of Public Works. I would like the

hon. gentleman to state whether there will be an appropriation in the supplementary estimates for this work, and also whether he knows what site is selected for the drill shed. St. John, from the militia standpoint, is an important city. We have a great many militiamen there, and the drill shed which they are obliged to use now is entirely inadequate. It is in a part of the town very inconvenient for the members of the militia to use. A few days ago they held a public meeting in St. John for the purpose of discussing this very important matter of a site for a new drill hall, and every one of them present was of the opinion that the present site was entirely unsuitable. I understood a year or two ago, when speaking to the Minister of Militia, that it was within the power of the government to take any site they might consider advisable. I would like to have an assurance from the hon. minister that this matter of a new drill hall is not being lost sight of, and that in the supplementary estimates some provision will be made for it.

Mr. J. SUTHERLAND. I will bring the remarks of the hon. gentleman to the attention of the Minister of Militia and Defence. But I am not prepared to state now whether there will be any vote proposed in the supplementaries for a drill hall.

Mr. FOWLER. I understood that just previous to the election some plans were sent down to St. John for the erection of a new public building, and these plans were circulated in the city during the election.

Mr. J. SUTHERLAND. My department had nothing to do with them, and I have no knowledge of any such plans.

Mr. FOWLER. I did not insinuate that they originated with the hon. gentleman; they might have originated with the local organization of the party in St. John. I was going to suggest that as St. John is a seaport, and as the Minister of Marine and Fisheries is going to become a sort of lord high admiral, and is going to start a navy, perhaps these plans may have emanated from his office, and that he intends to make a naval station at St. John. I understand he is going to establish a fleet, and perhaps it will be necessary to have a coaling station or naval depot there. I do not see the Minister of Marine and Fisheries present. As a matter of fact, these plans came into the hands of the district officer commanding at St. John as being the plans of a building that was to be erected by the government in that city. These plans came down during this election contest. It might have been merely a coincidence, because surely no member of the government would wish to influence the constituency in any such a way as that, because it might be called a corrupting influence. Nevertheless, these plans came down there, and I would like to know if it is the intention of the government to erect a building such as this in the city of St. John? If the government sent the plans, they must have the erection of such a building in contemplation; if the government did not send them, then somebody is responsible for a huge fake. I think the minister ought to be able to tell us whether the government at any time has had in contemplation the erection of this building?

Mr. J. SUTHERLAND. I have no doubt it was their intention, and is still their intention, to erect a public building in St. John.

Mr. FOWLER. How soon does the government propose to put that intention into effect?

Mr. J. SUTHERLAND. The hon. gentleman must see that this matter does not come up properly under the item which we are discussing.

Mr. FOWLER. I am not asking for details. I am simply asking whether in the near future such is the intention of the government.

Mr. J. SUTHERLAND. In a general way, I have no doubt that it is their intention. But my hon. friend will understand that the Department of Public Works will only erect such building at the request of the Department of Militia and Defence.

Mr. FOWLER. Does your architect draw the plan?

Mr. J. SUTHERLAND. They furnish us with sketches and outlines of what they require before the matter is taken up by the chief architect of the Department of Public Works.

Mr. FOWLER. Have the Department of Militia and Defence an architect of their own?

Mr. J. SUTHERLAND. They are not called architects. They are engineers. They have graduates of the schools who are capable of drawing plans.

Mr. FOWLER. Would it be possible that the Department of Militia and Defence through their engineers prepared these sketches and sent them to the district officer commanding at St. John for his approval before they were submitted to your department?

Mr. J. SUTHERLAND. That is quite possible, because I know that sketches of this kind are sent to the local officers commanding and that they come to our department with the remarks and information furnished by the Department of Militia and Defence. I think it is usual to consult the officers of the militia in regard to any work of this kind that is going on.

Mr. FOWLER. Then these sketches would be sent to the district officer com-

manding for his approval before they were submitted to your department ?

Mr. J. SUTHERLAND. It is customary to do that. That might be done before the plans were drawn and before the matter came to our department at all.

Mr. FOWLER. The engineer would prepare a sketch, send it to the district officer commanding for his approval and then it would come back to your department?

Mr. J. SUTHERLAND. Yes.

Mr. BLAIN. Is it customary to prepare plans before any money is voted for a public building ?

Mr. J. SUTHERLAND. As a rule the plans are prepared in order that parliament may be intelligently asked to authorize a vote.

Mr. FOWLER. These plans were something like the telegram that came down to St. John at the same time from the general manager of the Grand Trunk Railway applying for berths. But, he missed fire ; he did not know on which side of the harbour the railway was going and therefore he applied for berths on the wrong side.

Woodstock armoury and gun shed, $15,000.

Mr. FOWLER. Kindly explain that.

Mr. J. SUTHERLAND. This vote is expected to complete that armoury. If I remember aright the explanation given last session was that the rink was purchased at the request of the Militia Department. They have a very large field battery there. The rink was purchased, I think, for $6,000. I am only speaking from memory. This amount is taken to fit up the building in accordance with the request of the Department of Militia and Defence.

Mr. FOWLER. You bought the rink and the land it stood on for $6,000 ?

Mr. J. SUTHERLAND. I am speaking from memory. In round figures it was $6,000.

Mr. FOWLER. You did not spend any money last year ?

Mr. J. SUTHERLAND. No.

Maritime provinces—Dominion public buildings—renewals, improvements, repairs, &c., $12,000.

Mr. FOWLER. How much did you spend last year ?

Mr. J. SUTHERLAND. About $9,000. We have a few months to run yet before the end of the fiscal year.

Some resolutions reported.

ADJOURNMENT—GRAND TRUNK PACIFIC RAILWAY CORRECPONDENCE.

Mr. FIELDING moved the adjournment of the House.

Mr. FOWLER.

Mr. R. L. BORDEN. Mr. Speaker, before the House adjourns, I would like to remind the government that I think it was a week ago Tuesday that I requested that the correspondence connected with the proposed amendments to the contract between the government and the Grand Trunk Pacific Railway Company should be brought down at an early date. The subject has been mentioned two or three times since. I understood from the right hon. Prime Minister (Rt. Hon. Sir Wilfrid Laurier) that the documents would be brought down some days before the discussion would be taken up. I would like to suggest that it would be desirable that they should be brought down at an early date, because, if they are as voluminous as would seem to be indicated by the time necessary to bring them down, it would necessarily take some time to peruse and consider them. I presume they must be of some considerable volume or there would not have been this delay in bringing them down and I would therefore ask the hon. Minister of Finance, who is leading the House in the absence of the right hon. Prime Minister, to bring the matter once more to the attention of my right hon. friend and to suggest to him that it would be desirable in the interests of all concerned that they should be brought down at as early a date as possible.

Mr. FIELDING. I will do so.

Mr. R. L. BORDEN. I would also like to know what government business we shall take up to-morrow.

Mr. FIELDING. There is a notice on the paper of a motion in connection with the Militia Bill, which, perhaps, is of a rather formal character and it will probably be moved to-morrow. Then we will proceed with Supply.

Mr. HENDERSON. What supply ?

Mr. FIELDING. Continuing with the estimates of the Minister of Public Works.

Motion agreed to, and House adjourned at 11.15 p.m.

HOUSE OF COMMONS.

FRIDAY, March 25, 1904.

The SPEAKER took the Chair at Three o'clock.

SELECT STANDING COMMITTEES.

Mr. R. L. BORDEN moved :

That the name of Mr. Birkett be struck off the Committee on Public Accounts and that the name of Mr. Roche (Marquette) be substituted therefor.

Motion agreed to.

Mr. R. L. BORDEN moved :

That the name of Mr. Roche (Marquette) be struck off the Committee on Standing Orders and that of Mr. Birkett be substituted therefor.

Motion agreed to.

FIRST READINGS.

Bill (No. 19) respecting the Atlantic, Quebec and Western Railway Company.—Mr. Malouin.

Bill (No. 20) incorporating the Cascapedia Manufacturing and Trading Company.—Mr. Malouin.

THE EASTER ADJOURNMENT.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I beg to move, seconded by Mr. Fielding :

That when this House adjourns on Wednesday next it stand adjourned to Tuesday, the 5th day of April next.

This is the usual motion for the Easter recess. I take advantage of this opportunity to say to my hon. friend the leader of the opposition that on Monday next I will place upon the table of the House the correspondence with the Grand Trunk Pacific Company in reference to the contract entered into last session, and it is my intention, when we meet again on the 5th day of April, to take up the resolution to ratify the supplementary agreement with that company, and to go on from day to day until that order is exhausted.

Motion agreed to.

UNDESIRABLE IMMIGRANTS.

Sir WILFRID LAURIER. Before the Orders of the Day are called, I would say to my hon. friend from Lennox (Mr. Wilson), with regard to the statement published in the 'Citizen,' to which he called my attention, that fifty Russian Jews had been sent back from Fargo to Winnipeg, that the information sought for is as follows. Mr. Obed Smith, our agent at Winnipeg, wires to Mr. W. D. Scott, superintendent of immigration at Ottawa :

Only family deported from Fargo that we know of is one Russian Jew family consisting of father, mother and four children who had lived in Winnipeg four years and went to the States a year ago. The father is unable to provide for his family and has been returned to Winnipeg, claiming they are Winnipeg citizens. Have refused to interfere in matter.

THE MILITIA ACT—RATES OF PAY.

House went into committee to consider the following proposed resolutions, in connection with the Bill respecting the militia of Canada :

1. Resolved, that the general officer commanding the militia shall be paid at the rate of $6,000 per annum ; the adjutant-general, at the rate of $3,200 per annum, and the quartermaster general, at the rate of $3,200 per annum.

2. Resolved, that the permanent force shall be entitled to daily pay and allowances at the rates prescribed by the Governor in Council, and that the pay of privates shall not exceed 75 cents a day, and of buglers under 18 years of age 40 cents a day.

3. Resolved, that officers, warrant officers, and non-commissioned officers of the active militia, other than the permanent force, shall be entitled to pay at rates prescribed by the Governor in Council ; and that the pay of privates therein shall be at the rate of 50 cents a day on appointment, which may be increased to a maximum of $1 a day during the third year of service.

4. Resolved, that an allowance of one dollar per diem, or such other rate as may be prescribed, will be paid to each officer and man for every horse actually and necessarily used by him, when on active service, during a period of annual drill and training, or when otherwise on duty as aforesaid.

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). As these are the resolutions on which the Bill now before the House is based, I thought it would be convenient to have them put through the committee before we again take up the consideration of the Bill. In the first resolution, as a result of the discussion which took place the other night, I want to make a slight change. I want to add the following words : 'and the director general of ordnance, at the rate of $3,200 per annum.' At the time the present law was passed the stores were in the hands of the civil side of the Militia Department. The ordnance branch is now on the military side of the department, and is one of the important divisions, and the rate of pay is the same as that officer is receiving now. I hope the committee will allow this change to be made.

Mr. R. L. BORDEN. The change will require the assent of His Excellency, I presume ?

Sir FREDERICK BORDEN. I have His Excellency's assent.

Mr. R. L. BORDEN. The announcement should be made with the Speaker in the chair. It is not a matter of very much moment, but we should proceed regularly.

Mr. CLARKE. What is the pay now received by non-commissioned officers and men of the permanent force ?

Sir FREDERICK BORDEN. Forty cents a day is the pay of the men. The pay of the non-commissioned officers differs ; but that is not affected by this resolution. It is left to be fixed by the Governor in Council.

Mr. CLARKE. Does the pay commence when the men enter the service at forty

cents, and does it increase until the maximum of seventy-five cents is reached ?

Sir FREDERICK BORDEN. Yes.

Mr. CLARKE. How long will it take a man to reach the maximum ?

Sir FREDERICK BORDEN. I explained, on introducing the Bill, that we intended to adopt, by regulation, the system of the Northwest Mounted Police, which is this : On enlistment he will receive fifty cents a day and five cents per day additional each year until it reaches seventy-five cents per day.

Mr. CLARKE. The private will have a minimum pay of fifty cents per day when he enlists in the permanent corps ?

Sir FREDERICK BORDEN. Yes, instead of forty cents.

Mr. TISDALE. If they remain on after their pay reaches 75 cents per day, they keep to that rate ?

Sir FREDERICK BORDEN. Yes.

Mr. TISDALE. Does that apply to the ordinary active militia when they get up to one dollar a day ?

Sir FREDERICK BORDEN. Yes.

Mr. TISDALE. Is the Act so worded as to carry that interpretation ?

Sir FREDERICK BORDEN. If my hon. friend will make a suggestion when we get into committee again, we will fix it that way.

Mr. SAM. HUGHES. I have no objection to the amendment, but would ask the hon. minister what the pay of the general officer commanding in Australia may be.

Sir FREDERICK BORDEN. I have not the figures, but it is very much higher than this.

Mr. SAM. HUGHES. Is it not about $12,000 and allowances ?

Sir FREDERICK BORDEN. I think it is.

Mr. SAM. HUGHES. What is the pay of the general officer commanding in South Africa ?

Sir FREDERICK BORDEN. I gave all these figures to the House two or three years ago, and they will be found in 'Hansard,' but I did not expect to be asked them to-day. I can give them at a later stage of the Bill.

Mr. DEPUTY SPEAKER put the amendment :—That the following words be added to the first resolution : 'And the director general of ordnance, at the rate of $3,200 per annum.

Mr. SAM. HUGHES. I do not rise to object to the amendment for the proposition is my own. I endeavoured to see the hon. minister in order to talk this matter over with him instead of taking up the time of the House, but was unable to do so. I would point out to him that if he will look at the salaries paid officers occupying similar positions in colonies greatly inferior to Canada, he will find in many cases that these officers get double the pay. When the Bill was introduced the other day, I did not think it was going to be as much discussed as it was, or I would have drawn attention to the very first clause, and would have pointed out that the general officer commanding in Canada, instead of having the rank of a colonel, should have the rank of a major-general. The pay of a lieutenant-general in England amounts to $13,000 a year, and in Scotland, where the lieutenant-general commanding, has only a force of some 9,000 under him, compared with a force of from 40,000 to 100,000 in this country, his pay is $13,000 per year. An adjutant-general in England gets $12,000 per year and major-general upwards of $7,000. The pay of Sir Percy Girouard in South Africa is over $20,000 ; and when I made the suggestion that Sir Percy Girouard might possibly be induced to accept the position of general officer commanding in Canada at some future time, I had forgotten the fact that he is in receipt of a salary nearly three and a half times as much as he would receive here. The general commanding the forces in India has about four times the pay we are offering our general officer. I respectfully draw the attention of the right hon. the first minister to the fact that a salary of $6,000 in lieu of all allowances for the general officer commanding in Canada is altogether too low. When we find men of no superior qualification, and certainly with less expert qualification, placed on a railway commission at $10,000 a year and all expenses, the salary we are giving the general officer commanding in Canada seems very small. Such an officer must be an expert in his profession, far more so than any of these gentlemen on the Railway Commission can possibly be. He must of necessity be much superior to these men, and when we object to the removal of the link connecting the Canadian and imperial forces by this provision that our general officer commanding may be selected from our Canadian militia, we do so, not because we do not think that a Canadian cannot be found capable of filling that position, but because we want to give our Canadian militiamen an opportunity of gaining command throughout the whole length and breadth of the empire, for I want it to be understood that, in my opinion, a Canadian is absolutely fit to be commander in chief, even in Great Britain for that matter, if given the training and the opportunity. I would like the hon. Minister of Militia to state frankly to the House whether he thinks $6,000 a year, in lieu of all pay and

allowances, is sufficient? He need not be afraid of the gentlemen behind him who are kicking. All he has to do is to brush them aside, and the country will endorse his action. If he will come out and take a manly, straightforward stand in the matter, the House and the country will stand by him, as they have stood by him in what he has already done in the way of improving the forces and increasing the pay, and I am sure that the right hon. the first minister would be one of the first to endorse him if he will accept my suggestion. If not, I shall have something to say about our paying $10,000 to second-class clerks on the Railway Commission. Is $6,000 sufficient for the general officer commanding in this country? He has to purchase an expensive uniform and do a great deal of entertaining, and in my opinion the amount is not sufficient to enable him to keep up the dignity of the position as the people expect he will.

Sir FREDERICK BORDEN. I would point out to my hon. friend that it was during my administration that fifty per cent was added to the pay of the general officer commanding.

Mr. SAM. HUGHES. I gave the hon. minister credit for that.

Sir FREDERICK BORDEN. When we came in, the pay was $4,000, and we increased it to $6,000, inclusive of allowances. Possibly that phrase may be somewhat misleading, because the general officer commanding costs this country considerably more, as you will see by the Auditor General's Report, than $6,000. His travelling expenses in coming to this country, and going from this country, his travelling expenses to and fro while he is here, and many other things are paid for by the country. I do not know exactly what amount they would reach, but that amount is not inconsiderable. Now, as to whether $6,000 with the additions I have just referred to be enough or not, I am not quite prepared to say. It would depend a good deal upon the character of the officer. There is no doubt that my hon. friend is quite correct in saying that much higher pay is given in other parts of the empire. But I do not think it is fair to compare the command in this country with the command in the British islands where, in addition to the British troops to which my hon. friend has referred, there are many thousands—amounting to perhaps 100,000 or more—of militia and volunteers embodied under each command. The forces in this country being purely militia, there being no standing armies here, there must be a difference in pay as compared with the imperial army. I do not think it would be expected that we should keep up the high rates of pay which prevail over there. However, since the hon. gentleman has brought the matter up, I shall be very glad to consider it, and when we have the Bill under discussion the matter can be referred to again.

Mr. SAM. HUGHES. The hon. minister will be good enough to remember that I was fair enough to give him absolute credit for increasing the salary up to the present standard. But now the matter has been brought up, he will be fair enough to admit that I drew his attention to the matter long ago. When I was in Australia I found that the little colony of New South Wales paid its general officer commanding more than we pay for the whole Dominion. The minister will also note that every officer in the departments, when he travels on the business of the country, has his expenses paid. We have only to turn up the Auditor General's Report to find that thousands of dollars are paid out for the travelling expenses of ministers, ministers' secretaries and other officers. Therefore, it cannot be regarded as a concession to the general officer commanding that, when he travels from place to place in the execution of the duties of his office, his expenses are paid. In that respect he receives only what every other officer receives. Now, the officer in command in Scotland, who has only 9,000 troops under him—as against some 40,000 or 50,000 in Canada—receives $13,000 a year. All these figures that I have given can be found in the Statesman's Year-book.

Sir FREDERICK BORDEN. Would not that be 9,000 regulars? In addition there are the militia.

Mr. SAM. HUGHES. About five regiments of militia and volunteers. I have had the privilege of seeing every one of them on parade. We do not ask that the general officer commanding here should be paid any such salary as the officer in command in Scotland. But, let us hope that when the minister brings his measure down we shall find that that clause is eliminated which intimates that this increased salary is in lieu of other allowances, so that the general officer commanding may find that expenses that are forced upon him by reason of his position will be borne by the nation. I think that is fair.

Mr. CLARKE. May I ask the minister if this sum of $6,000 per annum and expenses to which he has made reference covers the total obligation to be imposed on the country by the appointment of such an officer? For instance, when his term expires does he receive any pension or allowance, such as half pay?

Sir FREDERICK BORDEN. Not from Canada. If he is an imperial officer he returns to his service in the imperial army. If it should turn out that a Canadian is appointed, as will be possible under the Bill if it becomes law, then, of course, he would be provided for by Canada. He will, no doubt, be a member of the permanent

force of the militia for which a Pension Law was provided by parliament three or four years ago, and will be pensioned under the provisions of that law. Or, possibly—what I think is much more likely to happen, if he were a young man and a good man—by a system of exchange which is now under consideration as between the War Office and the government of this country, he might be given a position on the staff, or some other important position in the British service, if he wished it.

Mr. TISDALE. Does not the general officer commanding draw his pay as an officer of the imperial army while he holds this position ?

Sir FREDERICK BORDEN. No, I think not.

Mr. TISDALE. I think he does.

Mr. CLARKE. Then, there is some scheme in contemplation whereby Canadian officers occupying superior positions in the active militia shall be transferred, under certain terms to the imperial service?

Sir FREDERICK BORDEN. That might be done ; I do not say it will be done.

Mr. CLARKE. I understood the minister to suggest that if it should happen that a Canadian were appointed as general officer commanding, if he were a young active man, he might be sent to obtain further military knowledge in connection with the imperial forces.

Sir FREDERICK BORDEN. I will explain further. At present, we give to imperial officers a number of positions in this country. The commandant of the Royal Military College and, I think, at least four professors of that college are officers drawn from the imperial army. We at present draw our general officer commanding from that army. It has been the custom frequently to appoint to the position of quartermaster general an imperial officer. And, at this moment the position of chief intelligence officer of this country is held by an imperial officer. It has been pointed out to the imperial authorities that it would be a fair thing to them to give to Canadians who are qualified the same number of positions, or a certain number of positions temporarily in the British army. That question is being considered, and I think it very likely that some arrangement will be reached.

Mr. SAM. HUGHES. I am pleased to learn that the minister is reviving that movement. In 1894, when Major General Herbert was general officer commanding in Canada he took similar steps. I have every reason to believe that, at that time the objection came from Canada. The proposal was to exchange men as well as officers at that time and it was believed by certain gentlemen with small, antediluvian ideas—a class not confined to one side of the Atlantic—that it was impossible to overcome the difference in pay of the private in the Canadian and in the imperial service. But the proposition met with some favour from many gentlemen, fossilized though they were, on the other side. I do not speak in this way of all who favoured it, but only of those who are set in office. Such men, on whatever side of the Atlantic they may be, get fixed in one idea and fossilized. These gentlemen being the only ones consulted, it was decided that the idea could not and should not be carried out. I am glad that the minister is now going to carry it out. There is no reason in the world why the militia of Canada should not still continue to be part and parcel of the forces of the empire, a connecting link between Canada and the empire. I should like to see that old link retained and I wish to have it understood that we who oppose the removal of the clause which enacts that the commanding officer shall be an imperial officer are not minimizing Canadians but wish to perpetuate the union between Canada and the empire so that perchance a Canadian might become commander of the imperial army in London.

Sir FREDERICK BORDEN. If the good feeling and the unity to which my hon. friend refers, and which I hope will continue, is to depend upon a provision in a Canadian statute by which an imputation is thrown upon the character and ability of the militia of this country, I do not think that unity can be preserved.

Mr. SAM. HUGHES. We may just as well understand that a great many citizens of Canada have never regarded this provision as an imputation cast on any Canadian, for as I have pointed out any Canadian has the field open to him. He can go through the Royal Military College of Canada and enter the imperial service as many of the graduates of that college have done, or he may obtain a professorship in the college, and these avenues to the position are open to him. I regard this proposal as a pandering to a certain cry in this country that Canada must have her own independence and must cut entirely free from the British empire. We may as well understand each other now; let the gauntlet be thrown down and we are ready to take it up.

Mr. TISDALE. I think that there is some misunderstanding which the hon. minister might clear up, although he has so far omitted to do so. There is a general impression that under the existing conditions no Canadian can command the Canadian militia. I have been surprised since this discussion commenced the other day, to find that some of the leading men in this city seem to have this impression. I wish to repeat that any Canadian who becomes an imperial officer may be appointed to the pos-

ition. When the militia was founded it was thought wise that no man, whatever his qualifications, should be considered sufficiently qualified to take command of and train the Canadian militia, unless he was an officer in the imperial service of a certain rank. It was considered then and is not controvertable now that the opportunities of military service, and the experience and military education necessary, particularly in regard to the important military movements in the British army, were required to qualify a man for the command of the Canadian militia. The Liberals and Conservatives of those times, the two greatest of whom, Sir George Cartier, and Sir John Macdonald, I mentioned the other day, discussed this question and passed this law which has remained in force so long Now for the first time in this parliament the Minister of Militia has seen fit to give out the impression that this is an indignity or a slur upon officers of our militia.

The second qualification—and under present conditions I believe this is the more important—was that politics should not in any way influence the appointment to this high office which is so essential to the well-being of our militia. I say that both of these arguments are as strong to-day as when the law was first introduced, because, while I will admit and do admit and will maintain as strongly as any one, that our militia officers are most capable and that some of them in South Africa distinguished themselves and filled high and important positions with credit, we must remember that we are now going upon a peace footing, and that while on a peace footing, Canadian officers would not have that opportunity to acquire experience in the large operations of an army that imperial officers would have in the operation of the imperial army in various parts of the world. Yet this is just the experience that is requisite for a commanding officer of our militia. I would go further and say that no officer, whether he be an imperial officer or a Canadian officer, should be permitted to remain in command of the Canadian militia for a longer period than five years, because, with the rapid advancement in the development of explosives and projectiles an officer in command in Canada for five years, not in constant touch with military matters in England would become rusty and would not be sufficiently abreast of the improvements to properly fill the position. The Minister of Militia does not say when he is going to put this provision into force but he is so sensitive of the character of the force that he does not want them to remain under this ban, under which we have built up this country and under which our young men went abroad when necessity called them. Having had some actual experience in my early days, and having been closely connected with the militia of Canada, I declare that the active officers of our militia are broader than ever to think of such a thing as this restriction being a slur or to make a great question of its removal as if it was some great boon and honour to the militiamen and officers of our forces. I know that I may be taking a stand which will not be the most popular side of this question. The hon. minister (Sir Frederick Borden) says that he is anxious to remove the indignity which is cast upon the Canadian militia.

When the time comes that the hon. gentleman will come to this House and say: Here is a Canadian who has the knowledge to fill this position and I am going to pass this law, then, I am prepared to consider the proposition. But, before that time arrives, to say that it is an indignity and a curtailment of our self-governing powers that he wants to remove is to say something for which there is no foundation whatever. We want to be broad and large enough to take an imperial view. What is the best for Canada is best for the empire and what is best for the empire is what I stand for. That is what we must all stand for, because, while we are able to take care of ourselves as regards the principles of government, while Britain has given us, as the right hon. Prime Minister (Sir Wilfrid Laurier) has said, 'the splendid liberty which we enjoy,' she will also give us millions of wealth and will give millions of lives to assist this colony if need be with her assistance should a foreign foe attempt to vanquish us. I stand for the broader idea. I stand for what is best for Canada and what is best for Great Britain and particularly for what is best for both in reference to this defence question. I have always given my assistance to the hon. Minister of Militia and Defence in carrying on the work of his department. Some of my constituents have not been quite satisfied that I should help him as I have done. That hon. gentleman's first action was to rescind contracts which I had made during the few months I had the honour of presiding over that department and afterwards he had to admit to me that he was obliged to fall back upon the principle which I had been guided by and make similar contracts. I never mentioned the subject again except upon one occasion and I merely allude to it now to show that in whatever influence I have endeavoured to exercise I have carefully abstained from anything political. I have carefully abstained from offering any criticism except of a nature that I thought would tend to promote the efficiency of the force so as to help to keep it alive, and keep it in touch with the British army that we might make the British army the model of our force, excelling it if we could but in no way doing anything that might impair it even in appearance and especially in actuality. When we have at the head of the Canadian forces an officer unequalled in the world, one of the best officers of the

British army, receiving a salary less than his emoluments at home and devoting his time and ability to the improvement of our forces, it is a most inopportune time to say that the present system involves a reflection upon our Canadian officers. I am surprised at the persistence of the hon. minister in trying to make the people of this country believe that this is an infringement upon our independence. Until a man who is capable to fill this high place is presented to our consideration and until it is put beyond question that the position may be free from the influences of politics I believe it is for the best of the militia and of the empire that this thing should not for the present be done. I am not satisfied with the explanation of the hon. gentleman. I have even spoken twice when I only intended to speak once because the hon. minister reiterates that we are standing up for something that involves the lessening and dignity of the position of our officers.

Sir FREDERICK BORDEN. Mr. Chairman, it seems to me that my hon. friend (Hon. Mr. Tisdale) has become unnecessarily warm over this question. I am very sorry indeed that I am forced to repeat so often the argument which I have ventured to address to the committee on this subject two or three times. I am rather inclined to suspect, however, that these arguments must be of considerable cogency, otherwise, my hon. friend would scarcely get so excited.

Mr. COCHRANE. It was not the argument that excited him.

Mr. CLARKE. It was the lack of argument that excited him.

Sir FREDERICK BORDEN. Oh. Now, one or two words in reference to what has fallen from my hon. friend from South Norfolk. First, as to the relation of the fact of this amendment to the law being introduced at this particular moment; my hon. friend seems to be determined to draw the inference that this is intended as some reflection upon the distinguished gentleman who at present occupies the position of general officer commanding. It seems to be useless for me to deny that suggestion, but I will once more and for the last time say that there is absolutely no foundation in fact for any such statement as that. The relations between the general officer commanding and myself are of the most cordial character. I appreciate his great ability and his distinguished services as a soldier, and I think this country has profited very much from the fact that we have such an able officer helping to conduct the affairs of our militia at the present time. But, is the presence of that distinguished gentleman in this country any reason why we should hesitate to amend the law which we believe is, in its effect, injurious to the character and standing of our officers? I do not think so, and I believe that that distinguished gentleman would be the last man to ask us to hesitate for any such reason. Why, one would infer from the warmth and the line of argument of my hon. friend that we were passing a law to prevent the appointment of an imperial officer. What are we doing? We are simply saying that the restriction which now operates against a Canadian officer being appointed shall be removed, and it is open to this government and successive governments under this law to select from the British army, or from any part of the British empire, the best officer who can be found to administer the military affairs of this country. There is no restriction. On the other hand it is removing a restriction and my hon. friend must not find fault with me when I repeat that I am surprised that he should be so excited because it is proposed by this Bill to remove from the statute-book of Canada a reflection upon the Canadian officers.

My hon. friend says that I have given an erroneous impression to the people of this country as to the meaning of the present law; he says, that I am trying to deceive the people of the country by saying: that no Canadian can be placed at the head of the militia of this country, when I know full well that by passing through our Royal Military College, and thence through the British army, a Canadian can be appointed in a roundabout way. Now, as a matter of fact what I did say was, that under the present law no Canadian officer can be appointed to the head of the militia, and that is a fact. When the hon. gentleman tells us that Canadian officers have not opportunities of fitting themselves for this responsible position, let me tell him, and he ought to know it, that we are spending thousands of dollars every year to send officers from the permanent force and from the active militia of Canada to the military schools of England. At the present moment we are spending money to send an officer to Japan, so that he may watch what is going on at the seat of war. The hon. gentleman knows very well, that the imperial authorities are always ready, and will always be ready to permit Canadian officers, as Canadian officers, to join the British army in order that they may see what is going on in any of the wars which Great Britain may be engaged in. In view of all this, is there any good reason why on our own statute-books, this reflection, as I call it, and as it is—against the character of Canadian officers per se should remain. But my hon. friend (Mr. Tisdale) says: politics; there is danger of political influence.

Mr. TISDALE. Hear, hear.

Sir FREDERICK BORDEN. And he repeats that statement now. A few evenings ago I asked the hon. gentleman, that even if that could be the case, are we to be

forced to the humiliating admission that although we can govern ourselves in everything else, we are incapable of governing ourselves in this most important question of the defence of our country. Is not such a contention absurd and humiliating ? I hope this is the last we shall hear of any such argument as that.

Mr. CLARKE. I wish to ask the minister who makes the appointment of the general officer commanding now, and who will make the appointment of the general officer commanding, if a Canadian officer should be appointed ?

Sir FREDERICK BORDEN. The actual appointment now is made by the Governor in Council.

Mr. CLARKE. Of the present commanding officer ?

Sir FREDERICK BORDEN. Yes.

Mr. CLARKE. Of course the same power would continue in the Governor in Council ?

Sir FREDERICK BORDEN. Certainly.

Mr. R. L. BORDEN. I think the Minister of Militia is making a little too much of the argument, that the present law is any reflection on Canadian officers. It is not the time to discuss that subject under this resolution ; I propose to discuss it later on, but I cannot allow the argument to pass without a protest. There is a provision of the law that no barrister who has not been admitted to the bar for ten years shall be appointed judge of a Superior Court ; and would any one say that is a reflection on all lawyers who have not been ten years at the bar? No; it is simply a provision requiring certain experience from these gentlemen, just as I understand the provision of our militia law requires any man who is to be general officer commanding our militia to have a certain experience in a regular army. This experience is just as open to be obtained by a Canadian as it is to any subject of the British empire, and therefore it does not do for us to say, as has been said already, that this provision has the effect of casting a reflection upon the officers of the Canadian militia. It simply has the effect of making it necessary that a Canadian, or any one else who is to fill this position must have acquired a certain experience in the British army. That is all it is, and nothing more.

My hon. friend the Minister of Militia surely knows, that the law as it stands at present does not allow an officer of the English militia to become general officer commanding in Canada. Is that a reflection on the militia of Great Britain ? Not at all. It is simply a provision that any man appointed to fill the position must have experience in a standing army. The Minister of Militia says that this Bill leaves it open to an Australian or to a New Zealander to become general officer commanding in Canada. If by that he means, as I understood him to mean, that an Australian officer as such, or a New Zealand officer as such, could become general officer commanding the Canadian militia, then the Bill has not been drafted to meet his views, because it does not say anything of the kind. I have a very strong suspicion that the Bill as drafted confines the appointment to officers of the Canadian militia alone. Does not the Minister of Militia know, that there are capable and competent officers in the Northwest Mounted Police, and does he say that this Bill is a reflection on the officers of that fine force, because it does not enable them to fill the position of general officer commanding. We must regard these matters a little reasonably, and not select a mere captious argument as a basis for our proceeding. It may be—I am not pronouncing an opinion on it at present—it may be that the officers of the Canadian militia have now acquired that degree of experience which would justify the government in selecting a general officer commanding from among them. That is a good argument ; but it is not a good argument to say that the mere fact that under the statute you must select an officer of the regular army, casts a reflection upon men who do not happen to be officers of the regular army or have no experience such as service in the regular army would give. It seems to me that a stronger argument might be made than that advanced by the Minister of the Militia. However, that subject will have to be discussed when the Bill comes up, and as the chairman has repeatedly put this motion to the House, I would like to ask him whether he does not propose to recognize the rule to which I called attention a moment ago. It would be a dangerous precedent to have this proposed amendment put through the committee, without the assent of His Excellency the Governor General, having first been announced to the House, with the Speaker in the Chair. If this precedent were established, it would permit any private member of the House to move that this salary should be $8,000. It is one of the safeguards of our constitution that private members of parliament cannot do that, because they are not advisers of His Excellency, and cannot get His Excellency's consent. The gentlemen who are on the treasury benches are the advisers of His Excellency, and they must declare his assent to the House upon their responsibility as ministers of the Crown, before they can propose a resolution of this kind, and before they can submit any amendment which would involve a further charge upon the public treasury. While I do not wish to obstruct this measure in any way, still I think that it is wise to proceed regularly in these matters. I am willing that the Minister of Militia should have the chair-

man rise, and without a moment's delay, that he should announce with the Speaker in the chair that his Excellency's assent has been obtained to this amendment.

Mr. DEPUTY SPEAKER. The point taken by the leader of the opposition is well taken. The rule is clear and it would be better to proceed according to the rule.

Sir FREDERICK BORDEN. The suggestion was made the other night by my hon. friend (Mr. Hughes), and upon thinking it over, I concluded that it was desirable to do so.

Mr. SAM. HUGHES. I am quite as anxious as the hon. leader of the opposition that we should proceed regularly, and I should be very glad to take advantage of his suggestion.

Sir WILFRID LAURIER. The point of my hon. friend the leader of the opposition is well taken, but it does not affect the present resolutions. We can pass these, and my hon. friend the Minister of Militia will bring down another resolution.

Mr. SAM. HUGHES. The minister stated that officers of the active militia, besides those of the permanent corps, had been sent at the expense of the country to England. I have not heard of any.

Sir FREDERICK BORDEN. There have been one or two medical officers, and one or two others of the active militia, whose names I forget.

Mr. SAM. HUGHES. There is nothing here to prevent any of the officers of the staff receiving allowances.

Sir FREDERICK BORDEN. Nothing.

Amendment of Sir Frederick Borden withdrawn.

Resolution 1 agreed to.

On resolution 2—pay of permanent force.

Sir FREDERICK BORDEN. I wish to insert, in the third line, before the word 'pay,' the word 'ordinary.' I explained the other night, when the Bill was in committee, that the stores branch has been transferred from the civil side of the department to the military side, and has been made a part of the permanent force. The stores men are in receipt of from $1 to $1.50 a day. They have no barracks and get no allowances, as the men of the permanent force do. The transfer might have the effect of reducing their pay to seventy-five cents, and if the word 'ordinary' is inserted, this rate will be limited to the regular service of the permanent force.

Amendment agreed to.

Mr. SAM. HUGHES. This may be the proper place to say a word in reference to the pay of the officers of the permanent force. The minister knows that the pay of these officers, when compared with the pay of other officers in any department of the government, is entirely inadequate. An inspector of artillery or a lieutenant-colonel in command of a district is not paid as well as the high school masters throughout the province of Ontario. Besides, these men are subjected to extraordinary expenses. The House and the country will back the minister in increasing their rate of pay, and I trust he will give no attention to any little criticism that may arise on either side of the House in reference to the matter. They are men who deserve well of the country, and it is all they can do to keep body and soul together on the small pay they receive.

Sir FREDERICK BORDEN. There is no doubt a good deal of truth in what the hon. gentleman says. Some of the officers are very well paid, while some are underpaid. I think some of the officers commanding districts are miserably paid. Some rearrangement of pay should be made, and it is my intention to proceed with that work immediately. When the scale of pay is arranged it will be passed by the Governor in Council, and if the House is sitting, it will be laid on the table. In any case, it will be published in the 'Gazette,' where everybody will be able to see it.

Mr. SAM. HUGHES. The minister knows that when a graduate of the Royal Military College is asked to take a commission in our force, he looks at the pay and refuses. There is not a chainman or rodman engaged on any of the surveys of the Dominion government who does not get twice as much pay and allowances as the highest lieutenant in the permanent force of Canada. I am not finding fault with the minister, who has done his best in the circumstances surrounding him. But I trust that he will see that the young fellows, and the old fellows too, in the permanent force are properly looked after.

Sir FREDERICK BORDEN. The rates of pay are fixed by the present law, as my hon. friend knows, and the government have no power in the matter. I may add that I think the pay of our lieutenants in the permanent force is quite as high as that of lieutenants in the British army.

Mr. SAM. HUGHES. Lieutenants in the British army are members of wealthy families, and their pay is kept down on purpose to keep out of the army young fellows of the middle class who might otherwise make soldiering a profession and a means of sustaining themselves.

Mr. CLARKE. Might I ask the hon. minister if there are not some immunities or privileges now enjoyed by imperial officers serving in Canada, such as the remission of customs and excise duties, which are not extended to the officers of the permanent corps throughout Canada? As I

understand it, at Halifax, Esquimalt, and other garrison points where imperial officers are serving, they enjoy some remissions of duty which are not extended to officers of the Canadian regular force.

Sir FREDERICK BORDEN. I believe that British officers serving in garrisons in Canada, at Halifax and Esquimalt, in command of British garrisons, have the right to import free of duty the goods they require, but I do not think that that law applies to the general officer commanding, even though he be a British officer. I do not see how that exemption could be granted to any portion of our community. It would be very much better to meet the case by increasing the pay of our Canadian officers. Possibly this privilege should be withdrawn from the imperial officers, and that is a point to which the attention of my hon. friend the Minister of Customs might be drawn. There was no intention to discriminate against Canadian officers, and I presume that matter was arranged at the time of confederation between the imperial and the Canadian authorities. I just wish to say a word in reply to my hon. friend the leader of the opposition. He disputes the position which I take, that the law, as it now stands reflects on the ability of Canadian officers. Possibly that may not have been the intention of the Act, but it undoubtedly is the effect. My hon. friend must admit that when a Canadian law prevents a man who makes soldiering his profession from getting to the top of that profession, it creates a disability and is a reflection upon the standing of the Canadian officer. Such a provision would never have been made, had there not been some idea that a Canadian officer was not fitted or could not become fitted to take command. Whatever may have been the case in the days when that statute was framed —and I believe it was passed at a time when throughout this country there were imperial garrisons and officers, and when it would have been very inconvenient to pass the legislation now proposed—it certainly was intended to prevent a Canadian officer from taking command, and thus the legitimate aspiration to which every man is entitled, who adopts a certain line of life, was denied him. My hon. friend the leader of the opposition would think it very hard if some law were passed which prevented a Canadian lawyer from occupying the position of Chief Justice of the Supreme Court of Canada. If the law of Canada provided that although a Canadian lawyer might practice in every Canadian court and occupy subordinate judicial positions, he should be debarred from the position of Chief Justice of the Supreme Court of his own country, and that position should be reserved for a lawyer imported from Great Britain, my hon. friend would justly consider himself very much aggrieved. This is a very much more analagous case than the one my hon. friend mentioned.

Mr. R. L. BORDEN. I do not so regard it. The statute reads as follows: 'There shall be appointed an officer holding the rank of colonel or rank superior thereto in Her Majesty's regular army.' That does not discriminate against any Canadian. It simply requires that any man appointed, be he Australian, Canadian or British, shall have a certain experience. It would be a perfectly good argument if my hon. friend would argue, as he has not yet done, that Canadian officers have now the experience which is equivalent to that gained by an officer in the regular army of Great Britain. That is an argument I have not yet heard, and to which I shall give due consideration when it is made, but in the meantime there is no more discrimination in this case than there is against a lawyer who has not served ten years at the bar, and who, however able he may be, he cannot be appointed a judge on account of his not having the requisite experience. Does not the provision my hon. friend proposes discriminate against the officers of the Northwest Mounted Police? Are there not in that corps able and efficient officers? My hon. friend says the law now discriminates against the militia of Canada. It is no more a discrimination against the militia of Canada than against the militia of Great Britain or Australia or any other country. The case he brings up about the appointment to the Supreme Court of Canada is not an analogous one, because a man who has served ten or fifteen years at the bar of this country has necessarily all the experience required to make him competent to fill the position of chief justice. But is there not a distinction between service in the militia and service in the regular army? If you can show that the service of an officer in the Canadian militia gives him substantially as good an experience as service in the regular army of Great Britain, then it goes without saying that the measure which the hon. gentleman is introducing ought to be carried. There should not be any discrimination against Canadians, and I do not regard the present law as discrimination of that kind, but as providing that a certain experience on the part of any man, be he a Canadian, British or Australian officer, shall be necessary before he can fill the position of general officer commanding in this country.

Mr. A. T. THOMPSON. I think that my hon. friend the leader of the opposition, in advancing the argument that the militia of England and Canada are in the same category, is labouring under a mistake. We have in Canada in reality a regular army, small though it may be. But we still call them the militia. We do not distinguish between our permanent and non-permanent force by calling one the regular army and the other the militia. In England the direct contrary is the case. To permit an officer of the militia in England to assume

a high command would be to open the door to the appointment of men of inexperience, I admit. And it may be that here in Canada the door is open to the appointment of inexperience. But, at the same time we have available in the militia—in the permanent part thereof—men whose experience is probably as good, and in the future, it will be as good, as that of the officers of any regiment in the regular army at home. That being the case, I really fail to see why we should not give the highest appointment in the gift of the government in military matters to a Canadian, if he be fit for it. And, if he be not fit for it, let us hold the government responsible. What is the meaning of responsible government if that be not it? Why this government could accept as commander of our forces some gentleman from the English regular army utterly incompetent for the post—for there are some incompetents there; without wishing to cast slurs upon the service we can say that that is undoubtedly the case. Where, then, is the danger in opening this office when we can hold the government responsible? It has been urged by some gentlemen on the opposition side that this is severing another link with the mother country. I fail to see that. I recall the lessons of history and I remember that, about a hundred and twenty-five years ago, the thirteen colonies broke away from the motherland, and some historians of undoubted authority say that it was more the way British gentlemen treated colonial gentlemen that caused that severance than any question of the duty on tea. If we are to continue our close connection with the motherland, it must be on terms of equality. That is the only thing you can ask worthy sons of worthy sires to stand for, and it is the only thing that Canadians are ready to admit. It is not a reflection on British officers that this change should be made, but it is undoubtedly an acknowledgment of ability and fitness on the part of Canadians.

Mr. R. L. BORDEN. The argument of my hon. friend from Haldimand (Mr. A. T. Thompson) if carried to its legitimate conclusion would lead to this—you could appoint any one to this office whether connected with the militia or not, because the government is responsible. Will the hon. gentleman say that that is not the legitimate conclusion of his argument? The reason why you provide in the law that a man may be appointed from the militia, and not from among the ordinary body of citizens, is that you require for this office a man of a certain experience.

Mr. A. T. THOMPSON. Certainly.

Mr. R. L. BORDEN. Well, I have conceded—I do not know whether I made myself clear—that it is a perfectly good argument, which has not been put forward in the House, unless my hon. friend from Haldimand put it forward, to say that the experience an officer gets in the Canadian militia is substantially equivalent to the experience he would get if in the regular army.

Mr. A. T. THOMPSON. In the regular part of our militia.

Mr. R. L. BORDEN. I am coming to that in a moment, but I am not discussing it now. So, according to my hon. friend's argument some experience is necessary. He does not suggest, for instance, that a clerk in a wholesale dry goods store, an employment which has nothing to do with the militia, should be appointed simply because the government is responsible. Well, some experience is necessary. Then, I say point out to me give me reasonable ground for believing, that the experience of an officer in the Canadian militia is equivalent to that provided for in the statute, or is sufficient in itself, and I shall not oppose the measure. But I do oppose it when the only argument in support of it is that the statute in its present form excludes Canadians. It does not exclude Canadians but it requires a certain experience. The hon. member for Haldimand has spoken of the militia of Great Britain. He knows more of these matters than I do, but I have understood from some of these gentlemen themselves, that there are men in the militia of Great Britain who have served in the regular army.

Mr. A. T. THOMPSON. That is right.

Mr. R. L. BORDEN. Then, I suppose we might conclude that such men would have as much experience and be as fit for the position as a man in the active militia of Canada outside of the permanent force. My hon. friend's argument proves too much. He says: We have a permanent force which can supply very capable officers who would have all the qualifications by reason of experience which could be supposed to be possessed by an officer in the imperial army. That being so, my hon. friend should ask the Minister of Militia to limit this Bill to appointment from among these men.

Mr. A. T. THOMPSON. Not at all.

Mr. R. L. BORDEN. That is his argument. He says that you are to appoint from the active militia in Canada.

Mr. A. T. THOMPSON. I think the hon. gentleman mistakes my argument. I said 'may appoint' not 'are to appoint.'

Mr. R. L. BORDEN. Well, let us say 'may appoint?' You may appoint from the permanent force, which, according to the argument of my hon. friend, contains officers who have the necessary qualifications for the office. Well why should you extend the right of choice to the whole force instead of confining it to this portion which he himself says is especially capable? It would

be quite as good an argument for him to say that there are capable men in the active militia of Canada and therefore the Bill should provide that you should choose your man from the entire population of Canada. That is the absolutely logical deduction from what he has said. That is what his argument means, if it means anything. I am not suggesting that Canadians should not be appointed, or that the general officer commanding could not be chosen from the active militia of Canada. But I object to the captious argument—for it is nothing more than that—that the present law is a reflection on Canadians. Show me that Canadian militia have experience to fit them for officers in this office and I am satisfied. But that has not been discussed. Until we have a discussion along that line we have not touched the real question that the House should consider. It is not right, it seems to me, to say that this law casts any reflection upon Canadians. It only requires that a Canadian as well as any other citizen of the British empire shall have a certain experience in the regular army before he can be appointed to this office. If the experience that he can get in this country is as good or nearly as good as the experience he can get in the regular army, I am quite willing that the restriction should be removed and the government should be free to appoint from the Canadian militia.

Mr. A. T. THOMPSON. I almost fear to mingle in this debate further, Mr. Speaker, because I am hardly able to recognize the argument I thought I was advancing as it comes from the mouth of the leader of the opposition (Mr. R. L. Borden). Still, I am saying what I have to say in no captious spirit, but with a desire for free, frank and fair discussion of the question now before the committee. I do think that the leader of the opposition rather warped my argument, to put it mildly. I think that if he will look at the provision of the Act he will see that there is no danger of the appointment of a linen draper to the position, because it is provided that the man to be appointed must have the rank of colonel. That would be a man of some experience.

Mr. COCHRANE. You make colonels by Order in Council.

Mr. A. T. THOMPSON. They are a rather different kind of colonels—honorary colonels. Now, the leader of the opposition has said that if we can convince him that the members of the permanent force have the requisite experience he will hold up both hands for the Bill.

Mr. R. L. BORDEN. Or of the active militia.

Mr. A. T. THOMPSON. Or of the active militia. And so it should be a question of fitness, undoubtedly a question of fitness. I can tell my hon. friend (Mr. R. L. Borden) that we have now in the militia men who have fought through campaigns in three continents, who have had very considerable experience indeed. I am not prepared to name these officers as I do not wish to drag their names into this debate, but I can give their names to the hon. gentleman privately. These are men of wide experience who could fill acceptably that position. But that is not the point; we are not here arguing that a Canadian should be appointed. The whole thing comes down to this, that out of self-respect the power should be obtained to appoint a Canadian if he be fit for the post, and the responsibility for the fitness rests on the responsible officer, the Minister of Militia.

Mr. R. L. BORDEN. My hon. friend (Mr. A. T. Thompson) does not quite see the point I make, and I have no doubt that this is absolutely due to my inability to express myself as clearly as I should. He says there are many officers in Canada who have had experience that would qualify them for this position. I am not objecting for one moment to so amending the law that you shall select your commanding officer from such men, but I want you to show me that when you authorize a certain selection here, you are confining that selection to those who have had that necessary experience.

Mr. A. T. THOMPSON. But there is no similar restriction in the choice of a man from the old country.

Mr. R. L. BORDEN. There is, because he must have attained a certain rank in the regular army.

Mr. A. T. THOMPSON. And this Act requires the same thing.

Mr. R. L. BORDEN. No it does not.

Mr. A. T. THOMPSON. That he shall have attained a certain rank.

Mr. R. L. BORDEN. That he shall have attained a certain rank in the active militia of Canada, and I have said over and over again that if you once point out to me or if you show me by any reasonable argument that that experience in the active militia of Canada is put to the standard required by the statute, I will hold up both hands for this measure. All I have been suggesting is that the argument shall proceed along that line and not on the line that there is any reflection on Canadian officers. We quite agree on the line the discussion should take, but it has not proceeded on that line, and I rose in the first place to protest against it going on any other line than that which the hon. gentleman now suggests.

Mr. TISDALE. I wish to call attention to a matter which I have already discussed

with the minister. When the House passed the measure providing for increased pay for this officer, it was on the assurance of the government that within a very short period, in accordance with the correspondence between the Canadian government and the imperial government, we were to have a commanding officer of the rank of general. If the hon. minister had brought in a motion to strike out from the Act the word 'colonel' and to put in 'general of the British army,' I would have been with him, because I am of the opinion that the rank of colonel in the British army is not sufficient. However, we had the assurance on the good faith of the government that we would have a general in command and since then they have acted upon that, but now my hon. friend the minister has changed the whole law, and has made the position open to Canadians, but there is not a general in Canada at the present time and there will not be until he makes one. He will have to make him with the fitness and qualifications necessary to be a general in the British army. As to the remarks of my hon. friend from Haldimand (Mr. A. T. Thompson) I would point out that while we have competent men in command of our permanent force, that force is not in any sense a regular army. I wish to call attention to the wording of the resolution about the pay. My hon. friend will notice in the third resolution that there is to be 50 cents a day on appointment which may be increased to $1 a day during the third year of service. I will call his attention to the fact that that might be taken to debar from the increased rate of pay the men who re-enlist for a longer term.

Sir FREDERICK BORDEN. My hon. friend (Mr. Tisdale) will find in the Bill that that is covered.

Mr. TISDALE. I understand that if the resolutions do not cover it the Bill cannot.

Mr. SAM. HUGHES. There is a wrong conception in the minds of the House that Canadian officers are not to receive their uniforms and equipment free of duty, and the inference has been drawn that English officers do. I understand that this refers only to supplies for the officers on the two coasts.

Sir FREDERICK BORDEN. Only that.

Mr. SAM. HUGHES. I would like to refer to the drill of the English militia. Those who have seen English militia drill will readily admit that they are a very finely drilled body of men and that it will be hard to find in the regular service any better drilled soldiers. The English militia man drills for thirty days every year; that is as much as a Canadian would train in three years. They have all the command and duties of a regular army corps. In our permanent force, with all due respect, the officers have no training in the command of large bodies of men. I am told that the artillery at Kingston can hardly muster more than two or three guns, and the force at Toronto is mostly required for servants. How do these officers get any experience in handling vast bodies of troops or in doing what is generally necessary in large military operations? Many of our country captains have nearly as much experience in drilling as have officers of the permanent corps, and certainly officers commanding rural battalions have as much experience as any of the permanent corps officers, and more than some of them.

On resolution No. 3, pay of active militia.

Sir FREDERICK BORDEN moved:

That the resolution be amended by striking out the word 'appointment' and inserting the word 'enlistment.'

He said: I am not a lawyer and cannot say if the effect of this resolution will be to limit the payment of the $1 a day to the third year, but if so I would like to have it amended. The provision in the Bill in regard to the pay is this:

For privates, on enlistment, at the rate of 50 per cent per diem which rate may, by regulation, be increased for good conduct and efficiency, until the third year of service, during which a maximum rate not exceeding $1 per diem may be paid, and such payment continued on re-enlistment during the continuance of such good conduct and efficiency.

Mr. TISDALE. The Bill is undoubtedly right but the resolution is doubtful.

Mr. SAM. HUGHES. The point which is very well taken by my hon. friend for South Norfolk is that there is no provision for the gradation in pay that the hon. minister intends.

Sir FREDERICK BORDEN. Would my hon. friend (Mr. Tisdale) suggest any words to be added.

Mr. TISDALE. I think it is all right.

Mr. SAM. HUGHES. There is no provision in the resolution to enable the minister to give a man 75 cents or 85 cents the second year.

Sir FREDERICK BORDEN. That is provided for in the Bill.

Mr. SAM. HUGHES. The hon. minister proposes that on enlistment the soldier shall have 50 cents a day and that if he conducts himself properly and is efficient at the end of the first year's camp, he will get 65 or 75 cents which sum may be increased to 85 cents at the end of the second year's camp, and that at the end of the third year's camp it will be a dollar a day. Does the resolution cover that?

Mr. TISDALE. I think if you added to the resolution the words 'and continued thereafter,' it would cover the case.

Sir FREDERICK BORDEN. This resolution was drafted by the law clerk of the House and he had the Bill before him.

Mr. TISDALE. If you are satisfied I have no objection.

Sir FREDERICK BORDEN. We may add the words 'and continued thereafter.'

Sir WILFRID LAURIER. There is no need of it.

Mr. R. L. BORDEN. I would be rather inclined to think that it would be necessary, The Bill reads as follows :

For privates, on enlistment, at the rate of 50 cents per diem, which rate may, by regulation, be increased for good conduct and efficiency, until the third year of service, during which a maximum rate not exceeding $1 per diem may be paid.

The resolution is practically in the words of the Bill up to that point, but then, the Bill continues as follows :

And such payment continued on re-enlistment during the continuance of such good conduct and efficiency.

I would be inclined to think that these words ought to be in the resolution as well.

Sir WILFRID LAURIER. The only necessity of this resolution is to enable us to deal with the money part of the matter. If there is not enough in the resolution to carry what is intended by the Bill, we will have to have another resolution.

Mr. R. L. BORDEN. The right hon. gentleman is absolutely right in regard to that, but I was discussing the question as to whether or not there would be sufficient to found the Bill upon.

Sir WILFRID LAURIER. It seems to me there would be. If there is not enough to warrant the Bill we must have another resolution. We cannot amend it here.

Mr. R. L. BORDEN. If you are imposing any greater burden upon the country you must have a new resolution, or have this resolution amended, and you must have the amendment made with the assent of His Excellency. You cannot found a Bill on a resolution which does not go as far as the Bill. When the hon. Minister of Militia and Defence comes to pass his Bill it will be the right of every hon. member to see that there is a resolution which goes as far as the Bill. Then, when you go to look at the resolution you will find that it does not go as far as the Bill because the Bill would impose a greater burden on the revenues of the country than is provided for by the resolution.

Mr. TISDALE. You speak of a dollar a day, but you limit the dollar a day to the third year only.

Sir WILFRID LAURIER. It seems to me that the point taken by my hon. friend from South Norfolk (Mr. Tisdale) is altogether too minute. Certainly there is no intention to limit it to one year only. It must be for the third year and the years after. I cannot conceive that it is to be limited to the third year or the fourth year, because, otherwise, you would have to commence again.

Mr. CLARKE. What would be paid during the sixth year to a soldier who re-enlists ?

Sir WILFRID LAURIER. The soldier would receive the pay which he is entitled to at the third year.

Mr. R. L. BORDEN. I cannot construe the language of this resolution in the way the right hon. the leader of the government does. There is a distinct statement that the pay shall be increased to the maximum of a dollar a day after three years service. There is no provision for the payment of that amount in the resolution while the Bill does make provision. The Bill distinctly states that :

Such payment shall be continued on re-enlistment during the continuance of such good conduct and efficiency.

If these words are necessary in the Bill, they are necessary in the resolution.

Sir WILFRID LAURIER. I do not think so, but I will not quarrel with my hon. friend.

Mr. R. L. BORDEN. I would suggest that we pass the resolution as it is, and the amendment if necessary can be made when the hon. minister's further amendment is brought down.

Sir FREDERICK BORDEN. I have given notice of one amendment and I can give notice of another.

Mr. R. L. BORDEN. It would be a very simple matter to have the chairman go out of the chair and have the whole question settled at once.

Sir WILFRID LAURIER. No, I think we will have to give notice.

Mr. SAM. HUGHES. I will draw the hon. minister's attention to the fact that the interpretation clause of the Bill does not define what is meant by a 'private.' It uses the word 'man.'

Sir FREDERICK BORDEN. The word 'man,' I think, includes 'private soldier.'

Mr. SAM. HUGHES. It does not say so in the interpretation clause.

Sir FREDERICK BORDEN. That can be amended.

Mr. SAM. HUGHES. 'Man' includes non-commissioned officer, but when using the word it should be determined what a private is. If you define the word 'officer'

in your interpretation clause, it seems to me that you should also define the word 'private.'

Sir WILFRID LAURIER. Any one who is not an officer is a private.

Mr. R. L. BORDEN. I did not explain to my right hon. friend that in raising the point I did, I referred to a man being enlisted in the first place for only three years, if he were enlisted for six years I think the hon. gentleman is correct.

Sir WILFRID LAURIER. I have no objection to an amendment to make doubly sure.

Resolution No. 3 was amended by adding to the end thereof, after the word 'service' the words 'such payment to be continued on re-enlistment.'

Resolution, as amended, agreed to.

On resolution 4, allowance for officers' horses.

Mr. SAM. HUGHES. Every one knows that there is almost as much diffierence between a trained and an untrained horse as there is between a trained man and an untrained man. The minister has adopted a splendid idea in regard to the men, and I think he should adopt it also in regard to the horses.

Sir FREDERICK BORDEN. It is left open to give any rate you like.

Mr. SAM. HUGHES. That is all right.

Resolution 4, agreed to.

SUPPLY—PROVINCIAL SUBSIDIES.

Right Hon. Sir WILFRID LAURIER moved that the House go into Committee of Supply.

Mr. R. L. BORDEN (Halifax). Before you leave the chair, Mr. Speaker, I bring to the attention of the government a clause in the speech delivered at the opening of the Quebec legislature on the 22nd day of March, by the Lieutenant Governor of Quebec, in which reference is made to the subject of the application of the provinces for the readjustment of the provincial subsidies. The clause I refer to is as follows :

> My government has every reason to believe that the importance of the readjustment of the provincial subsidies, the conditions whereof were approved by you last session, is being seriously considered by the government of Canada.

I gather from what has already been said by my right hon. friend, that the matter has not come under the consideration of the government at all thus far. I conclude therefore that the person who drafted this speech for the Lieutenant Governor of Quebec, must have been under some misapprehension. Has the right hon. gentleman any further statement to make to the House in regard to it ?

Sir WILFRID LAURIER. No, Mr. Speaker, I stated the other day, the whole matter as it stands at the present time. The premiers of all the provinces have approached the government on two or three occasions, but especially last fall, with the object of having a readjustment of the subsidies as defined by the Act of Confederation. The subject has not yet been taken up by the government, but I stated personally to one or two of the premiers, and amongst others to Mr. Parent, that in my judgment it would at an early date be the subject of serious consideration on the part of the government. Nothing more has been done.

Motion agreed to, and House went into Committee of Supply.

Public buildings, N.S.—Halifax immigrant building—additional story over the one story portion, &c., $11,000.

Mr. CLARKE. Is this work being done by contract after public competition ?

Mr. JAS. SUTHERLAND. The work was originally done by contract and any improvements that are being made are being made by day labour.

Mr. R. L. BORDEN. I do not quite understand—is this additional story being constructed by contract or by day labour ?

Mr. JAS. SUTHERLAND. I misunderstood my hon. friend (Mr. Clarke). The additional story has not been built yet. The plans have been prepared and they are now standing for consideration before the Department of Immigration. When the work is let it will be let by contract. We made some small improvements some time ago by day labour, and that is what I have reference to.

Mr. DANIEL. What material is the building built of ?

Mr. JAS. SUTHERLAND. Wood. The building originally cost $37,116,47. The repairs cost $2,916.

Mr. R. L. BORDEN. My hon. friend stated that the plans had been prepared, but that the contract had not yet been let. It appears, however, that this includes a revote of $5,000. That would seem to be hardly consistent with his explanation. Would he be good enough to tell us just how that is ?

Mr. JAS. SUTHERLAND. Plans were prepared and submitted to the department of immigration. We were asked not to proceed at the present time, but it is expected that the work will go on early this season, and that with the revote of $5,000 and the new vote of $6,000, it would be completed during the coming year.

Mr. R. L. BORDEN. No part of the vote of last year has yet been used ?

Mr. JAS. SUTHERLAND. No.

Halifax—new public buildings, $100,000.

Mr. R. L. BORDEN. Would the hon. gentleman be good enough to give us a statement as to the present position of the construction of this building? I would like to know at what date it was to have been completed according to the terms of the contract; whether or not it has been completed in accordance with those terms; if not, what is the reason for the delay; and on what date it is expected that the work will be finally completed.

Mr. JAS. SUTHERLAND. The contract requires the work to be completed on the 15th September, 1904. The chief architect of the department is not of opinion that it will be completed by that date, but he thinks it ought to be completed within a very few months afterwards. The principal reason given by the contractor for the delay has been the difficulty of getting skilled workmen.

Mr. CLARKE. Has he any difficulty now in getting them?

Mr. JAS. SUTHERLAND. I do not know how that is. I understand from the chief architect that the work is proceeding very fairly.

Mr. HAGGART. What is the total cost of the building?

Mr. JAS. SUTHERLAND. The amount of the contract was $250,000. The total cost, including site, heating, furniture and fittings, is estimated at $320,000.

Mr. CLARKE. What did the site cost?

Mr. JAS. SUTHERLAND. $24,000.

Mr. R. L. BORDEN. Was there more than one tender?

Mr. JAS. SUTHERLAND. I think there were several. As the matter has been discussed so frequently, I hardly expected that question to-day; but I will give my hon. friend a list of the tenders.

Mr. R. L. BORDEN. I think the government should insist, as far as it is practicable to do so, on the completion of this building at a very early date. The accommodation for the public service at Halifax is at present very inadequate, and both the public and the officers of the government suffer a good deal of inconvenience. At what date did the contractor begin his work?

Mr. JAS. SUTHERLAND. The contract was awarded in April, 1902, and the contractor began operations at once. Immediately after my hon. friend brought this matter to my attention last session, I gave instructions that the work must proceed faster than it had been doing.

Mr. HAGGART. How much has been expended?

Mr. JAS. SUTHERLAND. The total amount to December 31, 1903, was $111,382. We expect to spend before the 30th of June, $50,713.

Sydney, public building—addition to, $24,000.

Mr. CLARKE. Is this work being done by contract?

Mr. JAS. SUTHERLAND. Yes. The contract was let to the lowest tenderer, Rhodes, Curry & Co., of Amherst, N.S., on the 27th of February last. It is intended to be completed by 1905. The addition consists of two stories, attic and basement, 41 feet by 30 feet. It is required especially for additional accommodation for the post office.

Sydney Mines, public building, $15,000.

Mr. R. L. BORDEN. Is this work being done by contract? When will it be completed?

Mr. JAS. SUTHERLAND. A site has been secured, the plans have been prepared, and we are now advertising for tenders for the work.

Mr. R. L. BORDEN. What will be the total cost?

Mr. JAS. SUTHERLAND. About $20,000.

Mr. CLARKE. Does that include the site?

Mr. JAS. SUTHERLAND. No, the site cost $4,500. Total cost about $25,000.

Actonvale, public building, $12,000.

Mr. JAS. SUTHERLAND. A site has been procured, plans are now being prepared, and tenders will be called for at an early date.

Mr. BENNETT. What is the population of that place?

Mr. JAS. SUTHERLAND. About 1,175.

Mr. R. L. BORDEN. Would the hon. gentleman have any objection to taking up the Ontario items, as many of the Quebec members are absent? They usually go away Friday afternoon.

Mr. JAS. SUTHERLAND. I shall be pleased to accede to my hon. friend's request, and would renew the proposition I made when he was absent. I was asked to allow certain items to stand, and I proposed that we might go on with the items on the understanding that, when members interested are absent, they could ask the information on other items. I wish to consult the convenience of hon. members in that way and at the same time expedite the public business.

Alexandria, Ont., public building, $10,000.

Mr. JAS. SUTHERLAND. The total estimated cost is $15,996, including the site, which cost $3,500.

Mr. BLAIN. When this matter was up for discussion last year, the member representing that county said that two sites

were available, one of which could be procured for $2,000 and the other for $2,500. How is it we are paying $3,500 ?

Mr. JAS. SUTHERLAND. After full consideration, I came to the conclusion that the site we purchased was better than either of the other two. It is a corner lot and more central.

Mr. CLARKE. From whom was it purchased ?

Mr. JAS. SUTHERLAND. From a man named Macdonald.

Mr. HAGGART. That is a very vague description to give of a man in Glengarry.

Mr. BLAIN. What is the size of the lot ?

Mr. JAS. SUTHERLAND. Sixty-five feet frontage. My hon. friend from Lanark says I gave a very vague description of a resident of Alexandria, but it is the best description I could give. Mr. Macdonald is a well known prominent citizen of that town.

Mr. BENNETT. Were there any buildings on the lot.

Mr. JAS. SUTHERLAND. Yes, and they had to be removed by the owner.

Mr. CLARKE. What is the depth ?

Mr. JAS. SUTHERLAND. Forty-two feet, I think, on the other street.

Mr. CLARKE. And that lot cost $3,500. That is a pretty stiff price.

Mr. JAS. SUTHERLAND. I do not know that it is an extraordinary high price for a corner lot in the best situation in the town. That was the valuation made by the officers of the department, and it was on their report that a decision was come to.

Mr. CLARKE. How far is this site from the others ?

Mr. JAS. SUTHERLAND. One of the others is across the river in a different section of the town, and the other is in the same block, but not a corner lot.

Mr. BENNETT. Did the chief architect visit Alexandria and make a report ?

Mr. JAS. SUTHERLAND. Yes, personally.

Mr. CLANCY. Is not the lot a small one for a public building ? It is a mistake to put a public building on a small lot, because later on it may be found necessary to enlarge the building and acquire other property, and you will have to pay whatever price the people may ask. I cannot imagine a suitable building—it is true this is not to be a very expensive building—on a lot with a total measurement of 65 feet by 42 feet. The lot would be nearly, and perhaps wholly, covered by the building. It is true this is a corner lot, and, of course, there would be ready access to the building. Still, I hope the hon. gentleman will be able to say that it is not the rule of the department to buy lots of that size for the purpose of erecting public buildings.

Mr. BENNETT. Is there a lane at the rear of the premises ?

Mr. JAS. SUTHERLAND. No ; but it is a corner lot.

Mr. BENNETT. I have been in this town or village of Alexandria, and I must say that this seems a very high price to pay—about $50 a foot. I would like to be sure that we have the figure correct as to the depth of the lot—42 feet. The surveys in the ordinary town or village make lots of one-fifth or one-quarter acre, a depth of 165 feet or 175 feet. It seems fair to infer that the owner has simply moved back the buildings from the main street to a rear part of the lot. May I ask the minister if that is the case ?

Mr. JAS. SUTHERLAND. The chief architect tells me that he does not know.

Mr. BENNETT. What style of building was it that was on this lot—stone, brick or frame ?

Mr. JAS. SUTHERLAND. An old wooden building.

Mr. BENNETT. That tends to confirm my suspicion. If this was the principal corner in the town or village of Alexandria, the owner would hardly think so little of the property as to leave it occupied by a miserable old building——

Mr. JAS. SUTHERLAND. I did not say it was a miserable building, but a wooden building.

Mr. BENNETT. An old building, I understood the minister to say.

Mr. JAS. SUTHERLAND. It must have been old.

Mr. BENNETT. What was it used for ?

Mr. JAS. SUTHERLAND. The chief architect tells me that his recollection is that it was used as a residence, but is not sure.

Mr. BENNETT. Was this close to what is known as the principal hotel ? If I remember the locality well, it is directly opposite a newspaper office.

Mr. JAS. SUTHERLAND. The chief architect's recollection is that it is about half a block from the principal hotel, and on the same side of the street.

Mr. BENNETT. It is some time since I was in Alexandria ; but, as I recollect it, near the principal hotel there were stores. If this building was used as a residence, I think it fair to infer that the site was not a desirable one for a store.

Mr. JAS. SUTHERLAND. I have been in Alexandria, and I understand that this is

the corner of the west block where the stores are—the best corner of the best business block.

Mr. BENNETT. We are paying $50 a foot for a piece of vacant land in the town or village of Alexandria. It can hardly be a business location, because the owner maintained on it an old frame building used as a residence. Had it been a desirable business site, he would have removed the building long ago and put up a store or other business premises that would yield a better return.

Mr. JAS. SUTHERLAND. My hon. friend (Mr. Bennett) knows that he can go into Toronto, Montreal or any other large city and find some of the best corners occupied by very inferior buildings. There is nothing in that argument of the hon. gentleman. When we purchased the cornor lot there was a building which, according to the recollection of the chief architect, was used as a dwelling house. But I can tell the hon. gentleman—there is nothing about the purchase to conceal—that this is the corner of the principal business block in the town.

Mr. BENNETT. Surely the minister will wish to qualify that statement. If it had been such a desirable corner, the owner would not have continued to occupy it with an old frame building. When the chief architect was there, was the building occupied as a residence ?

Mr. JAS. SUTHERLAND. I have no information as to whether it was so occupied at that time or not.

Mr. BLAIN. I do not wish to prolong the discussion or press the minister unduly, but I have not heard what seems to me a proper explanation of the reason for the change—why the minister set aside the other two sites proposed last year and purchased this one. Perhaps he would tell the committee how far the new site is from the two that were proposed.

Mr. JAS. SUTHERLAND. The hon. gentleman (Mr. Blain) knows that a few minutes ago I gave that explanation. I suppose he asks the question for the purpose of having me repeat it. He will remember that I said that one of these sites was across the river and a few blocks further west, while the other is in the same block and not far from the site we are now discussing.

Mr. BLAIN. I am sorry the minister thinks I ask the question merely to have him repeat his statement. I assure him that that is not the object. If it were, we could easily keep this thing going all evening. But last year the hon. gentleman (Mr. Schell) representing the county made a statement that one of these lots was a corner lot of a size much larger than the one that has been purchased. It was 66 by 90 feet, and could be purchased for $2,500. Now, the minister has purchased a lot 65 by 42 feet for $3,500. This seems to me to call for further explanation. The minister now tells us that the other lot is in the centre of the block. It would seem that either he or the gentleman who is representing the county must be mistaken. I presume the hon. gentleman representing the county would know all the facts ; and he stated that it was a corner lot and could be purchased for $2,500.

Mr. JAS. SUTHERLAND. The site across the river, the chief architect informs me, was a corner lot but it was too far out from the centre of the town to satisfy any person there or to satisfy the department. That is the reason the change was made.

Mr. CLARKE. What was the depth of the other lot in this same block ?

Mr. JAS. SUTHERLAND. I have not the size of the other lot but it was much larger, however, we consider a corner lot where you can have light on three sides of much more value than a deeper lot when you cannot use the rear portion. I think the depth of this lot was 90 feet.

Mr. CLARKE. Was the rear end of this 90 feet lot owned by the same gentleman who sold the department the 42 feet ?

Mr. JAS. SUTHERLAND. I could not answer that question.

Mr. BENNETT. What will be the size of the building ?

Mr. JAS. SUTHERLAND. Speaking without the plans it will be built flush with the front street, and I think the main part of the building will be 28 x 30 feet frontage.

Mr. BENNETT. What kind of a roof will there be on it. Will it be a flat roof, sloping to the back as most buildings of that kind now have ?

Mr. JAS. SUTHERLAND. It is not a flat roof.

Mr. BENNETT. Will the minister have a man standing on the roof to shovel off the snow ?

Mr. JAS. SUTHERLAND. No, we shall not appoint a man.

Mr. BENNETT. With a roof of the kind that is evidently intended, the government may be liable for damages for injuries to passers-by. I am really surprised the chief architect should recommend a building of that class.

Mr. JAS. SUTHERLAND. I presume the building as designed by the chief architect is satisfactory. He is a man of great experience and has built most of the public buildings in Canada. We have had no complaints.

Mr. BENNETT. But the chief architect is not a free agent. You give him a lot of a certain size and say : Put a building on it.

Mr. JAS. SUTHERLAND. The chief architect knew the requirements of the building before he purchased the lot.

Mr. CLARKE. Is the 12 feet at the back to be used as an entrance ?

Mr. JAS. SUTHERLAND. It will probably be used for that purpose.

Mr. CLARKE. The hon. minister will understand that we have great difficulty in criticising this item because we have not been able to get the information.

Mr. JAS. SUTHERLAND. That is not fair ; if my hon. friend will put any question he thinks relevant, then if I have the information I will give it to him and if I have not the information I will be only too glad to bring it down.

Mr. CLARKE. What about the buildings on the back part of the lot ?

Mr. JAS. SUTHERLAND. They were removed from the lot.

Mr. CLARKE. Were they pushed back from the rear of this lot.

Mr. JAS. SUTHERLAND. I am sorry to say I have not the information.

Mr. BENNETT. Has the hon. minister under his hand any report from the chief architect advising the purchase of this particular site ?

Mr. JAS. SUTHERLAND. The lot was bought by Order in Council on the recommendation of the chief architect in writing.

Mr. CLARKE. Would the hon. gentleman kindly bring down any reports which he may have recommending the purchase of this site or adverse to it ?

Mr. JAS. SUTHERLAND. There are no adverse reports, but I will bring down the report recommending this site.

At six o'clock, committee took recess.

After Recess.

Committee resumed at eight o'clock.

Mr. JAS. SUTHERLAND. When the committee rose at six o'clock my hon. friend from West Toronto (Mr. Clarke) asked me for the report on which the site for this building was purchased I have it here.

Mr. CLARKE. Probably if the hon. gentleman would pass it over to me it would save him the trouble of reading it.

Mr. SPROULE. I understood the hon. minister to say that this building when completed would cost $18,000 ?

Mr. JAS. SUTHERLAND. Including the site.

Mr. SPROULE. Is the building to be used for a post office solely or for the customs-house and inland revenue also ?

Mr. JAS. SUTHERLAND. The post office, customs-house and anything else needed there. I am not sure whether there is an inland revenue office there or not. The contract price is $10,750. The contract is let and the work is under way.

Mr. HENDERSON. Mr. Chairman, for several years past I have drawn the attention of the Minister of Public Works to a special feature in the construction of public buildings, especially for the use of the post office in small towns throughout the country. I have called attention to the fact that I think a good deal of money could be saved to the public by incorporating in the building a residence for the postmaster. In this way the government would save considerable money, inasmuch as the postmaster would be entitled to allow the government for the rent of the residence, he living in the building. At the same time the postmaster would be the caretaker of the entire building and thus save the government the expense of paying the caretaker. When the hon. gentleman's predecessor undertook to erect a post office building at Clinton, in the county of Huron, he gave us an assurance that he was going to adopt the suggestion which I had made and I am inclined to think, from what I recollect, that he did to a certain extent carry out that understanding. I have no very definite information about it, but I still contend that the only way in which the government could, without going to too large an expense, meet the views of the people throughout the country, more especially in the small towns with a population ranging from 1,500 to 2,500, would be to take advantage of this circumstance, to provide a residence for the postmaster and thus save the allowance which they could collect from him as rental, at the same time saving the expense of a caretaker for that public building. I hope that the hon. Minister of Public Works (Mr. Sutherland) on this occasion is following up what I understood to be the policy that was laid down by the hon. gentleman's predecessor, the one that he had decided to adopt and that in this economical way he will be more free to expend the public money in counties that have not the advantage of a large town or any town exceeding 1,500 or 2,000 people, and where the revenue of the post office could not be expected to compensate the government fully for the expenditure of a large amount of money upon the erection of a post office. In this instance I understand the entire cost of the building with the site is to be about $18,000. To my mind it is quite possible for the government in a town of 1,500 population for less than half that money to put up a good substantial brick building on a good foundation sufficiently large for the purposes of the post office, with a door for entrance and one for exit to prevent crowding and include in it a

vault for the protection of registered letter and other property of the government, and also to include in it a residence for the postmaster. Private individuals in the country can construct for $8,000 or $9,000, a good substantial building. I am aware of the fact that it seems an impossible thing for the government to succeed in erecting a building as cheaply as it can be erected by private enterprise. They seem to be, from time to time as the construction goes on, induced to add one thing after another until the cost of the building far exceeds the original estimate, and to my mind it frequently exceeds the necessities of the case. I do not see that there should be such a large expenditure on fittings as sometimes takes place, notably in the matter of the Clinton post office. I would urge upon the hon. minister that he endeavour in the construction of this building, if it has not gone too far in the way of the letting of the contract, to take advantage of these suggestions as far as practicable, to include all that I have suggested, because, if he did, we would have less hesitation in pressing upon the hon. minister the erection of public buildings in other counties that have nothing but small towns. I am quite sure the hon. minister would be anxious that all the money of this country should not be expended in the ridings that have large towns, but that he would be willing to extend his generosity to other counties that have only small towns and to give them the advantage of this expenditure of public money as well and not only the advantage of the expenditure of public money, but to give them that reasonable accommodation to which they are just as much entitled as the larger towns. It is frequently the case, and I know it is notoriously so in the county that I have the honour to represent, that our post offices are all too cramped. In the evening and morning when the mails are being distributed, there is a perfect crush and it is only with the greatest inconvenience that people are able to get in or out, there being simply the same door for entrance and exit. The buildings in some cases are not of that substantial character they ought to be for the purpose of guarding against loss by fire, and I am quite sure that it would not take anything beyond the most ordinary safe for the protection of the public property. I hope that the hon. minister, even if he is not able in this particular case to adopt my suggestion, will bear in mind these facts when he comes to the erection of a public building in some other town of the same size, and that he will show the country what he can do in the way of economizing public funds and give the people the best accommodation possible.

Mr. JAS. SUTHERLAND. My hon. friend (Mr. Henderson) knows that on a previous occasion I fully sympathized with the views he has expressed and in this particular case I have endeavoured to come as near to that policy, in contra-distinction with the expenditures of the past on public buildings of this kind, as I possibly could. My hon. friend will see that the contract for this building is $10,750. During the past few years the cost of building has increased from 25 to 40 per cent. We have now a schedule of wages attached to each contract which are the wages current in the district in which the building is being erected and they are not the lowest wages either. This with the increased cost of material increases the price of the work. Instead of erecting a building in a town of this size at a cost of $40,000 or $50,000, as was done in the past, we are going to put up this building for $10,750. The estimate which I have given of $18,000 includes the site and also the cost of heating, fittings, furniture and letter boxes. These come to $8,000. Wiring, fixtures, fencing and sidewalks are included in this estimate, so that there is no reason to believe that we will not come as near to the policy that the hon. gentleman advocates as is possible under the circumstances. It also provides for the post office and customs house and has rooms for residence.

Mr. HENDERSON. I am surprised to hear the minister say that the construction of a vault would cost $1,000. I should think that there is no difficulty in constructing a good vault for $200. but this is just on a par with the construction of all these buildings ; if there is a possibility of adopting any extravagant system it is sure to be adopted instead of the economic one. I am also surprised that the post office boxes should cost so much. Apparently, no attempt is made to keep down the expenditure on those public buildings. It is quite true, as the minister says, that the cost of building is greater than it was a few years ago owing to the increased price of labour and materials, but I should think that forty per cent is an exaggerated estimate of the increase. I am glad to know that the minister is aiming at providing here some of the accommodation I have suggested, but as the member for Toronto (Mr. Clarke) says, he is still aiming too high. I regret very much that in this case, he has not made provision for a residence for the postmaster who might be the caretaker as well, and thus the annual expenditure for a caretaker would be saved.

Mr. CLARKE. Is the principal street in this town Main street or St. Catherine street.

Mr. JAS. SUTHERLAND. Main street.

Mr. CLARKE. Then this lot has only a frontage of 42 feet on Main street while it has 65 feet on St. Catherine street. I notice that the architect says that price is reasonable, but a casual observer can notice that the price is a very stiff one for pro-

perty in such a town. The architect reports that he examined this lot in 1902; did he make any report in writing to the department when he made that examination?

Mr. JAS. SUTHERLAND. I discussed verbally with the officer the different sites he had seen. I suppose the only way a person could obtain a proper knowledge of the value of property in a town or city is by looking at the sales made, and taking the opinion of leading citizens.

Mr. CLARKE. I notice that there was a good deal of expedition in putting through this proposition. Mr. McDonald made the offer on June 12, 1903, at the suggestion of the hon. member for Glengarry as is stated here, and on the 24th June the report is made by the chief architect and the whole business closed up. That was expeditious.

Mr. JAS. SUTHERLAND. I can explain that. The different sites were under consideration, and this is the site the people wanted. We always have an offer in writing before we decide, so that there may be no difference of opinion about it afterwards, and I told the member and when this was sent in it was decided at once.

Mr. INGRAM. You can buy lots for less than that in cities of 12,000 inhabitants.

Mr. JAS. SUTHERLAND. I am negotiating now for a site in one of the cities, and they want $1,000 a foot. I should think that the price we paid in Alexandria is the average price in flourishing small towns throughout Ontario.

Mr. BENNETT. Before dinner we understood that the principal frontage of this lot was on Main street, but it now turns out that there are only 42 feet on the Main street. You are paying $80 a foot for a shallow lot of 65 feet in a little place like Alexandria. I should like to know what that property was assessed for. I will be bound to say that the whole lot was not assessed for $2,000.

Mr. INGRAM. And. I notice that the arrangement is that the building on this lot is to be removed, which would go to show that it is of an inferior character. If that lot were worth $3,500, there is no doubt there would be a building of some value on it, and the fact that the building is to be removed shows that the lot is not as valuable as the government try to make out. I venture to say that half the price the government paid would be ample for a lot of that character in a place like Alexandria.

Mr. BENNETT. Does the minister know of a single industrial firm in Alexandria; the population is under 2,000.

Mr. CLARKE.

Mr. JAS. SUTHERLAND. I am not familiar with Alexandria, but I think there is considerable business done there.

Mr. R. L. BORDEN. On what evidence does the architect base his opinion that this price is reasonable.

Mr. JAS. SUTHERLAND. The evidence that the architect gets when he visits a place is to obtain information of experts in real estate and the principal citizens, and to look at the sales which have taken place. I have no doubt that was done.

Mr. R. L. BORDEN. Is there any written valuation from any person who is an expert in real estate values in the town? I do not suppose that the architect would profess to be an expert in land values in all the towns throughout Ontario, and one would suppose that the proper course would be to obtain a written estimate from those who might be considered experts. Has this precaution been taken in this case?

Mr. JAS. SUTHERLAND. There was no written estimate of a value received in this case, but in some cases I have demanded it, where I thought there was any doubt as to the price being the ordinary price in the town.

Mr. CLARKE. Did the architect make any inquiries as to the assessed value of the property?

Mr. JAS. SUTHERLAND. There was no inquiry made as to the assessment.

Mr. SPROULE. I repeat now what I have said on many former occasions: that the government are not justified in putting up an expensive building in these small places where they can rent and care for a building for much less money than the interest charges on the capital sum required to erect a public building. It may be said that this building is not only for a post office, but for a customs-house as well, and that the rent which is now paid is therefore scarcely a fair basis for comparison. But I see by the Postmaster's General's Report that all that is paid for rent, fuel and light for that post office is $120. If that is the case, why should we spend $15,000 for a building for which we shall be obliged to employ a caretaker at $300 or $400 a year, and pay for repairs, fuel and light in addition. The interest on the cost of the building alone will amount to five or six times what we now pay for a building with fuel and light included. It seems to me that it is very doubtful wisdom under these circumstances, to spend so much money to erect this building.

Mr. BLAIN. I notice that in the city of London, one of the leading cities in western Ontario, a site for a drill hall was bought which the hon. gentleman representing that city said was bought from eight different parties; all it cost was $15,507, and the gov-

ernment proposed to erect a drill hall upon it at a cost of $180,000. And now the hon. minister is purchasing a site in a town of less than 2,000 inhabitants at a cost of $3,500 for a building which is to cost $15,000. The hon. gentleman must have been imposed upon by some of the gentlemen in that town in the purchase of this lot.

Mr. JAS. SUTHERLAND. I do not think there is any reason at all for that suggestion. I have no reason to believe that I was imposed upon in any sense. The lot in question was desired by the people as the most suitable in the public interest, and we had to pay the price of that lot. The hon. gentleman I think must be mistaken as to the cost of the site in London. Though it is not in as expensive a part of the city relatively as this lot is, my recollection is that it cost between $15,000 and $20,000. However, that may be, my hon. friend knows that in a large city some lots may be worth $1,000 per foot frontage, while in other parts of the city you might buy several acres for that amount of money. So that there is nothing in the argument unless we know the position of the property.

Mr. BENNETT. But the minister must know that the site on which the armoury is built in the city of London is a splendid site. It is on a corner, and there are very handsome dwellings near it. Surely property in the bright city of London must have a very low value if it is to be compared with property in a town like Alexandria. I am sure the hon. minister has never been there or he would not have concurred in this price.

Mr. HYMAN. I do not know where the hon. member for Peel (Mr. Blain) got his information in regard to the cost of the London site for the drill hall; but my recollection is that it cost over $20,000. It is quite true that it was purchased from seven or eight different people.

Mr. BLAIN. I will read the words of my hon. friend from London, which will be found on page 641 of 'Hansard' of last year. He said:

I fancy the site was bought from eight or ten different people who owned different portions of this land.

The MINISTER OF PUBLIC WORKS. I have a memorandum that the site was purchased from several different parties. The total cost was $5,507.

Mr. HYMAN. Is that what the hon. minister said, or what I said?

Mr. BLAIN. That is what the hon. minister said.

Mr. JAS. SUTHERLAND. The reporter left out a 2. It should have been $25,000.

Mr. R. L. BORDEN. It is very kind of of my hon. friend to put it on the 'Hansard' reporter; but is he sure that he did not read it that way last year? I believe it is in the revised 'Hansard.'

Mr. JAS. SUTHERLAND. Whatever I might be guilty of, I would not be guilty of making a mis-quotation.

Mr. R. L. BORDEN. The policy of the government in regard to the erection of these buildings seems to be a little peculiar. In a small town or village in the country, where it would be cheaper to provide for the public service by renting, the project is to build and increase the public expenditure as much as possible in that way. In large cities, where it would be much cheaper to have a building instead of paying enormous and sometimes excessive rents, the government propose to pay rents in order again, I suppose, to increase the public expenditure. I cannot conceive any other reason for it. Perhaps the hon. minister could state what the policy really is. I am stating what it seems to be.

Mr. JAS. SUTHERLAND. If my hon. friend was in the House last evening when we were discusing the appropriations for the city of Ottawa, he would know that the policy of the government as announced then was that we should purchase the ground and erect these buildings as soon as possible. I am inclined to think that we should make a very special effort to procure ground in the city, where we may from time to time erect the buildings we require.

Mr. COCHRANE. I have been in Alexandria myself, and was very much surprised to hear it called a town. It is a very ordinary village, and has not a single manufacturing establishment. I do not know what land is worth there, but in the village of Brighton, on the Grand Trunk Railway, which is one of the most prosperous in the county I have the honour to represent, and in which there is one of the largest canning factories in the Dominion, and where there is storage capacity for fruit greater than in any town or city in the Dominion, land is worth much less than the price paid for this lot. I was at a sale there not long since, where there was offered for sale nearly an acre of land, with house, comprising one-half acre of orchard, well cultivated, and the price obtained at auction was $1,650. I would advise the hon. minister, when one of those villages which nobody knows anything about except the residents, wants a public building, he should impose the condition that the municipality should furnish the site. If he would do this, he would get rid of a good many of the applications of friends who want to dispose of lots to the government. In Campbellford, East Northumberland, we have several manufacturing industries and a population considerably larger than that of this village, and if the hon. minister will

put a vote in the estimates to build a public building there, I will venture the assertion that the town will furnish him with the site, and he won't require to put anything like $18,000 in the estimates.

Mr. BLAIN. Coming back to this question in connection with the city of London, I find that the size of the lot that was purchased is 252 by 120. Did the hon. minister say that the figures in 'Hansard' were a mistake ,and that the total cost of the site was $25,000 ?

Mr. JAS. SUTHERLAND. The site was purchased before I took office, and I have my information from my deputy minister. The total cost of the site was $25,700.

Mr. BLAIN. If that be correct, we are to understand that the total cost of the site in London, on one of the chief streets—a corner site—is about $80 a foot, and that a site in the town of Alexandria, where the population is less than 2,000, cost more than $80 a foot. I have here the figures of the purchase of the site in London : B. Caravella, $3,000 ; H. E. Crouch, $5,000 ; H. J. Durkin, $1,462 ; D. Fraser, $3,000 ; J. Howe, $1,838 ; total, $14,300.

Mr. HYMAN. That is only a part of the site. There was some ground purchased afterwards.

Mr. BLAIN. Could the hon. minister state how much the site did cost ?

Mr. JAS. SUTHERLAND. Yes. If my hon. friend wants a lot of figures. I can give him nothing better than the figures furnished by the accountant of the department, showing what was actually paid out. That will be more reliable than taking what is paid out in one year and another or in taking quotations from 'Hansard.' I shall be glad to furnish the hon. gentleman with the exact figures.

Mr. HENDERSON. If property purchased by the government is to cost the price paid in Alexandria, then the government had better not erect any more public buildings in any part of the country. I do not see why we should compare a site in Alexandria with one in London. We can find other places which will furnish a much fairer comparison. In the village where I live, there has not been any sale of property similar to that in Alexandria for some years, but some five years ago a property was sold in the very centre of the village for $1,000. It is possible that property has increased there in value since, but it has not increased to the extent of 50 per cent, and that particular site to which I have referred would not sell to-day for $1,500. I do not see, therefore, how property in Alexandria, which cannot compare, as an enterprising village, with the village of Acton, in which I live—in which we have one industry alone in which there is fully three-quarters of a million dollars invested—can be worth so much more. The hon. member for London (Mr. Hyman) knows something of the extent of the Beardmore tannery and the number of people they employ, and can therefore form some idea of the village to which I refer. I remember that a few years ago that industry had in one instance no less than sixty-eight car-loads of hides on the road from Boston to Acton at the same time, and it is not unusual for forty cars to arrive there in a single day for that firm—forty car-loads of raw material, hides and bark. A village with an enterprise of that kind would be one in which we would naturally expect property to have a fair value.

This is not the only enterprise. There is another establishment employing from 150 to 200 hands. It is devoted to the manufacture of gloves, was established twenty years ago and has a reputation from one end of this Dominion to the other. It is a permanent institution, on a sound financial basis, and has a great effect in giving a permanent value to real estate in that village. So, I say that in no way does the town of Alexandria compare favourably with the village of Acton as a place where property would be likely to have a permanent value. I think this is a fair way to arrive at a conclusion as to whether this property was bought at a fair valuation or not. About five years ago, a property in Acton was sold at $1,000. It had a frontage of 66 feet on the main street of the town, and a depth of 90 feet. Reducing these lots to square feet, for the purpose of comparison, I find that five years ago 17 cents per square foot was paid in the village of Acton, while for land in the town of Alexandria the government is actually paying $1.27 per square foot. Even granting that this Alexandria property is situated in the central part of the town, yet it is not so enterprising a place or one in which properly should have so high a value as the village of Acton. It does seem to me that a difference of $1.10 per square foot in favour of Alexandria is more than should be allowed even by the government. I admit that property in Acton to-day has probably a greater value than it had five years ago, but I do not suppose that any man would expect an advance of more than 50 per cent in that time—say $1,500 for a lot to which I have referred, or about 25 cents or 26 cents per square foot—as against $1.27 per square foot in Alexandria. I am afraid the Minister of Public Works has allowed some one to impose upon him. I do not pretend to say that it is any officer of his department, nor do I say that it is the member of the riding. But I do say that we on this side of the House are perfectly justified in spending two or three hours of the time of this committee in drawing public attention to what I must characterize as a positive outrage. I am not going to reflect upon the minister, because I think that, with the numerous duties he has to perform, he has

had no opportunity to look into the matter. His officers, I think, possibly, were engaged in many ways, and may not have had time to warn the minister against being imposed upon by persons interested in getting more from the government than they are entitled to. I am sorry, for the credit of the hon. gentleman, (Mr. James Sutherland) for whom I have every respect, and who, I am sure, desires to manage his department in the public interest, that this purchase has been made, for it reflects very much upon him and upon the good name which he has borne throughout the country.

Mr. CLARKE. I made some inquiry last year about the awarding of contracts upon tenders sent into the department, and was informed,—and very accurately—by the Minister of Public Works that the contract in that case was not given to the gentleman whose tender was lowest, and that this had been decided, upon the advice of the chief architect. Of course, I absolved the minister from blame when he presented the recommendation of the chief architect as his justification. In this case we are presented with another report from the chief architect. Of course, I do not question the accuracy of that gentleman's statement. But, I think that when we are asked to depend upon these statements, we should have the fullest information. We should have full information as to the assessment of the property, the size of the site, the rate the government is paying for premises now occupied in the town, and so on. It is hardly fair to ask the opposition to accept the bald statement of the chief architect and let it go at that. It is not unreasonable to ask that, if the hon. minister is going to refer us to the chief architect, he should give instructions to that officer that much fuller information should be brought down than we have received in this case.

Mr. JAS. SUTHERLAND. I can say in all candour that no political influence was brought to bear in the purchase of this lot. Nor do I wish to avoid the responsibility for having certified the purchase after hearing the explanations of the chief architect. I believe he did the best he could to get the property at a fair price. I am not prepared to speak definitely at the moment, but I believe I am correct when I say that the present owner of the property is not even a supporter of the government. The purchase was made after full and careful investigation, and, we believe, was in the public interest. I assure my hon. friend that there is not the slightest ground for any suggestions that any personal or political considerations influenced the choice of this site in preference to any other. I confess that I was a little disappointed in the remarks of my hon. friend from Halton (Mr. Henderson). I thought that when I was able to show that I could erect two buildings, if not three, for the sum originally spent in one, he would give me credit for moving in the right direction. However, I have been doing the best I could. I am sure that hon. members will agree with me that mere comparisons of prices of property do not justify us in coming to a conclusion on such questions as this. We all know that there are locations in every city, town and village the prices of which are much higher than those of adjacent lots, owing to the location. There is no doubt that the prices at which the government can buy property are apt to be high. This is true not only of the government, but of corporations and even of some individuals. Every hon. gentleman knows that when a bank wants a favourable location in a town or village, or even when a merchant wants a favourable location, they have to pay the price that is asked, and that price has not always a very clear relation to the price of property alongside. The price in this case is high, there is no doubt. It might have been a few hundred dollars less, or even one half less, if there had been other sites available. But the other sites were built upon. In this case, the owner took his buildings off to give us the lot. I do not think it reasonable to characterize as an outrage the paying of such a price as this for property in any reasonably prosperous village in the province. However, it was bought upon its merits, in the belief that it was the best lot that was offered.

Mr. R. L. BORDEN. Of course my hon. friend (Mr. Jas. Sutherland) will remember that a government has always a check by reason of its power to expropriate so that it is not driven in the same way as a private individual is driven, to buy a lot at the price at which it might be offered. If my hon. friend will consider for a moment what this price really amounts to, when compared with the price paid in London, he will see that this lot, which is 42 x 65 feet, has an area of 2,730 square feet, while the lot in London which is 252 x 120 feet contains 30,240 square feet. The area of the London lot is more than eleven times greater than that of the Alexandria lot, whereas the price paid for the London lot is only a little more than seven times greater than the price paid for the Alexandria lot. In other words you paid for your lot in Alexandria, a comparatively small village, $1.27 per square foot and in London, a city of, I suppose, 50,000 people, you paid 85 cents a square foot. That is to say you are paying in the village of Alexandria 50 per cent more than you are paying in the city of London. That seems to be a very extraordinary position of affairs and I cannot understand it. I am not suggesting any political pull, but I do suggest that the prices do not compare with one another in the way they should. You would suppose you could get a lot in Alexandria for one half what you can in London, but you are

paying 50 per cent more. I am sure that will strike the Minister of Public Works as a very curious thing.

Mr. JAS. SUTHERLAND. If my hon. friend (Mr. R. L. Borden) will inquire into the price of land per foot in the business part of the city of London he will find that land as centrally situated in London as this is in Alexandria is very much more expensive.

Mr. R. L. BORDEN. Does the hon. gentleman (Mr. Jas. Sutherland) mean that the price in London is very low ?

Mr. JAS. SUTHERLAND. No, but the site for the armoury in London is not as central, comparatively, as this site in Alexandria. I have not had any experience lately in the frontage prices of some of the best corners in London, but I am sure if my hon. friend (Mr. R. L. Borden) will take the trouble to ascertain the prices at which land is now changing hands there he will find that a lot similarly situated will cost seven times more per square foot than this lot in Alexandria.

Mr. R. L. BORDEN. Nevertheless, I understand that this site in London is not very far from the centre of the city. You would suppose that land even in that part of the city of London would be much more expensive than in this village or town of Alexandria.

Mr. INGRAM. What principle guides the hon. minister (Mr. Jas. Sutherland) in selecting a village, town or city where a post office or public building is to be erected ? Is it population or revenue or what.

Mr. JAS. SUTHERLAND. That is a pretty hard question to answer.

Mr. R. L. BORDEN. Why not be honest and say there is no principle.

Mr. JAS. SUTHERLAND. I might be more honest and say we are following too closely the principle that was practised in the past. We endeavour to have regard to the importance of the town.

Mr. INGRAM. I am afraid the principle governing the hon. gentleman is rather elastic and depends chiefly on the political complexion of the district for which the building is asked. If it is a matter of revenue I see that in Alexandria the receipts are very limited. I see the salary of the postmaster comes to $780, allowances $80 and rent, fuel and light, $120. What the hon. minister proposes to expend there is, first, $3,500 on a lot and then $13,000 on a building.

Mr. JAS. SUTHERLAND. No, no. My hon. friend (Mr. Ingram) is very critical when he thinks that $3,500 is outrageous, and yet he makes a mistake in that one quotation of nearly $3,000. I have said some ten or twelve times that the contract price of the building is $10,700.

Mr. INGRAM. I did not hear the figures before. Now there is $3,500 for the lot, and $10,700 for the building. Does that include the fixtures in the building ? I venture to say I am well within the mark when I speak of $13,000 for the building and fixtures. I think that my figures will be found more correct than those of the minister.

Mr. JAS. SUTHERLAND. I have said that the estimated cost was $18,000 and the cost of the building is $10,700.

Mr. INGRAM. I have been trying to get at the principle which guided the hon. minister in selecting Alexandria as a place in which to build a public building. It certainly is not revenue because there are other places that should receive a public building ahead of Alexandria. Alexandria certainly does not come first on the ground of necessity, because during the past ten years it has increased in population only by some 210 people all told. Therefore it cannot be on the ground of an increasing population that you want extra accommodation. In my own constituency of East Elgin we have a live, up-to-date town, Aylmer West, which is a perfect little city with all the conveniences of a city, and yet I find the government have a rented post office there with an allowance for rent, light and fuel of $180. As between Aylmer and Alexandria, if it is a question of revenue or necessity, Aylmer should certainly be placed ahead of Alexandria. If the hon. gentleman says it is because Alexandria sends a supporter of the government and East Elgin sends an opponent, then we can understand the reason. I remember a good many years ago the hon. minister found a great deal of fault with the Conservative government for not erecting a public building in Woodstock, and perhaps the hon. gentleman was justified in doing so, but he charged the government with erecting public buildings for political effect, and that it was by reason of Oxford not sending a supporter of the government of the day that they refused to erect a public building at Woodstock. Now the chickens have come home to roost and my hon. friend (Mr. Jas. Sutherland) is in exactly the same position as that for which he blamed the Conservative party in those days, when he said that these buildings were located on account of political pull and not on account of necessity. We understand it now and shall not profess to expect anything else than what was carried out under the old regime, namely, the pull.

Belleville armoury, $10,000.

Mr. HENDERSON. What is this ?

Mr. JAS. SUTHERLAND. I am sure my hon. friend from East Elgin (Mr. Ingram) will not accuse me in this case of asking

parliament to vote a sum of money to provide a public building at Belleville on account of political pull, or as a result of the support we receive in West Hastings. The plans are being prepared. We own the site in Belleville, or at least, there is some exchange being made with the city. I am not sure whether this has been completed or not. It is being done through the Department of Militia. The estimated cost of this building, including heating, boilers, fittings, furnishings and all that sort of thing, will be $49,000, or under $50,000.

Mr. CLARKE. What is the size of the building ?

Mr. JAS. SUTHERLAND. The plans which are under preparation will call for the construction of a building with walls of not less than 75 x 100 feet with a lean-to armoury 75 x 54 feet.

Mr. SPROULE. Is the hon. Minister of Public Works carrying out what the hon. Minister of Militia and Defence said last year was the policy of the government in regard to the repairs of drill sheds throughout the country ? I see that there are several armouries that are provided for in these estimates. There is one at Belleville, Chatham, Cobourg, Guelph, London, Stratford, and some other places. Years ago there were very respectable drill sheds built all over the country, but for many years they have been allowed to become dilapidated or destroyed and no effort has been made to keep them up. I have many times thought it unwise to allow these buildings to remain as they were. They are valuable property, but through some change in the Department of Militia regulations, the arms are stored at one place instead of being kept at the headquarters of the different companies and the result has been that these buildings have been allowed to go to waste. The hon. minister said last year that the government intended to fix them up. Would the duty devolve upon the Department of Public Works or the Department of Militia and Defence, and is there any money provided for that purpose ?

Mr. JAS. SUTHERLAND. The buildings of the class to which the hon. gentleman refers are under the Department of Militia and Defence. In many cases they were built in conjunction with the municipal authorities, the title remained with the municipal authorities and that is one of the reasons why these frame buildings were not kept up as they should have been. The votes which the hon. gentleman refers to are for buildings in the larger towns and small cities throughout the country. We are trying to provide a moderately priced building which will give the necessary accommodation to the militia force in these different places. In this particular case there is the 15th Regiment of Argyle Light Infantry, and No. 7 company of the 49th Hastings Rifles. In some of the other places they have artillery also. The buildings are all intended to be substantial and permanent while the cost will be much lower than that of buildings which we have been in the habit of erecting for this purpose. The vote my hon. friend refers to is the vote of $35,000, for small armouries many of which have been built throughout the country in outlying places to provide quarters for one or two companies and for the protection of the equipment. These buildings have become especially necessary on account of the improved rifles that are now being used. This rifle costs $22, and if it is not taken good care of it will soon be destroyed, so that a number of buildings are now being erected where required throughout the Dominion.

Mr. SPROULE. The hon. minister has given no information in regard to what I desire to find out.

Mr. JAS. SUTHERLAND. I said these buildings were under the Department of Militia and Defence. My hon. friend can get a list of these that are being renewed.

Mr. SPROULE. You put one class of buildings under the Militia Department and the other under the Department of Public Works. Why do you separate them ?

Mr. JAS. SUTHERLAND. At the time of confederation some of these buildings existed under the provinces, they were then placed under the control of different departments, and there has been no particular effort to consolidate these works under the Department of Public Works, with the result that some of them have been retained under the care of the Department of Militia and Defence. I will mention this matter to the hon. Minister of Militia and Defence and he will no doubt be able to make a statement in regard to the class of buildings to which my hon. friend refers.

Mr. SPROULE. If there is only $15,000 to be voted to repair these buildings all over the province, the sum is quite inadequate. For instance, in my own district there are Meaford, Thornbury, Flesherton, Durham and various other places where there are drill sheds and very respectable companies, and I think their arms should be stored at these places. These buildings have all been allowed to go into decay and no effort has been made to repair them. I understood the hon. minister to say last session that it was the settled policy of the government to repair these buildings, but they have done nothing in regard to them, because I notice that all these large votes are being taken for the armouries and there is nothing said about the drill sheds throughout the country. The companies that belong to the country villages, to my mind, are always starved for the benefit of the cities. The great eclat of military life is found in the cities, larger expenditures are

made on armouries, equipment and everything else there, and the sterling rank and file of the militia which is always drawn from the country has very small pay, has very little money spent upon it and has very poor accommodation.

Mr. JAS. SUTHERLAND. As far as my memory serves me there is not a new vote in these estimates at all. The votes we are considering now are renewals of amounts voted last session or such portion of them as, within the opinion of the architect or engineer of the department, we would not be able to expend before the 30th June.

Mr. SPROULE. I do not think it makes the slightest difference whether they are new votes or revotes. I am talking about the policy.

Mr. JAS. SUTHERLAND. I did not intend that as an answer to the hon. gentleman but I wished to make the statement because some hon. members have spoken to me in regard to some applications for the consideration of estimates. I make this statement so that hon. members of this committee may understand that none of the new applications are being considered in the present estimates. I will get the hon. gentleman a statement from the Department of Militia and Defence.

Mr. CLANCY. I would like to ask the hon. Minister of Public Works what policy the government has in regard to the distribution of this expenditure that we are dealing with in this vote. For instance, I see that all the important places in the province have been favoured with either a drill hall or an armoury. Is that in accordance with the policy of the government or is it merely the result of party pressure? I would like to ask a question referring to what my hon. friend who sits beside me (Mr. Ingram) said in regard to a political pull. The town of Sarnia would be very glad to share in the distribution of this patronage. It has now the pull. We have an able and amiable gentleman representing the riding now and I hope he will be able to enlist the sympathies of the hon. Minister of Public Works. Perhaps he will tell me what the policy of the government is in regard to such expenditures.

Mr. JAS. SUTHERLAND. The policy of the government is set forth very well in the estimates. My hon. friend will find that the majority of these votes for armouries provide for expenditures to be made in constituencies not represented in this House by supporters of the government so that these votes cannot be said to be based upon political influence. As far as these votes are concerned they have been put in at the instance of the Department of Militia and Defence and the policy of the government is to grant them where they are most required, irrespective of politics.

Mr. SPROULE.

Mr. CLANCY. Take the city of Chatham, the town of Cobourg, the city of Guelph and the city of London, and they are represented by supporters of the government.

Mr. JAS. SUTHERLAND. I am sure my hon. friend would not object to armouries being built in the places he mentioned. In the vote now under discussion we have Belleville, Stratford, St. Catharines, all represented by gentlemen who do not support the government. It is hardly fair to mention the other places, because they have been under consideration for several years. The votes passed this session and last are at all events sufficiently divided to show that the policy I have spoken of has been carried out. If the hon. gentleman (Mr. Clancy) has any place to point out to the Department of Militia where buildings are required, and if the Militia Department recommends them, I will be most glad to carry out that recommendation irrespective of any political consideration.

Mr. CLANCY. If I can have any assurance that the fact that I indicate these places will not endanger a vote for them, I will take an early opportunity of informing the minister as to some places which are quite deserving. I do not complain of the votes which are now being passed, and I will take the minister at his word and trust that I will not be disappointed after having received such a kind invitation.

Mr. INGRAM. In the report of the Minister of Militia of last year mention was made that the Militia Department would take charge of the building of these military structures. Has the government decided to take that away from the Public Works Department, too?

Mr. JAS. SUTHERLAND. I never heard of the proposition before. Do you refer to the erection of buildings?

Mr. INGRAM. Yes.

Mr. JAS. SUTHERLAND. If that is in the report, it escaped my notice. It is not the policy of the government to make any change in that direction at present.

Mr. JABEL ROBINSON. Has any application been made to the minister to fix up the grounds around the armoury at St. Thomas? These grounds are in a very bad state and unfit for the soldiers to drill on. Has that been brought to the attention of the minister, and will he have the work done?

Mr. JAS. SUTHERLAND. I had no requisition with regard to that.

Mr. JABEL ROBINSON. Very well, I will make the request now.

Berlin, public building, $6,500.

Mr. CLARE. I can compliment the Minister of Public Works on the work that has been done in improving the post office in

Berlin. I must say, however, that that building should have been enlarged to a greater extent than it has been. The town of Berlin is a fast growing town of 12,000 inhabitants, and in a few years it will be absolutely necessary to further increase the post office accommodation, if the money which is now expended is to be of any avail. I may mention to the minister that I understand that the town of Galt has asked that the post office in that town should be enlarged to a considerable extent. It is too small as it now is, and I regret that there is not an item in the estimates to improve it. Is it the intention of the government to enlarge the post office at Galt ?

Mr. JAS. SUTHERLAND. It is very pleasant to hear from my hon. friend (Mr. Clare) that the town of Berlin is growing so fast that we will have to spend still more money in enlarging its post office. I trust that the improvements which are now made will meet the immediate requirements of the citizens. This is one of the cases in which the government cannot be charged with spending money in the constituency of a supporter, because my hon. friend (Mr. Clare) is certainly not a supporter of the government. When the hon. gentleman can show us that Berlin has outgrown the present building, we will take that into consideration and perhaps give him a new one, if the old building cannot be further enlarged. I may state that a representation has been received from the city of Galt with regard to the state of the public building there, and the representation will be considered. There are no new votes for the year 1904-5 in these estimates. Whatever is done in that year will be brought down in the supplementary estimates. I am not in a position now to make any promise, because I do not know what the Council may decide to do, but I have under consideration the request that has been made from the town of Galt.

Bowmanville, public building, $15,000.

Mr. CLARKE. How much has been spent on these buildings, and how much will be required to complete them ?

Mr. JAS. SUTHERLAND. The total expenditure is about $15,000, and the total amount required is $14,701, making the total cost of the building, to complete, $29,701.

Mr. HENDERSON. The question was raised a short time ago as to what policy the government had as to the location of public buildings. Whatever may have induced the government to erect a building in Alexandria, or Belleville, or Berlin, there is no question as to their policy in erecting this building in Bowmanville. Two years ago there was an election in West Durham, and the chief appeal to the electors was : Support Robert Beith, the Liberal candidate, and secure a public building in Bowmanville. It was a bribe or inducement held out to the people to elect Mr. Beith ; the inference being that if they did not elect Mr. Beith there would be no public building in the town. I am glad to say that in this one instance the government have kept their pledge.

Brantford, drill hall, $20,000.

Mr. JAS. SUTHERLAND. This is a revote of $10,000. Some years ago the city of Brantford granted $10,000 and the government $10,000, and an armoury was built in that city. There is a splendid corps in Brantford, and that armoury is found not to be large enough. It is now proposed to increase it.

Bridgeburg, public building, $8,000.

Mr. JAS. SUTHERLAND. This is a vote that was authorized last session.

Mr. CLARKE. Was the site presented to the government ?

Mr. JAS. SUTHERLAND. No, but I do not think my hon. friend will criticise me in this case, because we succeeded in securing a site 76 feet by 134 feet for $700.

Mr. CLANCY. What is the population of that place ?

Mr. JAS. SUTHERLAND. I have not the population ; but this building is not being erected on account of the population of the place, but on account of its being a border place where a large customs business is being done.

Mr. CLANCY. I should imagine that village property is very high there. I am told that the population is 1,350, and the hon. gentleman seems to be prepared to congratulate himself on having got a lot there for $700. Perhaps by comparison with Alexandria it is a capital bargain, but I should imagine that you could buy half a dozen lots in most of these small places for that amount of money. Why do you require a public building in so small a place as that ?

Mr. JAS. SUTHERLAND. My hon. friend authorized this as a member of the House last session, when a full explanation was given. It is a kind of station between Canada and the United States. The building is required for the accommodation of the staff of customs officers kept at that point, and we are utilizing the lower floor for a local post office.

Mr. CLANCY. How much is collected at that port ?

Mr. JAS. SUTHERLAND. The postal revenue is $8,598.39 and the customs revenue $285,349.75.

Mr. BENNETT. Will there be any quarters for police fitted up in this building ? I think it is at Bridgeburg that the prize fights under the patronage of the Ontario government are carried on.

Chatham, armoury, $10,000.

Mr. CLANCY. What progress has been made with this armoury? This is a revote which has been taken on two occasions?

Mr. JAS. SUTHERLAND. I understand that the city has furnished a site. Plans are now being prepared.

Mr. BENNETT. I saw it stated a little while ago in one of the newspapers of Orillia that an armoury is to be built there by the Dominion government. Is that correct?

Mr. JAS. SUTHERLAND. I have no information as to that.

Clinton, post office, $1,500.

Mr. JAS SUTHERLAND. This is to complete the contract.

Mr. CLARKE. What is the cost?

Mr. JAS. SUTHERLAND. The total cost, including the site, is $17,245. The site cost $2,500. It is 168 feet by 60 feet.

Mr. BENNETT. Has the post office gone in occupation of the building?

Mr. JAS. SUTHERLAND. Yes, it is fully completed.

Mr. BENNETT. What is the salary of the caretaker?

Mr. JAS. SUTHERLAND. The postmaster is the caretaker. He resides in the building, and is allowed $50 for taking care of it.

Cobourg, armoury, $20,000.

Mr. CLARKE. What is this to cost?

Mr. JAS. SUTHERLAND. The total cost in round figures will be $50,000. The amount of the contract is $35,550.

Mr. CLARKE. Was the site given by the town?

Mr. JAS. SUTHERLAND. No, it was purchased at a cost of $4,000.

Mr. BENNETT. Are all the companies of the Northumberland and Durham battalion accommodated at this armoury, or will it furnish accommodation simply for two or three companies?

Mr. JAS. SUTHERLAND. It will accommodate the field battery, the garrison artillery, and an infantry battalion, but I do not know how many companies.

Mr. R. L. BORDEN. Perhaps the Minister of Militia can tell us how many men are to be accommodated in this armoury?

Sir FREDERICK BORDEN. I think the infantry regiment has eight companies, which would number 320 or 330 men. The artillery would probably number 100 men. I cannot give the number exactly from memory.

Mr. INGRAM. Last year or the year before, in the report of the Minister of Militia, the suggestion was made that the care of all the armouries should be transferred from the Public Works Department to the Militia Department.

Sir FREDERICK BORDEN. The acting engineer of the Militia Department suggested that that would be desirable, but it has not been done.

Mr. INGRAM. The reason I ask the question is that if the Minister of Public Works is to be robbed in this way both by the Department of Marine and the Militia Department, I am afraid he will have very little left; and having a good deal of respect for him, I protest against his being treated in this way.

Mr. CLANCY. How is it that in Cobourg the government purchases a site while Chatham gives a free site? Has the hon. gentleman made it a condition in some places that before they can get public buildings they must offer a free site, or is it a matter of bargaining? Has the government any policy in dealing with municipalities as to the acquirement of sites?

Mr. JAS. SUTHERLAND. There seems to be no rule followed. As the hon. gentleman suggests, it is a question of bargain. Where an offer of a suitable site is made, it is usually accepted by the department.

Mr. CLANCY. Does it not seem proper that when Chatham furnishes a good site free, Cobourg should do the same?

Mr. JAS. SUTHERLAND. I understand I was quite right in saying that Chatham had offered a site for the purpose.

Mr. CLANCY. Was any demand made on Cobourg?

Mr. JAS. SUTHERLAND. I do not think so.

Mr. CLANCY. Then the burden is placed on the shoulders of those who are willing to bear it. Either Chatham got too much or Cobourg too little.

Mr. JAS. SUTHERLAND. It is quite possible, that the town of Chatham would rather give the site and have the building located on that site than have another one purchased, but there has been no hard and fast rule adopted by the department.

Mr. McGOWAN. I understand that in the town of Guelph where you are building an armoury, the department insisted on the city furnishing the site.

Mr. JAS. SUTHERLAND. If my hon. friend will bring that up when that particular item is submitted we can discuss it.

Mr. CLARKE. What property was purchased, and at what price and what are the dimensions?

Mr. JAS. SUTHERLAND. The property is known as the Gowan property, and the

price, I think, was $4,000. The size of the lot is 58 by 292.

Mr. BLAIN. How much will be the total cost of the armoury ?

Mr. JAS. SUTHERLAND. In round numbers, $50,000.

Mr. BLAIN. Last year the hon. gentleman said that $20,000 would complete the building.

Mr. JAS. SUTHERLAND. If I did say so, I was misinformed. It is quite possible, if I referred to the Cobourg armoury last year, that I might have said I expected the building would be erected for $20,000 to $25,000, but since then we have changed the plans and decided to furnish accommodation for the artillery.

Mr. BLAIN. But according to the first estimate given last year, the original cost was to have been $15,000, but, owing to the increased accommodation necessary, the hon. gentleman said he would have to ask for $20,000. Now we are asked for almost $50,000.

Mr. JAS. SUTHERLAND. It was not intended then to make provision for the artillery, but only for the infantry.

Mr. CLANCY. Last year the hon. minister obtained a sum to erect a public building which was to cost $15,000, and this year he asks us to vote $50,000 for that same building. If he had not spent any of last year's vote, I could understand his coming back and telling us that the plans were changed and asking for a larger vote, but when he decided to change the plans and erect a much more expensive building, he should have waited for the consent of this House to the change before spending any money.

Mr. JAS. SUTHERLAND. Of course, it would be wrong, when asking for a vote, to misrepresent the total cost, but I take my estimates to a great extent from the officials of my department, and I have always endeavoured to give most accurate information. I had no intention of deceiving the House, and if the original plan had been carried out, the amount voted would have been sufficient, but the changes made, I am satisfied, this House will unanimously support as being in the interests of the different branches of the militia, and I felt warranted in going on with the work as the House had consented to its being undertaken.

Mr. CLANCY. I understand that the government had purchased a site suitable for the erection of the building and the total cost was to be $15,000, but that since then they purchased a new site and abandoned the old plan. In that case they should have submitted a new vote and not done anything until that vote was passed.

Mr. JAS. SUTHERLAND. I do think that, when we were authorized to go on with a certain work, we were warranted in using our best judgment in the public interest, and I think that we took the best course in the interests of the public.

Mr. CLANCY. I am not criticising the relative advantages of the two plans, but the conduct of the hon. gentleman in entering upon new expenditures without previously submitting it to the approval of the House.

Mr. BLAIN. I understand that the government own an old armoury in Cobourg separate from the premises we are now discussing. Has the government disposed of that armoury ?

Mr. JAS. SUTHERLAND. I do not recollect any such property, nor do the officials of my department.

Mr. BLAIN. It was brought out in the discussion of the question last year and the minister said it had not been sold. As to the increased cost the reasons which the minister gave to-night are reasons that were given last year for an increase from $15,000 to $20,000. This is what the minister said :

> The original contract was $15,000, but since that time the headquarters of the Durham field battery were moved to Cobourg. This makes it necessary to provide for more accommodation in the armoury, but the amount voted, we expect, will complete the work.

Now, instead of $20,000 the minister asks for nearly $50,000, without any further explanation than he gave last year.

Mr. JAS. SUTHERLAND. As I understand it, the building we had under consideration would not suit at all and we have not taken it. This is a new site and a new building.

Mr. CLARKE. I understand the explanation to be that the minister found that that site and building were not suitable, and so he proceeded to do something for which he had not received the consent of parliament and which involves the expenditure of about $20,000 more. I do not know whether this is the practice or not, but it seems to me hardly reasonable to incur expenditure until explanations have been made to parliament and a specific sum voted.

Mr. JAS. SUTHERLAND. I agree with that.

Deseronto, public building, $500.

Mr. JAS. SUTHERLAND. This is to complete the contract.

Mr. CLARKE. What is this work to cost ?

Mr. JAS. SUTHERLAND. The total expenditure in connection with this is $40,808.04.

Dominion public buildings—rentals, improvements, repairs, &c., $12,000.

Mr. JAS. SUTHERLAND. This is the usual vote covering the whole province of Ontario for maintenance of public buildings.

Mr. INGRAM. Has any report been made about St. Thomas post office and any proposed change there ?

Mr. JAS. SUTHERLAND. We have spent about $225 lately on repairs around the St. Thomas building.

Mr. INGRAM. I understood the department were going to make some change in the entrance, because, as the building now is, a very few people crowd the building so that it is difficult to get at the delivery wicket.

Mr. JAS. SUTHERLAND. I will look into that matter.

Fort William, public building, $8,000.

Mr. JAS. SUTHERLAND. This is to complete the building.

Mr. CLARKE. What is the total cost ?

Mr. JAS. SUTHERLAND. The total cost, including heating apparatus and furniture, will be $33,608.

Mr. CLARKE. What did the site cost ?

Mr. JAS. SUTHERLAND. The site was contributed by the municipality.

Mr. BLAIN. What was the contract price of the building ?

Mr. JAS. SUTHERLAND. The contract price of the building was $20,400. Additional work had to be done on the foundation. Piles had to be driven, and the contract price for this was $2,340. The heating apparatus was furnished by contract, the amount of which was $1,705. The tender for the fittings was $3,600.

Mr. SPROULE. The minister seems to have difficulty in making himself heard because of the hoarseness from which he is suffering. We have done a pretty good day's work, and I think we should stop at this.

Mr. JAS. SUTHERLAND. I admit that I have a pretty severe cold and I apologize to the hon. gentlemen for the difficulty they have in hearing me. But I would appeal to my hon. friend (Mr. Sproule), who is leading the opposition that, as the votes that have to come are not controversial, and practically all of them were discussed at great length last session, we might get through with them before we adjourn. I am ready to give full information as to these matters. I thought that, perhaps, having given away last night to oblige some of our friends opposite, and having postponed the consideration of items to accommodate our Quebec friends to-night, we might proceed with some more of these items.

Mr. SPROULE. It is not out of consideration for members on this side, but because of the state of the minister's throat that I suggested that we might stop now. There is a good deal to be said about some of the items we are approaching, it may be necessary for him to talk a good deal. I think if we vote this item and the next one, that for the Guelph armoury, we shall have done very well.

Mr. JAS. SUTHERLAND. If that is the desire of the hon. gentlemen opposite, I do not wish to press the matter.

Guelph armoury, $20,000.

Mr. McGOWAN. How much is this building to cost ?

Mr. JAS. SUTHERLAND. After some negotiation, an agreement was made to purchase the site from the city for $5,000. I understand that it is worth much more money.

Mr. McGOWAN. Do the government get the whole block where the old armoury was ?

Mr. JAS. SUTHERLAND. Yes, I think we shall require the whole of it. The different branches of the militia at Guelph require a good deal of room for their accommodation. There are two field batteries, I understand, besides the city corps.

Mr. McGOWAN. How much is this building to cost ?

Mr. JAS. SUTHERLAND. I am unable to give the hon. gentleman a clear statement of cost, because of the exceedingly large accommodation required for the guns. Although not a particularly expensive part of the building, so much room must be provided for the guns, that it increases the expense very much.

Mr. CLARKE. There is only an ordinary field battery there ?

Mr. JAS. SUTHERLAND. Two, and I am not sure that it is not intended to have the headquarters of another one there.

Mr. INGRAM. I thought one company was at a place called Morristown, ten or twelve miles from Guelph.

Mr. JAS. SUTHERLAND. I am told that the guns are to be kept at Guelph. My hon. friend the Minister of Militia (Sir Frederick Borden) may know.

Mr. INGRAM. Are there any guns kept in Guelph ?

Sir FREDERICK BORDEN. I think so.

Mr. INGRAM. I thought there were some kept about twelve miles out.

Sir FREDERICK BORDEN. They may be now but I think the intention is to bring them in.

Mr. JAS. SUTHERLAND. They have the 30th Regiment there, one of the best rifle regiments in Canada.

Mr. McGOWAN. What is the necessity of any such expenditure as this in Guelph ? I was discussing this matter with some of the officers there and they thought it would be better to make the expenditure at the headquarters of the company. There is no company belonging to the regiment in Guelph at all. I think the hon. minister ought to give us a little more information as to what the cost is likely to be.

Mr. JAS. SUTHERLAND. These buildings are erected at the request of the Department of Militia and Defence to meet the requirements of the forces. I have not the information complete and not having the plans prepared I am unable to give a fair estimate of what the cost of this building will be.

Mr. McGOWAN. Then leave it over until we get some information about the cost.

Mr. JAS. SUTHERLAND. I have no objection to allow this item to stand if my hon. friend would like to have the estimate of the cost made up. It must necessarily be somewhat rough but it will be very nearly the mark. After a consultation with the officials of the Militia Department I think the chief architect of my department will be able to give a very fair estimate.

Mr. CLARKE. How much is the building to cost ?

Mr. JAS. SUTHERLAND. I am allowing it to stand until I have the estimate made up.

Mr. INGRAM. The hon. gentleman has promised that before undertaking any public building he will give an estimate to this House of what the cost is to be.

Mr. JAS. SUTHERLAND. That is right, and that is what I propose to do.

Mr. CLARKE. Has there been any change in the programme since last session ? There was a vote of $10,000 last year. Has there been nothing done during the last twelve months except to pay this $5,000 for the site ?

Mr. JAS. SUTHERLAND. The balance is a revote.

Mr. CLARKE. There has been no progress made apparently.

Mr. JAS. SUTHERLAND. No progress except that the site has been deeded to the Crown.

Mr. SPROULE. This is a very loose way of putting sums in the estimate. One would naturally suppose that when this question was submitted to council there would be some conclusion reached, first, as to the needs of the place, and second, as to the cost of the building and the land that would be required to accommodate the needs, and that the hon. minister would then be able to submit these facts to the House. This has evidently passed council without any estimate whatever. We voted last year $10,000 and we are asked this year to vote $10,000 without knowing what the building is likely to cost.

Mr. JAS. SUTHERLAND. When my attention was called to the fact that I had no estimate here I said that I was quite willing to allow the matter to stand until that was furnished.

Mr. SPROULE. I admit that, but the surprising part is that it has reached this stage without the cost being figured up. We are willing to allow it to stand until you get that information ; in fact, we desire to have it stand, but the surprising part of it is that it should get so far, and yet the government not know what they intend to build nor what the expense is that we are committing ourselves to when we vote the item.

Mr. CLANCY. What is the size of the site that has been deeded to the government for the armoury at Guelph, and what is the size of the sites at Cobourg and Chatham ?

Mr. JAS. SUTHERLAND. The dimensions of the site at Guelph are 178 feet on Huskisson street, 467 feet on Farquhar street and 380 feet on Freshfield street.

Mr. CLANCY. Would the hon. gentleman give me the dimensions of the site at Cobourg ? My object in asking is to ascertain whether there is any uniform rule as to the quantity of land required.

Mr. JAS. SUTHERLAND. No, there is a very great difference.

Guelph public building—addition to, $14,000.

Mr. McGOWAN. What was the original contract for this building ?

Mr. JAS. SUTHERLAND. The total amount required for this work is $41,303.

Mr. McGOWAN. Is that the amount of the original contract ?

Mr. JAS. SUTHERLAND. That includes the new post office, fittings, heating apparatus and all.

Mr. McGOWAN. Would the hon. minister tell us the amount of the original contract ?

Mr. JAS. SUTHERLAND. $30,595. This vote completes the work.

Mr. CLARKE. How much has been expended ?

Mr. JAS. SUTHERLAND. $28,000.

Mr. McGOWAN. There were a lot of extras were there not ?

Mr. JAS. SUTHERLAND. They could not be said to be extras, because this additional

amount is made up by the additional work required upon the new inland revenue offices, the second story, the post office, fittings, letter boxes, additional heating apparatus, wiring, and fixture for electic light.

Mr. McGOWAN. When is this building likely to be completed ? It was under way last summer.

Mr. JAS. SUTHERLAND. The contract calls for completion on the 30th June next.

Mr. McGOWAN. The contractors plant is all around there.

Mr. JAS. SUTHERLAND. My hon. friend must know that you could not carry on a large improvement to a big public building without having some plant on the ground and taking some considerable time, but the contract is let to be completed on 30th June.

Mr. McGOWAN. Why was the plant allowed to remain there all winter ?

Mr. JAS. SUTHERLAND. Have they not done work, been working during the winter?

Mr. McGOWAN. They have been working, but not all winter.

Mr. JAS. SUTHERLAND. I thought they had been working all winter.

Mr. McGOWAN. No, the stone work is not finished.

Mr. JAS. SUTHERLAND. I have not had any complaint from the people of Guelph.

Mr. HENDERSON. I understand that this is not a new building at all. It is simply raising an old building, putting an additional story to it, and otherwise refitting a building which was erected somewhere about 1875, 25 or 30 years ago. It does seem to me that $42,000 without extras, and I do not know what they will be yet, to refit a good substantial building even in the city of Guelph, is an extraordinary amount. My own impression is that the cost of this addition is one of those extravagant things that are occurring from time to time throughout the country. The hon. minister has not yet held that grip upon the expenditure that he should have. $42,000, to my mind, would have erected a new building on that site. Forty-two thousand dollars is no small sum of money. Building material is not expensive in Guelph. It can be obtained almost within the limits of the city. There is stone, lime, and whatever is required. The lumber may have to be imported from some distance, but Guelph is not a very expensive place to erect a building in, and it does seem to me that an expenditure of $42,000, and possibly $45,000—it may be more—is a very large sum indeed for the character of the improvement which I understand is being made at this place. It is just one of these things that deters members from approaching the government to get some slight improvement in their constituencies, because they feel that the money will be thrown away for lack of proper care and management. My impression is that in the city of Guelph, this building is looked upon rather as a sink hole for money than as an actual improvement. When it is completed, I do not know that it is going to add much to the beauty of the city ; it will be an old building at best and it will not be as ornamental as it might be to the beautiful site in that city which it occupies. I believe it would have been better, had the government torn down the old building and erected a new one, and I am not sure that in the end it would not have been money in their pocket.

Mr. JAS. SUTHERLAND. I cannot agree with my hon. friend. There is an extra story being put on this building, and the building is being made about half as large as it was before. I must say that for a building of that description, the tender appears to be low in comparison with other tenders which have been received at Ottawa and elsewhere for similar work. I will be surprised if the representation made by all the citizens of Guelph, irrespective of politics, that the accommodation was insufficient and that the improvement was urgently necessary in the public interest, was not well founded.

Mr. INGRAM. The additional expenditure is for putting another story on the building ?

Mr. JAS. SUTHERLAND. And increasing the size of the building about one half.

Mr. INGRAM. Well, the building is situated on a gore and unless you buy additional property, you cannot enlarge it without going higher.

Mr. JAS. SUTHERLAND. The statement I have made is on the authority of the architect who made the plan and specification, and I have no doubt it is strictly correct. I have not been in Guelph for many years, but I should think that the size has been increased just as the architect says.

Mr. INGRAM. I can tell the minister and the architect that I know the place just as well as either of them, and I know that you cannot enlarge the post office at Guelph on the ground.

Mr. HENDERSON. I quite agree with the hon. member (Mr. Ingram). The post office in Guelph fronts on St. George's square, and on one side is Wyndham street, a leading street, and on the other side is another street. There is no possibility of its extension towards Wyndham street because it is built to the Wyndham street line ; and there was no possibility of extending it on the other street because they had reached the limit of land that was available. The only possible way it could be extended was to the east, and my recollection is that on that side valuable buildings were

erected within a short distance of the post office.

Mr. JAS. SUTHERLAND. If my hon. friend will permit me to read the description in the contract he will see that he must be labouring under a mistake.

For enlargement of public building Guelph by carrying up the outside walls an additional story, surmounted by an attic and to lengthen the building by 12 feet, and in building a tower, 14 feet square by four stories high, exclusive of the clock and cupola.

Mr. INGRAM. How wide ?

Mr. JAS. SUTHERLAND. The whole width of the building, 12 feet.

Mr. INGRAM. You could not lengthen this on Wyndham street, nor on the other street, nor on the square.

Mr. JAS. SUTHERLAND. My hon. friend must be mistaken because the work is going on.

Mr. INGRAM. The two members from the Wellingtons know the place as well as I do, and I have been in the building frequently and have entered it from the small street-going in the back door of the post office. I would like to know where the 12 feet come in.

Mr. JAS. SUTHERLAND. I do not think there is any doubt about it, and if my hon. friend from Wellington (Mr. McGowan) thinks it worth while, I will bring down the plan on Monday, and he can see for himself the improvement made. If the item passes now, and the description is not in accordance with the plan, the discussion can be reopened.

Mr. BLAIN. How much did the building cost without the fixtures ?

Mr. JAS. SUTHERLAND. $30,995.

Mr. BLAIN. I wish to point out to the minister that some one is leading him astray. Last year the minister stated that he had sent the chief architect to Guelph to look into the matter, and the chief architect had reported that the total cost of the new building would be $21,000. Let me read what the minister (Mr. Sutherland) then said ('Hansard,' p. 637) :

Guelph—public building, addition to, $21,000.

The MINISTER OF PUBLIC WORKS. For many years the accommodation for the public has been altogether too small. I asked the chief architect to visit Guelph himself and look carefully into the present requirements and a little to the future, so that we might not be called upon to again make any additions. He found that the lowest estimate he could make would come to something over $21,000. I found that to make a temporary addition would not give the public satisfaction and that we should soon be called upon to make further improvements, so that the report of the chief architect was adopted. It will cost us this amount to complete the work. This expenditure is very well warranted from the revenues received from the government at that city.

Now, my hon. friend sends the chief architect to the city of Guelph to look over the place, and he comes back and reports to the minister that the addition will cost $21,000. The minister adopted the chief architect's report, made the statement to the House that $21,000 would complete the work, and now he comes and says the total cost will be $30,900. So I do not think the minister can say that he is living up to his promise that the estimate would not be exceeded. This is a very glaring case.

Mr. JAS. SUTHERLAND. The hon. gentleman's statement is strictly correct. The estimate made by the chief architect was that the cost would be $21,000, and when the plans were prepared and tenders advertised for, the lowest tender was $30,595. My hon. friend will admit that there was really no intention of misleading parliament into a large expenditure. It was a mistake in the estimated cost, and it is much more difficult to estimate the cost of improving or extending an old building than the cost of the new one.

Mr. CLANCY. Surely the hon. gentleman ought to be able to rely upon reports of his own officers. But he has to come before the House and make the rather humiliating acknowledgment that his own architect made an estimate and that the actual cost now turns out to be half as much more. Under these circumstances, the House might reasonably have expected the hon. gentleman to have come back and asked for a new vote under the new conditions that had arisen. I do not know a greater evil in a great spending department, where the temptation to over-expend is very great. I am not accusing the hon. gentleman of having entered into a corrupt bargain ; but there is a deplorable looseness about the whole business which is enough to destroy any great spending department. I think the hon. gentleman should be held strictly to the pledge he makes to the House when he obtains money for a public work, and if he is not able to carry out his pledge he should come back and ask the House for a new vote of money. I think the hon. gentleman should let the item stand until we get a report from the architect. If the officer made a mistake in regard to the cost of the work, is it not possible that he may have made a mistake about the size of the ground ? I think it would be well, before we proceed any further, for the hon. gentleman to give us fuller information.

Mr. JAS. SUTHERLAND. I cannot agree with the hon. gentleman. There was no intention to deceive the House at all.

Mr. CLANCY. I did not say that.

Mr. JAS. SUTHERLAND. Any business man will admit that when a contract for a

work comes to be let there may be a very considerable difference in the amount of it from the estimate made by the architect. I do not want to defend the officials of my department from the consequences of any wrong-doing; but I am prepared to say, in the hearing of this country, that it is the experience of almost every corporation and business man that it is very difficult, especially in the improvement of old buildings, to keep the cost near to the estimate. In this case there was no deception intended on the part of the officials of the department or myself; but in view of the fact that the House was given full information as to what improvements were intended and as to the estimated cost, as near as it could be ascertained, there can be no reason for fault-finding at all. My hon. friend knows that in former years we had buildings estimated to cost $300,000, the cost of which ran up to over $1,000,000. Admitting that in this case the architect was mistaken, I am perfectly satisfied that he was honestly mistaken as to the cost of the work, and I do not think we have any reason to find fault.

Mr. CLANCY. I think it is just as well to make it clear that I have made no attack at all upon the hon. gentleman or upon the officers of his department, or suggested that they did not believe what he stated in the House on that occasion. But when the hon. gentleman discovered the mistake later on he did not feel called upon to take any notice of it, but acted on his own motion without warrant from this House for the new expenditure. The hon. gentleman cannot make the excuse that he was honest in this matter. This kind of honesty is being repeated too often. Does the hon. gentleman not think this House, in voting money for public works, should have something to say as to what would be in the public interest? Surely he does not expect to get $2 and spend $3, and then excuse himself by saying that he acted in good faith. I do not think the reply given is a satisfactory one. We would rather have the hon. gentleman admit that he made a mistake, but instead he attempts to justify himself and pleads that he was honest in the estimate he gave. Such a plea would preclude criticism on everything.

Mr. JAS. SUTHERLAND. I was not speaking of my own honesty, but of the chief architect's.

Mr. CLARKE. The objection taken by my hon. friend from Bothwell is that when these mistakes are discovered, it does not seem to make any difference, and the department goes on with the expenditure. When parliament passes a vote on the ground that a certain amount would not be exceeded and it is found afterwards that the amount is far from being sufficient, no expenditure should be entered upon without having the consent of parliament to the change.

Mr. JAMES SUTHERLAND.

Mr. JAS. SUTHERLAND. I quite agree that we should not deceive the House by entering into a heavy expenditure after obtaining a vote for a smaller expenditure, but where the mistake has been made by the architect in a comparatively small detail, the government will still be warranted in serving the public interest by going on with the undertaking.

Mr. CLARKE. But the mistake was not a trifling one. If I understand the figures, the expenditure instead of being $21,000 will be $42,000.

Mr. JAS. SUTHERLAND. The $21,000, only covered the cost of the building, but this includes the additional lighting and heating caused by the addition of another story and the additional fixtures.

Mr. CLARKE. When that first estimate was made, it was known that additional heatings and furnishings would be required, and the estimate was supposed to cover these. I think my hon. friend from Bothwell is quite right in stating that when a work is to cost double the estimate given, it should not be gone on with until parliament gives its consent to the increased cost.

Mr. JAS. SUTHERLAND. If this discussion will make the department more particular in the estimate it gives, I shall be well satisfied.

Mr. McGOWAN. Will the hon. gentleman have the reports of the architect brought down, showing the actual estimated cost of the work?

Mr. JAS. SUTHERLAND. I shall furnish that.

Mr. INGRAM. With regard to these estimates, does the chief architect accept the reports of the local architects instead of visiting the works himself?

Mr. JAS. SUTHERLAND. That was not done in this instance. The chief architect cannot plead that excuse, because he made a personal visit.

Hawkesbury public building, $12,000.

Mr. JAS SUTHERLAND. Nothing has been expended. The plans are under preparation and the site is not yet purchased.

Mr. SPROULE. Are you going to ask the municipality to give the site? That was the course usually followed under the old regime.

Mr. JAS. SUTHERLAND. In very few instances that has been done, but the site which the council may offer is not always the one best suited for the purpose.

Mr. BLAIN. What will be the total cost?

Mr. JAS. SUTHERLAND. $12,000.

Mr. BLAIN. I find in 'Hansard' of 1903, page 13119, that the estimate given was

$5,000, and in giving that estimate the hon. gentleman said:

This is quite a prosperous place. The last census gives its population as over 4,000. We have not been able to lease or rent any accommodation for the post office, and the people have sent in a large petition for a building. We propose to erect one costing $6,000 or $8,000.

Now we are asked to vote $12,000.

Mr. JAS. SUTHERLAND. In this particular case the plans were not made, and I desire to be on the safe side and not be caught again.

Mr. SPROULE. I find that last year the vote was $5,000, and there was a re-vote of $2,000, and this year you are asking $12,000. That would make $15,000. Last year it was to cost $6,000 or $8,000.

Mr. JAS. SUTHERLAND. My hon. friend from East Grey will see that that refers to the building.

Mr. CLANCY. The hon. gentleman has made the broad statement that the people have petitioned and that this is a place of importance, so he gave himself what he thought was a good deal of latitude—$6,000 or $8,000. Now, he tells us he has to put it up to $12,000 or $15,000 to be on the safe side.

Mr. JAS. SUTHERLAND. My hon. friend heard me say that that would include the site, the heating apparatus, the fixtures and every other expenditure.

Mr. CLANCY. Did the hon. gentleman conceal from the House, when he said in general terms that the people required a public building for this place of 4,000 inhabitants, and the whole cost would be $6,000 or $8,000, that there were other expenditures in connection with the work? The hon. gentleman who asked the question could not have intended to ask merely the cost of the building or the site or the fixtures, but what the whole expenditure would be.

Mr. COCHRANE. I want to say to the hon. minister that, so far as I am concerned——

Mr. JAS. SUTHERLAND. If the hon. gentleman (Mr. Cochrane) will excuse me—questions are often asked as to the cost of the buildings. Of course that has nothing to do with the site or the fixtures. If an hon. gentleman asks what will be the total expenditure that is a different thing.

Mr. CLARKE. It is a fortunate thing for the hon. minister that the gentleman who asked the question did not use the word 'total.'

Mr. JAS. SUTHERLAND. My hon. friend is joking. But I am talking seriously.

Mr. HENDERSON. Are we to understand that $15,000 is to be the total cost of site, building, fittings, heating and wiring, or is this the cost of the bare building?

Mr. JAS. SUTHERLAND. That is the total cost.

Mr. HENDERSON. Now we have that on record. May I ask the minister if he intends this post office building to have rooms for the postmaster's residence and to have two doors, one for entrance and one for exit, to give ample accommodation to the people? Is he going to carry out the improved plan he spoke of so highly in the case of Alexandria.

Mr. JAS. SUTHERLAND. I do not know about the two doors, but the plan provides for every reasonable accommodation.

Mr. COCHRANE. I was on my feet when the minister desired to speak. I understood that the question was asked what it would cost to complete this building, and I wish to tell the hon. minister that, so far as I am concerned, when he tells me the amount required, I take it that that is all that the country will be called upon to provide for the service. It seems to me that he requires us to be a little too precise in our questions before he will give us the essential information we require, which is to know just what we are committing the country to by votes in this committee. And, while I do not wish to reflect on the hon. gentleman's chief architect or any of his officials, I want to say that if any mechanic with whom I desired to arrange for the building of a house were to make as great a mistake as that which the chief architect made in connection with this building, I should feel like kicking. I do not see how the chief architect could inspect a site, and, knowing that he was spending public money, make a mistake of one-third in the cost of the building. If the chief architect makes such mistakes it would be better to let him stay at home and send some other official. I speak earnestly because I realize that we here are voting the people's money and I am responsible to my constituents for every dollar voted here. I would like to go back to my constituents and answer for my conduct if money were voted in this way and I did not enter an emphatic protest. I think that the minister is trying to carry out his promises, but he cannot do it if he is misled, as he tells the committee he has been by his officials.

Mr. SPROULE. I desire to say a word, because I think we should have a better understanding with respect to the rights and duties of both sides. When a proposal is made to parliament for the expenditure of a sum of money, the opposition naturally ask what it will cost the country. And when we are told that it will cost so much, I respectfully submit, we are justified in

believing that that is the expenditure that the country is committed to. We ask for the purpose of ascertaining this fact, so that we may judge whether, considering the size of the place and its requirements, we are justified in voting such an expenditure for such a work. But we are constantly told, when we find the expenditures greater than we expected, that the amount stated by the minister referred only to the building. But I think that in future the government ought to understand that what we want is to understand what the country is being committed to for any public work that may be under discussion. I say the government ought to understand this and not fall back upon what I cannot but regard as the very flimsy excuse that when the statement is made that the cost will be so and so this means only the cost of the bare building, not including the land or fittings. Both land and fittings have to be paid for, and they have to be paid for out of the consolidated revenue of the country, and our object in asking the question is to know what the charge against that revenue is to be.

Some resolutions reported.

ADJOURNMENT—BUSINESS OF THE HOUSE.

Hon. W. S. FIELDING (Minister of Finance) moved the adjournment of the House.

Mr. SPROULE. May I ask the hon. gentleman who is leading the House if, on Monday the government will take up any of its work after the business in charge of the private members is finished, and if so, what ?

Mr. FIELDING. If we dispose of private members business at an early stage we will take up the estimates at the point at which we leave them to-night.

Motion agreed to, and House adjourned at 11 p.m.

HOUSE OF COMMONS.

MONDAY, March 28, 1904.

The SPEAKER took the Chair at Three o'clock.

OFFICIAL REPORT OF DEBATES.

Mr. CHAMPAGNE presented the second report of the Select Committee appointed to supervise the official report of the debates of the House, as follows :—

Your committee recommend that the amanuenses to the official reporters, who, in accordance with the resolution adopted by the House last session, were paid at the rate of $3.50 per day, be entitled to receive the same remuneration for their services for this as well as future sessions.

Mr. SPROULE.

GRAND TRUNK PACIFIC RAILWAY—CORRESPONDENCE.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) laid on the table correspondence with regard to the supplementary contract with the Grand Trunk Pacific Railway Company.

Mr. SPROULE moved :

That the papers now laid on the table in connection with the Transcontinental Railway amended contract be printed forthwith and that Rule 94 be suspended in relation thereto.

I might suggest at the same time that it would be very desirable if the government would have printed and distributed the old Bill with the new, so that they might be compared together, and have them circulated before the Easter holidays are over.

Motion agreed to.

ADJUSTMENT OF ACCOUNTS BETWEEN THE DOMINION AND ONTARIO AND QUEBEC.

Hon. W. S. FIELDING (Minister of Finance). I promised some days ago to bring down a statement arising from a question put by my hon. friend from Halton (Mr. Henderson) concerning the adjustment of public accounts between the Dominion and the provinces of Ontario and Quebec. In the Public Accounts as submitted it is set forth that on the operations of the last fiscal year there was a reduction in the public debt of $6,914,126.01. That is a reduction on the operations of the year as to which there is no question. But the Public Accounts also set forth that there are certain book-keeping adjustments between the Dominion and the provinces which have the further effect of making a reduction of $3,305,450.24. It was as respects that sum that I was to bring down a further statement. I wish to delay the presentation of that statement for some time, for this reason. Although the accounts referred to have been made out by the officials of the Finance Department and approved by the Auditor General's office, when I came to examine the details, doubt arose in my mind as to whether the method followed was the correct one, and before bringing down a statement I would like to have the matter again examined by my deputy, Mr. Courtney, who has been familiar with the accounts for many years. I therefore propose not to bring down the statement, and ask the House to consider the matter as in suspense until Mr. Courtney returns, when I will bring down a statement in accordance with my promise.

Mr. HENDERSON. Has the hon. gentleman any doubt as to whether there was a reduction in the debt at all in connection with the readjustment ?

Mr. FIELDING. No doubt, apart from the question of the readjustment of ac-

counts, there was a very substantial reduction of the debt. As to what was the actual effect of the readjustment, that is a matter on which I desire to reserve a final opinion, because, although the accountants of the Finance Department have so certified and the Auditor General's office has confirmed their statement, sufficient doubt has arisen in my mind to induce me not to bring down a detailed statement until I have had the whole subject examined by my deputy, who has been fully conversant with these accounts for many years.

SECOND READINGS.

Bill (No. 8) respecting the Nova Scotia Permanent Benefit Building Society and Savings Fund.—Mr. R. L. Borden.

Bill (No. 9) to revive and amend the Acts respecting the St. Clair and Erie Ship Canal Company.—Mr. Tisdale.

Bill (No. 10) to incorporate the Campbellford, Lake Ontario and Western Railway Company.—Mr. W. Ross (Ontario).

Bill (No. 11) respecting the British Columbia Southern Railway Company.—Mr. Gallihier.

Bill (No. 12) respecting the Montreal, Ottawa and Georgian Bay Canal Company.—Mr. Mackie.

Bill (No. 13) respecting the Canadian Pacific Railway Company.—Mr. A. T. Thompson.

Bill (No. 14) respecting the Atlantic and Northwest Railway Company.—Mr. A. T. Thompson.

Bill (No. 15) respecting the Ottawa, Northern and Western Railway Company.—Mr. Champagne.

Bill (No. 16) respecting the French River Boom Company, Limited.—Mr. Grant.

Bill (No. 17) to confer on the Commissioner of Patents certain powers for the relief of the Honourable C. A. Parsons.—Mr. Clarke.

Bill (No. 18) respecting the Manitoba and Northwestern Railway Company of Canada.—Mr. McCreary.

Bill (No. 19) respecting the Atlantic, Quebec and Western Railway Company.—Mr. C. Marcil.

Bill (No. 20) to incorporate the Cascapedia Manufacturing and Trading Company.—Mr C. Marcil.

QUESTIONS.

GRAND TRUNK PACIFIC RAILWAY—SURVEY.

Mr. PUTTEE asked :

1. Is the government aware that survey parties are at work along the route of the proposed Transcontinental Railway between Winnipeg and Quebec ?

2. Are these parties employed by the government or by the Grand Trunk Pacific Railway Company ?

3. If by the Railway Company, is there any understanding that the government will adopt the surveys, and pay the expenses incurred in making them ?

4. In case the cost will ultimately be met by the government is it not possible to take some steps to remedy the grievances, if such exist, as set out in the petition received by the Minister of Railways from the Dominion Institute of Amalgamated Engineers ?

5. Have any such steps been taken ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. The department is aware that survey parties are in the field north of North Bay and Port Arthur surveying branch lines to connect with the proposed Transcontinental Railway between Winnipeg and Quebec.

2. These parties are employed by the Grand Trunk Pacific Railway Company.

3. No.

4 and 5. This matter will receive consideration.

FARM DELEGATES.

Mr. W. J. ROCHE asked :

1. Who were the delegates sent by the government from Canada to Great Britain and Ireland, of any European country, during the year 1903 ?

2. What amount was paid each delegate by way of salary and expenses ?

3. What was the nature of the duties performed by each delegate, and in what district were such duties performed ?

Hon. CLIFFORD SIFTON (Minister of the Interior). I shall have to ask the hon. gentleman to move for a return in answer to this question as it involves a lengthy statement of figures.

ST. LAWRENCE ROUTE—DISTRIBUTION OF PAMPHLETS.

Mr. LENNOX asked :

1. Was the pamphlet entitled 'From the Great Lakes, Canada's Great Waterway to the Ocean,' and purporting to be printed by the Mortimer Company, Ottawa, published and distributed by or at the instance of the government, the Department of Marine and Fisheries, or any of the departments, or by or at the instance of any member of the government ; and if so, by which department or minister ?

2. What was the cost, and where is the item in the public accounts ?

3. How many copies have been distributed ?

4. What is the purpose or object of the publication ?

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries) :

1. The pamphlet was issued through the Department of Public Printing and Stationery, and distributed at the instance of the Minister of Marine and Fisheries, and there was such a demand for it from all parts of

Canada and England, that a new supply had to be printed and distributed.

2. Total cost: $651.22. $165.42 of which appears in the Public Accounts of 1902-03, under contingencies.

3. 10,000 copies.

4. To advise the mariners of improvements made and to be made to aids to navigation in Canadian waterways.

RENTALS PAID BY GOVERNMENT IN MONTREAL AND OTTAWA.

Mr. MONK asked:

1. What is the total amount of rentals paid at present by the government for offices or other accommodation in the city of Montreal?

2. What is the total amount paid by the government for similar purposes in the city of Ottawa?

Hon. H. R. EMMERSON (Minister of Railways and Canals):

1. The total amount paid by the Department of Railways and Canals for rental of offices in the city of Montreal is $6,550.

2. Nothing is paid by the Department of Railways and Canals for similar purposes in the city of Ottawa.

Hon. JAS. SUTHERLAND (Minister of Public Works). On behalf of the Department of Public Works I would answer the hon. gentleman's (Mr. Monk's) questions as follows:

1. $5,264.

2. $43,096.

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries). The sum paid by the Department of Marine and Fisheries for the purpose referred to in Montreal is $2,000. There are no similar offices in Ottawa, so far as the Department of Marine and Fisheries is concerned. The department, however, rents a store-room on Sussex street, for light-house supplies, at an annual rental of $300.

MONTREAL POST OFFICE—ACCOMMODATION AND STAFF.

Mr. MONK asked:

1. Is it the intention of the government to enlarge the present post office at Montreal?

2. Is the government aware that the present post office at Montreal is quite inadequate to meet the requirements of the said city?

3. Is it the intention of the government to increase the present staff of employees in the Montreal post office?

Hon. JAS. SUTHERLAND (Minister of Public Works.) This department has not been officially notified by the Post Office Department that any more room is required in the Montreal post office. Changes and alterations were made to give necessary accommodation.

In the absence of the Postmaster General (Hon. Sir William Mulock) I would answer the question on behalf of the Post Office Department as follows:

Mr. PREFONTAINE.

1 and 2. Inquiry is being made as to whether the present post office building at Montreal is sufficient for the requirements of the service, and until such inquiry is completed it cannot be determined what action may be necessary.

3. It is intended at all times to maintain a staff of the strength necessary for the efficient performance of the work of the office.

MONTREAL POST OFFICE—EMPLOYEES WORK AND PAY.

Mr. MONK asked:

1. Are post office employees called upon in the city of Montreal to work overtime?

2. Are the said employees, or any of them, obliged to work on Sundays?

3. Do said employees receive any extra pay for said extra work performed either during the week or on Sundays?

4. Has the government ascertained, or is it aware, that post office employees in the United States are invariably paid for such extra work?

5. Is it the case that when a post office employee is ill and justifies his absence by a doctor's certificate, his pay is retained in all such cases of absence?

6. Have these facts been inquired into by the Minister of Labour?

Hon. JAS. SUTHERLAND (Minister of Public Works.) In the absence of the Postmaster General I would answer the hon. gentleman's questions as follows:

1. No.

2. At no time is there a complete cessation of work in the chief postal centres such as Montreal, but on Sundays it is limited to work of necessity.

3. No.

4. The department has no information in regard to the matter.

5. Each case is dealt with on its merits.

6. The Minister of Labour is fully informed on the subject.

OTTAWA CUSTOM-HOUSE.

Mr. BIRKETT—by Mr. Lavell—asked:

Is it the intention of the government to provide for the erection of a new custom-house in the city of Ottawa this year?

Hon. JAS. SUTHERLAND (Minister of Public Works). On repairs to post office building being made, the custom offices are to be accommodated in the same building as heretofore.

GRAND TRUNK PACIFIC RAILWAY. —SURVEYS.

Mr. KEMP—by Mr. Lancaster—asked:

1. How many survey parties, if any, have been engaged upon the eastern division of the Trans-continental Railway?

2. By whom were such survey parties employed?

3. Upon which sections have such parties been working?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. Not in a position to say how many surveying parties, if any, are engaged upon the trunk line of the eastern division of the Transcontinental Railway.

2 If any are employed, cannot say by whom.

3. Not aware that any such parties are working on the trunk line on the said section.

LOBSTER FISHERIES COMMISSION.

Mr. GANONG asked :

1. What has been the total expense to date of the commission appointed to investigate the lobster and other fisheries on the Atlantic seaboard ?

2. What amount has been paid to date to the several commissioners ?

3. Has the commission finished its work yet ?

4. If not, when will it again take up the work of investigation ?

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries) :

1. $897.57.

2. E. C Bowers, expenses and allowance, $260.69 ; R. E. Armstrong, expenses and allowance, $244.72 ; R. N. Venning, travelling expenses and living allowance, $235.51 ; J. S. Turbide, P.P. (Magdalen Islands), expenses, $20.50 ; W. A Found, secretary, expenses and freight, $136.15. J. J. Tucker, M.P., and A. J. S. Copp, M.P., are allowed only their expenses, for which accounts have not yet been submitted.

3. No.

4. During the coming summer.

WILSON'S BEACH BREAKWATER.

Mr. GANONG asked :

1. Has the breakwater at Wilson's Beach, Charlotte county, N.B., been completed ?

2. If so, what was the total cost ?

3. If not completed, what amount has been expended to date ?

4. Is the work now in progress ?

5. When will it be pushed to completion ?

6. When was the work begun ?

Hon. JAS. SUTHERLAND (Minister of Public Works) :

1. No.

2 and 3. Amount expended to date, $31,-987.06.

4. Operations suspended for winter.

5. Work will be resumed in spring.

6. In 1900.

GRAND TRUNK PACIFIC RAILWAY—ALIENS AS SURVEYORS.

Mr. CLARKE asked :

1. What answer, if any, has been made to the protest received by the government on the 16th of March, 1904, from the Dominion Institute of Amalgamated Engineers, respecting the employment of aliens on the surveys being made in connection with the National Transcontinental Railway ?

2. Have any instructions been issued by the Department of Labour ? And if so, on what date, and of what nature, respecting the enforcement of the Alien Labour Law by the deporting of aliens, alleged to be employed on the surveys being made in connection with the National Transcontinental Railway ?

3. Is it the intention of the government, in its new agreement with the Grand Trunk Railway Company, to provide for the employment of British subjects, as surveyors and engineers, in the work of surveying and construction of the new Transcontinental Railway ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. The communication was acknowledged and promised consideration.

2. This relates to the Department of Labour.

3. The matter is under consideration.

Hon. JAS. SUTHERLAND (Minister of Public Works). In the absence of the Minister of Labour (Hon. Sir William Mulock) I would answer question No 2, as follows : It is not the practice of the government to issue general instructions respecting deportations but to deal with each case as it arises.

RETURN OF RUSSIAN JEWS FROM UNITED STATES.

Mr. CLARKE asked :

1. Is the government aware or has its attention been called to the announcement made in the newspapers on Wednesday, March 23rd, that fifty Russian Jews have been returned from Fargo, N.D., to Winnipeg, by the United States authorities ?

2. How long have these people been in Canada ? When and at what port did they enter the country ? Were they sent to the Dominion by any Canadian emigration agent ? And if so, by whom, and from what port ?

Hon. CLIFFORD SIFTON (Minister of the Interior). The attention of the Department of the Interior was called to the announcement that fifty Russian Jews had been returned from Fargo, North Dakota, to Winnipeg by the United States authorities. An inquiry was at once sent to the Commissioner of Immigration at Winnipeg, and he replied by telegraph on the 24th instant that the only people deported from Fargo, as charged, consisted of one Russian Jew family—father, mother and four children—who lived in Winnipeg for four years, and went to the United States a year ago. Nothing further is known of the family referred to.

IMPORTATIONS OF RAW COTTON.

Mr. WM. ROSS (Ontario)—by Mr. Calvert—asked :

1. What is the quantity in value of raw cotton imported into Canada during each of the past six years ?

2. From what countries was it imported ?
3. What is the quantity and value of manufactured cotton imported into Canada during each of the past six years ?
4. From what countries was it imported ?
5. What is the quantity and value of manufactured cotton exported from Canada during each of the past six years ?
6. To what countries was it exported ?

Hon. WM. PATERSON (Minister of Customs). The information asked for would be rather lengthy to give by way of answer, and I would ask the hon. gentleman to drop the question and give notice of a motion for a return, which I will endeavour to bring down.

Question dropped.

COTTON PLANT GROWING IN CANADA.

Mr. WM. ROSS (Ontario)—by Mr. Calvert—asked :

1. Is the cotton plant grown for commercial purposes in Canada ?
2. Have any experiments ever been made by the government on any of its experimental farms, or at other points in Canada, to determine whether cotton could be profitably grown ? If so, what were the results ?

Hon. SYDNEY FISHER (Minister of Agriculture).

1. No.
2. From 1890 to 1893 some experiments were made in the growing of cotton at the Central Experimental Farm. Seed of some of the earlier varieties was obtained for the purpose and sown in plots. The seed germinated and the plants grew, and before winter set in they also bloomed, but the frost cut them before any cotton formed. These experiments were repeated for several years with the same results. Cotton plants have been grown in the green-house at the Central Experimental Farm and cotton produced, but no success has attended the efforts to raise cotton in the open air. No experiments with cotton have been conducted at any of the other experimental farms, as the average mean temperature for the growing period is higher at Ottawa than it is at any of the branch experimental farms. The department is not aware that experiments in the growing of cotton have been made at any other points in Canada.

AMALGAMATION OF SOUTH SHORE, UNITED COUNTIES AND EAST RICHELIEU VALLEY RAILWAYS.

Mr. MONK asked :

1. Has any Order in Council been passed approving or ratifying an amalgamation of the South Shore, United Counties and East Richelieu Valley Railways, or any of them, under the name of the Quebec Southern Railway Company?
2. If so, when was such Order in Council passed ?
3. Did any one apply for such Order in Council ? If so, who was the applicant ?
4. Did the Quebec Southern Railway Company, or any one else, apply for a copy of such Order in Council ; and was it given. If not, why not ?
5. When was such Order in Council first made public, and at whose request ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). An order for the amalgamation of these railways was passed on the 15th April, 1902. The order was applied for by the interested companies. Several parties applied for the production of the order, but it was refused on account of the creditors objecting to its publication and wanting to protect the amalgamation. I am not aware that it has been made public.

COMMISSION TO INVESTIGATE LUMBER TRADE IN NORTHWEST.

Mr. DOUGLAS asked :

1. Has the commission appointed at the last session of the House to investigate the condition of the lumber trade in Manitoba, Northwest Territories and British Columbia, reported to the government ? If so, what action, if any, has been taken on the report ?
2. If this commission has ceased to act, will another commission be appointed, and when ?
3. Is the government ready, during the present session, to take such steps as shall protect the general public interests in this particular ?

Hon. W. S. FIELDING (Minister of Finance). His Hon. Judge Richards was appointed June 23rd, 1903, a commissioner to investigate the report re an alleged lumber combination in the province of Manitoba and the Northwest Territories.

The report of the commissioner, dated, 26th February has been received to the effect that at the sittings of the commission, which were duly advertised, no evidence was given or tendered in the matter. The commissioner has returned his commission and requests to be relieved from further acting under it. His request has been complied with.

If new representations are made they will receive all due consideration.

FEES TO McCARTHY, OSLER, HOSKIN & HARCOURT.

Mr. BENNETT asked :

1. In what connection and for what services was the sum of $3,000 paid to the firm of McCarthy, Osler, Hoskin & Harcourt, of Toronto, as appears on page B—26 of the Auditor General's Report of 1902-03 ?

Hon. CHARLES FITZPATRICK (Minister of Justice). Stand.

Mr. BENNETT. At whose request does it stand ?

Mr. FITZPATRICK. Really at the request of the Auditor General. According to the Department of Justice no payments at all have been made to these parties ; but the Auditor General has an entry in

his book, and I asked for explanations this morning which I have not yet received.

Mr. BENNETT. I ask that the question be dropped, as I have since found it in the Auditor General's Report myself, in the Department of the Interior.

Question dropped.

MAILS BETWEEN SACKVILLE AND CAPE TORMENTINE.

Mr. LEFURGEY—by Mr. Hackett—asked :

1. How were the Prince Edward Island mails forwarded from Sackville to Cape Tormentine during last winter ?
2. Was the contract made by tender ? And if so, what are the names of the tenderers, and the amounts of tenders ? What were the terms of contract, whether by trips and amount per trip ; or by time, and amount ?
3. Was any arrangement made for carrying these mails by the New Brunswick and Prince Edward Island Railway ? And if not, why not ?

Hon. JAS. SUTHERLAND (Minister of Public Works) :

1. By regular trains on the New Brunswick and Prince Edward Island Railway and for a short period by stage during the past winter when the railway was blocked by snow.
2. There was no contract.
3. No other than the usual arrangement with the railway which has been in force since 1887.

COLLECTION OF CUSTOMS AT PALMERSTON, ONT.

Mr. TOLTON asked :

1. What towns and villages are in the jurisdiction of the collector of customs at Guelph, Ontario ?
2. What towns and villages are in the jurisdiction of the collector of customs of Listowel, Ontario ?
3. Which of the aforementioned divisions is the town of Palmerston in ?
4. To which office would a dutiable package from the United States, mailed to Palmerston, be entitled to pay duty ?
5. Is it the policy of the government that all dutiable parcels addressed to Palmerston should be sent to one port of entry ?
6. Is the government aware that parcels and packages addressed to Palmerston are liable to go to any of the following ports, viz. :—Guelph, Listowel and Walkerton ?

Hon. WM. PATERSON (Minister of Customs) :

The limits of the customs ports and outports have not been specifically defined by metes and bounds.

1. The jurisdiction of the collector of customs at Guelph, in respect of the collection of customs duties on postal packages from the United States, extends to such villages and places as are nearer to the customs house at Guelph than to any other customs house.
2. The same rule applies to the jurisdiction of the collector of customs at Listowel as to that of the collector at Guelph in respect of the collection of customs duties on postal packages from the United States.
3. Palmerston appears to be nearer by railway to Listowel than to Guelph.
4. Under the regulations of the customs and postal service, dutiable postal packages from the United States destined for Palmerston should be forwarded to the nearest collector of customs, who in this case is the collector at Listowel.
5. The regulations of the postal and customs service in regard to the transportation of dutiable postal packages apply generally throughout Canada, and are to the following effect, viz :

On the arrival of such packages at post offices in Canada, the postal officer shall affix to each such parcel a red label, gummed, and with the following words printed thereon (or stamp the parcel similarly in red) viz. : 'Memo. for Postmasters.' This package to be sent for customs entry to the collector of customs at the port or outport nearest the place to which it is directed. The package is not to be delivered until marked with the proper customs stamp and the words 'Duty Paid' or 'Duty Free.'

By order of the Postmaster General.

6. Answered by No. 4.

TRAP-NET FISHING IN BRITISH COLUMBIA.

Mr. EARLE—by Mr. Lancaster—asked :

1. Has an Order in Council been passed authorizing the issue of licenses for trap-net fishing in the waters of British Columbia ?
2. If not, is it the intention to pass such an order ?

Hon RAYMOND PREFONTAINE (Minister of Marine and Fisheries) :

1. No.
2. Under consideration.

COLLECTOR OF CUSTOMS, VICTORIA, B.C.

Mr. EARLE—by Mr. Lancaster—asked :

1. Has the government been advised of the demise of A. R. Milne, C.M.G., collector of customs at the Port of Victoria, B.C. ?
2. Has his successor been appointed ?
3. If so, who is he ?
4. If no appointment has been made, what is the cause of the delay ?

Hon. WM. PATERSON (Minister of Customs) :

1. Yes.
2. No. Mr. J. C. Newbury, chief clerk, is acting as collector of customs temporarily.

GRAND TRUNK PACIFIC RAILWAY—CORRESPONDENCE.

Mr. F. D. MONK (Jacques Cartier) moved for :

Copies of letters, telegrams, cables, and memoranda, exchanged between the government and the authorities of the Grand Trunk Railway Company, or the Grand Trunk Pacific Railway Company, regarding the new Transcontinental Railway project, including the eastern division thereof ?

He said : Mr. Speaker, before the motion is carried I would like to add to it the words 'since the last session of parliament.'

Rt. Hon. Sir WILFRID LAURIER. I may say to my hon. friend (Mr. Monk), before putting this amended motion, that I brought forward all we have upon this subject. Indeed there is nothing else.

Mr. MONK. I have not seen the return. Does it purport to cover everything absolutely ?

Sir WILFRID LAURIER. Yes.

Mr. MONK. If it does not I would press my motion because I ask for every communication of every nature whatever.

Sir WILFRID LAURIER. I brought down everything upon the subject.

Mr. MONK. My right hon. friend may understand that he may have deposited on the table of the House everything that he considered necessary or essential, but, this motion goes farther. Does my right hon. friend's report cover everything ?

Sir WILFRID LAURIER. I brought down everything without any equivocation at all, that we have on the subject.

Motion withdrawn.

GRAND TRUNK PACIFIC RAILWAY—EASTERN DIVISION.

Mr. F. D. MONK (Jacques Cartier) moved for :—

A copy of all reports and documentary evidence obtained by the government since last session, in connection with the eastern division of the new National Transcontinental Railway, as well as of all correspondence referring to said new route over said eastern division.

Rt. Hon. Sir WILFRID LAURIER. I have the same answer to make to my hon. friend (Mr. Monk) in reference to this motion. There is nothing in the records of the department upon this subject. We have no reports at all.

Mr. MONK. Am I to understand that there has been no report obtained, no documentary evidence of any kind since last session in regard to the eastern division ?

Sir WILFRID LAURIER. Nothing at all.

Mr. PATERSON.

Mr. MONK. Then I will withdraw the motion.

Motion withdrawn.

GRAND TRUNK PACIFIC RAILWAY—SURVEYS AND EXPLORATIONS.

Mr. F. D. MONK (Jacques Cartier) moved for :—

A statement of all sums expended since the first of October, 1903, on surveys and explorations in connection with the eastern division of the new Transcontinental Railway the names and occupations of the parties to whom such sums have been paid.

Rt. Hon. Sir WILFRID LAURIER. I have also to make the statement to my hon. friend (Mr. Monk) that there has been no expenditure whatever in connection with this subject—nothing at all.

Mr. MONK. Nothing in regard to branch lines ?

Sir WILFRID LAURIER. Nothing in regard to branch lines or the main line.

Motion withdrawn.

MONTREAL TURNPIKE TRUST—INDEBTEDNESS.

Mr. F. D. MONK (Jacques Cartier) moved for :—

A return showing the present indebtedness of the Montreal Turnpike Trust to the Dominion government and the sums received by the latter as interest on bonds of said Trust since 1895.

He said : Mr. Speaker, I would like to ask the hon. Minister of Finance (Hon. Mr. Fielding) in moving this motion, if anything has been received on account of interest due on the debentures from the Montreal Turnpike Trust ?

Hon. Mr. FIELDING. No.

Mr. MONK. I am informed there has been no interest paid since 1895.

Mr. FIELDING. My recollection is that there has been no interest paid since 1896. There has been no interest in recent years.

Motion agreed to.

MOTIONS AGREED TO WITHOUT DISCUSSION.

1. Copies of all letters, telegrams, communications in writing and correspondence, between the government, or any department of the government, or any minister, deputy ministers, officers or other persons acting for the government, and the Vancouver Engineering Works, Limited, or any official or other person acting for the said company, respecting the enlargement of dry dock facilities on the Pacific coast.

2. All letters, telegrams, communications in writing, and correspondence between the government, or any department of the government, especially the Department of Public Works, and the Department of Marine and Fisheries, and N. Thompson & Company, or any member of that

firm, D. G. McDonnell, F. Burnett, R. Kelley, R. G. McPherson, and C. G. Johnson, or any of them, respecting the enlargment of dry dock facilities on the Pacific coast.

3. All letters, telegrams, communications in writing, and correspondenec between the government, or any department of the government, or any officer acting or purporting to act for the government, and any persons whomsoever, respecting the enlargement of the dry dock facilities on the Pacific coast, or the establishment of a dry dock, or dry docks, on that coast.

4. All Orders in Council and other documents whatsoever respecting the matters aforesaid, or any of them.—Mr. R. L. Borden by Mr. Haggart.

For a return showing :

1. The number of timber limits, and where located, that have been disposed of by the government since March 15, 1902, in the province of Manitoba and the Northwest Territories.

2. The names of the purchasers in each case, and the price paid for each limit ?

3. Copies of tender for each limit, and the names of the newspapers in which the advertisements appeared.—Mr. W. J. Roche.

4. Copies of all reports, opinion, letters, and correspondence, written, sent, given, or transmitted to the government, or to any department or any minister, by P. V Savard, Esq., from the date of his appointment, 14th of May, 1903 (see 'Hansard,' revised, 1904, page 222) to the 10th March, 1904, in relation to the investigation held or made by the said P. V. Savard, Esq., into the question as to how the local government of Quebec acquired the Mingan Seigniory, and what title to the property existed in the province prior to its conveyance to the Labrador Company (see 'Hansard,' 1904, revised, page 217).—Mr. Casgrain.

Copies of all Orders in Council, and of all other documents and correspondence relating to the appointment of a commission to investigate the condition of the lobster and other Atlantic coast fisheries, likewise of the instructions given regarding that subject, also the reports that may have been made thereon.—Mr. Ganong.

Copies of all engineers' reports, with plans, profiles, and other particulars, showing the surveys for the southern section of the Trent Valley canal, between Rice lake and Lake Ontario, by the two routes, via Trenton and Port Hope, and the comparative cost of each route.—Mr. Ward by Mr. Blain.

Return of the judgment and decision of the Board of Railway Commissioners in the application of the towns of Port Arthur and Fort William for telephonic communication with stations and premises of the Canadian Pacific Railway.—Mr. Maclean by Mr. Sproule.

Copies of all correspondence, if any, between the Department of Agriculture and the railway companies of Canada to date, regarding the ventilation of cars.—Mr. E. D. Smith.

Copies of all correspondence had with the government of Canada respecting the amalgamation of the South Shore, United Counties and East Richelieu Valley railways, or any of them ; of any Orders in Council relating to the said amalgamation, and of all correspondence referring to the appointment of a receiver to the South Shore Railway Company.—Mr. Monk.

Copies of all correspondence, petitions and papers, between any settlers in township 27, ranges 31 and 32, and township 28, ranges 31 and 32, and any department of the government, in reference to the adding of those townships to the Doukhobor reserve.—Mr. W. J. Roche.

Return showing amount of rebates of duties paid on agricultural implements from June 30th, 1901, to June 30th, 1903, to each firm exporting such machinery for the respective years.—Mr W. J. Roche.

MONTREAL TURNPIKE TRUST—MOTION FOR ABOLITION.

Mr. F. D. MONK (Jacques Cartier) moved:

That the Dominion government, having a controlling interest in the Montreal Turnpike Road Trust, should enter into negotiations without delay with the provincial government of Quebec, that has jurisdiction over said trust, with the view of obtaining the abolition of the present system of toll-gates existing on the island of Montreal.

He said : By this motion I desire to call the attention of the government and the House to a reform which is very desirable, and which though it may be local in its scope, interests a very large number of people in the district of Montreal. The toll-gate system in the neighbourhood of Montreal is replete with so many abuses, that it behooves this government as well as the government of the province of Quebec, to address themselves towards remedying the evil which exists. The turnpike toll system in the neighbourhood of Montreal is a system which has become thoroughly obsolete, and which does not obtain, I believe, in other parts of Canada or in the United States. That farmers, and gardeners, and people generally who have dealings with the city of Montreal can only enter the city by paying toll. It is true these tolls are not excessive ; it is true that under the present system of administration they are necessary in order to obtain sufficient funds to keep the roads in a thorough state of repair. Be that as it may, the system is antiquated and the toll-gate has become a worn out institution. So far as I know, the old-fashioned system of toll-gates has been abolished everywhere in the United States, and I think I am safe in saying that they do not exist in the vicinity of Toronto. People who drive around the mountain of Montreal and who come from other parts of the country, are surprised that we have not long ago abolished the toll-gate system. That system, such as we have it in Montreal, has been established a long time. In fact, I think the legislation which governs the present Turnpike Trust dates from before the establishment of responsible government in our province. The subject of reforming that system has very often been discussed at public meetings and in the public press, and is under discussion at the present time throughout the island of Montreal and even beyond. I have taken some interest in this question since I entered parliament, because it interests the county of Jacques Cartier to no inconsiderable extent. Previous to the existence of this parliament

I moved for statements showing how the present system was managed and with what results financially; and during this parliament on the 3rd of April, 1901, I moved for a return which is the basis of my present remarks, because two other returns which have been since moved for, have not yet been brought down. My hon. friend from Laval (Mr. Leonard) on the 27th of February, 1902, moved for a general statement in regard to the administration of the Montreal Turnpike Trust. No return has been made to that order of the House. On the 30th of March last year I also moved for a statement, which has not been brought down. One of the inconveniences of the present system is the great cost of maintaining the toll-gates. These are, I think, ten or twelve in number. The authorities are obliged to keep two men at each toll-gate, one during the day and one at night, and the cost of maintaining the toll-gates, so far as I have been able to discover from the only statement which has been brought down, amounts to some $10,000 a year, which is equal to nearly one-fourth of the whole revenue of the trust. These toll-gates, as I have already indicated, are a great obstacle to free circulation. They oblige the farmers, gardeners and milkmen, a large number of whom repair to Montreal every morning, to incur considerable expense or curtail the number of their trips. There are other objections to the law as it exists to-day. For instance, in executing work on the roads around Montreal, the trust are not obliged to call for tenders. The meetings of the trust are not public. It has been observed to me that the trust are always ready to admit parties who wish to make representations. No doubt that is true; but the principle of public meetings is not consecrated by law, and therefore it is not possible, except by tolerance, for members of the press or parties interested in the discussions that take place in respect of the roads, to be present as of right. There is no regular form of accounting prescribed by the statute. I believe the Dominion government and the government of the province of Quebec could at any time—and no doubt individuals might also, if they wished—because the gentlemen composing the trust are excellent citizens—obtain a statement of the expenditures on any particular point; and I am now discussing the question upon a statement which was obtained by the Minister of Finance in answer to a motion for a return made in 1901. But I believe—and this is the sentiment in the city of Montreal, and amongst all those outside of the city who are interested in good roads—that we should have yearly under the statute something more regular in the way of a public statement of the expenditure of the trust in all its details, and also of the progress made during the year in keeping the roads in order. The result of that incomplete legislation is that there is very little practical interest taken in the roads. For four or five years the roads have been neglected to a certain extent. The amount expended on them is not at all commensurate with the amount paid into the toll-gates, which probably accounts, in some measure at least, for the unsatisfactory condition of some of these roads. I am perfectly sure that if the remedies which I am about to suggest were adopted, there would be more interest taken in the roads in the vicinity of Montreal, there would be more satisfaction on the part of those interested, and there would be a general improvement in every way.

Now, I wish to point out how, under the terms of the motion which I have submitted, the Dominion government has it in its power to advance the solution of this important question. The Montreal Turnpike Trust is governed by legislation of the province. It is of the nature of a municipal institution, and all legislation concerning that trust since confederation has been passed by the province of Quebec. I refer to some amendments which have been made, because the corporation originally dated from before confederation. The Dominion government, however, at a certain time became possessed of a considerable amount of the bonds of the trust. I believe at one time the bonds exceeded some $500,000; but by some arrangement arrived at between the Dominion government and the members of the trust, previous to 1895, to enable the trust to pay interest on the capital, the debts of the trust, which were quite considerable, were reduced, as I am informed, to the sum of $200,000. So that to-day the only large creditor of that institution is the Dominion government, which holds $200,000 of the bonds of the trust. The position, therefore, at this moment is this—and it is one of the lacunes of the present law—that the Quebec government is represented on the trust by two members, and the Dominion government by three members representing the bondholders, this government being the only holder of bonds.

The control of the trust and its affairs is therefore, one may say, under the direction of the Dominion government through its appointees, and there can be no doubt that any serious reforms in the administration of that body, can only be made with the aid of the preponderance which present legislation gives the Dominion government over the actions of the trust. It will be noticed that there is no representative in the trust acting, directly at least, on behalf of the municipalities. There are two county councils, but they have no right of representation on the trust. There are several municipalities, but they are not represented except in so far as they may be indirectly through the appointments made by both the Provincial and the Dominion governments. Now the pre-

sent condition of the trust and the necessity for a reform, which would not only tend to the abolition of toll-gates, but greatly improve the state of the roads, and enable a keener interest to be taken in the administration of those roads and popular representations to be more easily made effective, make it necessary for me to point out what the financial condition of the corporation is today and why it is necessary for the Dominion and Provincial governments to take some steps in the way of investigating and reorganizing, not destroying, that corporation, and making it a modern institution capable of carrying out the object which all these trusts have in view. I take the return, which is not very complete, but which gives some important data, and which was brought down on the 3rd of April, 1901. It gives us some idea of the financial condition of the trust from 1892 to 1900. It is evident from that return that the revenue from the trust is not increasing, but tends rather to diminish, whereas the expenses tend gradually to increase. While the expenses of administration and maintenance of toll-gates increase, the amount to be devoted to keeping the roads in good order tends to diminish. In 1892 the tolls gave a revenue of $52,042.80. The expenses of the trust, office and other expenses, amounted to $6,659.54. I have allowed in each year $10,000 for the maintenance of toll-gates. A man has to be paid at each toll some $10 or $12 a week, besides a man engaged to attend to the toll at night, the toll houses are either leased or erected by the trust, kept in good order and supplied with fuel and light. There is no precise indication in the return of the amount expended for those purposes, but I do not think it can be less than $10,000 each year. In 1892, $2,216 was paid in interest, so that, before anything could be spent on the roads out of the $52,000 revenue, $18,875.96 had to be paid for administration and interest. This left about $33,000 for the maintenance of the roads. In 1893, the revenue rose to $58,288.39 and the general expenses, including cost of inspector and sub-inspectors, amounted to $7,792.18. $2,800 were paid on account of debentures and $1,472.73 for interest; and adding the $10,000 for the maintenance of the toll-gates and toll-keeper's houses, you have a total expense in 1893, under the heads I have just enumerated, of $22,064.91. This left to be expended on the roads themselves, $36,223.39, out of a total of $58,000 collected. In 1894 the revenue from the tolls began to diminish. We had in that year a total revenue of $54,223.16. The general expenses of the office amounted to $7,726.29, $3,300 was paid on account of debentures, $1,334.60 for interest, and if you add the $10,000, you have a total of $22,260.89 paid out of the $54,000 before anything else was applied to the roads. This left $31,962.27 to be expended in payment for work done upon the roads. In 1895 the revenue from the tolls was again lowered, only $52,197.15. The office expenses amounted to $6,390.68, $19,900 were paid on account of debentures, $551.67 for interest, and adding the $10,000 for maintenance of toll-gates, you have a total of $36,842.35, which was spent before any money could be applied to the roads. Deducting from the $52,000 that amount of $36,800, and you will find that $15,334.80 were left to be spent in actually improving the roads. In 1896 we find the income from the tolls still diminishing. there was collected in that year the sum of $39,997.02 in tolls. The general office expenses amounted to $7,175.62. Then, $10,500 was spent in interest. Adding to this the $10,000 for the maintenance of the toll-gates, we find a total of $27,675.62 taken out of the whole amount collected that year for expenses other than the maintenance of the roads. The roadway was left with $22,321.40. In 1897 a still continuing diminution of revenue appeared. Only $44,441.11 was collected. The general expenses, as they are termed in the return brought down—and in which reference has been made to another statement which has been brought down—amounted to $13,382.20. The amount paid for interest was $7,368.35. If to that we add to the amount which I have allowed for the yearly maintenance of the toll-gates, $10,000, we find a total of $30,757.55 had to be expended out of the amount collected before anything could be applied for the purpose for which this trust was created, that of keeping the roads in order. The deduction of this large amount leaves for road repairing purposes, out of the general revenue, only $13,690.56. I find, in the statement of the year 1897, to which I have just referred, that a loan of $12,000 had to be made—necessary, no doubt, to supplement what was the amount that could be spent from the yearly revenue for the purpose of keeping the roads in order. An item which I find in that year, 1897, and to which I wish to call the attention of the Finance Minister, is that of $6,825, which appears in the receipts, as an asset, whereas, in reality, that sum was due to the Dominion government for accumulated interest upon the bonds held by the government. In 1898, there was a total collection through the toll-gates of $50,491.47. But we find that the figure for general expenses increased considerably, amounting to $9,591.28. There seems to have been paid in that year for interest the sum of $7,386.52, although no interest whatever was paid to the Dominion government upon its bonds. No doubt, this payment for interest was on current loans, which, in the year 1898, must have amounted to a considerable sum. Now, adding to this amount for general expenses the amount spent for interest and the cost of maintaining the toll-gates, we find a total of $26,977.90 to have been spent for general expenses, leaving for ex-

penditure on the roads themselves only $24,513.57. Again, in 1898, in the receipts figures the item of interest due to the Dominion government upon its bonds—not some six thousand dollars as in the previous year, but $13,650. This, as I say, is entered in the receipts. Whether the Dominion government abandoned to the trust the interest due it in that year as in the previous year, I do not know. But, in 1897, 1898 and 1899, the yearly accumulated interest in favour of the Dominion government appears among the assets instead of among the liabilities of the trust. They seem to have repaid a portion of the loan of $12,000 made in previous years, no doubt to meet current expenses. I have just shown that the income for 1898 was about fifty thousand. It fell in 1899 to $42,755.37. The general expense of the office amounted to $8,124.72. In the return brought down there appears an item of $7,017.48 paid on account of interest. Allowing $10,000 for the maintenance of the toll-gates, you have a total of $25,142.10 to be paid out of the total amount collected, leaving only $17,613.27 to be devoted to the repair of the roads. In 1900 the revenue rose about a thousand dollars, being $43,359.19. The general expenses, what I call the office expenses, continued to be abnormally high compared with the total revenue, being $8,531.12. The trust appear to have paid out in that year $7,359.79 on account of interest. Allowing the usual amount of $10,000 for the maintenance of toll-gates you have $25,890.91 paid for administration purposes, out of a little over $43,000 collected, leaving only $17,468.28 for road work. It must strike every one that when the total amount collected is compared with the amount paid for expenses, the amount left for doing the work for which the tolls are paid is very small. It is manifest that some reform is necessary. In 1900, we see by the statement brought down, there was $27,300 of accumulated interest upon the bonds due to the Dominion government. Among the assets or receipts mentioned in the statement furnished by the trust and brought down by the minister is an overdraft upon the Merchants Bank of Halifax of $6,080.73. This is mentioned as being a receipt. I would suppose, from the statements produced, that this is in order to make the accounts balance.

Now, I have analysed these statements and returns from 1892 to 1900 in order to show the Minister of Finance the position of that trust at present. No doubt those who have followed my explanations will see that the revenue tends to diminish rather than to increase. There are several causes for that. There is more railway communication between Montreal and the neighbouring places, trains are more frequent; electric railways have been built and circulate outside of the city of Montreal, and that is also one of the principal causes which have tended to diminish the income from the toll-gates. The roads through Mount Royal Park have been completed, and that place is resorted to as a driveway much more frequently than formerly. The drive through Mount Royal Park takes the place of what was formerly the principal drive for Montrealers, that around the two mountains. These three causes have tended to diminish greatly the revenue of the trust. I think the Minister of Finance must have been struck with the disproportion between the amount which actually goes into the roads and the amount collected. You have between $42,000 and $45,000 collected, and the cost of that collection, the cost of the administration of the office and the payments made for interest on current loans, leave you with a very small proportion of the revenue collected for maintenance of the roadway. That should not be so.

There is also to be noticed—the House must have noticed as I went along the considerable expenditure on the administration of the office itself. In the report brought down I have not the statement of 1892 contained in the pamphlet which has been annexed to the report, mentioning the officers employed by the trust. There is a secretary treasurer, there is an inspector, there is a solicitor, and an auditor. No doubt added to these—because you have no details of the expenses—there is the rent of the offices occupied by the trust. But it is quite evident that the amount expended under the heading of general expenses has been larger than it might be. I do not mean to say that it could be diminished under the present system. I have no ground of complaint against the trustees themselves; but it seems to me that if this expenditure is necessary, it is proper that the parties interested, the Dominion government and the provincial government, should see whether there is any means of diminishing that expenditure, and giving to the roads themselves a larger amount than that which is at present expended upon them. Since 1892 there has been no great improvement in the roads around Montreal. Some of them have deteriorated considerably. No new roads have been opened. We are in want of new roads around the city of Montreal. We are in want, for instance, of a road starting from Notre Dame de Grâce, leading in the direction of St. Laurent. At the present moment farmers coming from the north by the parish of St. Laurent are obliged to ascend a steep hill, to go up on to the mountain in order to get down directly into the heart of the city. The opening of a new road behind the parish of Notre Dame de Grâce would not involve great expense. The parties require it, it is necessary, but it has not been done. Other roads also are necessary and have been asked for. There has been no capital expended in that regard which would justify the pres-

ent state of indebtedness of the trust, and the extent of its arrears to the Dominion government; because if, as the Minister of Finance stated to me a moment ago in regard to the previous motion upon the order paper, no interest has been paid upon the bonds since 1895, then the indebtedness of the trust to the Dominion government for interest alone amounts I think to nearly $60,000.

There is therefore no improvement in the roads, no progress in opening up new roads. The burden of all this falls heavily upon the farmer. The farmers are obliged to use the roads when they come to town. Gardeners are obliged, in order to dispose of the produce of their gardens, to make frequent trips to Montreal. Milkmen come in every day. I gather from the return brought down that some farmers have to pay very considerable sums in commutation. If they had to pay the regular toll-gate fees, the amount collected at the toll-gates, they would be obliged to contribute a very considerable amount indeed to this revenue. They have the privilege of commuting, and so far as I can gather from the return, their commutation varies from $30 to $190 a year, a very considerable burden upon farmers and those who have business in town frequently. This is also a matter which interests considerably the city of Montreal. Traders coming out from the city of Montreal and going to industrial establishments situated outside the city, at Lachine, St. Laurent or elsewhere, and parties driving for pleasure are also interested. The city of Montreal is greatly interested in the proper administration of these large avenues leading into the city, because all the produce which the city consumes, perishable produce from the neighbouring farms, is brought in over these roads; and the city is interested in the proper maintenance of these roads because there is a very large population on the island of Montreal and in the surrounding counties, and the maintenance and improvement of the roads favour an easy access to the city and bring business into the city. There are reciprocal interests, interests on behalf of the farmers, and interests on behalf of the merchants and people who drive from the city.

Now I have already on previous occasions called the attention of the Minister of Finance to the prospect which the Dominion government may have under the present system of collecting this sum, $200,000, which with the accumulated interest amounts to I suppose about $250,000 to-day. I think my hon. friend the Minister of Finance will admit that the prospect is not very favourable. It is impossible to conceive that the revenue of that trust will enable the corporation to pay the government either the interest or the capital. It is sufficient to look over the return brought down, which, I am sure, would appear much stronger, still if we had the statements since 1900 up to the present date, to see that it is impossible for the trust to keep the roads in order, to incur this disproportionate amount of expense for general administration and to reimburse the federal government. I therefore take it that there is no prospect under the present system of any money coming to the government from that source, and my hon. friend the Minister of Finance, who will no doubt have to consider this question at no very great distant date, will perhaps have to consider also that from the city and island of Montreal, have come very large contributions since confederation to the Dominion treasury. The amount of the taxes paid in by that locality which is more particularly interested in this question, is a very large amount indeed, and I think my hon. friend will come to the conclusion that it is better, perhaps, in view of the impossibility of collecting this debt which has become, from the stress of circumstances, bad, that it would be the duty of the government to avail themselves of the indebtedness in order to bring about a much desired reform, easy to accomplish since we have only to copy what has been done elsewhere and which will be of incalculable benefit to that locality. What I have stated has been stated from a general knowledge derived from the return brought down and from other information which has from time to time been made public. I think it would be necessary for the government to make a thorough investigation of the question which I have just brought to the notice of the House. That it be made by one person named by the government, a commissioner whom the government has power to appoint, or by a commission composed of three persons. It might be necessary to compose that commission of three persons on account of the extent of the investigation to be made and probably also because it would be useful to give representation upon it to the different interests. The city of Montreal might be represented upon that commission, because, as I shall state in a moment, I think the city of Montreal ought to bear a very fair proportion of the burden of keeping these roads in order. Probably the rural districts would claim with justice the right to be represented on that commission and perhaps the government would see fit to employ with these two representatives a man having some technical knowledge of the subject, because, as my hon. friend is aware, not only in the province of Quebec, but in the province of Ontario and in the province of Nova Scotia, in fact, I believe, in all of the provinces during the last three or four years, very great interest has been taken in improvement of roads. Good roads associations have been formed all over the country, and there are, I know, in the provinces of Ontario and Quebec, men who are well informed upon that subject, and who have given it far more study and attention than

I have myself. On the trust itself, there are men like Mr. Galibert, the president of the trust, who is well versed in matters of this kind. Mr. Thos. Trenholme, of Montreal West, has given that matter special study and will certainly be competent to propose some solution to the government. Mr. Richard White was, for several years, president of the trust and has much practical knowledge of the subject and there are no doubt other men whose names could be suggested to the government who could without much expense and within a very short space of time lay before the government an improved scheme for the administration of the roads upon the island of Montreal tending to the immediate abolition of toll-gates, and the safeguarding and the giving of more popular character to the interests concerned, giving to the administration a stronger representation and giving general satisfaction throughout the city of Montreal and the counties interested. I have no doubt that could be done by a commission of one or of three appointed upon an understanding between this government and the government of Quebec, and could be done in a short space of time and at very little expense. I might mention for the information of my hon. friend the Minister of Finance that several years ago there was a question of the abolution of the toll-gates. The matter was discussed by the turnpike trustees themselves, and I have been informed that at one time the city of Montreal was disposed to pay one-quarter of any sum that would be required to keep the high roads upon the island of Montreal in good order. I think, myself, that the negotiations might very properly be renewed between the trust and the city of Montreal, or at any rate, the possibility of the city sharing an even larger proportion of the expense necessary for the maintenance of these roads might be looked into by the commission of inquiry I have just suggested to my hon. friend, because I believe that it is in the interest of the city of Montreal to pay more than one-quarter of the sum required. I believe that the city of Montreal is more capable of contributing towards that expense, naturally, than all the other municipalities, and I believe it has also more interest in doing so. It is in the interest of the city of Montreal that the roads, the important avenues in the vicinity of the city should be kept in first-class order, should be pleasant and agreeable to drive upon and should be at all times available without any tolls to people coming in from the country as well as to visitors and Montrealers themselves driving into the country. The farmer, the milkman and the gardener, as my hon. friend knows, must recoup themselves for the tolls which they are called upon to pay from their customers, and the carters, who in large numbers drive out from the city of Montreal, do not, as far as my experience goes, pay these tolls to oblige their fares, but they take them out of the people employing them when visiting the suburbs of Montreal. My hon. friend has noticed that the general office expenses amount to $8,000, and more in some years. Why should there be such a considerable expense if an improved system of contribution for the maintenance of the roads could be arrived at agreeable to the city of Montreal to the county councils and to the towns in the neighbourhood of Montreal ?

I have no doubt you could secure the services of a competent accountant and the use of his office for the sittings of the board, for probably $500 or $600 a year. Gentlemen who do a large business like Mr. Durnford, Messrs. Kent and Turcotte, Mr. Riddell and Mr. Alexander Desmarteau, would keep the books of that administrative body and furnish them with the use of a room for their occasional sittings for $500 or $600 a year. I believe that an efficient road inspector could be obtained who would devote his whole time to that work, for $1,200 or $1,500 a year. Therefore, for $2,500 a year, you would get the accounts kept, you would have a room where the administrative body could meet from time to time, you would have an inspector daily upon the roads, and the whole thing complete. It may be asked : who is to supply the money that at present is collected from the tolls ? We have often been told that such a system would throw the expense of the maintenance of the roads upon the municipalities, but let me ask ! who pays these tolls to-day. They are paid by the farmers, the market gardeners, the citizens of the island of Montreal generally, to the tune of about $45,000, and what is the result under the present system. The result is that out of that $45,000 scarcely half is expended on the roads. Under the system which I suggest you would get sufficient revenue, but it would be more justly spread over the whole population, and the people would get something for their money, because the whole sum collected with perhaps the exception of $3,000 for necessary administrative expenses, would be spent upon the roads. In addition to that the people who pay this money would have representation and a voice in the mode of expenditure. At present our representation on the turnpike trust is of a very indirect character. There are three members who represent the Dominion government which is a creditor, and there is a minority of two members representing the provincial government. Why not at least study the system which has been adopted elsewhere of taking the money which is absolutely required for the maintenance of these roads from the city of Montreal in the first place and from the other municipalities interested, giving each contributor representation upon the administration body. Every incorporated town on the island of Montreal and each of the counties interested would be represented in proportion to its contribution ; we would have contracts

given by tender and we would have a yearly statement of how the money was expended upon the roads. At the present time not only are the old toll-gates kept up, but in view of the spread of the city, the trust is obliged to maintain check gates at which you have to produce your ticket to show that you paid at another gate and all this entails expense. I would like my hon. friend the Minister of Agriculture (Hon. Mr. Fisher) to hear my complaint, because it greatly interests the farmers and market gardeners of the island of Montreal, and I have no doubt that the hon. gentleman (Mr. Fisher) who is to a certain extent a citizen of Montreal, realizes the importance of the reform to which my remarks point. At the present time the government has it in its power to grant the relief which we ask. There is no doubt that if the federal government conferred with the provincial government, asking them to name a joint commission which would fully investigate this matter, the provincial government would meet that request half-way. At the present time this government is losing several thousand dollars a year, and it gets no credit whatever for its indulgence in not exacting payment. The debt is not possible of collection, and why should not the government avail itself of this opportunity, and have this commission which I suggest, report to it as to the best of the plans which have been adopted elsewhere for the abolition of this antiquated system. Then, the Minister of Finance—and I am sure the Minister of Agriculture would approve—could say to the Quebec government: if you will pass this law, we will entirely wipe out the indebtedness of the Turnpike Trust to us. That seems to be demanding a great deal. Perhaps my hon. friend the Minister of Finance will bring down his claim to such an amount as may appear to him to be reasonable. As it stands at present, he must see that it is quite impossible for the trust to pay it. It seems to me that a great deal might be done to improve our roads and the condition of our farmers if my suggestions, which are made in good faith, were to be adopted by my hon. friend, in place of the present system, which is altogether obsolete and unsatisfactory.

Hon. W. S. FIELDING (Minister of Finance). Mr. Speaker, I have but a few words to say in reply to the address of my hon. friend from Jacques Cartier. At the beginning he referred to some papers for which orders had passed the House some time ago but which had not been brought down. If such is the case, I regret it. My attention had not been drawn to it before, and if the information contained in these papers is at all important to my hon. friend, I will see that it is produced. With much that he says I am sure the whole House will heartily sympathize. My own difficulty, however, is in seeing what this House has to do with the greater part of my hon. friend's speech. It is true, whatever concerns the humblest citizen of the Dominion of Canada interests us to a certain extent. Everything that concerns our people, whether in relation to municipal, provincial or Dominion affairs, interests the government and parliament in a general way. But under our constitution, our duties, our responsibilities and privileges are divided; and among those which devolve upon the House of Commons is not the duty of providing public highways for Montreal or for any other part of the Dominion. That is a purely provincial and municipal question, and we have nothing to do with it here. We are all glad to see the growing interest taken in the good roads movement all over the country; but that is a movement which, after all, concerns the provinces and the municipalities in their official capacity. We have only one interest in this matter which my hon. friend has presented to us to-day; that is, I am sorry to say, the cold-blooded interest of the creditor. This Montreal Turnpike Trust happens to owe us some money; but that fact does not cast on us the responsibility of management. What are the facts? For many years, from interests arising out of confederation, this trust owed moneys to the Dominion which, in 1895-96, aggregated a very large sum—my hon. friend says $500,000. I think the amount was less than that, though it was something over $400,000, interest included. This loan bore interest at the rate of 6 per cent. Appeals were made to parliament at that time very much like that which my hon. friend has made to-day, that this trust could not pay the debt, and that some readjustment of it should be made. At that time it was agreed, roughly speaking, that one-half or more of the total indebtedness to the Dominion should be wiped out, and treated as a free gift to the municipalities or the parties interested in the Montreal roads. So that at present the Dominion of Canada, instead of having a claim for upwards of $400,000 against this trust, has a claim for only $200,000; and the bonds, which formerly bore interest at 6 per cent, now bear interest at 3½ per cent. I think it will be admitted that thus far the Dominion government, dealing with the interest of the people as a whole, has treated the locality in question not in an ungenerous way. But my hon. friend wishes us to go further and take the initiative, and asume the right to manage and control these roads. I must again take the point that we have nothing to do with the management or control of the roads of Montreal in any other capacity than as bondholders representing the whole Dominion; and I think my hon. friend has an entire misconception of the proper relation of the government and the parliament of Canada to this transaction. I think he is wrong when he calls on this government to take the initiative in entering into negotiations with the government of the province of Quebec. If the government or the municipalities of the

province of Quebec wish to make any arrangement, and come to us with a proposal for that purpose, I think we are bound to give it very serious attention and consideration. I will not hesitate to go further and say that we will give any proposal they make a sympathetic consideration. But I do not agree with my hon. friend that any obligation rests on this government to take the initiative. Our simple position is that the Montreal Turnpike Trust owes us $200,000 of principal and some interest. My hon. friend has made some reflections on the management of the trust. He may possibly have some grounds for criticism in that respect, and may be able to show how, under more careful administration, economies might be effected. I have not sufficient information on the subject—certainly not as much as the hon. gentleman, as a resident of Montreal, has himself—to be able to say whether the trust is economically managed or not. But no change of arrangements, no opening of meetings to the public, or anything of that sort, will meet the situation. I do not hesitate to say that the existence of toll-gates in the neighbourhood of a great city like Montreal is not a condition that should remain. It is an obsolete condition, and some means should be taken to put an end to it. I think we should look forward to the abolition of toll-gates everywhere. In my own province, it was a source of great pride to me to have been instrumental in bringing about the abolition of the last toll-gate. But we did not come to the House of Commons appealing to it to give us free roads. We dealt with the question as a province, making an arrangement with the municipalities whereby private intrests in the toll-gates were bought out and free highways were established. I think that is what should be done in the province of Quebec; and if the province and the municipalities, or other parties interested, should come to the Dominion government with a proposal, not for a readjustment of the affairs of the trust, but for settling the debt due to the Dominion and the abolition of toll-gates, that, and nothing short of that,will meet the situation. I am not prepared to say that this government will throw away its claim and treat it as a bad debt; no Finance Minister would do that. I will remind the House again that the Dominion threw away one-half of the debt. If it becomes necessary to bring about such a readjustment as the only effective means of securing the abolition of tolls and the transfer of the roads to the municipalities, that will be a very fair matter on which the province and the municipalities may make a proposal to this government. What that proposal should be, I will not venture to say. But the point between my hon. friend and myself is that he thinks the Dominion government should take control of this business, while I think it belongs to the province and the municipalities concerned. Therefore, I would not like him to press the motion, which recognizes that obligation upon the Dominion government which arises in his mind, but which I think he will, on reflection, see belongs to the province and the municipalities. I would hope that after the speech of my hon. friend and the large amount of information he has given on the history of this question, he will consider that his purpose is accomplished and will not press his motion. As to the position of the government, if the provincial government and the municipalities concerned will devise some scheme whereby they can put an end to this and make us a fair and reasonable proposal, having regard to what has been already done in relation to the payment of the debt, the government will approach the question sympathetically, and I would hope that something might be accomplished in that way.

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries). It happens, Mr. Speaker, that I know something of this question of the turnpike trust and the roads connected therewith on the island of Montreal. I was mayor of Hochelaga in 1878, when the municipality of Hochalaga had to deal with this question, along with other municipalities where toll-gates had been established under the law. The remedy suggested by the hon. member for Jacques Cartier (Mr. Monk) was adopted at the time, and the Turnpipe Trust has been acting ever since under the agreement which then took place, some twenty-five years ago. The proposition laid before the Turnpike Trust at the time was this: Each municipality which wanted the toll-gates abolished should undertake to accept a cession of that portion of the Turnpike Trust roads running through it, on condition that it would keep them in proper condition and pay interest on the bonds to the extent to which its roads were covered by the bonds. This agreement was accepted by the city of Montreal, by the town of Hochelaga, by Maisonneuve, by the municipality of Longue Pointe, the village of Côte St. Louis, the town of St. Louis de Mile End, the town of St. Henri, St. Cunegonde, and by all up-to-date municipalities at that time. The taxpayers of these municipalities consented to pay their share of the interest on the bonds and to keep the roads in good order, and that arrangement has worked splendidly ever since. But there are other municipalities on the island of Montreal which would not consent to this agreement. They did not want to assume the responsibility of keeping the roads in good order and paying the interest, but they wanted and still expect the government to make them a present of the roads and still be free from any obligation to keep them in proper condition or pay the interest. That being the case, it seems to me they come to this parliament with very bad grace. It has

been said that the revenue from the toll-gates amounts to $40,000, but I did not hear the hon. member for Jacques Cartier state what amount is collected from the municipalities which have abolished the tolls and are now keeping their own roads in good order and paying the interest. On these roads the Turnpike Trust have not a cent to spend and are collecting interest at four per cent. If the rate were six per cent at the time the arrangement was made, it has been since reduced to four per cent. There is no ground, therefore, for these municipalities complaining so bitterly. They have the remedy in their own hands. If they want to get rid of the tolls, they can do so by assuming the obligation of keeping the roads in good order and paying their share of interest. There is also another aspect of the question. In the county of Jacques Cartier companies have been formed within the last ten or fifteen years to maintain municipal roads and they have established toll-gates quite near the town of Lachine and other places. There are roads which have been made by private companies in my own county, in Côte Visitation, and the farmers are quite satisfied to pay the tolls, because, although these companies do not collect anything out of the farmers in these municipalities to keep the roads in good condition, they collect from those who do not belong to the municipalities and pass through. I admit that this system is obsolete and should not exist, but if the farmers do not wish to do away with it, I do not see why we should force them to adopt another system. My hon. friend's proposition would be quite unfair to those who have for the last twenty-five years been paying interest on the bonds and keeping their roads in good order. Not only in the county of my hon. friend are there private companies with toll-gates, but there are others on the Isle Jesus, and the people seem perfectly satisfied. It is not only on the island of Montreal that these roads exist. They exist on the south shore of the St. Lawrence in different places, where private companies have built roads and maintained tolls. In the district of Quebec there are also toll-gates and an institution something like the Turnpike Trust of Montreal. I would like to have these toll-gates abolished, but, if they are not, it is the fault of those directly interested, who will not apply the remedy they have in their own hands. When I was in the city council of Montreal, we took up the question under the old agreement which I have mentioned, but we were always met by the objections of the municipalities who refused to undertake to keep their roads in good order. They wanted to have their roads for nothing and would not even undertake to keep them in good condition. Under the circumstances, they are certainly not coming with good grace in asking that the government should make them a present of these roads and relieve them of the payment of some $200,000, while they are not prepared to assume any responsibility whatever.

Mr. MONK. I hardly think that my hon. friend (Mr. Préfontaine) who has just taken his seat has fully understood the object I have in view. No doubt, any municipality in the county could say: We will take the road and keep it in repair, and abolish the toll-gates. But they would have to pay $4,000 a mile for the road—

Mr. PREFONTAINE. If my hon. friend will allow me—they will have to pay $4,000 a mile for the road if they wish to be relieved of paying the interest. But that is not what has happened. The municipalities have assumed that the road has cost $4,000 a mile, and they have assumed to keep it in order and pay the interest at the rate of 4 per cent on $4,000 a mile. That is what they undertook to do twenty-five years ago.

Mr. MONK. I think the hon. gentleman has forgotten that it is stated in the return that 'on the following roads the municipalities paid 6 per cent on the value of the road, say $4,000 a mile and keep up the roads.

Mr. PREFONTAINE. That is exactly what I say.

Mr. MONK. In Hochelaga they pay $262.73. This arrangement may be made in such municipalities as Hochelaga and St. Louis de Mile-End, but where would the money come from to maintain the long roads outside the city?

Mr. PREFONTAINE. The municipalities there would do the same thing.

Mr. MONK. But the municipality of St. Laurent would have eight or ten miles of road to keep in order for the people of Montreal but would receive no money from Montreal for the maintenance of the road. My hon. friend sees that that would be eminently unfair.

Mr. PREFONTAINE. I wish to put a question to my hon. friend. Does the city of Montreal receive anything from those who pass on the roads, the taxes on which are commuted roads in such municipalities as Ste. Cunegonde, St. Henri, St. Louis de Mile-End and Maisonneuve? They pay nothing.

Mr. MONK. They pay taxes in the city of Montreal. But my hon. friend must see that there is no proportion between a municipality like Montreal with a valuation of $200,000,000 and St. Laurent with a valuation of $800,000. The idea is that, as everybody on the island used the roads, there should be a system of contribution by which everybody would pay.

Mr. PREFONTAINE. If my hon. friend will allow me, I think that the municipali-

ties that have acceded to this arrangement have a population of certainly three-quarters of the whole island of Montreal.

Mr. MONK. But the arrangement does not work, for, as my hon. friend knows, it gives rise to a great deal of difficulty. I have received a letter dated 25th of March, from the corporation of Westmount by its secretary, which says, in part :—

There are about two miles in length of the road of the trustees of the Montreal Turnpike Roads situated in Westmount, on which the tolls were commuted some years ago, since which time the trustees have done nothing to maintain the road though they object to sell it to the town alleging want of authority to alienate.

I do not wish to pursue this further ; but my hon. friend will see that, with the system he suggests, the poor people would pay for the rich, and the moment a piece of road is handed over to the municipality the trustees lose control of it. It is well enough in the municipalities in the neighbourhood of Montreal. But when you come to a long piece of road outside the city it is not reasonable to throw the maintenance exclusively on the municipality, as in Lachine and St. Laurent. The people of Montreal use these roads more than the farmers, and if you abolish toll-gates you would have no revenue. The roads would have to be maintained by the municipality without any fund to draw upon for their maintenance. I would like to say one word to the Minister of Finance (Mr. Fielding), who has asked me to abandon this resolution. He says that the Department of Finance and this government has no control whatever over that body called the Montreal Turnpike Trust. Does he remember that the Dominion names three trustees and that the policy of the body is, therefore, under the absolute control of the Minister of Finance ?

Mr. FIELDING. I did not say we had no control, but I said our interest was only the interest of a creditor.

Mr. MONK. I do not dispute that. But we have the legislation, giving the bondholders absolute control of the corporation—nothing can be done without the consent of the bondholders. If you go to the government of Quebec, they will tell you : we have the minority in that body, and everything we may decide is subject to the higher decision of the Federal government. That is why I think it is in the power of this government to control not only the administration of the body itself, but that change in the direction of the abolition of toll-gates which was the object I had in view in moving this motion. I do not think it is reasonable for my hon. friend to ask me to recede from my motion under the circumstances. It would be admitting that the suggestions I have made are addressed to the wrong parties or that they are not worth urging, and I cannot do that.

Mr. PREFONTAINE.

Mr. FIELDING. I am sorry my hon. friend (Mr. Monk) will not withdraw his motion, for, by this motion, he is calling upon the Dominion to assume a responsibility and an initiative in the matter which does not belong to us. I sympathize to some extent with the object he has in view. But I think he would serve that object quite as well if after the discussion that has taken place, he would withdraw his motion, and I again invite him to do so. This is a municipal and provincial question. We have no interest except as creditors. Those who are concerned are the ones who should formulate the proposals and come to us. It is not our business to chase them around the country and find out what they want to do. They have the responsibility both by the provincial and municipal law, and if they have a proposal in the interest of the people let them come to us with it, relying upon us to meet them sympathetically. But my hon. friend wishes us to take the initiative which we object to do. I hope he will see his way not to press this resolution.

Mr. MONK. It is not the negotiations I am suggesting. I do not see how I can withdraw the motion.

Mr. FIELDING. I had hoped that my hon. friend would withdraw the motion. But if he feels it is his duty to press it, I must ask the House to amend the motion, I move in amendment that all the words after 'government' to the end be left out and the words which I will read be inserted, this would make the resolution read :

That the Dominion government should give careful consideration to any representation that may be made by the provincial government of Quebec or the municipalities concerned with a view to the settlement on fair terms of the claim of the Dominion against the Montreal Turnpike Trust, and, if possible, the abolition of the toll-gates on the roads of the trust, and the transfer of such roads to the municipal authorities.

Mr. SPROULE. Is it in order, Mr. Speaker, for the hon. Minister of Finance to move that motion, having already spoken once or twice ?

Mr. FIELDING. I have spoken on the original motion, but I could not have spoken on the amendment, for it is only now moved.

Mr. SPROULE. The hon. gentleman (Mr. Fielding), spoke twice on the motion.

Mr. FIELDING. We need not trouble you for a decision of the point, Mr. Speaker, some other hon. gentleman can move the amendment.

Hon. L. P. BRODEUR (Minister of Inland Revenue). I am sorry my hon. friend from Jacques Cartier (Mr. Monk) has not thought fit to withdraw his motion. I

should have thought that his purpose would be served by the statement he has made and the discussion that has taken place on the subject of this Turnpike Trust. It seems to me that this is a question to be dealt with by the municipalities and I see that, so far, the municipalities have not thought fit to come before this government and ask whether the government was ready to negotiate with them. The initiatory steps should be taken by the municipalities. We would like to know, for example, whether the county council of the county of Jacques Cartier is anxious to take charge of this road. I do not know whether my hon. friend from Jacques Cartier is speaking the minds of his constituents in that respect, and whether they are anxious to take charge of this road. If they are, then I think they should have come to this government and put before us a claim to take possession of that road, and pay some of the interest on the bonds which are now in the hands of the government. This is purely and simply a municipal affair. As has been explained by the Minister of Finance, the government has absolutely no controlling interest in the road, though it is true that this government appoints some men to look after the road and manage it along with the other men appointed by the provincial government. But if the municipalities wish to take charge of the road, I think they should come before the parliament and state that they are ready to do so. For these reasons I move that all the words after the word 'government' in the first line to the end of the question be left out, and the following be substituted therefor :

Should give careful consideration to any representations that may be made by the provincial government of Quebec or the municipalities concerned, with a view to the settlement on fair terms of the claim of the Dominion against the Montreal Turnpike Trust, and, if possible, the abolition of the toll-gates, the roads of the trust and the transfer of such roads to the municipal authorities.

Mr. CLARKE. I would ask the Minister of Finance how the government became creditor in the first place of this Montreal Turnpike Trust ?

Mr. FIELDING. It is a portion of the assets of Canada standing in the books for many years, in whole or in part, before confederation.

Mr. MONK. I cannot accept that amendment. I would not have dared to make a motion in this sense myself, hoping that the government would give careful consideration to any representations that might be made to it upon this subject by the provincial government of Quebec of the municipalities concerned. I feel perfectly confident that this government will give careful consideration at any time to any representations made by the government of Quebec, or by myself, or any body else. But what I ask by my motion is that the government take the initiative in this great reform. Careful consideration ! I have several times moved in this matter, and although I do not think I made myself quite clearly understood by the Minister of Finance, he has always given me careful consideration. But we want now something more, we want action. We want somebody to take the initiative. I am much surprised that my hon. friend the Minister of Inland Revenue, who must be acquainted with the needs of the farmers around Montreal and who must know how badly a reform is needed, should limit his motion merely to stating that this government will give careful consideration. We want him to add 'at once.' This is almost as important as the transcontinental line. My right hon. friend said that he could not wait, that we must act at once. The fact is, Mr. Speaker, that every year, for ten years back, the necessity of a change has been admitted. The Quebec government will not take the initiative. The Quebec government says : The road is under the control of the bondholders, but we are ready to do anything. They give an answer similar to that which has been given here this afternoon. They say : try to obtain the consent of the federal government who have three nominees to their two. They say : It is the federal government who controls the board, try and obtain their consent, and we will do anything that is reasonable. By my motion I asked this government to take the initiative. Would it be so very difficult for this government to write to the government of Quebec in regard to this matter ? Everybody admits that a change is necessary. The government of Quebec would be happy to confer with this government in regard to any such change. If my hon. friend does that he will take the initiative in a most important reform. What the Minister of Inland Revenue says by this amendment is merely this : We will listen to you if you have anything to say. But I want more than that, the people interested want more than that. They believe that, as the Dominion government controls every resolution taken by that board, that as the Dominion government can to-morrow obtain an amendment of the law if it wishes, it should take the initiative. My hon. friend the Minister of Agriculture, who I am sure takes an interest in the gardeners and farmers who live in the neighbourhood of Montreal, will himself take the initiative and see if something cannot be done towards modifying a system which everybody admits ought to be changed.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I have listened with great attention to the remarks made upon this subject by my hon. friend from Jacques Cartier (Mr. Monk) ; but I am sorry to say that after having listened to him once, twice, or three times this afternoon, I still fail to know exactly what he wants, and

I do not think there is any man in the House who knows exactly what he wants. There is this difference between this road and the transcontinental railway, we know what we want and we ask for it, but my hon. friend does not know what he wants.

Mr. COCHRANE. The right hon. gentleman did not know what he wanted, and he has only found out lately.

Sir WILFRID LAURIER. My hon friend from Jacques Cartier has pointed out the evils from which he thinks the people on the island of Montreal are suffering. Upon that we are all agreed. He has pointed out that the system which now prevails for obtaining access from the island to the city is obsolete, out of date, antiquated. Upon that we are all agreed also. But, he has not pointed out the remedy which he thinks should be applied. He says : You are the creditors and you ought to do something. But the government tells him : We have no jurisdiction in this matter, we are simply the creditors, we have advanced money and we have not received any interest upon it. We are quite ready to modify the present arrangement if a satisfactory proposal is made. I would ask my hon. friend what he thinks ought to be done. My hon. friend the Minister of Marine and Fisheries (Mr. Préfontaine) has suggested that perhaps a good basis for settlement would be the adoption of the arrangement which was made some twenty years ago when other municipalities similarly situated—the municipalities of Maisonneuve and Hochelaga—made a settlement which was the natural one to adopt ; that is to say the municipalities interested in these roads and which are traversed by them should assume the jurisdiction and care of these roads as all municipalities do.

Mr. MONK. And stand all the expense alone ?

Sir WILFRID LAURIER. That is another question. But here is the difficulty which justifies the amendment of my hon. friend the Minister of Inland Revenue (Hon. Mr. Brodeur). My hon. friend from Jacques Cartier objects to the municipalities taking over the roads. His reasons may be good or bad, I do not know. I do not examine them at the present time. But it strikes me, and I suppose the friends of my hon. friend would agree with me, that the most natural method by which to achieve a settlement of this question would be that all the municipalities interested and which are crossed by these roads should assume jurisdiction over them and do as municipalities generally do—become responsible for the maintenance of them. But my hon. friend from Jacques Cartier does not want the question to be settled in this way. Then, what is the method by which he wants to have it settled ? He has spoken for about two hours, but he has failed to tell us what he wants. He points out the grievance, but when we ask what is the remedy my hon. friend is silent. He says : I do not want the municipalities to be saddled with these roads. Well, if the municipalities are not to be saddled with these roads, if they are not to have jurisdiction over them, if they are not to maintain them as all municipalities do everywhere, what is the manner in which my hon. friend wants to have the question settled ? He asks the government to take the initiative in this respect. We would expect that before the government takes the initiative he himself should know the manner in which he wants the remedy to be applied. It seems to me that until my hon. friend is ready to tell us what remedy he wants applied, the government are quite within their rights, and certainly they are within their proper functions, when they say : We will not take the iniative until we know in what way it is desired that the matter should be settled. Let me call the attention of my hon. friend to the proposition which he has laid before the House. It is as follows :

> That the Dominion government, having a controlling interest in the Montreal Turnpike Road Trust, should enter into negotiations without delay with the provincial government of Quebec, that has jurisdiction over said trust, with the view of obtaining the abolition of the present system of toll-gates existing on the island of Montreal.

It is easy enough to enter into negotiations, but we have no power to levy tolls upon these roads, and if we abolish the toll-gates, who is to maintain these roads, who is to take charge of them, who is to keep them in repair ? I would have supposed that the municipalities through which these roads pass would be charged with that duty. But my hon. friend says : No, the municipalities should not be asked to undertake it, I do not want the municipalities of Jacques Cartier, the parish of St. Laurent, to take charge of these roads. Then, I put the question, without discussing my hon. friend's reasons any further : If the municipalities are not to take charge of these roads, who is to take charge of them ? They must be vested in somebody. At the present time the Turnpike Trust is looking after them, but the trust, to maintain them, has to keep up toll-gates and charge tolls. To this my hon. friend objects. If the Trust is not to take charge of these roads, I would have supposed that the municipalities should take charge of them, but still to this very natural solution my hon. friend objects. Then, I ask him in all seriousness : What does he want ? He simply wants us to write to the government of Quebec. If this question is to be settled, one would expect that it would be settled for the benefit of the municipalities interested, and one would expect that the municipalities would give us their views as to the basis of settlement, and until this is done I submit that

it is not fair to ask us to take the initiative in reference to this proposal. We have no jurisdiction over this matter. It is the province of Quebec which has jurisdiction, and therefore to the province of Quebec application should be made. Moreover, my hon. friend should naturally apply to the legislature; but, at all events, since he says his electors are the parties who suffer from the grievances which he has pointed out, he should be prepared to give us some advice, and state in what way a solution for these grievances can be found. Therefore, I think the House will agree with me that the amendment which has been moved by my hon. friend is quite in order and quite proper.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. T. S. SPROULE (East Grey). Mr. Speaker, when you left the chair at six o'clock, I was saying, on behalf of my friend and colleague (Mr. Monk), that I thought he had acted as his duty impelled him, and that I did not agree with the criticism of the Prime Minister who stated, that when a complaint was brought before parliament it was the duty of the member complaining to point out a remedy. It is not the duty of a private member of parliament to provide a remedy for a grievance; it is the duty of a member of this House to bring a grievance to the attention of the government who for the time being are charged with responsibility, and they should find a remedy. It appears to me however, that the hon. member for Jacques Cartier has suggested a remedy in the resolution because it says:

That the government should enter into negotiations with the provincial government of Quebec, that has jurisdiction over said trust, with the view of obtaining the abolition of the present system of toll-gates existing on the Island of Montreal.

The Dominion government are bondholders of the Trust, and if it be true as stated, that this property is becoming less valuable every year, then if they desire to do what is best in the interest of the people, they should endeavour to deal with that property so as to get their money out of it. The Dominion government has a majority of the members on the Trust, and it seems to me that having control in this way, they should at the earliest date possible bring that Trust to an end, and endeavour to get back some of the money which they have invested in it.

Hon. CHAS. FITZPATRICK (Minister of Justice). My hon. friend (Mr. Sproule) says, that it is the duty of a member to bring a grievance to the attention of the government. If the grievance exists that is quite true, but as the Minister of Finance has stated, the remedy in this case must be sought from those who have the power to grant it, and so the application should not be made to this House. The facts are, that a Turnpike Trust was created on the island of Montreal by the provincial legislature, and that trust expended a large amount of money for the purpose of building roads on the island. They issued bonds in order to raise the necessary money; the bonds were taken by the government of the day, and they have now passed into the hands of the government of Canada. These bonds amount to something like $400,000, which was money expended in building roads on the island of Montreal for the benefit of these gentlemen who are represented by my hon. friend from Jacques Cartier, and who pretend that a grievance exists. Not only have we expended the $400,000, but we have been out of interest for a great number of years on these bonds. The Dominion parliament, representing the people of Canada at large, a part of whose assets this money is, have already reduced their capital expenditure by 50 per cent, so that now we have a claim for $200,000, representing the original investment; and moreover, we have reduced the interest on these bonds from 6 per cent to 3½ per cent. That means that we have made a present to the gentlemen of the island of Montreal who used these roads, of over $200,000, and we have reduced the interest on the investment from 6 per cent to 3½ per cent.

Mr. CLARKE. Is that a loss?

Mr. FITZPATRICK. I say we have reduced our claim by that amount, and so far as the people of Canada are concerned, they have lost their investment to the extent of 50 per cent. And now we are asked to give away the balance of the investment, because this motion invites us to go to the provincial government with a view of abolishing the toll-gates on the island of Montreal. We are asked to abolish the toll-gates which provide the source of revenue from which the people of Canada may expect some day to be paid, in part at least, for their investment. That is the plain proposition as it is put to us, and it is for this House to say whether or not it will accept it. I have a toll-gate system in my county, and why should I not have the benefit of such a proposition as well as my hon. friend from Jacques Cartier? The hon. member for Lévis (Mr. Demers) has the toll-gate system in his county, and why should he not have the benefit of it also? Where is this going to lead us to? Are we going to build roads of certain sections of the country and relieve the people from the obligation to which other ratepayers are subject, to maintain their own roads? Where is the equity of this thing? I would point my hon. friend to the fact, that under the law which provides for the creation of these Trusts, the person who owns property fronting on these roads is under the obligation to com-

mute his road tax, and as he is relieved from the obligation of maintaining the road he is obliged to pay an amount equal to the amount he is relieved from as a result of the maintenance of the road by the Turnpike Trust. The law requires that the owner of the frontage on the road should pay this amount. Have these gentlemen ever paid ?

Mr. MONK. I do not know.

Mr. FITZPATRICK. I do not believe they have. They have been relieved of the obligation to maintain the roads all this time, and it seems to me it would be unfair to the people of other parts of the country if these gentlemen were now relieved of the obligation to pay any toll or rent whatever for the money which has gone into the construction of these roads.

But, independent of that, we have absolutely no jurisdiction to deal with this matter. The provincial legislature alone can absolutely and exclusively determine the conditions under which these people are to be relieved. It was decided by the Privy Council in the case of Belleau and the Queen, that the provincial legislature has exclusive jurisdiction in these matters.

Mr. SPROULE. The motion asks you to enter into negotiations with the provincial government.

Mr. FITZPATRICK. What are we to ask the provincial government to do ? Are we to ask the province to assume the debt, or are we to say to the provincial government : You take over these roads and we will relieve you of the obligation to pay any portion of the interest? Does my hon. friend from Grey (Mr Sproule) endorse that ?

Mr. SPROULE. I say that we have a mortgage on this property which is depreciating in value year after year, and I say that as the holders of the mortgage we have a right to commence negotiations to try to get what we can out of that property.

Mr. FIELDING. That is not what the motion proposes.

Mr. FITZPATRICK. There is the province which is the mortgagor who owns the property, and there is the party of the second part, the people who live in the district and benefit by the roads, and who are obliged to pay the tolls ? Why do not these parties who are obliged to pay the tolls go to the province, and say : Relieve us of this obligation, and, if the province applies to us to know the terms and conditions of the release we are prepared to negotiate for that purpose. That is a sensible way to go about it, but there is no sense in coming to this parliament in the first instance. It seems to me, that is an elementary principle. The only relief my hon. friend (Mr. Monk) can get here is to have us abandon our claim to these bonds, so as a result his constituents may be relieved of the obligation to pay these tolls.

Mr. FITZPATRICK.

Mr. MONK. This matter has been disccussed at considerable length, and I would be prepared to abandon my motion, if I could be convinced by what the Finance Minister has said, that it is not proper for the Dominion government to interfere. Nothing which has been said during the discussion has led me to that conviction. On the contrary, we hold a mortgage amounting with capital and interest to over a quarter of a million dollars. Somebody must move in the matter. The Minister of Finance could to-morrow foreclose his mortgage, and, like an ordinary mortgage creditor, have the property sold to satisfy his claim. Surely that is sufficient interest. The fact that the trust is in arrears for ten years is sufficient to justify my hon. friend in adopting the course this motion suggests. I might even, speaking in the interests of the Dominion treasury, go to the length of saying that it is his duty to move in the matter—to do something by investigation or otherwise to see if some relief cannot be afforded to himself as Minister of Finance, as well as to the other parties interested. With regard to what my hon. friend the Minister of Justice has said, I do not know that anything that he has endeavoured to rebut is suggested in this motion. No one wants the province to assume this account or the Trust to obtain from the government a remission of their indebtedness by merely asking for it. The matter calls for an inquiry ; there is a grievance ; and it appertains to the Dominion government as well as to the Provincial government to take the first step. My right hon. friend said I had spoken two hours and had suggested no remedy. My right hon. friend is mistaken. I spoke about an hour in order to make the situation perfectly familiar to the House ; it was my duty to do so ; and I did suggest a remedy, and my right hon. friend heard me, for he listened carefully to my remarks. That remedy is that we should first inquire why it is that we are expending $50,000 a year and are having spent on our roads less than $25,000 ? Surely that is a matter for inquiry. I suggested that a committee should be named, that the Dominion government should communicate with the local government to ascertain if they would join with the mortgage creditors to move in the matter and see if some remedy could be obtained for this grievance. There is nothing unreasonable in that. Under these circumstances, although my motion has been treated very courteously, I cannot recede from the conviction which I have that we can do something. No doubt it is the duty of the municipalities to move. It is the duty of every citizen to move ; it is the duty of the Quebec government ; but it is also our duty, and we have the power to do so, because we control this Trust absolutely, having the majority on the board. As to the amendment, it does not mean anything, except that the government would consider

proposals coming from other people. I think we should move first in the matter.

Amendment. (Hon. Mr. Brodeur) agreed to on division.

THE MAIL SERVICE IN BRUCE COUNTY, ONTARIO.

Mr. JAS. DONNELLY (East Bruce) moved for :

Copies of all correspondence since January 1st, 1904, between the Postmaster General and the mayor of the town of Walkerton, relating to the irregularity of the mail service to the town of Walkerton.

He said : Mr. Speaker, in connection with this motion, I wish to call the attention of the House, and especially the attention of the government to the fact that the people of Northwestern Ontario, and more particularly the people of the county of Bruce, have suffered very great inconvenience as well as considerable loss in consequence of the very irregular mail service which they have received during the past three or four months. I am aware that the winter of 1903-4 has been an exceptionally severe one, making certain delays unavoidable ; but I also believe that the very severe weather has been made a cloak for delays which were not necessary. That this House may better understand the situation in that part of the province, I will read some extracts from some of the local papers. First, I will read from the 'Lucknow Sentinel' of March 10, the editor of which is a prominent Liberal.

It is simply outrageous the way our village has been treated by the post office authorities during the past weeks. We do not blame the railway company for keeping the track clear for they have done everything that human power could to do so, but there is no excuse under heaven for the post office inspector, or other officials, whose duty it may be to look after it, for shutting our village out for twelve days without a mail, while Belfast, a little hamlet of a couple of houses and a blacksmith shop, three and a half miles distant from here, received a daily mail via Goderich.

The village of Lucknow has a population of about 1,500, and it does appear to me that it was the duty of the Post Office Department, when they sent a daily mail to Belfast, to make some effort to send one to Lucknow. I will also read a quotation from the Bruce 'Herald' of March 10, showing the condition of affairs at Walkerton :

The people of Walkerton certainly have not much reason to be pleased with their mail service during the snow blockade. The local authorities did everything in their power, but there has been serious evidence of decay at the top. For nearly two weeks the town was without letters or papers, with the exception of one spasmodic effort that brought in a two days lot by team from Palmerston. Why was not this effort kept up ? When passengers found themselves stalled at different points, they began to hire teams and made ordinarily good time in getting home. Some parties drove from Guelph to Walkerton, sixty-nine miles, on Sunday last, and found the roads fairly good. Why could not Sir William Mulock's officials send the mail at the same time ? On Monday a request to that effect from the local authorities, was not even answered. Business has been seriously hampered by the failure of the mail service and the public decidedly have good cause of complaint against the department.

To show that the Grand Trunk officials, to put it mildly, have been careless in carrying out their contract, I may say that on Saturday, the 19th of March, I was a passenger on the mail train going north from Toronto. We arrived at Palmerston about 3.30 in the afternoon. We were then told that a stock train was in difficulty at Mildmay, some 20 miles north of Palmerston. The stock train arrived at Palmerston about five o'clock ; and I believe that with any reasonable effort the railway people could have sent the mail train on. The Southampton branch, north of Palmerston runs through a prosperous and thickly populated country for a distance of about 50 miles ; but the mail on that train as well as the passengers were held at Palmerston till one o'clock on Sunday morning in order to enable a train from Stratford to make connections with it. The result was that the mail that should have been distributed on Saturday afternoon at the various post offices along that route, was carried to Southampton, held there till Monday morning, and carried back and delivered on Monday. That was the case at the station where I got off, and I have no reason to suppose that it was different at other stations. I have a letter from a responsible gentleman of Walkerton, who says :

On the 14th of March there was no mail to Walkerton, although the mail arrived at Palmerston that day. A train came up on the morning of the 15th, arriving at Walkerton at 11 o'clock. It left Palmerston that morning, preceded by an engine with a snow-plough but this train, although we had no mail the day before and it was lying at Palmerston, did not bring it on. Surely there is no excuse for this.

The mayor of the town of Walkerton has brought this question to the attention of the hon. Postmaster General, who I regret is not in his place to-night, and I have here a copy of the letter which the mayor of Walkerton received from the hon. minister. That my hon. friends on the other side of the House may be satisfied that this is a correct copy, I may say that the paper I am reading from is edited by the gentleman who was the Liberal candidate in East Bruce in the recent by-election. Here is the hon. minister's letter :

I regret extremely to learn from your letter of the 4th inst., that the Grand Trunk service to your town has been so unsatisfactory, not only recently because of the snow blockade, but on other occasions. Perhaps the best tribunal for dealing with these grievances would be the

railway commission. They would, I presume, expect to have filed with them a statement setting forth the grievances. They would then be in a position to go into the case. There have been many complaints in the western peninsula in late years against the railway service, and perhaps, if these various complaints were grouped together, the commission might hold an inquiry in the district, thus saving the expense in the bringing of witnesses.

One would think, from reading this letter, that the idea of the hon. minister was that the complaint should be sent on to some other person. But why should the mayor of the town of Walkerton or any other private individual be obliged to go to the trouble and expense of laying charges before the Railway Commission? Did not the railway company make a contract with the government for carrying the mails, and is it not the duty of the Post Office Department to see that the company lives up to its contract? It may be said that it is useless to bring this matter up at present, as the winter is almost over, but it is quite possible that similar conditions may arise before this House is again in session, and I would like to know whether the government considers that it is the duty of local municipalities or private individuals, when they find that a railway company is not living up to its contract, to see that the company is made to carry out its obligations. It does appear to me that it is the duty of the Post Office Department to see that railway companies live up to their contracts for carrying the mail.

Hon. JAS. SUTHERLAND (Minister of Public Works). I regret exceedingly that owing to indisposition, my hon. colleague the Postmaster General is not able to be present. There can be no objection to this motion, but I think my hon. friend will find from the correspondence that the department made every effort possible, under the extraordinary circumstances prevailing, to have the mails delivered regularly. I notice that my hon. friend has not suggested that anything more could have been done than was done by the department to have the mails more expeditiously delivered. The storms this winter were worse than any perhaps ever experienced in the past, and I do not think that the section referred to by my hon. friend has suffered much more than many other parts of the country. From my own knowledge, I believe that the officials of the Post Office Department made every effort possible to serve the public interest, and I am confident that my hon. friend will find when the papers are brought down that the department was not in any way to blame for any delays.

Mr. JOHN TOLMIE (West Bruce). As a resident of the county of Bruce for the last thirty-six years, I can say that we never had such weather to contend against in that county as we had this winter. As a representative of that county I think I am in a position to say something about this matter of delay in the delivery of the mails, and I am glad that the hon. member for East Bruce (Mr. Donnelly) has so much confidence in the administration that he believes the Post Office Department can control the elements. I live in Kincardine town, and for nineteen days we were without a train but not without a mail, for the hon. member for East Bruce (Mr. Donnelly) should know how to get the mail. Of course, we must make allowances for the hon. member for East Bruce, as he has not as much experience as some of us. But what happened? Whenever I discovered that the mail could not be delivered and that the railway company could not carry the mails, I immediately telegraphed to the Deputy Postmaster General, and what did he do? He started a conveyance from Palmerston and took the mails to Wingham, and then the mails went from Wingham to Kincardine and were delivered every day or every second day.

Mr. R. L. BORDEN. Why was not that done for Walkerton?

Mr. TOLMIE. Walkerton is in a different direction.

Mr. DONNELLY. How long were you without a mail?

Mr. TOLMIE. Two days. The Deputy Postmaster General informed me that he had given instructions to all his post office inspectors in every district that, whenever the train service was blocked, the mails should be forwarded by team, and if the people of Walkerton did not have their mails more speedily, it was because their representative was remiss in his duty.

Mr. T. S. SPROULE (East Grey). As one living in a district which was subjected to some inconvenience, I have only to say that the statement of the hon. Minister of Public Works (Mr. Sutherland) was not strictly accurate. I understood him to say that the Post Office Department gave instructions at once to have the mails forwarded as rapidly as possible. But on my inquiring at the Post Office Department, after we had been without a mail for four days, I received the reply that the Canadian Pacific Railway had given instructions at Orangeville to forward the mails, and after we had been some four or five days without a mail, we got the mail of two or three days back, but the mail previous to that we did not get, and I do not know whether it has yet reached its destination. It had not up to the time I left. But although the roads were impassable for railway trains, they were sufficiently open for driving, because I know from experience that you could drive around in every direction. I think that the Post

Office Department did not do all that it might have done. Certainly there was no reason why the mail which left Orangeville on Friday should only reach Markdale on Sunday, over a distance of only forty-four miles. Surely it does not take two and a half days to drive forty-four miles. Parties at the same time have driven from Markdale to within a few miles of Orangeville in part of one day, but every mail that came was two or three days late. Dundalk is only fifteen miles from Markdale, and passengers on the train drove over to Markdale and got there twenty hours ahead of the mail. You could drive quite easily between the two places, but there was no effort made by the Post Office Department to expedite the mails to the various village post offices.

Mr. DAVID HENDERSON (Halton). The hon. member for West Bruce (Mr. Tolmie) has just given the House to understand that this government is only prepared to support its friends in the way of providing mail accommodation. Because, practically, that is what the hon. gentleman told us. He said he had no difficulty in securing a mail service to the town in which he lived and those nearby, whereas the hon. member for East Bruce, a new member, appealed to secure that service and was told to go to the Railway Commission to get what the Postmaster General very cleverly at once did for the hon. gentleman from West Bruce. Now, I regret that it has come to this, that politics has so far entered into the administration of the different departments, more particularly into the postal department, where there should be no politics at all, that a man is to receive mail from day to day simply because he is a supporter of the government; but if a constituency does not choose to send here a gentleman favourable to the government, the towns of that riding are to be deprived of the ordinary mail service day after day and week after week. Now, the hon. member for West Bruce——

Mr. TOLMIE. May I correct the hon. member (Mr. Henderson)? What I said was that the Postmaster General had given instructions to all his inspectors that, whenever the trains were not able to carry the mail, the mails should be carried by team, if possible, irrespective of the politics of the constituency.

Mr. HENDERSON. I am still further surprised that the officials of the government, when ordered by the Postmaster General, so well knew the policy of the government that they simply gave instructions to have those orders carried out in those ridings which send to this House supporters of the government. It seems to be a fixed policy, so that even the inspectors were made aware of it. But why does not the hon. member for West Bruce secure the service to Lucknow? Lucknow is in the constituency of the hon. gentleman. But there is a reason. The hon. member for West Bruce knows that, in the next elections, Lucknow is to be transferred to East Bruce, and he will have nothing to do with it.

Mr. A. T. THOMPSON. The relief of Lucknow.

Mr. HENDERSON. And the hon. gentleman (Mr. Tolmie) can say to the people of Lucknow: I have no interest in you, and you can get your mail service any way you like. I am unable to see why the Postmaster General could not furnish mail service to these people when there was no difficulty in the way of the ordinary traveller when the train became stalled, leaving the train and driving even sixty miles over the roads of the country which, we were told by the hon. member, were comparatively good. There is certainly something wrong here, and I hope that the Prime Minister will look after his Postmaster General, and will see to it that the next time that hon. gentleman goes down to Mexico in the middle of winter he shall leave better instructions to his officials than seem to have been given to the inspectors in the western parts of Ontario.

Mr. T. I. THOMSON (North Grey). There was great dissatisfaction in northwestern Ontario with the mail service this winter. Of course, we must admit that the winter has been exceptionally severe. Still, I must say that the town of Owen Sound, from which I come, has a very clear grievance against the postal department. That town has a population of 12,000. Yet, on one occasion it was without a mail for no less than six days. The service was complete as far as Meaford, on the Grand Trunk, eighteen miles from Owen Sound, and there was a stage service twice a day between Owen Sound and Meaford. When it was found that the Canadian Pacific Railway could not get through to Owen Sound, it was clearly the duty of the department to send by way of Meaford. Had this been done we could have had our mail regularly. The Toronto newspapers displayed sufficient enterprise to send by way of Meaford, and we received the papers daily. The mail was even sent by road seventy miles from Shelburne, and we received it two or three days late. Some of our mails came even eighteen days late. It can hardly be wondered at if we say that such a service is not very satisfactory. I am glad the hon. member for East Bruce has brought this matter to the attention of the government, for there is a decided grievance which ought not to be allowed to recur.

CRIMINAL CODE AMENDMENT.

On the Order being called:

Resuming adjourned debate on the proposed motion of Mr. Lancaster, that Bill (No. 3) an

Act to amend the Criminal Code, 1892, be now read a second time.

Mr. LANCASTER. I suppose the hon. Minister of Justice (Hon. Chas. Fitzpatrick) wishes that to stand ?

Hon. CHARLES FITZPATRICK (Minister of Justice). I expect to introduce certain amendments to the Criminal Code, and one of these, I intend, shall be a clause which will not do what the hon. gentleman (Mr. Lancaster) wants to do, but will go to some extent in that direction.

Mr. LANCASTER. All right; let this stand in the meantime.

Order allowed to stand.

SUPPLY—BUSINESS OF THE HOUSE.

Hon. W. S. FIELDING (Minister of Finance) moved that the House go into Committe of Supply.

Mr. R. L. BORDEN. Is the House going into Supply on Monday ? That is rather unusual.

Sir WILFRID LAURIER (Prime Minister). Very unusual. But the order paper, so far as private members' business is concerned, has been exhausted, and if my hon. friend (Mr. R. L. Borden) is not exhausted, we can go on with Supply. If he prefers, I have no objection to adjourn.

Mr. R. L. BORDEN. I have no objection, but I never knew the House to go into Supply before without notice. We had no intimation on Friday that government measures would be taken up.

Hon. JAS. SUTHERLAND (Minister of Public Works). I beg my hon. friend's pardon. Perhaps he was not present, but at the closing of the sitting on Friday it was stated that if the order paper were exhausted, Supply would be gone on with. My hon. friend from East Grey——

Mr. SPROULE. Yes. The Minister of Finance said, in reply to a question from this side as to whether any government orders would be taken up, that if the private members' business were exhausted we would go into Supply.

Mr. JAS. SUTHERLAND. It was in view of that question from the hon. member for East Grey (Mr. Sproule), and what I took to be the arrangement, that I made it a point to be here ready to go on. Had it not been for the hon. member for East Grey suggesting it, I should have expected adjournment to follow, as a matter of course, the exhaustion of the order paper. I would much prefer to see some progress made in Supply if it were convenient to members of the House. It was not without notice to us all.

Mr. R. L. BORDEN. I was not present at the adjournment on Friday, so I stand corrected as to that. I am as willing to work, and to work as hard as any one in the House, but I want to understand what we are going to do. In the past it has been the custom to adjourn at four or five o'clock in the afternoon on Monday if we had then reached government orders. If instead of that we are to adopt a different system and go into government orders on Mondays and Wednesdays and other days, we want to know it, and have the arrangement understood. I do not think we should change the usual order of things quite so abruptly.

Motion (Mr. Fielding) withdrawn.

Sir WILFRID LAURIER. We are trying to do better all the time; this is a reform government, and we are progressing. I move that we now adjourn.

Mr. R. L. BORDEN. I would be glad to discuss with my right hon. friend this question of proceeding on private members' days with government orders, and perhaps we will be able to come to some understanding. If he would only reform in other ways as rapidly as he is reforming in this matter, I would be very glad. However, I would like to know what business the government intends to take up to-morrow.

Sir WILFRID LAURIER. I think my hon. friend the Minister of Militia and Defence intends to take up the resolutions on the Militia Bill and complete them to-morrow. Then we will go into Supply on Public Works.

Motion agreed to, and House adjourned at 8.50 p.m.

HOUSE OF COMMONS.

TUESDAY, March 29, 1904.

The SPEAKER took the Chair at Three o'clock.

FIRST READINGS.

Bill (No. 21) to incorporate the Pontiac and Interprovincial Railway Company.—Mr. McCool.

Bill (No. 22) respecting the Brantford and Hamilton Railway Company.—Mr. Calvert.

Bill (No. 23) respecting the Collingwood General and Marine Hospital.—Mr. McCarthy.

Bill (No. 24) respecting the Canadian Fire Insurance Company.—Mr. McCreary.

Bill (No. 25) to incorporate the Whitehorse and Alsek Railway Company.—Mr. McPherson.

Bill (No. 26) to incorporate the Edmonton, Athabasca and Mackenzie Railway Company.—Mr. Scott.

Bill (No. 27) respecting the Real Estate Title Guarantee and Trust Company.—Mr. L. P. Demers.

BUSINESS OF THE HOUSE—GRAND TRUNK PACIFIC RAILWAY.

The Right Hon. Sir WILFRID LAURIER (Prime Minister) moved :

That the resolution for the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th March, 1904, be the first Order of the Day immediately after the introduction of Bills, on Tuesday, the 5th day of April next, and be so continued from day to day until finally disposed of.

Mr. R. L. BORDEN. It seems to me that the right hon. gentleman (Sir Wilfrid Laurier) should make provision at least for questions to be put by members, and private Bills. The resolution, in the form in which it is proposed, would prevent any questions being asked during the entire discussion upon the Grand Trunk Pacific agreement. That discussion may be very short or it may be very long ; we cannot tell ; but there is surely no reason why it should shut out private members from asking questions in the meantime or put to one side private Bill legislation, which ought to be forwarded as much as possible. It does not seem to me that to amend the resolution so as to allow for the asking of questions and the consideration of private Bills would affect the disposition of the Grand Trunk Pacific resolution.

Sir WILFRID LAURIER. I anticipated that the discussion on the Grand Trunk Pacific resolution would be short, and, therefore, I did not make the provision which my hon. friend thinks ought to be made. But in view of my possibly having been mistaken, and of the possibility that the discussion may be longer than I supposed the subject warranted at this stage, I have no objection to making provision——

Mr. SAM. HUGHES. Is it the same Bill as last year ?

Sir WILFRID LAURIER. Yes, with some slight variations ; but I do not expect the same discussion. So far as private Bills are concerned, that order would not be interfered with by the resolution I propose, except on Mondays, because on Wednesdays and Fridays private Bills come up after recess, as the hon. member (Mr. R. L. Borden) knows. But private Bills, being the first order on Monday, they would be interfered with on that day. I have no objection to amend my resolution so as to provide that the Grand Trunk Pacific agreement may be the first order after private Bills on Monday, and after questions to be put by members on other days. And, if my hon. friend will agree to that, the Clerk can arrange the resolution to carry out the object.

Mr. SPROULE. How will private Bills on Wednesdays and Fridays be provided for ?

Sir WILFRID LAURIER. Under the rules of the House private Bills are the first order after recess on Wednesdays and Fridays. There is no necessity to make special provision in this resolution for that, I am sure.

Mr. R. L. BORDEN. It is suggested by my hon. friend from South Lanark (Mr. Haggart) that possibly the Prime Minister's resolution would supersede the rule under which private Bills come up between eight and nine o'clock. Does the Prime Minister say it would not ?

Sir WILFRID LAURIER. I am sure it will not.

Mr. R. L. BORDEN. So long as we have that understanding——

Sir WILFRID LAURIER. It is perfectly clear.

Mr. HAGGART. I thought that the passing of this resolution would suspend all rules that would interfere with the carrying out of the resolution.

Sir WILFRID LAURIER. Not at all. This resolution only provides that the ratification of the Grand Trunk Pacific agreement shall be the first order of the day. The rules of the House provide that, whatever may be the standing order, at eight o'clock on Wednesday and on Friday private Bills are taken up. In any case, if you will put the resolution, Mr. Speaker, it can be arranged in accordance with that understanding.

Motion agreed to.

THE MILITIA ACT—PAY OF DIRECTOR-GENERAL OF ORDNANCE.

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence) moved that the House do to-morrow go into committee to consider the following proposed resolution :

Resolved, that the director general of ordinance shall be paid at the rate of $3,200 per annum.

Motion agreed to.

SUPPLY — GRAND TRUNK PACIFIC RAILWAY—INCOMPLETE CORRESPONDENCE.

Hon. W. S. FIELDING (Minister of Finance) moved that the House go into Committee of Supply.

Mr. R. L. BORDEN. Before that motion is put, I would call the Prime Minister's attention to the portion of the correspondence which has been brought down respecting the proposed alterations in the contract between the government and the Grand Trunk Pacific Railway Company. On page 3 of the correspondence, as printed, I find this paragraph with reference to one of the proposed alterations :

The terms upon which the Grand Trunk is to acquire the common stock of the Grand Trunk Pacific and the liability to be incurred by such

acquisition to be fully determined and made the subject of agreement.

I presume that some such agreement has been made. Would there be any objection to including it as part of the correspondence ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I have to inform my hon. friend that everything relating to this matter has been laid before the House, the letter of the president of the company, Sir Charles Rivers-Wilson, making certain requests, and the concessions made by the government.

Mr. R. L. BORDEN. There is no such agreement, then ?

Sir WILFRID LAURIER. Nothing more than appears in the correspondence.

Motion agreed to, and House went into Committee of Supply.

Public works chargeable to income—public buildings—Ontario—Kingston military buildings—stable accommodation for field battery, $5,000.

Mr. CLANCY. I think the hon. gentleman promised to bring down certain papers in relation to the erection or improvement of the buildings in the city of Guelph. Perhaps he has them now.

Hon. JAS. SUTHERLAND (Minister of Public Works). I have the plans showing the building and improvements that have been made at Guelph, and I now lay them on the table.

Mr. CLARKE. Has the minister a letter accompanying the plans and explaining them ?

Mr. JAS. SUTHERLAND. The question raised by certain hon. gentlemen opposite was that the plans made by the architect were impossible of execution, and were not being carried out. I have brought down the plans to show that these statements were erroneous, and that the work was being carried on as stated by the department.

Mr. CLARKE. That statement is hardly in accordance with the facts. I think the complaint was that it was impossible to erect that building on a certain street, that it was impossible to carry out the plans where the site had been chosen.

Mr. JAS. SUTHERLAND. The 'Hansard' shows what was said.

Mr. LENNOX. The explanation required is this : We have the ground plans there—

Mr. DEPUTY SPEAKER. This question is not now before the committee. In order that it may be brought up it will be necessary to make a motion.

Mr. JAS. SUTHERLAND. It will come up for consideration later on.

Mr. DEPUTY SPEAKER. The item now before the committee is the Kingston military buildings—stable accommodation for field battery.

Mr. LENNOX. But when the item was up before, the minister promised to make some further explanations.

Mr. JAS. SUTHERLAND. According to the wish of the committee the item was allowed to stand. I do not bring the item up now, because I wish to place the plans and information in the hands of the members to be criticised, and that they may have an opportunity of seeing them for themselves.

Mr. LENNOX. There is just this remark to be made, that the plans do not appear to explain themselves. We will require this information at least—

Mr. DEPUTY SPEAKER. Order. That item is not under discussion.

Mr. JAS. SUTHERLAND. The item was allowed to stand, and it will be called again in its proper order. An item that has passed can be brought up again, but this item has not passed.

Mr. LENNOX. With the permission of the chairman I would like to make the point clear that I started to speak on. I have looked at the plan for a moment or two, and I wish to call the attention of the minister to the fact that, judging from the ground plans alone, we cannot ascertain what portion of the building is old and what portion is new. Now if the plans are left on the table for the purpose of examination, at a later time we may be able to discuss the matter, but it is necessary for the minister to give us some more information than he has given yet.

Mr. JAS. SUTHERLAND. If the hon. gentleman will say what information he wants I will try and furnish it.

Mr. LENNOX. We want to know what portion of the structure that is now being dealt with is new and what portion is old.

Mr. JAS. SUTHERLAND. That is shown on the plan itself.

Mr. CLARKE. Can the minister give us any information about this Kingston military building ?

Mr. JAS. SUTHERLAND. The site has been bought for the erection of this building and the plans are being prepared. The suggestion came from the local people that a change might be made. The chief architect thinks that the amount we are asking for this season will nearly complete the building that is required. Mr. Garvin was the owner of the site.

Kingston Royal Military College—addition to building, $5,500.

Mr. JAS. SUTHERLAND. We had previously a vote of $5,000. This is especially to pay for the fittings in the gymnasium.

The total cost is estimated at $7,000, of which it is assumed we will be able to spend out of the vote for the current year, $1,992. The gymnasium is an addition to the Royal Military College building. Some of the fittings were bought in England and some in Canada, from Ketchum & Co.

Mr. CLARKE. Were public bids asked for ?

Mr. JAS. SUTHERLAND. The manufacturers were asked to tender.

Mr. CLARKE. By circular ? How many firms were asked to bid for the supply of those goods ?

Mr. JAS. SUTHERLAND. Two.

Mr. CLARKE. Who were they ?

Mr. JAS. SUTHERLAND. The Narragansett Manufacturing Co., one of the leading firms in the United States, and one of the leading English firms.

Mr. CLARKE. Are there no firms engaged in the manufacture and supply of these goods in Canada ?

Mr. JAS. SUTHERLAND. No, these goods are not manufactured in Canada.

Mr. CLARKE. They may not manufacture them but are there any firms in Canada which supply them ?

Mr. JAS. SUTHERLAND. Not as far as we know.

Mr. TAYLOR. I drew the attention of the Minister of Public Works last year to the fact that the barracks in Kingston were in a dilapidated condition. I think I also drew the attention of the Minister of Militia and Defence (Sir Frederick Borden) to the fact in addition to which I drew the attention of the Minister of the Interior (Hon. Mr. Sifton) to it one day when he was passing in his yacht. The forts were unroofed by a windstorm a few years ago and I think the government are neglecting their duty in not having them put in proper condition. They are land marks, whether they are of service now or not from a military point of view, and there ought to be a few hundred dollars spent upon them to protect them from further injury.

Mr. JAS. SUTHERLAND. I remember very distinctly that the matter was brought up last year.

Sir FREDERICK BORDEN. In reference to what has been said by my hon. friend from Leeds (Mr. Taylor) I may say that the matter was discussed in the House last year when I said that I was of the opinion that instead of constructing new barracks at Kingston we should utilize Fort Henry. Since then further inquiry has been made and the general and other officers, including the chief engineer of my department, have reported against doing so and in favour of constructing barracks near the drill hall in the city. We have ground there available, I believe, for that purpose. However, this is scarcely the proper place to discuss this matter. I will be ready when my estimates come up to go into the matter more fully.

Mr. CLARKE. I think there must be a great many houses supplying sporting goods in the leading cities of Canada, Montreal, Ottawa, Toronto and other places, and it seems to me they should have been given an opportunity for bidding for the supply of these goods.

London drill hall and armoury, $90,000.

Mr. INGRAM. What about that ?

Mr. JAS. SUTHERLAND. The estimate in the department is that this will complete the work now under contract.

Mr. INGRAM. What is the work supposed to cost ?

Mr. JAS. SUTHERLAND. $186,934.88.

Mr. INGRAM. I would like to know what the lot cost, what the building will cost, how many tenders there were for the building, the amount of each tender and whether the lowest tenderer received the contract.

Mr. JAS. SUTHERLAND. I think my hon. friend (Mr. Ingram), or one of his colleagues, asked these same questions last session.

Mr. INGRAM. I do not care whether they were asked fifty sessions ago we are entitled to the information.

Mr. JAS. SUTHERLAND. The hon. gentleman says he does not care. I do care because I do not want to give the information over again.

Mr. CLARKE. You had better send for the 'Hansard' and get the information.

Mr. INGRAM. There is no object in stating that some one else asked for this information. I asked for it and it is my right to have it.

Mr. JAS. SUTHERLAND. The country wants to know whether it is necessary to take up the time of parliament by giving the same information two or three times over. As some of these same questions were asked and answered two or three years ago it could hardly be expected that I should be called upon to give the information again, but still, I am going to give my hon. friend all I possibly can. He has asked me, first, as to the cost of the site. The cost of the site was $25,707. The second question is as to the number of tenders. The information has been brought down. My hon. friend must see that he could not expect me to have that information definitely at this stage, but I do remember that quite a large number of tenders were received for this work. The con-

tract was let to Sullivan & Langdon, of Kingston, and it calls for the completion of the work on the 30th December, 1904.

Mr. CLARKE. How much has been spent to date on the site and building and how much will be required to complete the work ?

Mr. JAS. SUTHERLAND. Up to date there has been spent $98,057.80.

Mr. CLARKE. How much will be required to complete the building ?

Mr. JAS. SUTHERLAND. $90,000.

Mr. CLARKE. The site and armoury will cost $188,000 ?

Mr. JAS. SUTHERLAND. $186,934 are the figures made up by the architect.

Mr. INGRAM. The hon. minister arrives at the conclusion that I was a little hasty in asking these questions and he says that simply because he furnished this information to some other hon. gentleman it ought to be a sufficient answer. We have a right to ask questions session after session for several reasons. When the hon. gentleman (Mr. Sutherland) first took control of the department certain abuses were pointed out to him, and he assured us that he would in no instance undertake any work without securing an estimate of the total cost. But we have had evidence time and again that he has not carried out that programme. The minister shakes his head, but I can tell him that in the case of the Guelph post office, the estimate was exceeded by several thousand dollars, and in Alexandria the minister paid $3,500 for a lot that was dear at $1,500, and we do not know what the cost of the Alexandria building is going to be. We would be negligent in our duty if we did not press for information session after session about buildings, the construction of which has been commenced. I have no doubt that the London armoury is like the rest, and that it will cost more than the original estimate.

Mr. JAS. SUTHERLAND. I do not complain that the hon. gentleman asks questions, but I do not think it is parliamentary for a member to ask questions, and then a few minutes afterwards, that another member should put exactly the same questions. I am only too happy to give any information which I possibly can.

Mr. CLARKE. Will the minister give the information now ?

Mr. JAS. SUTHERLAND. I have not the tenders here, but I will be pleased to bring down a list of the tenders, the names, and the amounts.

Mr. INGRAM. Is the London armoury complete now ?

Mr. JAS. SUTHERLAND. No, the contract calls for its completion on the 31st of December, 1904.

Mr. INGRAM. Are we not within our rights in asking questions about this building ?

Mr. JAS. SUTHERLAND. I am not disputing your right, but it cannot be expected that a minister can have the entire files of his department here so as to enable him to answer questions about matters which have occurred several years ago.

Mr. COCHRANE. It is much easier for the Minister of Public Works to have his officials supply the information, than it is for us to hunt through 'Hansard' to see what was said some years ago. The trouble with these ministers is that when they are asked a question they lecture us on what we ought to do. If they spent their time giving us the information instead of lecturing us, we would get through much quicker. The fact is, as we say in the country, these gentlemen get swollen heads when they get into the cabinet and they think they should not give the country any information. Let them reflect how they used talk to the Conservative government and then they will understand what the right of the opposition is. If I were a minister of the Crown——

Some hon. MEMBERS. Hear, hear.

Mr. COCHRANE. Well, you make a great deal of noise and assume quite a jocular air, but I am telling you that if I were a minister of the Crown and came down to ask for an appropriation, I would have all the facts and figures before me, and I would not waste time lecturing the members of the opposition ; when they ask for information they should be furnished with.

Mr. BLAIN. How much will the architect be paid in this case?

Mr. JAS. SUTHERLAND. Two per cent.

Mr. GILMOUR. Have these contractors a contract for the entire completion of the building ready for occupation, or will there be extra for fittings.

Mr. JAS. SUTHERLAND. The fittings and heating will be separate.

Mr. INGRAM. Does the Minister of Public Works say that he gave this information to the House two years ago ?

Mr. JAS. SUTHERLAND. No, I said that the tenders were brought down, but I do not say when.

Mr. INGRAM. The minister now tells us that this building will cost $186,000, and in view of the information we got about two years ago it is no wonder we should ask questions year after year.

Mr. JAS. SUTHERLAND. I had nothing to do with any statement that was made by the Minister of Public Works two years ago. I remember distinctly that last year I said that the estimated cost would be from

$175,000 to $180,000. I took considerable trouble to get an estimate, and now that the work is nearly completed, and considering the amount involved, I think it was a pretty close estimate indeed.

Mr. INGRAM. I will read the answer that was given when the London armoury question was taken up in this House two years ago :

Mr. SPROULE. What is the total cost of that ?

The MINISTER OF PUBLIC WORKS. I have already stated to the House that I do not intend to spend more than $100,000 at London. Part of the site has been bought, but there are two more little spots I want to buy if I can get them pretty cheap. London is a very important military district, and it is only fair that we should give them a good building.

Mr. JAS. SUTHERLAND. It was not I who made that statement.

Mr. INGRAM. Certainly not. It was the Minister of Public Works at that time. I am not holding the hon. gentleman responsible for what took place previous to his holding office. I am simply pointing out, what is the case in every department, that one statement is made one year and a contrary statement the next year. That is what we on this side find fault with, and that is why we have to go to the records. It strikes me that there is a great big bluff put on us sometimes. Hon. gentlemen opposite want to bluff their estimates through by giving as little information as possible, because they know that if they give us full information, that is put on record, and may be quoted against them afterwards. Until there is more honesty in giving answers to questions, difficulties of this kind will continue to occur.

Mr. BLAIN. I notice in the discussion of last year that the hon. minister stated that the architect was receiving 2½ per cent. Has there been a change of agreement since last year, or is it the policy of the government to employ a local architect where buildings of this kind are being constructed, and is a uniform fee paid to architects in different parts of Canada ?

Mr. JAS. SUTHERLAND. My policy has been to engage a local architect as superintendent wherever that has been possible. The usual commission allowed, where the plans, specifications and details have been prepared by the department, is 2 per cent.

Mr. CLANCY. Are the plans not prepared by the chief architect of the department in every case ?

Mr. JAS. SUTHERLAND. I would not like to say in every case. In some cases the plans are prepared by the local architect, and for that he is paid extra. My hon. friend knows that the rate charged by Ontario architects, for preparing plans and specifications and superintending the work, is 7 per cent. But the general policy which I have adopted and am endeavouring to carry out is to have the plans prepared in the department and to employ a local architect to superintend the work.

Mr. CLARKE. Who prepared the plans in this case ?

Mr. JAS. SUTHERLAND. The architect of the department.

Mr. GILMOUR. Who is the superintendent at London ?

Mr. JAS. SUTHERLAND. Mr. Henry has acted as clerk of works. It is certainly a great saving to the country to have the work carried on in this way instead of by the methods adopted in the past.

Mr. BLAIN. Is a local architect employed in every case where a building is put up in a city ? If not, why make a special case of the city of London ?

Mr. JAS. SUTHERLAND. I have already stated that wherever I have had to do with the commencement of any work, my policy has been to employ an architect if there is one in the place. In some places where there is no architect, we have to employ a man to act as foreman.

Mr. GILMOUR. Does Mr. Henry get any extra pay as clerk of works ?

Mr. JAS. SUTHERLAND. No.

Mr. GILMOUR. He is a good man.

Mr. BLAIN. Has a local architect been employed in connection with the Chatham armoury ?

Mr. JAS. SUTHERLAND. Not yet, but there probably will be.

Mr. BLAIN. Has one been employed in connection with the Cobourg armoury ?

Mr. JAS. SUTHERLAND. No appointment has been made there either.

Mr. SAM. HUGHES. Why is there no sum in the estimates for a drill shed in the town of Lindsay, which was promised, if I remember rightly, about three years ago ?

Mr. JAS. SUTHERLAND. The reason is that there are no new appropriations in these estimates.

Mr. SAM. HUGHES. There will be in the supplementary estimates.

Mr. JAS. SUTHERLAND. There will be some new ones, but I do not know which will be the lucky places.

Mr. SAM. HUGHES. We have been very patient. I think the minister last year said that the request would receive very serious consideration. I took that to mean that the item would be put in the estimates. I hope, when the supplementary estimates come down, we shall find a substantial sum for that purpose.

Mr. JAS. SUTHERLAND. I stated at the opening of the consideration of these items that owing to the lateness at which the House was prorogued last year, very little work had yet been done, and therefore we are practically revoting the appropriations of last session. The important places will all be provided for as soon as the department and the government can see their way clear to recommend them.

Mr. BLAIN. Will the minister say at what places in the list of votes on this page a local architect is employed ?

Mr. JAS. SUTHERLAND. Toronto, Hamilton, Brantford, Guelph—my hon. friend will hardly expect me to remember them all. I mentioned Halifax the other night. In most of the important places an architect is employed and, as I have stated, that is the general policy which I am endeavouring to carry out.

Mr. BLAIN. At a uniform fee of 2 per cent ?

Mr. JAS. SUTHERLAND. Practically so. In other places it may be smaller or greater. In Halifax I think it is 1½ per cent ; but 2 per cent is about the average.

Mr. BLAIN. I understand that the architect in the London case is clerk of the works as well. Does he get extra pay for being clerk of works ?

Mr. JAS. SUTHERLAND. No.

Mr. INGRAM. That is an exceptional case in London. There are several other public buildings where they get extra pay. In British Columbia they get as high as $7 a day and in other parts from $2.50 to $3.50. That is something which ought to be remedied. Engaging clerks of works or superintendents on public works has the effect of prolonging the delay in building these works, because it is to the interest of these men to keep their pay going as long as possible. The clerk of works will not complain because there are not sufficient men on the job to complete it within reasonable time. That is one reason why the construction of our public buildings takes so long. Instead of getting a daily salary, these men should be given so much percentage.

Mr. JAS. SUTHERLAND. If I understand the hon. gentleman, he approves of the policy I have adopted in this direction.

Mr. INGRAM. If the hon. gentleman has adopted the policy of paying so much per cent and not paying a daily wage to the clerk of works, I approve.

Mr. JAS. SUTHERLAND. That is what I have done and am trying to carry out.

Mr. INGRAM. The hon. gentleman is to be commended for this, and I hope we will not find later that he is not carrying it out.

Mr. WILSON. What is the necessity for having a clerk of works and a local architect as well ?

Mr. JAS. SUTHERLAND. To what work does the hon. gentleman refer ?

Mr. WILSON. To any work. What is the use of having a clerk of works as well as a local architect on public buildings ?

Mr. JAS. SUTHERLAND. As there is no clerk of works in this particular case, I cannot give any reason why there should be one.

Mr. WILSON. I understood that there was a clerk of works and a local architect as well, but that they were both the same person, and that it is not unusual to have a clerk of works as well as a local architect. I would ask the hon. minister if in no case where they have a local architect, they have a clerk of works.

Mr. JAS. SUTHERLAND. None that I can remember. Certainly not in this case.

Oshawa public building, $18,000.

Mr. CLARKE. How much is this building going to cost ?

Mr. JAS. SUTHERLAND. My desire is to carry out the policy I have announced, and which has been agreed to as the proper one, and that is to give an estimate as nearly as possible of the total cost of the work. Any reasonable man must admit that there may be variations, sometimes material variations in the cost, but not in such a sense as to in any way deceive the House. The estimates are made up by the chief architect who has to depend to a considerable extent on his subordinates.

Mr. CLARKE. If the chief architect sends a report over his own signature, he does not depend on his subordinates.

Mr. JAS. SUTHERLAND. No, not as a rule, but he may take his figures from his staff, and the minister depends on the staff furnishing correct estimates. The intention in all these works is to give what we believe will be the actual total cost, and in this case the estimate is $25,941.58.

Mr. CLARKE. How much does the site cost ?

Mr. JAS. SUTHERLAND. $2,900, and the amount of $29,941 includes the site.

Mr. TAYLOR. Has anything been expended on the building as yet ?

Mr. JAS. SUTHERLAND. No, but the site has been paid for.

Mr. TAYLOR. What is the size of the site ?

Mr. JAS. SUTHERLAND. 82 feet 5 inches frontage by 140 feet deep.

Mr. BLAIN. From whom was the site purchased ? Perhaps the hon. gentleman will give us a history of the purchase.

Mr. JAS. SUTHERLAND. I have no further history to give than that under authority of an Order in Council, dated 24th of December, 1903, the Minister of Public Works was authorized to purchase from Mr. M. Finnegan, lot No. 3 for $2,900. It is situate on the north side of King street and is a corner lot.

Mr. BLAIN. Was any one sent from the department to find out whether this was a suitable site ?

Mr. JAS. SUTHERLAND. Yes.

Mr. BLAIN. Would the hon. minister give us the report of the officer sent up to select this site ?

Mr. JAS. SUTHERLAND. The site was not selected by an officer of the department. I think it was purchased on the recommendation of the member for the riding and mayor of the town.

Mr. CLARKE. Are the plans completed ?

Mr. JAS. SUTHERLAND. No.

Mr. CLARKE. But the hon. gentleman stakes his reputation that the building will not cost more than $25,000.

Mr. JAS. SUTHERLAND. Yes, with the reserve I made in the statement I have just given.

Mr. CLARKE. Was that estimate made before the plans were completed ?

Mr. JAS. SUTHERLAND. The plans not being completed, we can only give an estimate, and I did so to carry out the promise I made that an estimate would be given. According to the officers of the department, the work can be done for this figure provided there is no great change in the cost of material or labour.

Mr. BLAIN. What is the policy of the department with respect to purchasing sites of this kind ? Is it usual to purchase sites on the recommendation of the sitting member ? In the case where the sitting member is not a supporter of the government, what would be the policy of the government ?

Mr. JAS. SUTHERLAND. The policy of the department in these matters is much like that of the corporation or individual—we try to do the best we can. As a rule, the public gnerally take an interest in the matter, and municipal bodies interested make representations. In the case of armouries, for instance, the local militia, as a rule make representations as to the site to be chosen. The town council also usually give their opinion. My hon. friend (Mr. Blain) will admit that, if the representative bodies in the vicinity did not make representation they would hardly be doing they duty.

Mr. T. I. THOMSON. Was any information given to any party in Oshawa or the riding to the effect that the government intended to purchase this particular site ? I am informed that Mr. Finnegan purchased the lot a few months before for a very much less sum than he sold it for to the government.

Mr. JAS. SUTHERLAND. So far as my information goes, there is no ground for the suggestion of my hon. friend from North Grey (Mr. T. I. Thomson). No information was given by the minister or by the department as to what site would be purchased.

Mr. T. I. THOMSON. I suppose the purchase was made on the recommendation of the local member ?

Mr. JAS. SUTHERLAND. The local representative did recommend this site, and we received a recommendation from the local municipal council to the same effect. I know that the mayor, and perhaps other members of the council, waited upon me recommending the purchase of this site.

Mr. T. I. THOMSON. The reason I make the statement, is that I was informed by a very prominent resident of Oshawa that this Mr. Finnegan purchased the property a short time before he sold it to the government and purchased it for very much less than he sold it for. The hon. minister does not say that no information was given, which I take to be an intimation that information was given, that this lot was to be purchased.

Mr. JAS. SUTHERLAND. My information is that the owner from whom the government purchased had bought the lot a short time before.

Some hon. MEMBERS. Oh, oh.

Mr. JAS. SUTHERLAND. Well, what about it ?

Mr. T. I. THOMSON. He would not have purchased it had he not had some information that the government intended to secure it.

Mr. JAS. SUTHERLAND. From my examination of the case, I am satisfied that the truth is quite the contrary of what is reported to the hon. member for North Grey (Mr. Thomson). However, I do not know that it is material. The site, I believe, gives great satisfaction to the people of the town and the price is considered reasonable.

Mr. CLARKE. In the case of Alexandria, there was a recommendation from the chief architect that $3,500 was a reasonable price to pay for the site. Was there any report from the chief architect in this case ?. If not, why not ? In what cases is the chief architect called upon to send in such a letter, and in what case is that pre-requisite not complied with ?

Mr. JAS. SUTHERLAND. I do not know of any case in which it is not complied with.

Mr. CLARKE. Was there a letter of the chief architect in this case ?

Mr. JAS. SUTHERLAND. There must have been a recommendation from some officer of the department. Of course, the chief architect cannot visit all the places in Canada. As a rule, in the case of distant places, we get the report of some district officer. I do not know which officer certified in this case.

Mr. CLARKE. Does the hon. minister remember the tenor of the report of the officer ?

Mr. JAS. SUTHERLAND. I do not remember. It must have been favourable or I would remember it.

Mr. CLARKE. Was some other site purchased first ?

Mr. JAS. SUTHERLAND. Not to my knowledge. Several sites were considered, though I cannot remember about them now.

Mr. INGRAM. The hon. member for South Ontario (Mr. Ross) is in his place. Probably he could give us information on the subject. If a public building were put up in my constituency I should be ready to give any information to the committee that I could, and the hon. gentleman (Mr. Ross, Ontario) is so genial always, that I feel sure he would be willing to oblige us.

Mr. BENNETT. Before the hon. member rises, I would like to ask a question. How far is this site from the Western Bank, which, as I remember, is on the corner of the principal street and a side street ?

Mr. WILLIAM ROSS (South Ontario). The site selected is one block east of the Western Bank, which is on the main cross streets. There were practically three available sites, one was one block west, one was one block east and the other one block south. This site was chosen as the most desirable, and I still think the choice was a wise one. Of course, there may be differences of opinion about that—people living in the south or in the west may think that a mistake was made. But, I think that, taking it all round, the site was well chosen and, considering the price that lots in that part of the country have been selling for, the price paid was a reasonable one.

Mr. T. I. THOMSON. Is the post office not to be in the town ?

Mr. WM. ROSS (Ontario). Yes, one block west of the main cross street.

Mr. T. I. THOMSON. The hon. gentleman spoke of lots in that part of the country.

Mr. INGRAM. The hon. member tells us that three sites were talked about. Would he tell us at what time this discussion of sites went on ?

Mr. WM. ROSS (Ontario). I think it was after the estimate was brought down showing that we were to have a public building.

Mr. INGRAM. That is, during last session ?

Mr. WM. ROSS (Ontario). I think so.

Mr. INGRAM. Perhaps the hon. gentleman can tell us about what time Mr. Finnigan bought the lot that was afterwards sold to the government ?

Mr. WM. ROSS (Ontario). I cannot give that information.

Mr. BENNETT. Is Mr. Finnigan connected with Mayor Fowke in business in any way ?

Mr. WM. ROSS (Ontario). I am not aware of it.

Mr. INGRAM. The hon. member for South Ontario (Mr. Wm. Ross) is not able to say whether Mr. Finnigan purchased this property during the discussion of these three sites. Will he undertake to say that Mr. Finnigan did not ask him what site the government was likely to select ?

Mr. WM. ROSS (Ontario). I cannot tell what Mr. Finnegan thought or what anybody else thought. I did not tell him—had no communication with him—and he never asked me.

Mr. T. I. THOMSON. The fact remains that there is a feeling in the town of Oshawa that there is something wrong about the purchase of this property. It is stated practically that there was a job put up on the department. Mr. Finnegan purchased the property ostensibly to sell it to the government, and succeeded in doing it. I would like to know on whose advice he purchased it and on whose recommendation the government purchased it at this figure.

Mr. WM. ROSS (Ontario). I am satisfied that there is no foundation whatever for the statement made by the hon. member for North Grey (Mr. T. I. Thomson). I am satisfied of that from my own knowledge of the transaction.

Mr. BENNETT. I must congratulate the hon. member for South Ontario (Mr. Ross) in expressing himself so admirably as he has done to-day. After all the trouble there was in that town about the postmastership, it must rather annoy him to see this phantom coming up about the post office. Now if the hon. member would be frank and fair with the House he would tell us that this has been a burning question in the town of Oshawa as to this post office site. The hon. gentleman says he does'nt know whether Fowke and Finnigan are in partnership. Is it not a fact that it is currently reported in Oshawa that Fowke and Finnigan are connected with this lot ?

Mr. WM. ROSS (Ontario). I am not aware of it.

Mr. BENNETT. The hon. gentleman is pretty guarded. Now this is a burning question.

Mr. CAMPBELL. What is a burning question ?

Mr. BENNETT. Vegetables, the same nightmare that haunts the hon. gentleman. Now this has been a burning question in the town of Oshawa. A large element of the Liberals there are utterly disgusted with what is known as this job, in dragging the post office down there. May I ask the Minister of Public Works if he is aware that a petition has been sent down here asking for the establishment of a second post office in Oshawa in consequence of the determination of the government to locate this building at the proposed place ? Or has the member for South Ontario heard of it ?

Mr. JAS. SUTHERLAND. No, I am not aware of any.

Mr. BENNETT. May I ask the member for South Ontario if he has heard of it ?

Mr. WM. ROSS (Ontario). I am aware that a petition has been sent to the Postmaster General for opening a post office in the south of Oshawa, but whether it is due to the situation of this public building, I am not aware. I congratulate the hon. member for Simcoe (Mr. Bennett) in bringing this matter up in the nice way he has done. As to this being a burning question among the Liberals of Oshawa, as he says, I do not understand it to be so. It has been a burning question with the 'Vindicator,' the Conservative paper in Oshawa who has tried to make political capital out of it. But so far as my opinion goes, there is absolutely nothing wrong about the purchase of the site ; so far as I know, upon my oath and upon my honour as a member of parliament, I know absolutely of nothing wrong in connection with that matter. I say again as I have said before, that I think the site is an admirable one, and that it satisfies the majority of the people of Oshawa, and I think a majority of the people of Oshawa will say so.

Mr. BENNETT. One thing is certain, that as soon as the government announced that they were going to take up the Finnigan site, a large number of the residents in the south part of the town who heretofore had been quite satisfied with the present post office site, saw it was their duty to petition the government to establish a post office in another part of the town. It goes without saying that it was not until the hon. member's friends had decided to establish the post office at that site that these people decided that it would be disadvantageous to have it there. Now let me read what the 'Vindicator' says. I think the hon. gentleman can scrutinize the Liberal paper in that town and he will not find a word in that paper supporting the proposed site. These are some of the statements of the 'Vindicator.' I know the hon. gentleman has not a very high regard for the 'Vindicator,' but that is due perhaps to some action of the hon. gentleman :

> Now that the post office is to be placed still further out of the way, the people of the south and southwest demand a separate service. They very properly rebel against the treatment they are to receive.
>
> Had the new post office site been selected as it should have been and where it could have been purchased for half the money, at Coburn's corner, we venture the opinion that this move for a separate service would never have been heard of, but the people of the south have rights, and have taken immediate steps to assert them. They know very well that their interests for all time were sacrificed to enable a small clique of Liberals to squeeze a few hundreds of public money.

It does not say so, but it insinuates that there is more than one interest in the site ; and that is in accordance with the information I have received, that there is more than one interest in this site. I think the statement is true, and that the site was only acquired a little time before the department determined to take it over.

> Everybody is affected by a wretched piece of business like this, and the longer it stands the worse it will look. Should there be a change of government we fully believe not a brick would be laid there. The place should be made a calf pasture, or a bowling green. A thousand times better leave the post office where it is for an age, than to discommode a whole town for ever to suit the grasping purposes of a few party healers.

Now may I ask the member for South Ontario if there is any building on the proposed site ?

Mr. WM. ROSS (Ontario). Yes, there is. It is now a private dwelling, but it was previously a doctor's residence for 25 or 30 years. Let me say to the hon. gentleman that according to my recollection the lot is not over ten or twelve doors from the present post office. The present place is as valuable as any in Oshawa. Regarding the opening of a new post office in South Oshawa, there are only two blocks between the Cockburn block and the property acquired by the government. All the properties that were considered in connection with the matter were but one block from the absolute centre of the town, and Dr. Cockburn's property was only one block south and this property was but one block east, and then there was a property one block west. These are practically the best available sites.

Mr. BENNETT. I have been in Oshawa and know a little about the town. Now two blocks from that back corner takes you away out of the active business portion of the town. The very fact that three or four different sites have been under discussion, as the minister states, and the fact that this lot was acquired only a little time be-

fore it was bought by the vendor, and the fact that it is openly denounced by this newspaper and not commended by the other paper, allow a fair inference that there has been a very strong political pull exerted.

Mr. WM. ROSS (Ontario). The hon. gentleman is wrong when he says that it has not been commended by the other paper, because the other paper has commended it. But whatever it may say in connection with the matter, I still maintain that a large majority of the people of Oshawa are in favour of the site which has been purchased by the government. I am sure there is no better site to be found. If you take one of the four corners in the central part of the town it would be much more expensive. There is in my opinion no better site in Oshawa than the one that has been purchased. It is on the corner, 82 feet 5 inches by 140 feet. It is a splendid location for the purpose of a public building. The town is growing in the direction of this site. Down west of the four corners it is only half a mile. The town is extending towards the east, and factories are to-day going up in the eastern, and southern and north easterly portions of the town.

Mr. T. I. THOMSON. May I ask the hon. member if the Liberal newspaper commended the present site as strongly as it did the appointment of the present postmaster ?

Mr. WM. ROSS (Ontario). The hon. gentleman does not want an answer to that, does he ?

Mr. T. I. THOMSON. Was the site purchased from a party named Finnigan ?

Mr. JAS. SUTHERLAND. Yes.

Mr. T. I. THOMSON. I would ask the member for South Ontario how far this location is from the business street ?

Mr. WM. ROSS (Ontario). It is on a business street, and it is only one block from the four corners in the central part of the town.

Mr. T. I. THOMSON. The 'Vindicator' says it is a calf pasture.

Mr. WM. ROSS (Ontario). Don't believe all that the 'Vindicator' says.

Mr. T. I. THOMSON. I should suppose that this paper would represent public opinion to a large extent. This lot has 80 feet frontage, I understand, and over $3,000 was paid for it, and now it is called a calf pasture by one of the papers of the town. In fact no matter how you look at it, it presents an ugly face. The fact remains that Finnigan purchased this property a short time before. He must have had some knowledge that the government intended to purchase that property.

Mr. JAS. SUTHERLAND. Would the hon. gentleman kindly inform me how much he paid for it.

Mr. BENNETT.

Mr. T. I. THOMSON. If you will let the question stand for a short time, I will get the information.

Mr. JAS. SUTHERLAND. I am informed that the gentleman who bought this property paid quite a large sum for it, and he sold the best part of it not a bit over pro rata what he had paid for the whole property. I merely asked for the information for my own use.

Mr. T. I. THOMSON. If the hon. minister will allow this matter to stand for 24 hours I will promise to give him the information.

Mr. JAS. SUTHERLAND. It is not an important enough matter to justify the hon. gentleman in asking to have it stand.

Mr. T. I. THOMSON. I suppose it would not make any change but it is as well of the country to know on what conditions property is purchased for government buildings. There is something in connection with this purchase which is disagreeable and it is well to ventilate it. I do not know that the hon. minister is responsible, but if the local member is, his constituents should know it.

Mr. JAS. SUTHERLAND. I am fully responsible for the purchase of this site and if the hon. gentleman knows of anything that has the slightest appearance of wrong it is his duty as a member not to insinuate or to make statements such as those he is now making before the committee, but to submit the proof of what he says. I take the full responsibility for the purchase of this lot. I say that the purchase price is very reasonable and as far as I am able to ascertain the opinion of the people of Oshawa irrespective of politics, it is that of all the sites among those that were offered and those that came within the amount that we were in a position to pay, the most suitable, was the one which we selected. There is nothing in the transaction of which any person has cause to be ashamed. I do not think it is right for any hon. gentleman who has no facts to state, or information to give, to make insinuations against the minister, the officials, or even against the citizens of Oshawa. There is not the slightest foundation for the mere hear-say statements which he has made. This transaction ought to be dealt with on its merits and if there is anything wrong within the knowledge of the hon. gentleman, it is his duty to expose it here and now.

Mr. CLARKE. In this case, was there any official sent to Oshawa to make a report ?

Mr. JAS. SUTHERLAND. Yes.

Mr. CLARKE. May we have that report ?

Mr. JAS. SUTHERLAND. Certainly.

Mr. T. I. THOMSON. How long was the question of the purchase of the site befor'

the department before the purchase was made ?

Mr. JAS. SUTHERLAND. About three months.

Mr. T. I. THOMSON. Would the hon. minister have any objections to laying the correspondence on the table ?

Mr. JAS. SUTHERLAND. Not the slightest. If the hon. gentleman says he desires it, I will not even ask him to move for a return. I will be pleased to give instructions to have it brought down.

Mr. T. I. THOMSON. Why did it require three months to make this purchase ?

Mr. JAS. SUTHERLAND. I cannot tell that gentleman why it took three months.

Mr. CLARKE. Twelve days were all that were consumed in completing the Alexandria site purchase.

Mr. T. I. THOMSON. The statements I made here to-day, I received from a very prominent citizen of Oshawa and the facts stated are as he gave them to me. I believe him to be a thoroughly reliable man and hence I repeated them here.

Mr. JAS. SUTHERLAND. Will the hon. gentleman give the name of that man ? I do not know whether the correspondent has made the insinuations that the hon. gentleman has made upon the floor of this House or not, but I think it is only fair, considering the importance of the question, that the hon. gentleman should at least say whether he made these insinuations upon his own responsibility. He says that he makes them on the authority of a respectable citizen. It is only due to the other citizens of Oshawa and to myself that he should give the name of the person who made such statements.

Mr. T. I. THOMSON. I make these statements on my own responsibility and I would like to ask the hon. minister to allow this item to stand.

Mr. JAS. SUTHERLAND. I appeal to the committee to say if there has been any good reason or any reason at all given why this item should stand. If my hon. friend will furnish one reason in connection with this matter I will be only too glad to assent to any such proposition. But, after the insinuations which have been made, I have only to say that if my hon. friend has reason to think that there is any foundation for his statements the postponement of the consideration of the item would not help him because the proper way would be to have an investigation in regard to the statements which he makes.

Mr. CLARKE. My hon. friend from North Grey (Mr. Thomson) made these statements some time ago and he suggested in a most respectful way to the hon. minister to allow the item to stand for 24 hours until he could get more definite, more accurate, or fuller information.

Mr. JAS. SUTHERLAND. Information as to what ?

Mr. CLARKE. Information as to the statements he made. If the hon. member is anxious to have the statements made by my hon. friend from North Grey implemented, why not accept the proposition and allow the item to stand for 24 hours ?

Mr. JAS. SUTHERLAND. There has been no reason given why this item should stand.

Mr. CLARKE. The hon. minister a minute ago charged my hon. friend from North Grey with making statements that cannot be substantiated. My hon. friend has asked for time to bring documentary evidence and to give further proof or fuller information as to the statements he has made. It is not an unreasonable request. If the hon. minister desires to give my hon. friend that opportunity, he should allow the item to stand.

Mr. JAS. SUTHERLAND. Allowing the item to stand does not give him an opportunity. If he has the slightest information to bear out the statements he has made, I will give him an opportunity in the proper way. I will give him a committee of investigation so that he can place the information before that committee. We cannot satisfactorily discuss the matter on the floor of this House. I will give him an opportunity of availing himself of the constitutional, the proper and the parliamentary method of proving his statements.

Mr. WM. ROSS (Ontario). Mr. Chairman, the hon. member for North Grey (Mr. Thomson) stated to the committee that he was informed by a reputable citizen of Oshawa, of certain things. I have no doubt he may have been informed of certain things in regard to this matter, because there is no question that the selection of a site for a public building costing $20,000 or $25,000, in a town will affect certain people in a certain way. One will want it in his direction and another will want it in his direction, but if the government has obtained the property for $2,900, which is just within a block of the front street, 82 feet 5 inches by 140 feet and a corner lot, that property is cheap at the price.

Mr. SAM. HUGHES. How much did Finnigan pay for it ?

Mr. WM. ROSS (Ontario). I do not know what Finnigan paid for it. There is no question but that some people are disappointed in Oshawa. The 'Vindicator' that has been referred to is disappointed, because, if the building had been placed south of the four corners, it would have been almost next door to the 'Vindicator' office. As the representative of the riding, I have no hesitation in recommending this site to the government for the purpose of a post office. In connection

with that newspaper which has been quoted in the House to-day, I would say that I have been slandered and vilified by it and that it has regarded with unrelenting suspicion absolutely everything that has been done in that riding. I have tried to do everything as fairly and squarely as I could. Under the circumstances I cannot see any reason why the item should stand. If any hon. member has anything to bring up about it, I shall be very glad to have it investigated in the public accounts committee, or before a special committee, or in any way that may be desired.

Mr. BENNETT. The hon. gentleman (Mr. Ross) did not see fit to quote his own newspaper 'The Ontario Reformer' because he could get very little comfort out of that. It pleads that the public should not pay any attention to these attacks on the purchase of the site by saying :

If, as alleged, the site for the post office cost too much, may not the lot have brought too little money ?

That is a most pathetic appeal. It does not attempt to defend the site as being a central position and it makes only a weak hearted plea that the price is not an extravagant one.

Mr. BLAIN. Does the minister intend to employ a local architect and a clerk of works for this building ?

Mr. JAS. SUTHERLAND. It is not my intention.

Mr. BLAIN. Are we to understand that the total cost of the building including the heating and internal equipment is to be $25,900 ?

Mr. JAS. SUTHERLAND. About $26,000; I gave the actual figures.

Mr. CLARKE. You are getting it up a $1,000 already.

Mr. JAS. SUTHERLAND. Not at all. The exact estimate is $25,941.58 or in round figures $26,000.

Mr. BLAIN. What proportion is to be expended on the building, and what proportion on the interior equipment ?

Mr. JAS. SUTHERLAND. Cost of building in round figures, $18,000 ; site, $2,900 ; heating, $1,000 ; fittings and furniture, $2,200 ; wire and electric light fixtures, $350 ; fences and sidewalks, $400 ; incidentals, $1,000.

Mr. BLAIN. Will the heating be let by tender ?

Mr. JAS. SUTHERLAND. Yes.

Ottawa departmental building—new elevator for west block, $6,000.

Mr. JAS. SUTHERLAND. This is a revote. We have advertised for tenders. There is a small elevator in the west block now, but it is of no use for the purpose of the departments.

Mr. CLARKE. Will the elevator be placed at the entrance facing Wellington street ?

Mr. JAS. SUTHERLAND. I consulted with the ministers and deputy ministers in the building, and the chief architect came to the conclusion that it would be best and most convenient to put the elevator at the Wellington street side.

Mr. CLARKE. Will this be the total cost ?

Mr. JAS. SUTHERLAND. Yes.

Mr. CLARKE What kind of elevator will it be ? Will it be similar to the elevators in this building.

Mr. JAS. SUTHERLAND. Yes, and we know the cost from our experience in the past.

Mr. CLARKE. Who supplied the elevator here ?

Mr. JAS. SUTHERLAND. The Fensom Elevator Co.

Mr. CLARKE. Is it intended to procure this elevator from them ?

Mr. JAS. SUTHERLAND. I would like very much as they have given great satisfaction, but I will have to take the lowest tender. I am prejudiced in favour of a Canadian manufacturer.

Mr. CLARKE. Who is the lucky man in this case ?

Mr. JAS. SUTHERLAND. We are only now asking for tenders ?

Mr. CLARKE. The lowest tender will get it ?

Mr. JAS. SUTHERLAND. Yes.

Ottawa departmental building—steel drawers and rollers, shelves, &c., $10,000.

Mr. CLARKE. Are these purchased by tender ?

Mr. JAS. SUTHERLAND. No. There are only three manufacturers in Canada and we got figures from them. These files are put in on requisition from the departments. The Department of Agriculture ordered from the Canada Cabinet Co, of Gananoque, $10,885 ; the Post Office Department, Militia and Defence, and Railways and Canals ordered from the office Specialty Co. of Toronto, $22,407 worth ; the Department of the Interior, the Auditor General's office and Railway and Canals ordered from the Eclipse Office Furniture Co., Ottawa, $19,625 worth.

Mr. CLARKE. Where is that establishment ?

Mr. JAS. SUTHERLAND. I do not know personally, but I am informed that it is quite a large establishment on Albert street.

Ottawa public buildings—paving in front of parliament building, tar macadam, $6,900.

Mr. JAS. SUTHERLAND. Last session great complaint was made of the dirt and dust on the walks around the buildings, and on the advice of the architect of the department this work will be done. There is a company in Toronto which has supplied us with specifications, and who make a new kind of material and I have given instructions to give them the contract.

Mr. CLARKE. No tenders were called ?

Mr. JAS. SUTHERLAND. We asked figures from each one.

Mr. CLARKE. Who ?

Mr. JAS. SUTHERLAND. I do not know but we asked figures for tar macadam, and asphalt, and this new material which I do not know the name of. It is a little dearer than some, but not so dear as others, and I am informed that it will give great satisfaction.

Mr. CLARKE. Will the minister bring down a memo. of the firms from whom bids were asked, and also the different prices ?

Mr. JAS. SUTHERLAND. Yes.

Ottawa public buildings—new coal shed, $10,000.

Mr. JAS. SUTHERLAND. The deputy minister informs me that we have not storage enough for this coal, and a shed is needed in which to protect it. The contractors have to deliver the coal without cost.

Mr. CLARKE. You supply the contractors with storage accommodation.

Mr. JAS. SUTHERLAND. For our own benefit, yes.

Ottawa Printing Bureau—fire-proof addition for storing standing matter, $3,500.

Mr. JAS. SUTHERLAND. This small addition is being made at the request of the Department of Printing owing to the great danger of loss by fire of a lot of their valuable standing matter.

Mr. CLARKE. The last time I was in the Printing Bureau, some three years ago, there was a crying necessity for additional accommodation for the bindery. The number of employees was altogether too large for the size of the building. I do not know whether that has been considered by the department ?

Mr. JAS. SUTHERLAND. I am sorry to say that I am not in a position to state whether any change has been made in that direction or not. I will inquire about it.

Mr. WILSON. If we are to have a Printing Bureau, I think we ought to have an efficient one. Any one who goes down there will see that there is not room enough for all the work that has to be done. The members have not yet received the 'Hansard' of last session. By an extra effort I understand the Bureau had 25 copies prepared for the House, but I do not think that any member has yet received his copy. Of the Auditor General's Report only one copy to each member has yet been issued. I think the Printing Bureau ought to be greatly enlarged, and it ought to do about all the printing required for the government under the direction of a proper officer. I have been trying for days to get an extra copy of the Auditor General's Report, but have not been able to get it. I have even applied to the Auditor General himself, but he has no extra copies.

Mr. JAS. SUTHERLAND. I think the Printing Bureau complain that the Auditor General was slow in sending in his matter, and that after they had printed it, he was very slow in revising the proofs. I believe they disclaim the responsibility for the delay in the issue of that report. That was stated officially by the department. As to the improvements that may be necessary for carrying on the work of the Bureau, I have no doubt that what my hon. friend says is true. There has been a very large increase in the amount of work done. That applies to all the departments. From almost every section of the country applications have come to the Public Works Department either for new works or for enlargements. If the Printing Bureau is in so congested a state as my hon. friend says it is, of course the matter will have to be taken into consideration. In any case, it would not be provided for in the main estimates, but in the new estimates for 1904-5.

Mr. WILSON. I think the trouble is not so much with the Auditor General as it is with the different departments in not furnishing the material early enough. There is another difficulty. I did my best last year to induce the Minister of Finance to allow the Auditor General to send out his report for each department as soon as it could be got ready. Why should not that be done instead of keeping everything back till the whole publication can be issued ? It would be a great advantage to the members to receive at their homes such portions of the Auditor General's Report as could be got ready before the meeting of parliament, so that they could make themselves familiar with the business which they would have to take up when the House met. Would not the Minister of Public Works lend us his assistance to have this done ?

Mr. JAS. SUTHERLAND. I think that is a matter for parliament to deal with.

Mr. WILSON. It seems to me it is a matter for the government to deal with.

Mr. JAS. SUTHERLAND. I will bring the matter to the attention of the Minister of Finance.

Mr. WILSON. I would like to have the opinion of the Minister of Trade and Commerce on this question, as he is an old parliamentarian.

Mr. CLARKE. I do not think any charge of dilatoriness can be laid at the door of the officials of the Printing Bureau. The cause of delay can be ascertained by inquiry as to the date when the last revised proof was received at the Printing Bureau. I agree with my hon. friend, however, that the officials have not room to do their work as expeditiously as it might be done. With regard to the delay in the issue of last session's 'Hansard,' I think the Debates Committee are now considering a proposition which will probably expedite the composition of the index. As the hon. member for Lennox says, the Printing Bureau performs an important work, and it ought to be provided with the necessary accommodation. When I last visited it, the accommodation in the bindery was nothing short of scandalous. The number of employees was more than double what should be employed in the space provided.

Mr. CASGRAIN. I would like to say a word about the building in which the Supreme Court sits. I will not raise the question of the fitness of that building for the first court in the land; but I will draw the attention of the Solicitor General and the government generally to the fact that there is insufficient room either for the library, the clerks or the lawyers. Some time ago we had room to work in the library; but gradually we have been pushed out of there. At present there are only two tables at which lawyers can work, and I suppose that next year one of these will have to be moved to make room for more books. There used to be a waiting room, but that is now full of books, and it is difficult to turn around in it to get at the books. The lawyers formerly had a robing room, but that is now occupied by one of the clerks of the court. It is all very well to spend $60,000 on steel drawers and rollers, or $6,000 for an elevator to enable our hon. friends to go to their offices easily and comfortably, or $10,000 for new coal sheds; but some due regard, I should think, ought to be paid to the needs of the first court in Canada. The judges, lawyers and litigants who go there should not be put to all the inconveniences to which they are now subject. This is a question which has occupied the attention of the Public Works Department for some time, but for one reason or another the department seems unable to come to any decision about it. My hon. and learned friend the Solicitor General knows that it is an injustice, not only to the bar but the public generally, that such a state of things should continue.

Mr. LEMIEUX. My hon. friend is quite correct in what he has said concerning the inadequacy of the Supreme Court building for the business of that court. It is in fact in a worse condition than some of our court houses in the rural districts. What my hon. friend says about the library is equally true. That library is altogether too small. At times its tables are crowded with lawyers, unable to find suitable places in which to study up their cases. I shall certainly call the attention of the government to this very important matter.

Mr. CASGRAIN. I hope that my hon. friend the Minister of Public Works will take the recommendation of my hon. and learned friend the Solicitor General into his serious consideration. Now that he has been relieved of a considerable part of the anxieties of office by having a large share of his department transferred to the Department of Marine and Fisheries, no doubt he will have a little more time to think about this important question, and will give it his consideration.

Mr. JAS. SUTHERLAND. If my hon. friend is not more in earnest in his remarks about the Supreme Court than he is in his remarks about the department, it will be difficult to believe that he is serious. It would not be a very difficult matter to build a new Supreme Court. Last session, when the question of public buildings in Ottawa was under consideration, I expressed myself in favour of having better accommodation provided for that court, and if parliament will endorse my views, I shall be pleased to try and have a more suitable building provided and one which would be a credit to the country and suitable for the highest court of the land.

Mr. CASGRAIN. I was perfectly serious in my remarks concerning the two departments. Parliament is entitled to know the true state of affairs—whether the Department of Public Works has had a considerable portion of its work transferred to the Department of Marine and Fisheries. That is a question which parliament ought to know something about.

Mr. JAS. SUTHERLAND. We cannot discuss that now.

Mr. CASGRAIN. I think we can. My hon. friend brought the question up, and I do not see why I should not follow him. I am sorry that the hon. the Minister of Marine and Fisheries is not present, as I would like to draw his attention to the fact that 'Le Canada,' which is his organ, announced to the country that a great part of the Public Works Department had been transferred to the Department of Marine and Fisheries. Is it by 'Le Canada' that parliament is to be informed of such an important change? Is that the way in which this House is to be given the information to which it is entitled? That is a serious question, and let me tell the hon. gentleman that, as far as I am concerned, it will not be

many days before I shall insist on having the Order in Council brought down which 'Le Canada' informed the public had been passed, before the estimates will be allowed to pass. Last year a law was adopted authorizing an Order in Council to be passed and sanctioned making a redistribution of the work of the two Departments of Public Works and Marine and Fisheries, and we have been informed by 'Le Canada' that an Order in Council to that effect was passed and signed by His Excellency the Governor General on the 11th of March last. We are entitled to have a copy of this Order in Council, and before we proceed much further with the estimates I shall insist on its being laid on the table. The House should be informed what part of the Department of Public Works has been transferred to the Department of Marine and Fisheries.

Mr. JAS. SUTHERLAND. If my hon. friend had been present the other day, he would have known that a clear explanation was given by me, and I am not aware of any reason why anything should be kept back. But when the hon. gentleman proceeded to mix up together two things which are in no wise connected with each other, I concluded he was not serious, and doubted whether he would give me his support if I should submit a proposition to provide better accommodation for the Supreme Court. Let me tell my hon. friend that there is an item in the estimates under which properly all the information can be given he is now asking for.

Mr. CASGRAIN. I was not present when this question came up before, but I took the trouble of reading 'Hansard,' and with all deference to my hon. friend, I must say that the explanation he gave the other day was by no means a full one.

Mr. JAS. SUTHERLAND. In a very short time an item will be submitted under which the whole matter can be discussed.

Mr. DEPUTY SPEAKER. The discussion now going on is wholly out of order, because it has no reference whatever to the item before the House, and as each side has had its say, I must call upon the hon. gentlemen to let the matter drop.

Mr. CASGRAIN. Do I understand the hon. gentleman to say that he will bring down a copy of the Order in Council ?

Mr. JAS. SUTHERLAND. If there is an Order in Council, it will certainly be brought down.

Mr. CASGRAIN. Is there not one ?

Mr. JAS. SUTHERLAND. I am not prepared to say whether there is or is not, but all the papers in connection with the matter will be brought down and all information given.

Mr. CLARKE. When ?

Mr. JAS. SUTHERLAND. At the very moment when we reach that item.

Mr. CLARKE. What item ?

Mr. JAS. SUTHERLAND. The only item under which this matter could be discussed is the item of 'Harbours and Rivers.'

Peterborough armoury, $10,000.

Mr. JAS. SUTHERLAND. The matter stands as it did last session. Plans are being prepared now, in conjunction with the Militia Department, and the intention is to proceed with the work as soon as possible. It will be necessary for me to ask for a further sum in the supplementaries, when full explanation will be given in regard to plans, cost, &c.

Mr. TAYLOR. When this item was called, I had just risen to say that the item with reference to Ottawa public buildings was not carried. My hon. friend from Montmorency (Mr. Casgrain) brought to the attention of the minister the question of repairing or rebuilding or enlarging the Supreme Court. I think it is the duty of the government immediately to take this matter in hand. If the Minister of Public Works is not ready to investigate it himself, seeing that this is a government doing its work by commissions, let a commission be appointed to make a full report on the future wants of the country in reference to public buildings in Ottawa. A proposition is now before the House to acquire a lot at the outskirts of the city to build a geological museum. Why such a building should be placed at the outskirts of the city, I cannot understand. People visiting the capital want to look at the geological museum, and it should be close to the parliament buildings. To-day, nearly half the city of Ottawa is rented by the government for offices. If we look for the militia department, instead of finding it where it ought to be, in the public building ; we find that it has been removed half a mile away to the house of a friend of the government who is paid $12,000 a year as rent. If that amount were capitalized, it would pay for a building almost as good as this one. And, as it is with the Militia Department, so it is in a greater or less degree with almost every other. The government have rented houses all over the city and packed them with civil servants. This kind of thing ought to be stopped, and the Dominion of Canada ought to put up buildings of its own to house its servants. The rentals that are now paid, if capitalized, would provide plenty of accommodation. Take, for instance, the building that was rented for the purpose of the census. No less than $6,000 a year is paid for that building. If that amount were capitalized at three per cent it would put up a building three times as large and three times as good as the one now occupied. And the same is more

clearly true of the building rented for the Militia Department.

Mr. CLARKE. Where is it?

Mr. TAYLOR. Down near the canal. It is rented from Mr. Woods. The government pay $12,000 for a small portion of a large building he owns there. It is high time this thing should stop. The government have plenty of land for public buildings, if they desired to use it. They have Major's Hill Park, or, if they like could put up buildings along Mackenzie avenue, in the direction of the printing bureau. It seems, however, that wherever the government have a friend to whom they wish to give a sop, they rent a building from him and put a few civil servants in it. Mr. Woods must be a very good friend when they give him $12,000 a year——

Mr. CLARKE. You mean $1,200 ?

Mr. TAYLOR. No, I do not; I mean $12,000. And there is $6,000 for the census building which is now empty or ought to be. The government is paying $6,000 for offices for Mr. Blue, Mr. Coté, Mr. Johnson and perhaps a few others. That building was rented for three years and the time is about expired. The census must be completed by this time. And, besides the rent, the government spent thousands of dollars in making improvements in the building to fit it for their requirements. This thing amounts to a scandal. Parliament ought not to vote another dollar for the rental of buildings in Ottawa. The government should put up its own buildings. They have money—well, I suppose they have not very much in spite of all they have taken from the people. But their credit is good, though politically they have much less credit than they had. But they can easily borrow money to put up buildings, and it is high time that this matter should be taken into serious consideration.

Mr. JAS. SUTHERLAND. I fully agree with the hon. member for South Leeds (Mr. Taylor) that we should have improved public buildings. And, so far as I am concerned, I expect to be able to make a recommendation to the House which, I hope will be satisfactory, to put up public buildings to provide accommodation for the civil servants and save the money now paid in rentals.

Mr. LENNOX. Mr. Chairman, probably we are transgressing in discussing, on this item——

Mr. DEPUTY SPEAKER. I was about to call the attention of the committee to the fact that there had been such a transgression. The item on which to discuss the propriety of renting or constructing buildings in Ottawa would be an item for the renting of buildings here. Therefore I have to rule that the discussion of this matter is out of order on the present item.

Mr. TAYLOR.

Mr. LENNOX. If you will allow me to proceed for a moment, Mr. Chairman, I would challenge this item. I notice that the discussion has gone on for a long time and I wish, as one following the profession of the law, to say something about the subject. But I thought that, perhaps, from what had transpired, I might not be allowed to speak.

Mr. DEPUTY SPEAKER. I am sure that the hon. member (Mr. Lennox) will not insist on speaking on any other question than the Peterborough armoury. I hope he will see that I am only asking for reasonable attention to the rule.

Mr. LENNOX. If you will allow me to address myself to you, Mr. Chairman, I will ask your indulgence to speak upon the subject that has been discussed for some time. I am at a loss to see why, as the matter has been discussed, I should not be allowed to discuss it. If you say I am not to do so I will sit down.

Mr. DEPUTY SPEAKER. I have only one word to say. My highest ambition is to keep the committee to questions that come up so that we make progress. My hon. friend (Mr. Taylor) spoke on the question of public buildings in Ottawa, but it was confined to himself. But I ask the assistance of the committee to confine the discussion to subjects as they come up, otherwise we are as badly off as if there was no resolution before the Chair. I feel assured that hon. members will help me in this.

Mr. INGRAM. I could suggest a way by which we could confine ourselves to the subject before the Chair, and that is by the members of the government giving information on the items that are actually before us. The difficulty is that information is not given, and, at a later stage, we are obliged to ask questions to get the information. If the hon. minister will come down with all the information with regard to each item as it comes up, we shall avoid referring back as it is now necessary to do.

Mr. LENNOX. I understand that you allow me to mention this matter, Mr. Chairman, and I do not intend to transgress to any great extent. This question of providing accommodation for the Supreme Court is one of very great importance, and it opens up a question even broader in its scope, the question of providing adequate accommodation for the officials in the several departments here at the capital. I do not speak in the way of complaint when I say that I hope that the Minister of Public Works before he commits himself on the question of providing suitable accommodation for the Supreme Court will consider the general question of public buildings in Ottawa. I think it would be a very great pity if, because the providing of accommodation for the Supreme Court is somewhat

urgent now, we should take steps which may not be in harmony with the general scheme of providing additional public buildings. Reference has been made many times to the lack of accommodation. It is admitted on all hands that there is not sufficient accommodation for the various departments. What I urge upon the Minister of Public Works and the government generally is that they outline some comprehensive scheme by which the necessary accommodation will be provided, and, before they commit themselves and the country to the large expenditure involved, they will lay that scheme before parliament and let the representatives of the people have some voice in the decision of this very important and far-reaching question.

As a member of this House I have been for some time directing my attention towards this lot of land on the west side of these parliament buildings, the property which is to the north of Wellington Street and immediately west of the Supreme Court building. I take this opportunity of directing the attention of the Minister of Public Works and his colleagues to this very beautiful site which I believe will be available to the government for a reasonable sum of money. If the government should decide to purchase this block west of parliament hill, immediately west of the Supreme Court building, and acquire the land down to the river north of Vittoria street, I think all will agree with me that it would make a most desirable addition to the magnificent property we already possess. At all events, I urge upon the Minister of Public Works and his colleagues, first, that they shall not commit themselves to a scheme, even for the purpose of providing adequate accommodation for the Supreme Court, desirable as that is, until they have outlined a scheme for acquiring all the property that we require for many years to come. They should not, by making a temporary move, prejudice the general scheme; and in the second place I submit the desirability and the propriety, after they have thought the matter over, of bringing it before parliament before the country is in any sense committed to the scheme.

Mr. JAS. SUTHERLAND. I agree to the fullest extent with the hon. gentleman's remarks, and I shall give his proposals careful consideration.

Mr. CLARKE. I thought the hon. gentleman had some proposition that he was trying to work out to acquire the land and buildings on the south side of Wellington street and westward from the Langevin Block. It seems to me the government ought to procure that block and erect departmental buildings upon it. It is one of the most eligible sites in the city of Ottawa, and ought to be procured forthwith. If it cannot be obtained at a fair price, the government would have the right to expropriate.

Mr. JAS. SUTHERLAND. The hon. gentleman has no doubt travelled a great deal, and his opinion as to what would be a desirable site will receive my consideration.

Mr. COCHRANE. I think the first thing the government should do would be to reduce the civil service. I am sure the chairman will remember when the conduct of the government I supported was challenged because they had too many officials. I venture the assertion that they have got one-third more than we ever had. They have not only filled all the public buildings belonging to the government, but they have rented other buildings throughout the city in order to make places for their political friends. Instead of suggesting another elaborate scheme for spending the people's money to obtain more accommodation for a lot of hangers-on, I would advise you to turn out a lot of these men and women you have now in the public offices and who have nothing to do, and pay a proper salary to those who are left and make them do the work. I was informed by a gentleman in one of the departments that in his office the place was so crowded with officials that he could not do as much work, as he could with a far less number. Now would the Minister of Public Works and the Minister of Trade and Commerce tell me that these additional civil servants are necessary because the country is prosperous? It sounds so silly to hear them say that because the country is prosperous, because the farmers are getting a good price for what they have to sell, because the revenue is increasing, therefore it is necessary to increase the number of officials at Ottawa to the extent they have been increased. I would like to ask the Minister of Trade and Commerce if he sanctions that. I remember when he used to condemn the old government for having too many officials, and I thought at one time that he was honest. Now he sits there complacently and laughs when he has got all his family in the civil service getting good salaries, and while he himself occupies an office that he said was a sinecure. I remember when he was told in my presence that the office was not intended to be permanent, that when the controllers became full fledged ministers that office would be abolished. Yet he was a member of the government who, when they made the controllers full fledged ministers, continued the office he now holds and which he said was a sinecure. I am sincere in this matter, I think it is disgraceful that public men should occupy such humiliating positions.

Mr. CLARKE. We want a little more information about this item.

Mr. JAS SUTHERLAND. The matter is practically in the same position as it was when the vote was taken last session. Plans are now being prepared.

St. Catharines drill hall, $20,000.

Mr. LANCASTER. What position is that in at the present time ?

Mr. JAS. SUTHERLAND. A site has been procured. Some years ago a site was offered by the city of St. Catharines and the contract was let for building a drill hall. It was found that the site was not at all suitable for such a building and after negotiation with the city a new site, and a very good one I think, has been obtained. The contractor who had the contract before would not carry out the work at the price. Some changes were required by the local military people. After the plans were prepared and the estimates made the total cost was found to be a little over $85,000. I believe the plan is a very fine one and very satisfactory to the militia in every respect. This vote is for the purpose of proceeding with the work.

Mr. LANCASTER. Have new tenders been called for, or is the original contractor to go on with the work ?

Mr. JAS. SUTHERLAND. No, I am waiting for this vote to be in a position to call for new tenders.

Mr. LANCASTER. Then the work will progress as fast as possible.

Mr. JAS. SUTHERLAND. Yes.

Mr. LANCASTER. Is it the intention to have it superintended by a local architect ?

Mr. JAS. SUTHERLAND. That is my intention.

St. Mary's public building, $10,000.

Mr. CLARKE. What about this ?

Mr. JAS. SUTHERLAND. No action has been taken in this matter.

Mr. CLARKE. No site ?

Mr. JAS. SUTHERLAND. No satisfactory site has been secured.

Mr. CLARKE. No plan?

Mr. JAS. SUTHERLAND. No plan except the general plan. It is not customary to prepare the plan until the site is secured. The plan depends on whether the site is a corner lot or otherwise.

Mr. BLAIN. What is proposed to be expended here ?

Mr. JAS. SUTHERLAND. I should judge $20,000 or $25,000 would be the total cost of this work.

Mr. COCHRANE. Here is another of these cases which I think is something we should not allow. I sympathize with the hon. minister in the rather hard position which he has to occupy, but I do not think that any minister should come down and ask the House to give him a vote of money unless he is able to tell the House and tell me so that I can tell the electors of my riding what the building for which that vote is asked is going to cost. I brought to the attention of the House the other evening cases where innocent appropriations have been taken of a few thousand dollars for works that have cost the country enormous sums of money. I cannot see why the hon. minister should come down and ask me to vote for a building when I do not know what it is going to cost. I think the hon. minister should be prepared to tell the committee and the country what the building is going to cost. I do not think that any business man in this House would attempt to erect a building until he knew what it was going to cost.

Mr. CAMPBELL. Hear, hear.

Mr. COCHRANE. I hear the hon. member for West York (Mr. Campbell) say 'hear, hear.' I wonder if the hon. gentleman will say 'hear, hear' when he is brought to book for his conduct in the House on the question of duty on vegetables. The hon. gentleman can say 'hear, hear' and sit there with downcast countenance, and I do not wonder that he is doing it, but I am in earnest in what I am saying. That hon. gentleman is full of deceit and everything that is wicked as far as elections are concerned. I am in earnest in what I say and I do not feel like committing the ratepayers whom I have the honour to represent to an expenditure of money unless the hon. minister tells me how much this building is going to cost. We know that he has come down to this House and asked for a paltry sum of $5,000 for a work which has cost $60,000.

Mr. JAS. SUTHERLAND. I said to the committee that a detailed plan had not been prepared but that the total cost would be about $25,000.

Mr. COCHRANE. That word 'about' covers a multitude of sins.

Mr. JAS. SUTHERLAND. My hon. friend must give us credit for meaning what we say. That word 'about' means within a few thousand dollars of the amount stated.

Mr. CAMPBELL. It is very refreshing to hear the hon. member for Northumberland (Mr. Cochrane) pleading for economy in this House. I have had a seat in this House for a good many years with him and I have known dozens, yes, hundreds of occasions, when he sat in this House dumb as an oyster while votes similar to this went through and to which he gave his consent. In this case how can you suppose that the hon. minister can tell exactly what the building is going to cost until the site is purchased and he knows whether the building will be erected on a corner lot or not ? The hon. minister says the cost will be from $20,000 to $25,000. Is this not sufficient for the present ? When he comes down with

the plan and a further estimate we can then get the full details. It is amusing for me to hear the hon. gentleman preaching economy now.

Mr. COCHRANE. I just want to say in reply to the hon. gentleman that I know that he has had a seat for a good many years in this House and I know that there was no hon. gentleman in this House more wide mouthed in preaching economy than the hon. member for West York.

Mr. CAMPBELL. So I am yet.

Mr. COCHRANE. What I find fault with the hon. gentleman and the party he is supporting is because they condemned us for doing the things that they are now doing themselves and doing more extravagantly than we ever thought of.

Mr. CAMPBELL. What are they ?

Mr. COCHRANE. Life is too short to enumerate them. Tongue would fail to express them.

Mr. CAMPBELL. Tell us one.

Mr. COCHRANE. I will tell you one. You charged us with doing the very things that you are now doing. The hon. gentleman promised an increased duty on vegetables but he voted against it. The right hon. Minister of Trade and Commerce (Rt. Hon. Sir Richard Cartwright) stated that it was a shame and a disgrace for any government to ask for $35,000,000 to govern 5,000,000 of people. Did you ever hear that ? Yet, we are called upon to-day to vote more than double that amount. What are you doing with it? Frittering it away on these public buildings the cost of which we have no details of. I sympathize with the hon. Minister of Public Works because he is new in office, but I want to give him a little advice if he will accept it from an old farmer. No farmer would attempt to erect a building unless he knew what it was going to cost. I could put up elaborate buildings and I could buy lots from political friends but I would soon be bankrupt if I had not the Dominion exchequer at my back. The hon. minister should be prepared to come down to this House with plans and specifications and state positively that the building for which he asks an apropriation is going to cost so much. He should not be permitted to come down and ask for an innocent amount which does not appear to be very much, when, as a matter of fact, before the building is completed the cost will be double or quadruple the amount the original appropriation and the country is saddled with an expenditure which the House did not comprehend at the time and which if they had understood they would not have voted.

Mr. CASGRAIN. I would like to ask the hon. minister in what state this projected building or enterprise is ? As my hon. friend says no plan has been made and no site has been chosen. Is this vote only to be taken that some hon. gentleman may be able to say that he obtained it from parliament ? Where is the building, where are the plans, where is the site ?

Mr. JAS. SUTHERLAND. Which one does my hon. friend refer to ?

Mr. CASGRAIN. The one we are at now. I am sorry the hon. gentleman has lost track of the vote before the committee.

Mr. JAS. SUTHERLAND. I know the item under consideration, but judging from the hon. member's language, I thought he was referring to Ottawa.

Mr. CASGRAIN. Not at all.

Mr. JAS. SUTHERLAND. As to the St. Mary's public building, the site has not been purchased, but it is the intention to purchase it and to go on with the work as soon as possible. There is no intention to humbug anybody.

Mr. TAYLOR. How much will it cost ?

Mr. JAS. SUTHERLAND. About $25,000.

Mr. CASGRAIN. The minister cannot even say where the site is going to be. If he cannot give any better explanation than he has given, then I say that this thing is a bungle, and that the item is put in the estimates to satisfy some political partisan, so that the Liberals may go to the constituency, and, notwithstanding their pledges in opposition not to erect buildings in these small towns and villages, they will say : We are going to put up a building in your town. Under the system proposed by the minister we may have a repetition of the Beauharnois business, where the site purchased by the government was made a matter of private speculation ; or we may have another Finnigan racket in St. Mary's, where a man purchased a site and turned it over to the government at double what it cost him. Is that what the minister wants ? It looks like it.

Mr. JAS. SUTHERLAND. There will be nothing of that kind.

Mr. INGRAM. Is it the intention to erect the building at the corner of Queen and Water streets, where the present post office is, or will it be built at the market square ? Where is the proposed site ?

Mr. JAS. SUTHERLAND. There is no proposed site. I will be glad to bring down a list of the sites offered to the department and show it to my hon. friend. I suppose it is within the right of anybody to throw out all sorts of insinuations and to suggest that a person is crooked and guilty of all sorts of jobbery, but there should at least be some slight foundation for such remarks. I do not know any transaction I have ever been connected with that can be looked upon with suspicion, and I hope there never

will be. I am not finding any particular fault with these insinuations, because if it suits an hon. gentleman to resort to that sort of a policy, well and good. The hon. gentleman (Mr. Casgrain) referred to the Finnigan lot, but I know nothing in connection with it that the minister or any one in the department need to be ashamed of. I would be sorry to think that the slightest thing occurred to cast disgrace upon any person, and I do not believe there is any such cause for suspicion. I do hope that, so far as my conduct is concerned, there will be nothing which will bring any disgrace or shame on the minister or on the parliament of Canada. I think that when the papers are brought down the hon. gentleman will see that.

Mr. CASGRAIN. I am not going to take back a word of what I said, and the foundation for what I have said lies in the lack of information which the minister gives to the committee.

Mr. JAS. SUTHERLAND. Let me say that I have been most anxious to give information, and that statement that no information is given is not correct. I will give the hon. gentleman all the information in my possession, no matter what cost or work the preparation of it may entail.

Mr. CASGRAIN. Then I am sorry that the minister is not able to give information on this item.

Mr. JAS. SUTHERLAND. How can I give information that I have not got ?

Mr. CASGRAIN. I complain that you have not got the information. The minister cannot tell what site in the town this building will be erected on, and he has not even told us whether this building will accommodate the post office and custom-house.

Mr. JAS. SUTHERLAND. The building will accommodate the post office, customs and inland revenue. I appeal to the committee whether a minister can tell what a site will cost until it is purchased. It would be silly for a minister to say that he had decided to buy a certain site before he got authority from parliament. I have always endeavoured to buy a site which was best in the public interest and at the lowest possible price, and I have to get the authority of parliament first.

Mr. CASGRAIN. As to what the minister calls the insinuation I threw out, I have not said one-half, or one-quarter, or one-eighth of what the Liberals said about these public buildings when they were in opposition. This House and the Liberal press rang with denunciations of the Conservative party for erecting public buildings in small towns of 5,000 and 10,000 inhabitants. I repeat here what I said, that the minister has given evidence this afternoon that this item was put in the estimates to help to purchase the

constituency in which this public building is to be erected.

Mr. JAS. SUTHERLAND. I assure the hon. gentleman (Mr. Casgrain) that that is not the intention. The intention is to carry out the work immediately and in good faith.

Mr. INGRAM. Whether the intention of the minister be good or not, there is no doubt that the Liberals will use this very item in the town of St. Mary's for party purposes, and they will say: If you support the government candidate you will get a public building, and if you do not support him you will not.

Mr. JAS. SUTHERLAND. Perhaps you will not have an election, and perhaps I will have the building up before there is an election.

Mr. INGRAM. I hope you will have the building erected before that, but I doubt it. The hon. gentleman gave us the absolute assurance in this House that before he undertook any public work he would place before the House an estimate of the cost and all the information that was desired. That is the plan he announced to the House.

Mr. JAS. SUTHERLAND. That is the plan I am carrying out.

Mr. INGRAM. Not at all. You are not doing that in connection with this item.

At six o'clock, committee took recess.

After Recess.

Committee resumed at eight o'clock.

Mr. HENDERSON. Some two years ago, when the estimates of the Minister of Public Works were under consideration, I set up the contention, which I still hold to, that if we are to keep the minister and his department within bounds in the expenditure of public money, we must insist that when the minister determines on the construction of a public building in any town or village, he must first determine how much money he can afford to spend upon it. I can see no difficulty in the minister arriving at that conclusion. When he comes down with his first estimate, he should say exactly how much he proposes to expend, and we should have an understanding that the estimate would not be exceeded by one dollar. We on this side of the House are responsible for the expenditure of the public money, because hon. gentlemen opposite, especially those behind the treasury benches, do not appear to take any interest in it. As a representative of the people of this country, I contend that I have a right to say what amount should be expended on any public building, and no man who does not represent the people should come in and usurp the function that belongs to me in that regard. Yet that is what has

been done for years. It has not been the members of this House who have fixed the amount of the public expenditure; it has practically been the executive officers of the Public Works Department. The architect has ten times more to say as to what the expenditure of the country shall be than any individual member of this House, because he draws the plans and practically determines what a building shall cost. I do not intend to remain silent and allow that course to be pursued. If an architect is incapable of drawing plans for the erection of a building that will come within the amount determined upon by the minister, it is the duty of the minister to retire him and put another man in his place. We cannot in this country tolerate an executive officer who will day after day usurp the functions of parliament by determining what the expenditure shall or shall not be on any public building. I have every respect for the chief architect in the Public Works Department. I do not know the gentleman personally. I have no doubt he is an efficient officer. I understand that he considers that we are criticising his estimates very closely; but if he wants fair criticism, he must be fair to the members of this House. We are not going to permit either him or any other executive officer to dictate what the expenditure of this country shall be without entering a protest, and I intend on every occasion to enter my solemn protest against that kind of procedure. I hope that in future the minister, whenever he brings down a recommendation for the construction of a public building, will make a declaration of an amount which is not to be exceeded in the erection of that building. I do not intend to be unreasonable, for I believe in improving this country by the erection of public buildings, and on all proper occasions he will find me a supporter. But I hope and trust that we shall not be obliged to continue to discuss matters along the line we have had to take this afternoon and on former occasions, but that the minister will agree to what I suggest, and thus make it easier for us on this side of the House to assent to the expenditures which the government may propose.

Mr. JAS. SUTHERLAND. I think the criticisms of the hon. member for Halton are very fair. I have held the same view for a long time myself, and I am endeavouring to put it into practice. My officers will bear me out in the statement that since I have been in the Public Works Department, I have given instructions along that line. In the past it has not perhaps been the practice of governments to have the estimates as fully laid before the House as they should have been. I know—and I am speaking without prejudice, for I believe it has been the custom under both parties—that large expenditures have been subjected to criticism which they might have been spared if full information had been laid before the House. Of course, circumstances may arise to increase or decrease the expenditure; sometimes, as my hon. friend knows, votes are taken which are not all used; but so long as I am in charge of the department, I am perfectly willing to fall in with the policy of stating to the House the total amount to be expended on any work when the first estimate for it is taken. It is only fair to the department to say that all the blame for what has been done in the past is not to be put upon the officers. Sometimes a vote has been taken to start a work or action is taken towards procuring a site and constructing the work, without the officers having had an opportunity of making an estimate. So far as I am concerned, it has been and will be my effort to try to meet what I believe is the wish of both sides of the House, by stating as nearly as possible just what amount of liability is being undertaken when a work is first proposed, as I am now doing in connection with most of the new votes. The criticism of the opposition will then, I suppose, be confined to the way in which the government expends the money.

Mr. CLARKE. There ought to be some model plan in the department for all these buildings, from which a very fair estimate of the cost might be obtained. These buildings in towns of 3,000 or 4,000, do not vary very much in style or cost. All we have in the present instance is the announcement of the minister that the building would cost about $25,000, but no plan is ready or other information. As the hon. member for Glengarry is in his seat, I would like, with the permission of the committee, to ask him whether it is a fact that a lot much larger than the one purchased in Alexandria for a public building at $3,500, was sold in that town for $1,500, with buildings on it? That lot is situated in the same street, on the opposite and more valuable side.

Mr. JAS. SUTHERLAND. I have adopted the suggestion of my hon. friend from Toronto (Mr. Clarke), and we are preparing estimates of a certain class of building so that we may give the cost in round numbers, where it is impossible to have a detailed statement until the site is procured and we have certain knowledge of the foundations. As to the Alexandria building, that is not pertinent to this item. I gave the committee all the information I had, and I am as much responsible as any one for the decision to purchase the site we did. My chief architect personally visited the place and recommended this lot in preference to any other, and I do not see what good can be done by opening up that question again. Every one knows that it may not be at all a fair comparison to compare property on one side of the street with that on another

or to compare property in one block with property in another block, because the values may be altogether different for local reasons.

Mr. SCHELL. Since this matter has been brought up—

Mr. DEPUTY SPEAKER. I must rule any discussion on this question of a public building in Alexandria, as out of order.

Mr. CLARKE. I take the opportunity, when the hon. member for Glengarry is present, to bring up this question as to the price paid in Alexandria.

Mr. DEPUTY SPEAKER. If the committee wishes to consider the question of a public building in Alexandria and the minister agrees, he can make a motion that this question be reconsidered, and I will put the motion to the House, but that matter cannot be discussed on an item which has no connection whatever with it.

Sault Ste. Marie public building, $45,000.

Mr. JAS. SUTHERLAND. This is to complete the work under contract.

Mr. CASGRAIN. Is this a final vote ?

Mr. JAS. SUTHERLAND. Yes, this is to complete the work.

Mr. CASGRAIN. How much will the building cost altogether?

Mr. JAS. SUTHERLAND. $78,921.99.

Mr. CASGRAIN. What is it for ?

Mr. JAS. SUTHERLAND. Post office, customs and inland revenue. The reason we erect such an expensive building at the Sault is because of the large amount of customs business done there.

Mr. CASGRAIN. What is the population of Sault Ste. Marie now ?

Mr. JAS. SUTHERLAND. I have not any figures since the last census. It was about 8,000 then.

Mr. CASGRAIN. This is a very large amount to spend in a town of 8,000. Had it been proposed in the olden days to put up a public building costing $78,000, in a town of 8,000, the country would have rung with the denunciations of hon. gentlemen opposite.

Mr. JAS. SUTHERLAND. I think that my predecessor in office, when he undertook this building, satisfied the House that there was a great customs trade done in that place, owing to the number of steamers calling there from the United States, and that consequently a large building was needed. The number of employees in connection with the public service engaged there is much larger, on account of the shipping, than in other places with a similar population.

Mr. CASGRAIN. When was the building begun ?

Mr. JAMES SUTHERLAND.

Mr. JAS. SUTHERLAND. On the 23rd of November, 1903.

Mr. CASGRAIN. When will it be finished ?

Mr. JAS. SUTHERLAND. In September, 1905, according to the contract.

Mr. BLAIN. I notice that when this item was up last year, the hon. minister said it would cost $88,000. The hon. gentleman's error is on the right side, but perhaps he will tell us what changes were made in the building to account for this difference in the cost.

Mr. JAS. SUTHERLAND. When tenders were advertised for last year, the lowest tender sent in was considered away below the estimate of cost made by the department. The hon. gentleman must admit that, in my estimate of $88,000 last year I was endeavouring to carry out my promise to state to this committee the full amount required for these buildings. In this case there was a difference of $20,000 or $30,000 between the highest and lowest tenders sent in. While discussing that, I may say that such a thing sometimes happens, to the astonishment of the experts both in and out of the department. There is sometimes a difference in tenders of between from twenty-five to fifty per cent, even in comparatively small contracts.

Mr. R. L. BORDEN. Who is the contractor ?

Mr. JAS. SUTHERLAND. Messrs. McPhail, McCarty & Wright of Sault Ste. Marie.

Stratford armoury, $10,000.

Mr. BENNETT. Has that work been commenced ?

Mr. JAS. SUTHERLAND. No, and for the same reasons that I have explained in connection with other votes for armouries. We have not yet received from the Militia Department the new plans to be adopted for this style of armoury. As soon as the plans are ready, I hope to give a complete estimate of the cost of these various buildings. This will be somewhat similar to the armouries in places such as Peterborough, Chatham and Woodstock. It is hoped to give very much better accommodation and at a good deal less cost than under buildings constructed according to previous designs.

Mr. BENNETT. Do I understand that the minister intends to begin any part of the work with this vote of money ?

Mr. JAS. SUTHERLAND. Yes. And I hope that before this session is over, I shall be able to bring down an additional vote in the Supplementary Estimates so as to make good progress during the coming season, and when that vote is brought

down, to give full information as to the plans and estimates of cost.

Mr. BENNETT. What is the estimated cost of this Stratford armoury ?

Mr. JAS. SUTHERLAND. I have explained that the plans have been under consideration in the Militia Department, but they have not yet been sent to us.

Mr. SAM. HUGHES. Buildings such as this are for battalion armouries I presume. Has the minister any plans for company armouries ?

Mr. JAS. SUTHERLAND. One of the officers of the militia has promised to give me plans in a short time.

Mr. SAM. HUGHES. In addition to the very expensive armouries in these larger centres, it is a question worthy of consideration whether it would not be advisable to build less expensive company armouries, to be scattered here and there throughout the country, each equipped with a miniature rifle gallery. When the matter was up last session, I took the liberty of pressing that policy upon the minister, and I expect to do so again. I hope he will have estimates prepared with a view to carrying out that policy.

Mr. JAS. SUTHERLAND. The hon. gentleman (Mr. Sam. Hughes) does not need to press it upon me, because that is my view of what should be done. I am pressing it upon the expert officers with the hope that, in a short time, they will be able to submit the plans.

Mr. BENNETT. This is another illustration of the point raised by the hon. member for Halton (Mr. Henderson) a little while ago. The department begins a work not knowing what the cost is to be. An appropriation of $10,000 or so is asked and given, and so the expense is begun. But we do not know where it is to end. Take, for instance, the case of the London Armoury. 'Hansard' of a couple of years ago shows that it was estimated that that building would cost $80,000. It is now swollen to about $180,000. This Stratford vote, I think, was up last year. The hon. minister was asked as to the cost, and I am told that it was hinted that the cost would be about $25,000. Would it not be better to come frankly to the committee and say that this work is estimated to cost $25,000 or $30,000 or whatever it may be, rather than ask a vote for $10,000 only to find out, after a while that the cost will be $40,000 or more ?

Mr. JAS. SUTHERLAND. The hon. gentleman (Mr. Bennett) will see that I have spent none of the money voted last year—have not even purchased the site. Speaking subject to correction I did suggest, on the basis of the figures given me by the officials of the department, that this building might be erected for $25,000. That would be a considerable reduction as compared with the cost of buildings for similar purposes in the past. If money can be saved in this way, we may have enough to furnish reasonably good company headquarters at various points. But, there must be some way to authorize the department to take up a policy of that kind. These votes of $10,000 were taken last session in connection with a proposal made by the government to the House to be authorized to carry out such a policy. Now, as I explained, plans are being prepared both for this style of armoury and for the smaller ones. In the past, we have been going in a go-as-you-please sort of way—a small vote taken at first and a very large amount spent before we got through, and that in places where, we think, a great deal less might have been sufficient. If we had some more uniform system for the whole country, all places, both larger and smaller, might be provided with the armouries that are so much required in the best interest of the militia.

Mr. CASGRAIN. It seems to me that this vote involves a principle which should not be adopted by the committee. In a question of this kind one of two things should be done. Either the minister should come before parliament and explain exactly what the department needs in the shape of these buildings, and give the committee which is committing parliament and the country to the expenditure of money, the estimate of the total expenditure involved, or, if these plans are not forthcoming, if the minister is not able to give the committee this information, he should withhold the vote until he has that information to give us. By the plan now proposed, we are simply committing parliament to a policy of putting up these buildings at a cost which nobody now can estimate. Take this item as an example. By this vote we are committing parliament to the construction of this armoury. Suppose the minister comes next year and asks for a vote of $25,000 and tells us that if the money is not granted he will not be able to go on with the work and that the $10,000 already voted have been spent in acquiring a site or, in acquiring a site and putting up part of the building and will be of no avail.

Therefore the House will be obliged as it were to vote the $25,000 which the minister is asking for. It seems to me the system is wrong, the policy is wrong, it is almost unconstitutional to commit parliament to the expenditure of this money without parliament being perfectly aware of what is going to be done with it, and what policy the government is going to carry out. I cannot understand how it is unless the reason I gave this afternoon is a reason in this instance. Probably the constituency in which some of these buildings are to be erected are close constituencies. The town of

Stratford in which this building is to be erected I believe is in a close constituency, and the vote is being held out as a bribe to the electors. They are told in the next election : If you do not vote for the government candidate the next time we sit in the House we will not give you enough to go on with the work. What hon. gentlemen condemned so much in the party which sits on this side of the House now, they are doing themselves, and doing to an extent greater than the Conservative party did it when they were in power. They are again going back upon the pledges and the oft repeated declarations which they made in opposition, and this is simply another instance of their inconsistency.

Mr. JAS. SUTHERLAND. My hon. friend, in order to make an argument, has supposed a case which does not exist. The facts are quite opposite to what my hon. friend supposes.

Mr. CASGRAIN. It seems to me the position is this : The hon. gentleman came before the committee last year with a certain item in the estimates, then he comes to the House this year and says : Well last year I got this voted, but I did not do anything with the money because the plans were not forthcoming. Now he comes before us with the same plea. What is the use of having this item in the estimates at all ? Why does not the hon. gentleman wait until the plans are made and until he knows what he wants to do before putting these items in the estimates ? It is simply wasting the time of the House. Last year the position was the same as it is this year, and next year the position will be the same again, unless we have an election in the meantime.

Mr. CLARKE. In the preparation of these estimates the minister would save the time of the committee if he were to put in parenthesis the estimated cost of each work. Take this item for the Stratford armoury, estimated to cost from $78,000 or $80,000. If this information were put in parenthesis we would have an opportunity of knowing what the work was likely to cost and the time of the committee in asking for information would be saved. I agree with my hon. friend from Montmorency (Mr. Casgrain) that we should have the policy of the government further developed before they put these votes in the estimates at all. Why should not the government be able to say how much these buildings will cost and have the plans all ready ?

Toronto Dominion public buildings—improvements, renewals, repairs, &c., $8,000.

Mr. JAS. SUTHERLAND. These improvements and repairs are to be made to the examining warehouse, the custom-house, the inland revenue building, the Union station and stations A and B.

Toronto drill hall—additional accommodation for new corps, $20,000.

Mr. CLARKE. What progress has been made during the past twelve months in supplying this additional accommodation ?

Mr. JAS. SUTHERLAND. During the past few months this matter has been under the consideration of the Militia Department, and the chief architect tells me he has spent some time on it to-day with the officers of the militia, in completing this plan. My hon. friend knows that these improvements could not have been carried on since the vote of last session up to the present time. But no time has been lost.

Mr. CLARKE. Why could not the improvements have been carried on ?

Mr. JAS. SUTHERLAND. On account of the severe weather in Toronto.

Mr. CLARKE. Is there any possibility that in the near future these two departments will get together and agree upon a plan for a new building ? I may say to the hon. gentleman that this is an old story. Demands have been made for years for additional accommodation. Last year we voted $20,000, but nothing was done. Has anything been done this year ?

Mr. JAS. SUTHERLAND. My hon. friend knows that it was brought to my attention last year and I had a vote put in. The engineer of the department was out in the country for some time, but since his return I have been pressing this matter upon the attention of the officers of the department. I do not think there has been any delay.

Mr. CLARKE. The site is there.

Mr. JAS. SUTHERLAND. Yes, but this work could not be started probably until next month. There has been no delay in as far as I could influence the matter. The plans are under consideration, and I think in a few days they will de decided upon.

Mr. KEMP. In what direction is it proposed to extend the present armoury ?

Mr. JAS. SUTHERLAND. If my hon. friend (Mr. Kemp) would allow me I would prefer to give him that information in a few days when I have received the information from the Militia Department.

Mr. KEMP. Will the item stand ?

Mr. JAS. SUTHERLAND. There will be another vote in connection with the matter.

Mr. KEMP. In the supplementary estimates ?

Mr. JAS. SUTHERLAND. Yes, and that will give an opportunity for discussion.

Toronto examining warehouse—addition to, $20,000.

Mr. CLARKE. What about this ?

Mr. KEMP. Has the hon. minister the particulars in regard to this item ?

Mr. JAS. SUTHERLAND. This is an addition to the examining warehouse at Toronto, 80 feet by 36 feet 6 inches, with a wing 11 feet by 9 feet, four stories high, new boiler-house 34 feet by 17 feet, total estimated cost, $40,000.

Mr. CLARKE. How much money has been spent on the custom-house during the last twelve months ? There was some work authorized to be done without tenders —underpinning or putting in a new foundation. How much has been expended on that work ?

Mr. JAS. SUTHERLAND. I think the total expenditure on the custom-house was in round figures, $15,000. That work is practically completed.

Mr. CLARKE. That work was done by Brown & Love ?

Mr. JAS. SUTHERLAND. Yes.

Mr. CLARKE. Are tenders to be asked for this examining warehouse ?

Mr. JAS. SUTHERLAND. Yes, the work will be let by public tender. It is practically an addition.

Toronto military buildings—magazine, $3,000.

Mr. CLARKE. Where is this ?

Mr. JAS. SUTHERLAND. We have taken four or five votes for magazines in a number of cities and I have been told by the Militia Department that this vote will meet the total cost. They have not furnished me with plans yet, but they will very soon.

Mr. CLARKE. Where is this magazine to be ?

Mr. JAS. SUTHERLAND. There will be one at Toronto.

Mr. KEMP. Whereabouts ?

Mr. JAS. SUTHERLAND. It will be out, I suppose, at the new grounds. I do not know whether it is a military secret or not. I will have the plan before I spend any money.

Toronto post office—additional story over the rear one story part of the building ; furniture, fittings, &c., $10,000.

Mr. CLARKE. Have you any explanation of that ? Probably the hon. minister could tell us how much has been spent on repairs to the post office during the past twelve months ?

Mr. JAS. SUTHERLAND. The amount spent in connection with the post office for the present year was out of another vote.

Mr. CLARKE. What was the amount ?

Mr. JAS. SUTHERLAND. I will have it looked up. While this is being looked up I would say that owing to a recent communication from the Post Office Department as to some changes that are proposed, the plans prepared by the department for the work for which this vote is being asked will not be carried out. I believe the Post Office Department have come to the conclusion that the changes proposed would not be sufficient.

Mr. KEMP. Is it the intention of the hon. minister to hold this item over ?

Mr. JAS. SUTHERLAND. Either strike it out or pass it.

Mr. KEMP. It seems to me that this is one of the most important items in the estimates. The post office revenue from the city of Toronto is larger than that from the city of Montreal. This is the most important post office in the Dominion, and I venture to say that Toronto has the poorest post office building, comparatively speaking, to be found in the Dominion. It is a disgrace to Toronto, to the province of Ontario, and to the Dominion of Canada. Any one entering the post office to get his letters must be impressed with the inadequacy of the facilities provided for such a centre as Toronto is. The government are proceeding in regard to the Toronto post office in a sort of a patchwork way, adding a story here and making an addition there and having no wise or broad plan upon which to work. I think this item ought to stand and that we ought to have from the Minister of Public Works, or the Postmaster General, something of a definite nature as to what their policy will be in future. I would impress upon the hon. minister that this is the largest revenue producing post office in the Dominion, that the facilities are inadequate and that it is a reflection upon the country to have such a poor building and such inadequate facilities as they have in Toronto.

Mr. JAS. SUTHERLAND. I can hardly agree with my hon. friend that the building is such a poor looking building or that the facilities so inadequate.

Mr. KEMP. The interior, I mean.

Mr. JAS. SUTHERLAND. During the past few years very great efforts have been made by the Post Office Department to improve the postal facilities in Toronto. A great deal of money has been expended upon the establishment of the two new postal stations greatly to the satisfaction of the manufacturing and mercantile community. My hon. friend will not say, I suppose, it was done altogether for the purpose of pleasing the supporters of the government, because, I think he will admit that it was done with a due sense of public duty. However, if my hon. friend insists upon striking this out it will delay a part of the work that we want to proceed with. It is necessary to supply some of the furniture and fittings out of this vote. I may say that

I intend to ask that the next item shall be allowed to stand so that the whole matter can be discussed when the large item is under discussion, but if it is agreeable to the committee to allow this small vote to pass we will go on and complete that part of the work having to do with the furnishings and fittings.

Mr. INGRAM. This is the first item that the hon. minister has rather invited the opposition to have struck out.

Mr. JAS. SUTHERLAND. I beg the hon. gentleman's pardon. Before he said a word I explained that owing to a recent communication with the Post Office Department we were asked not to go on with the plan submitted, as they wished to advise us on changes which they considered to be in the interest of the public.

Mr. KEMP. A part of this vote would be used for the temporary work ?

Mr. JAS. SUTHERLAND. Changes have been made, and a certain sum is required for furniture and fittings, and you could hardly call that temporary. No money will be spent in connection with the larger scheme until explanations are given to the House.

Mr. CLARKE. A little over a year ago there was a contract let for work in the Toronto post office. Will the minister bring down a statement as to the amount of that contract, as to what has been expended upon it, and as to what is due in regard to it ?

Mr. JAS. SUTHERLAND. There cannot be any amount due or there would be a vote for it. I have not the figures here, but I will have a memorandum prepared showing the amount spent for the past year.

Mr. CLARKE. This item will stand in the meantime ?

Mr. JAS. SUTHERLAND. The next item will stand, and if the hon. gentleman is not satisfied with the memorandum, he can discuss it on that item.

Mr. CLARKE. I do not wish to delay the work of the committee, and if we get the information it is all we want.

Mr. BLAIN. Last year $25,000 was voted to establish 'D' postal station in Toronto. Was that money expended ?

Mr. JAS. SUTHERLAND. The money has not been expended.

Mr. KEMP. Why was the work not proceeded with ?

Mr. JAS. SUTHERLAND. I am sure that my hon. friend would not advise that the work should be commenced in the winter.

Mr. KEMP. Do I understand that the contract has not been let ?

Mr. JAS. SUTHERLAND. It has not.

Mr. CLARKE. Are the plans for station 'D' ready ?

Mr. JAS. SUTHERLAND. I understand they are similar to those of station 'C.'

Mr. CLARKE. If the plans were ready, what was the trouble in asking for tenders ?

Mr. JAS. SUTHERLAND. No trouble at all so soon as the site is procured. Hon. gentlemen must remember that these items are put in the estimates at the request of the departments interested, and if these expenditures are increased sometimes, the blame is not on the Public Works Department. While my department is responsible for the workmanship it is not responsible for the policy.

Mr. KEMP. In other words, the Postmaster General can explain these items just as well as the Minister of Public Works ?

Mr. JAS. SUTHERLAND. Very much better, and I hope that the Postmaster General will be able to be present in a few days.

Mr. KEMP. Why is there no vote for station 'D' this year ?

Mr. JAS. SUTHERLAND. Because we expect to spend the money before the 30th of June, and if not we will have to ask for a revote in the supplementary estimates.

Mr. CLARKE. We can discuss this item under the item that has been allowed to stand ?

Mr. JAS. SUTHERLAND. Yes.

Toronto Junction public building, $18,000.

Mr. JAS. SUTHERLAND. This will complete the work at Toronto junction. The total cost is $39,887.

Mr. CLARKE. Does that include heating, lighting, wiring and everything else as well as the site ?

Mr. JAS. SUTHERLAND. Yes.

Mr. CLARKE. Was the lowest tenderer given the contract ?

Mr. JAS. SUTHERLAND. Yes.

Wingham public building, $18,000.

Mr. R. L. BORDEN. Would the Deputy Speaker please explain this item ?

Mr. HENDERSON. Carried.

Mr. JAS. SUTHERLAND. The site has been purchased, and the total cost will be $25,000.

Some hon. MEMBERS. Carried.

Woodstock armoury, $10,000.

Mr. JAS. SUTHERLAND. This is in the same position as similar buildings in other places. No money will be expended until the plans are perfected and information given to the House.

Mr. CLARKE. I suppose the same set of plans will do for them all ?

Mr. JAS. SUTHERLAND. Practically so, except the difference that may be caused by the conformation of the site. Of course, in some places only infantry will have to be provided for, and in others cavalry and artillery.

Mr. CASGRAIN. When this item was voted last year, I suppose the minister expected that the plans would be ready ?

Mr. JAS. SUTHERLAND. Yes.

Mr. CASGRAIN. And you have the same expectation this year ?

Mr. JAS. SUTHERLAND. I expect it will be ready within a short time. The chief architect of the Militia Department has returned from the old country, and the matter is receiving the attention of the officials, I have no doubt. I am sorry for the delay, but the work will be proceeded with as quickly as possible. Colonel Cotton told me the other day that he was about to submit some important considerations to the department, and I told him I thought it would be better that he should first discuss the matter with the chief architect.

Mr. BLAIN. Has the government purchased that site, or is the county council giving the site ?

Mr. JAS. SUTHERLAND. In some places the sites are the property of the government and in some places they have to be acquired by the government, and some places have offered sites. Any grant from the counties will be applied in a general way to the carrying out of the work.

Mr. BLAIN. That is slightly different from the statement of the minister last year. He then told us that the county council would contribute this site, that there was a first-class regiment of eight companies there, and that statement is reported in 'Hansard.'

Mr. JAS. SUTHERLAND. That applies to Woodstock.

Mr. BLAIN. What is the cause of the change ?

Mr. JAS. SUTHERLAND. There is no change ; that will still be contributed by the county council.

Mr. BLAIN. Has the government any policy with respect to this matter. It should be generally understood by the people of Canada either that the government will purchase the site for these armouries, or else that the municipal corporations must contribute them. There should be some uniform general policy.

Mr. JAS. SUTHERLAND. There has been no general policy followed in this matter. Some have furnished sites, some have contributed towards sites, and in some cases the government have bought the sites.

Mr. BLAIN. Will there be any definite policy in the future in respect to that ?

Mr. JAS. SUTHERLAND. I can hardly say.

Mr. BLAIN. The understanding in this case being that the county council will supply the site free, what will be the total cost of this building ?

Mr. JAS. SUTHERLAND. I cannot give the cost of any of these buildings until the new plan is brought down. I hope to have it within a few days, and then I will be able to give the information.

Guelph armoury, $20,000.

Mr. BLAIN. Has the city of Guelph contributed a site for this building ?

Mr. JAS. SUTHERLAND. Yes, the city of Guelph contributed a site valued at something like $10,000, towards which we paid $5,000.

Guelph public buildings—addition to, $14,000.

Mr. INGRAM. The other evening I stated that the sidewalk on St. George's Square, Guelph, ran directly in front of the post office, and I could not understand how the building could be extended on that side. For the same reason I said the building could not be extended on Wyndham street. Then, Douglas street runs close to the corner of the building, and I could not see how the capacity of the post office could be increased in that direction. Since then the plans have been submitted to the House, and I find in them an explanation which was not given on that occasion, namely, that the city of Guelph has granted permission to the government to put a small porch on the front of the building, extending nine or ten feet from the front door. That certainly does not increase the capacity of the building or the accommodation of the officials. I have known for some time that the post office officials in Guelph have complained of lack of space, and the other evening the hon. minister justified this expenditure on the ground that it would provide one-third more room. I contradicted that statement, and I still say it cannot be true. A third story may be added to the building ; but that would provide no accommodation for the post office officials, who have to perform their duties on the ground floor. There was a statement made about an addition of some twelve feet to the building. But in the old post office you will see that there was a stairway on Douglas street and there is still a stairway on that street and a sort of tower encircling it. I cannot see how that can give any better accommodation to the officials. It is simply perhaps making the building prettier than it was. As regards the cost, the building was a two story one with an attic before, and it is now a three story building with an attic, and the total cost is something about $42,-

000. In my opinion the cost of this improvement to the Guelph post office is entirely too large.

Mr. JAS. SUTHERLAND. My hon. friend has gone over the points that were under discussion last session. In that discussion I was reported to have said that the estimated cost by the chief architect was $21,000, but what I intended to convey was that that was the amount required for the year's expenditure. On looking at the official papers I find that the estimate for the work by the chief architect was in round figures $50,000. We all want to be fair to the officials of the department, and as soon as I found the mistake was mine, I deemed it my duty to give an explanation. The total cost of $42,000, includes the extras for heating and lighting, &c. As regards the increased accommodation, I am told that the increase in space is some 600 square feet, and the new arrangement makes that a very material addition to the building.

Mr. CLARKE. The hon. gentleman says that the estimate by the chief architect was $30,000 and not $21,000, but he is asking us now for $42,000, which is 40 per cent over the figures given by his chief officer. While I have no objection to voting whatever may be necessary in order that we may have a first-class building, what I object to is that we should be asked to spend $42,000 on an estimated cost of $30,000. It must have been known to the department that if you add one-third to the size of a building, you will require more extensive apparatus for heating and lighting; and that is as much a part of the additional cost as the brickwork and masonry. When we ask for the total cost, we mean not merely the cost of the building, but the cost also of the additional fixtures and electrical appliances. There can be nothing wrong, I hope, in asking for that information.

Mr. JAS. SUTHERLAND. I understood the hon. gentleman to ask the cost of the building, not including the additional apparatus for heating and the new post office boxes, of which there will be about six hundred, and the additional electrical apparatus.

Mr. CLARKE. I think it should be understood that when we ask for the cost of any new building, we want to know the total cost including everything. The heating and lighting apparatus is as much a part of the cost as anything else. If you, Mr. Chairman, would allow me to refer to the item for an armoury at Guelph, which we have passed, I would like to point out to the hon. minister that this item had been allowed to stand at the request of the hon. member for Wellington (Mr. McGowan) who desired information as to its probable cost. This information we have not yet got, although the item has been passed.

Mr. JAS. SUTHERLAND. I think my hon. friend is mistaken. I think that the information which the hon. member for Wellington (Mr. McGowan) desired, was what arms of the service were to be stored in that armoury. As regards the cost, I explained that we could not give the information desired until the Militia Department had decided on a general plan for all these buildings.

Mr. McGOWAN. I understood that the hon. minister was to give a rough idea of the cost of the building.

Mr. JAS. SUTHERLAND. I cannot give that until I get plans showing the requirements of the Militia Department, but no money will be expended until I have these plans.

Mr. LENNOX. I wish to call attention to some figures furnished by the chief architect, in connection with the plans and other papers laid on the table to-day. The figures given with reference to the old building show that the basement floor had an area of 2,247 superficial feet, the ground floor 2,236·6 superficial feet, the first floor 2,236 superficial feet, and the attic 2,236 superficial feet—total 8,956·6 superficial feet. As to the new building he shows that the area is as follows:—Basement floor 2,914·3 superficial feet, ground floor 2,687·9 superficial feet, first floor 2,603 superficial feet, second floor 2,235 superficial feet and attic 2,180 superficial feet—total 12,820 superficial feet. That shows a considerable additional floor space in the basement and on the second floor. But speaking of the post office proper, which is the matter mainly discussed when this question was up before, we find that the accommodation is not very much increased. The minister mentioned that the figures show an increase of about 600 feet. But we find that, on the ground floor, where the post office work is done, the floor area of the old building was 2,236 superficial feet and this will be increased to 2,687 superficial feet in the new building. This is a difference of 451 superficial feet. Or to give a clearer idea, it will be equal to a room about 22 feet square. So, we have this astonishing state of facts—that, in order to give an additional floor space of about 22 feet square for the accommodation of the post office, and so far as the general public are concerned, we are undertaking an expenditure—which will apply to the whole building, of course—of upwards of $30,000. Then, on looking at the ground plan I see there is a much larger space taken up for stairway and hall than in the old building. We have a porch which, I am told by the hon. member for South Wellington (Mr. Guthrie) will be 12 feet square on the outside. If the walls are made to support a tower they will need to be 3 feet in thickness, so, we shall have an inside measurement in this hall of probably of little more than 6 feet. So, though we

have an additional floor space of 451 square feet, there is not that additional accommodation, or anything like it, for the public. I submit that putting it on the most favourable basis for the government, some grave mistake has been made. There was certainly a grave mistake in stating that the cost of this building would be about $20,000 when we find that the chief architect certifies here that the original estimate was $30,000. That is a mistake which misled this committee. And now we have the fact staring us in the face that an enormous expenditure has been made here for very little increased accommodation for the public. It may be, in one sense, that the people of Guelph are more interested and should have more to say about this matter than anybody else. They have certainly had their public building improved in appearance But, for the added accommodation to the public, there is a startlingly large expenditure of public money. It may be that a mistake was made in not taking down the old structure and rebuilding. It is clear that in some way the money has been misapplied.

Mr. GUTHRIE. Perhaps, as I know something of the circumstances I might offer a word or two of explanation. The Guelph post office was erected in 1875 or 1876. It was constructed of white limestone all of which was cut. It was a building that never had a very good appearance being squatty and dumpy. As time went on it proved entirely inadequate for the requirements of the community. It is not only the post office accommodation that was complained of, but the accommodation for the customs department and the inland revenue department as well. In the post office there was room, I believe, for only about 700 boxes, while there was a demand for at least 1,000 or perhaps, 1,100. The alterations now made give accommodation, I believe, for 1,200 boxes. The floor space for use by the public is not quite doubled, but it is increased, I think, about 75 per cent. Formerly there was a small room for the postmaster and the stair case occupying a prominent corner of the building and facing on the main square. In order to get rid of that and still afford room for a stairway it was necessary to build the addition on Douglas street that has been referred to. In this way, the south eastern corner formerly occupied by the stairway was opened for the public. The customs department have been given increased accommodation on the second floor. It occupies the whole of it. The inland revenue department have agreed to occupy the third floor. That necessitated a new course of cut stone—I think 12 feet in height,—all around the building. I am free to say that the tower is probably more for ornament than anything else. In order to obtain the tower the city of Guelph granted a portion of the street 12 feet square.

Mr. INGRAM. On Douglas street ?

Mr. GUTHRIE. On what we call St. George's Square—it is the main front of the building. That is a great improvement in the building. I remember when the matter was up in the House originally. The hon. member for Centre Wellington was the man who called attention to the fact that the building was squatty and dumpy and should have another story. I think the public will now have ample accommodation in regard to post office, customs and inland revenue. It is true that the expense has been somewhat high, but cut limestone is an expensive material to build with ; and besides, the old fixtures are pretty well worn now having served twenty-five or thirty years. There have been new vaults added which are included in the contract price, vaults for the Customs and Inland Revenue Departments, neither department having had a vault before. Though the amount appears somewhat heavy for an old building, there was no way out of it, having regard to a building of that size on the land at the disposal of the government.

Mr. INGRAM. What space was on the Douglas street side ?

Mr. GUTHRIE. It is an irregular space, I can hardly estimate it. Towards the rear of the building there is a space yet, I should think, about 12 to 15 feet at the broadest point. It is a triangular space, with a base of 12 or 15 feet running to a point on William street. The objection to building upon that was that it would depreciate the value of the property immediately to the rear of it, owned by the gentleman who represented South Wellington before my time.

Mr. T. I. THOMSON. Speaking of this building being constructed of limestone, reminds me that the question was brought up last session as regards using cement blocks in some new building that was being erected in Ottawa. The Minister of Public Works at that time said he would investigate the matter, as he would prefer using it if it was found advisable. I would ask the minister if he has done so, and what is the result ?

Mr. JAS. SUTHERLAND. I had given instructions, and the matter is now under consideration. The vote just passed is for another year. There was a question about using cement blocks for the building of the coal shed at Ottawa, but the chief architect has not yet decided to use them.

Mr. BLAIN. When this item was up for discussion last year the amount asked for was $21,000. The minister made the solemn statement to the House then that if, after the plans were prepared and the tenders were invited, the amount of the tender ex-

ceeded the estimate asked for, he would in no case expend the money until he came back to parliament for a further vote and consent on the part of the House. I should think the minister would regard that as a fair promise requiring fulfilment. Perhaps he has overlooked this promise.

Mr. JAS. SUTHERLAND. My hon. friend was probably not in the House when I made the explanation some time ago. If I said $21,000 as the probable cost of the building, it is evident that there was some mistake, either on my part or on the part of the reporter, because with the papers before me I could hardly have made that statement. My hon. friend has now before him, I understand, the official papers in which the statements were made, and he says that at that time the estimated cost for the building was $30,000. The contract was $30,000 and a few hundreds over—very close. I gave that explanation some time ago. Having the papers before me it is evident that there was no intention of misleading the committee. As a matter of fact the amount voted was $21,000. There is no doubt there was a mistake, either on my part or on the part of the reporter, in giving that as the total cost of the building. My hon. friend knows that in discussing these items there might be an honest misunderstanding in giving the cost of the building, because in some cases the architect does not always indicate the total cost of the work: in some cases it is not customary in the first vote to estimate for heating, fixtures, lighting, and so forth, until after the building is completed; these items form a separate contract.

Mr. INGRAM. I would like to point out that this is not the original item by any means, that is a memo., because it is dated the 28th of March of the present year. We have the record in the 'Hansard' last year which says $21,000, and we have this memo. that was prepared yesterday.

Mr. JAS. SUTHERLAND. That memo. is made from the original papers.

Mr. INGRAM. We have not seen them.

Mr. JAS. SUTHERLAND. I will be able to bring down the original estimate of the architect.

Mr. BLAIN. The explanation is that if the minister asked for $21,000, he should have asked for $30,000.

Mr. JAS. SUTHERLAND. No, the appropriation is all right. We voted what the department estimated would be spent during that fiscal year. If we do not spend the money before the 30th of June in the year for which the vote is taken, it lapses altogether. So we endeavour to take the vote for just such an amount as, in the opinion of the officers of the department, we will be able to spend during that fiscal year, and the $21,000 should have been given as the amount that would be spent during that year, the amount required for that year. I have the original paper connected with that tender, which will show for itself. It was given to me by the chief architect and it says $30,000.

Quebec—Acton Vale public building, $12,000.

Mr. JAS. SUTHERLAND. This is to make provision for erecting a public building in the town of Acton, on Main street. The acquisition of the site was authorized in November. The lot is 125 by 180 feet, and costs $2,500. The citizens have agreed to contribute $600, reducing the cost to $1,900. The total cost, including the site, will be about $15,000.

Mr. CASGRAIN. If the total cost was to be $15,000, why did not the hon. gentleman ask for that amount?

Mr. JAS. SUTHERLAND. Because we could not have spent the money during the year in which it was voted. My experience has shown that it is in the opposite direction. Occasionally we could have used more money than has been voted, but if my hon. friend will examine the public accounts he will find a large percentage of the votes lapsing at the end of the fiscal year. The amounts spent each year out of votes we take are quite small.

Mr. CASGRAIN. I understand that the money we are voting now is for the fiscal year beginning on the 1st July, 1904, and ending on 1st July, 1905. How long is it going to take to put up this building? Is it an expensive building and what is it for?

Mr. JAS. SUTHERLAND. It is for a public building. We will do very well if the contract is let and the building is completed by a year from now.

Mr. CASGRAIN. Is this only for a post office?

Mr. JAS. SUTHERLAND. For a post office alone.

Mr. LENNOX. I understand the hon. minister to say that the total expense in this matter will be $15,000. As has been mentioned this vote cannot lapse until the 30th June, 1905, so that we have a good deal more than a year in which to deal with this matter. In an expenditure of $15,000 there cannot be any difficulty in having it disposed of before the 30th of June, 1905, and I submit that in a case of this kind, where the probabilities are vastly in favour of presuming that the money can all be expended within the time the vote will remain at the disposal of the department, the committee should be asked for the whole amount in one vote instead of leaving a little in abeyance with the result that we are misled as to what the

total expense is to be. In a case involving an expenditure of only $15,000, there is no good reason why the whole work should not be completed within the time that the vote will remain available.

Mr. CASGRAIN. It seems to me that this is a very large amount for a building in a place like Acton Vale. I am informed that the revenue of the post office is only $900 a year. I do not know the population but I understand it is a small place and it seems to me that this expenditure of $15,000 is an enormous one. I see the hon. member for Bagot (Mr. Marcil) and he may give us some explanation.

Mr. JAS. SUTHERLAND. After endeavouring to cut down the cost of public buildings in places of this size from $50,000 and $60,000 to $15,000 I should get some credit for it. I could give instances where buildings erected in places of similar size would cost two or three times the amount that is proposed to be expended here. I do not think you could erect a public building suitable for the purposes for which it is required, including the site, heating, fittings and letter-boxes for much less money than is asked for here. I have endeavoured to keep these expenditures down as low as I possibly could.

Mr. CASGRAIN. My hon. friend claims credit for putting up a public building in this place for $15,000, and he gives us to understand that in similar places buildings were heretofore put up at a cost of from $50,000 to $60,000. But, when this was done he and his associates were loud in their denunciation of that policy.

Mr. JAS. SUTHERLAND. We are improving.

Mr. CASGRAIN. You are not improving very much, but you were put there presumably to pursue a different policy from that of the party you replaced. I ask the hon. gentleman for Bagot if the population is not under 2,000. I am told that it is only 1,175. Here we are putting up a post office in a place with a revenue of only $900 a year and a population of 1,175 at a cost of $15,000. If there ever was a violation of pledges given to the country by hon. gentlemen opposite this is one of the most glaring instances. If this is going to be the policy of the government I do not see why we should not have these buildings all over the province of Quebec, in every place having a population of 1,200 or so. For instance, I will take one of the parishes in the county so ably represented by my learned and hon. friend the Minister of Justice (Mr. Fitzpatrick), the parish of Beauport, which has a population of 4,000; in a short time we may see a public building constructed there. If this is the policy which is to be followed I am sure that no one will have any reproaches to make to the hon. Minister of Justice if he asks for a public building costing $20,000 or $30,000 in the parish of Beauport. It seems to me extraordinary that in this village of Acton Vale a public building is going to be put up which will cost $15,000. There are different ways of convincing the people that they should vote for particular candidates and this seems to be a strong election argument in favour of the people in this locality supporting the hon. member for Bagot. He can go to them and say: I have given you a public building which is going to cost $15,000. If such a thing had happened when hon. gentlemen opposite sat on this side of Mr. Speaker it would have been called a great scandal, it would have been described as purchasing in detail the electors of the county, but of course, being done by hon. gentlemen opposite, it is virtuous. I do not look at it in that light.

Mr. J. E. MARCIL. Mr. Chairman, in answer to my hon. friend from Montmorency (Mr. Casgrain) I may tell him at once that I do not think I require a post office in Acton Vale to enable me to secure the support of the electors of that place. It is not for that consideration that I have endeavoured to obtain a post office for Acton Vale. I do not think, really, if I should be a candidate in the future, that the majority in Acton Vale could be more than it was in the election of 1900, because I had supporting me then most of the electors in that town. Regarding the population of Acton Vale I may say that it has been growing very much since the last census, due to the manufacturing industries that we have built up since that time. At the present time if we had accommodation sufficient for the families of the employees that we have working for the company whose operations were commenced there last year we would need about thirty more houses. I hope that in a short time buildings will be put up and that these families will be living in Acton Vale. The building for which this appropriation is asked is not to be used only for the purposes of a post office. We are now talking of establishing another industry in the town and I hope that within a few days we will be in a position in connection with a new cigar factory to have a branch of the Inland Revenue Department organized there. I have asked the hon. Minister of Public Works to provide space in the new building for the Inland Revenue Department.

We have also in Acton Vale a militia company of sixty-five members, and I have asked the minister to provide accommodation for the accoutrements of these volunteers. My hon. friend (Mr. Casgrain) well knows that the county of Bagot has made very few claims on the public treasury, and the people of that county have in the past, as they will in the future, contributed their share to the construction of public works in other

parts of Canada. If my hon. friend (Mr. Casgrain) should do us the honour of visiting Acton Vale in the near future, perhaps when the general election comes, he will have an opportunity of seeing for himself that the town is not so unimportant as he seems to think it is.

Mr. CASGRAIN. The hon. gentleman (Mr. J. E. Marcil) has presented no argument for the building of a post office in Acton Vale. He seems to express some doubt that he will be a candidate at the next election. Are we to suppose that he will be raised to a higher sphere ?

Mr. J. E. MARCIL. I may be dead.

Mr. CASGRAIN. I hope not. I rather supposed that the hon. gentleman expected to be elevated to that reward which has been the good luck of so many supporters of the Liberal party who have disappeared from this arena and gone to offices of ease and emolument. The hon. gentleman says the population of Acton Vale is growing, but he is not able to contradict the statement that the present population is 1,175. The reason he gives for the erection of a public building in Acton Vale is that he expects a factory will be established and that about thirty new houses will be required to accommodate the working people. Well, there would be just as much sense in the hon. gentleman asking the Minister of Public Works to build these thirty houses as there is in asking him to put up a public building in this small town. The hon. gentleman also expects a cigar factory in Acton Vale, but surely he is not treating the matter seriously when he makes such a plea as that for a public building. Where are we going to stop anyway, if we are going to erect public buildings in towns of 1,200 population ? If there is so much money lying around, I have no objection to public buildings being erected in the province of Quebec, but even so, there are many places in the province. the importance of which renders them more worthy the consideration of the government than the small town of Acton Vale.

Mr. MORIN. I never could see for what reason the government decides to put up expensive public buildings in these small towns in different parts of the country. I admit that some of our public buildings are necessary, and that the government have not paid too much money for them, but is there any common sense in erecting expensive structures at such places as Acton Vale and Montmagny ? The evil of this policy is growing worse and worse all the time. We hear men who support the government saying : I am all right for election in my constituency, because I got a wharf or a post office, or thirty miles of railway built through my county. Such a state of things should not exist. Neither the rules of the House nor the laws of the country allow me to characterize this policy as bribery, and I will not use the word, but at the same time I have a right to think as I please, and if I were permitted to call it bribery I would do so. If a man wants to be elected, let him be elected on his merits and not at the expense of the public treasury. This whole thing has become a farce. If you are going to erect buildings in all towns that contain a population of 1,200 or 1,500, you might as well commence to employ all the carpenters, bricklayers and masons in Canada. In the county of Beauce alone you have a dozen places just as important, and even more important than Acton Vale. In the town of Montmagny there was another scandal perpetrated. The hon. member who formerly represented that constituency demanded a building, and the government bought a building for $7,000 which fell on their hands, and last year they came again for $4,000, and this year they want $6,000 again for that building. The town of Montmagny has a population of 1,605, and it is in such small places that the government is spending all this money. It is a shame.

Mr. T. I. THOMSON (North Grey). Will the minister state what is the necessity for erecting this public building in so small a village as Acton Vale ? Last year the little village of Arichat received a large appropriation for a public building, as well as Campbellford and several other small places in the maritime provinces. The minister at one time took the position that only in shire towns or county towns could these buildings be erected, but before the estimates were through he abandoned that position. It is very little satisfaction for us in the county of Grey to assist in paying $15,000, for a public building in a little village like Acton Vale, when we have eight or ten larger villages in that county which have no public buildings. The county of Grey, with a population of about 75,000, has not had a dollar of public money spent for public buildings. I would like to know what reason can be given for erecting this public building at this little village, where the revenue is so small?

Mr. JAS. SUTHERLAND. The policy of erecting public buildings throughout the Dominion has been in force for many years. The reason for choosing Acton Vale for a public building is that it is the principal place in the county. My hon. friend would lead one to suppose that he represents a constituency in which no public money has been spent, and in which the people do not seem to desire to have public money spent. I can hardly agree with him in that. If he looks over the public accounts, he will find that in the last few years not merely $15,000, but half a million of public money has been spent in the hon. gentleman's town. It is true it is a growing prosperous town. At the same time, it has been the policy of the government to erect a public building in the prin-

cipal town of a county, even where the population may not be so large as that of the hon gentleman's county. That is the only reason I can give for the erection of this building.

Mr. LENNOX. If this policy is adopted generally, there is no telling where it will end. For instance, in my own riding the village which comes nearest to Acton Vale in population is Allandale. There is not 25 difference in the population of the two places; and yet, although Allandale, I venture to say, transacts more business in a week than Acton Vale does in a month, I do not think it would have the hardihood to expect a post office to be erected there. Take Alliston, having a population of 1,256, another thriving place in South Simcoe, yet I venture to say the minister would not be prepared to put a vote in the estimates for a post office for that place, where the revenue is $2,500, as against $900 in Acton Vale. Then, take the village of Stayner, in North Simcoe, a thriving village with a population of 1,225, or the town of Collingwood, with a population of 5,755 or take the town of Aurora, in the riding of the Postmaster General, having a population of 1,590; or take the town of Barrie, which has recently been transferred to South Simcoe, and which until a comparatively recent date, although having a population of over 5,000, had no post office; or take the village of Newmarket, in the riding of North York, having a population of upwards of 2,000 and a revenue of $3,635.56.

Mr. JAS. SUTHERLAND. Is the hon. gentleman sure there is no public building in the town of Barrie?

Mr. LENNOX. The minister misunderstood me. I stated that the town of Barrie has a post office, but that until a comparatively recent date it had none. The amount of public money that will have to be expended if the principle laid down by the minister is carried out, has almost no limit. The treasury has shown great ability to expand lately in the matter of public expenditure, but if this principle is adopted, there will not be sufficient funds in the treasury to carry it out.

Mr. JAS. SUTHERLAND. My hon. friend is very generous to his friends in the House. In 1883, when building was from 15 to 25 per cent cheaper than it is now, a public building was erected at Barrie at a cost of $42,000.

Mr. LENNOX. I beg pardon. There was no public building erected in my riding. I have not represented Barrie as yet. It is in the riding of North Simcoe. It has only recently been transferred to Souh Simcoe.

Mr. JAS. SUTHERLAND. My hon. friend will perhaps represent Barrie in future. But for his county every session we vote from $100,000 to $200,000 for public improvements; so that I think my hon. friend might be willing to give 1 per cent occassionally for public buildings in some of the other counties. I quite agree that some of these smaller places, if treated on a business basis, are not entitled to public buildings; but certainly it is quite a saving to cut down the expenditure from $40,000 or $50,000 to $15,000 or $20,000.

Mr. LENNOX. The county of Simcoe is a large territory, with a population of about 75,000; but in the riding I represent, there has not probably been a dollar of public expenditure in the last thirty years; and as regards the town of Barrie, it has a post office, but it was not erected by this government.

Mr. BLAIN. I wish to draw the hon. minister's attention to the fact that when hon. gentlemen sitting on the government benches were on this side of the House, this was their policy, as set out in a motion quoted by the hon. minister himself.

> Be it resolved that in the expenditure of public money the public interest and not favouritism should control, and that in the choice of places for the erection of public buildings for post office, custom-house, and inland revenue purposes, regard should be had to the amount of revenue collected and of public business done.

The hon. minister then made this statement: 'That is a resolution which, in my opinion, is a fair one for the country to adopt.' Might I ask my hon. friend how it comes that he has so changed his opinion?

Mr. JAS. SUTHERLAND. I have not changed, but am still carrying out the same policy.

Mr. BLAIN. I might draw the hon. gentleman's attention to the fact that in that case the town had a considerable population and revenue, and the amount asked to be expended was only $5,000, whereas in the present instance my hon. friend is asking to spend $15,000 in a place where there is only a population of 1,175 and a revenue of less than $1,000.

Mr. JAS. SUTHERLAND. Will my hon. friend be kind enough to pass me over the quotation?

Mr. BLAIN. I have much pleasure in doing so.

Mr. BENNETT. I think it is very harsh, Mr. Chairman, that we should harrow your feelings now that you cannot rise to express yourself. If I recollect rightly, the resolution which my hon. friend from Peel (Mr. Blain) has just quoted was one that was moved by the Minister of Public Works during an all-night discussion concerning what was known as the Laprairie post office outrage. You must remember, Sir, that discussion very well. It lasted all night long, and as the only survivor I see oppo-

site of the old brigade, you must recall how you fought that night. I know that circumstances have prevented you from joining the majority who have left the government benches to become judges or landing waiters or government officials of some description. You, Sir, aspire to something higher, and we all hope you will get it in due time. But I think that in fairness to yourself and your conscience, you should ask some hon. gentleman opposite to take the chair and give you the opportunity to rise, and impress on the country once more your hostility to these outrages on the public treasury. And if among your many friends opposite none will come to your relief, if not one of them will take the chair so as to give you an opportunity to express your indignation and horror, I am sure that some hon. gentleman on this side will be glad to take the chair and give you the occasion you must be craving for.

Mr. MORIN. What is the size of the building which the hon. minister proposes to put up ?

Mr. JAS. SUTHERLAND. I am sorry that I have not the dimensions, and cannot give the size.

Mr. MORIN. Have you made up your mind whether you will build the house with stone, bricks or wood ?

Mr. JAS. SUTHERLAND. With brick.

Mr. MORIN. I should like to see the government put up at Acton Vale a building suitable for the size of the town. One which would cost about $4,000 would be quite adequate for a town of that size. Do not try to walk before you can creep. Wait until the population increases, and it is not by making half a dozen of cigars a day that that town should become so wonderfully big. Look at the town of Lévis, which sixty years ago was a flourishing town, and which now has a population of nearly 8,000. The post office in that town is a disgrace to the government. It is only 12 feet by 14 feet, and divided in two at that. It is no larger than one of the basement rooms in this building, and just as badly kept. I would approve the putting up of a building at Lévis which would cost from $20,000 to $30,000, because if Acton Vale, with a population of 1,175, is to have a post office costing $15,000, surely the town of Lévis, with a population of nearly 8,000, is entitled to a $30,000 post office. I think that the hon. minister should give every place its due.

Mr. SPROULE. I desire to protest against the principle adopted by the government in the expenditure of public money. When in opposition those hon. gentlemen were wont to be very severe on the government of that day for spending public money in places which were not sufficiently large to entitle them to a public building, and the principle was again and again enunciated that in no village or town were the government justified in spending money when they could get a suitable building at a moderate rental. The ground taken was that the rental would be much less in any case than the interest on the cost and the expenditure required to have the place cared for and kept in proper order. Look at the present instance. Here is a village with 1,100 inhabitants. The gross revenue of the post office there is $919. The salary allowed the postmaster is $350, besides $40 allowed him for fuel, rent and light. And here we find the government incurring an expenditure of $15,000 to erect a building, which afterwards it will cost them to take care of about $300 or $400 a year in wages to the caretaker alone. All that post office is costing the country to-day is $40 a year, besides the salary of the postmaster of $350. But the interest on $15,000 at 3½ per cent will amount to $450, which will be a permanent charge on the consolidated revenue. Then a caretaker must be employed, who will cost the country from $300 to $400 a year, not to speak of the repairs which will have to be made every year. Take $400 for the caretaker and $450 for interest, and $45 for lighting and heat, and you have an expenditure of $925 a year as compared with $40 to-day. Let the government go out into the country places of Ontario, into those large and thriving villages, with populations of from 1,000 to 2,500, where the people have never yet asked for a new post office, and let the government tell those people that they are making this extravagant expenditure of $15,000, besides the cost of caretaking, light, and fuel, and repairs, in a place of 1,100 inhabitants, and see what verdict they will get. Would they make such an expenditure in a riding represented here by a member of the opposition ? It is not very likely. But one of their own followers finds that some place must be given an expenditure of public money, or some one must be given a cinch on the government, and so this unjustifiable and extravagant expenditure is undertaken. I want the people to understand the matter, for there is not a settled county in the province of Ontario that has not from two or three to a dozen larger places than this that ought to have a public building if there is any justification for this expenditure. Yet, the people in those places have never asked the government to incur such an expense for them, believing that it would be unjustifiable for the government to put up a public building when sufficient accommodation could be had much more cheaply by renting.

Mr. FITZPATRICK. May I ask the hon. gentleman (Mr. Sproule) how many counties there are in the province of Ontario where there are no public buildings ?

Mr. SPROULE. That is not the question. But there is not a county in Ontario where

there are not half a dozen places larger than Acton Vale without public buildings. In my own county there are eleven towns and villages of that kind, and I do not believe that more than one or two of them have ever even asked for a public building. The people do not believe that such an expenditure would be justifiable, and they certainly do not believe that it is justifiable in the case of this town of Acton Vale.

Mr. FITZPATRICK. The spirit of economy to which the hon. gentleman (Mr. Sproule) says Ontario is remarkable does not appear in the estimates ; because we find that the proposed expenditure for public buildings in Quebec is $254,000 while that for Ontario is $694,000.

Mr. CASGRAIN. This is not a question of Ontario versus Quebec. My hon. friend (Mr. Fitzpatrick) cannot draw a red herring across the trail by any attempt to make it appear that the opposition to this vote is due to the fact that the money is to be expended in the province of Quebec. Nor will the hon. gentleman divert attention from this vote in that way. The question is a simple one. Here is a town of 1,175 people with a postal revenue of about $900 a year, and, notwithstanding the pledges made by hon. gentlemen opposite when in opposition, notwithstanding the declarations they made as to the policy that should be followed by the government in these matters, they propose now to expend $15,000 on a public building and post office for this small place. Let me recall to the Minister of Public Works what he said when in opposition with regard to a proposal which had much more to commend it than this has. There was a vote of $15,000 for the post office, custom-house and inland revenue office in Richmond, Que. It was discussed on June 15th, 1894. The customs revenue for that place was $6,745.22.

Mr. JAS. SUTHERLAND. What was the postal revenue ?

Mr. CASGRAIN. I have not the figures here. But the House will see that, with such a custom revenue, there was some justification for putting up a building. What did the Minister of Public Works say then ? I have found this par hazard. If I were to go through the debates I am sure I could find dozens of declarations equally strong and more eloquent than the one I am going to read. The hon. gentleman said :—

> I am not saying whether it——
>
> The policy of the government——
>
> ——is settled or not. I know that the hon. minister and members on this side voted that public money should be expended upon these buildings on some principle based upon the revenue at the points where these buildings are being constructed and the population to be served. That was decided by the votes of the members of the House, and I think it is a good principle to be maintained.

And he goes on :—

> Then, the hon. gentleman repudiates the principle that was promulgated by his late leader, Sir John A. Macdonald, and approved by the votes of members of this House with the Speaker in the Chair. I think it would be more satisfactory and businesslike for the hon. minister to stand up to declare that he did not approve of the principle of public money being expended upon merely political consideration. The hon. minister knows well that people of the section of the country I represent have shown the minister and the government the necessity in the public interest for the construction of a public building, and they have shown that they were entitled to it upon every principle upon which it is supposed that public money is granted.

This is a clear condemnation of the construction of buildings in constituencies merely for political considerations. But I would ask the hon. minister if it is not merely upon political considerations that he is putting up this building in the town of Acton Vale—simply because he was asked by a supporter of the government to do so ? He has gone back on what he said when in opposition. He cannot give a solitary good reason why we should vote the money for the building in question. In this matter he will swallow himself, as he and all his colleagues have done so often before.

Grosse Isle quarantine station, $12,000.

Mr. CLARKE. Does that come under public works ?

Mr. JAS. SUTHERLAND. The quarantine buildings are constructed and kept in repair by the Public Works Department. This amount is in accordance with the estimate furnished by the Department of Agriculture, which includes the following items :—Police quarters, drainage and plumbing, $735 ; hospital fire escapes and plumbers' work, $345 ; painting superintendent's residence, $150; alterations to small-pox hospital, $800 ; completing public works building, $1,000 ; headquarters for sailors, $8,000 ; repairs to medical officers' building, $500 ; plank walks, &c. $200 ; incidentals, $270 ; total $12,000.

Mr. CASGRAIN. I see that $12,000 was voted last year. Is this a revote of that amount ?

Mr. JAS. SUTHERLAND. This is in addition to the vote of last year. Of that vote $10,088 was expended.

Mr. LENNOX. This will complete the work ?

Mr. JAS. SUTHERLAND. Yes, according to the estimates submitted by the Department of Agriculture.

Mr. LENNOX. I notice in this case the hon. minister has done what I advocated in reference to another item—he has included the fittings, fixtures, &c., in the vote he has taken to carry him to June 30th.

1905. In this case we expect to spend $12,000 within that period, whereas in the other case we did not expect that we could spend $15,000 in the same period.

Mr. BENNETT. Will this work be let by tender or done by day labour ?

Mr. JAS. SUTHERLAND. My hon. friend will see that these are a number of comparatively small items, and on the island it would be almost imposible to get the work done by contract, and so we are having it done under the supervision of an officer of the department, by day labour.

Mr. CLARKE. What is the difficulty of getting it done by contract ?

Mr. JAS. SUTHERLAND. It would cost a great deal to people to go backwards and forwards. I am informed by the officers of the department that it is very satisfactory to get the work done by day labour under the supervision of an officer of the department.

Mr. BLAIN. Will this complete the work ?

Mr. JAS. SUTHERLAND. This work is done on the requisition of the Department of Agriculture, under whose jurisdiction the quarantine service is. This will complete the work.

Lévis public building, $20,000.

Mr. JAS. SUTHERLAND. We have procured a site, but it was not settled on until recently. The total cost of this work to complete is estimated at from $35,000 to $40,000. The site is government property, and did not cost us anything.

Mr. CASGRAIN. Is this the site of which we were speaking last year, the one down below the hill ?

Mr. JAS. SUTHERLAND. Yes. The building is for all government services in the town of Lévis. It is rather an important place, a station on the Intercolonial, and is the chief town of that county. I think it is necessary we should have a good building there for the public accommodation.

Mr. MORIN. What is the size of the building at Lévis ?

Mr. JAS. SUTHERLAND. The plans are not completed, and I cannot give the exact size.

Mr. MORIN. Of what will the building be constructed, of stone or brick ?

Mr. JAS. SUTHERLAND. The intention of the architect is to recommend brick with stone facings. It will be three stories high.

Mr. MORIN. Is the minister acquainted with the location of the building ?

Mr. JAS. SUTHERLAND. I have been there, and remember well where the location is.

Mr. MORIN. What is the size of the lot the government is giving ?

Mr. JAS. SUTHERLAND. As near as I can remember, 160 feet by 140 feet.

Mr. MORIN. Is it where the old freight shed stands ?

Mr. JAS. SUTHERLAND. Yes.

Mr. MORIN. That is a good place. The people deserve this building, and the government has been owing it to them for fifty years.

Mr. BLAIN. I noticed when this item was up before, the minister stated that his department were negotiating with the Minister of Railways in respect to a site for this building.

Mr. JAS. SUTHERLAND. Yes, we had been negotiating.

Longueuil public building, $12,000.

Mr. CASGRAIN. Has the site been acquired in this instance, how much was paid for it, and from whom was it bought ?

Mr. JAS. SUTHERLAND. The site was procured from Mr. F. St. Mars for the sum of $2,800. It is opposite the church, and has a frontage of 118 feet with 85 feet in depth.

Mr. CASGRAIN. How did you come to pay $2,800 for that site ? Did anybody from the department go and value it ?

Mr. JAS. SUTHERLAND. Yes, I had a report from Mr. Michaud, an officer of the department, on the lot. He is the resident engineer for the Department of Public Works.

Mr. CASGRAIN. I am told that is about $2,000 too high. I would like to know what qualifications Mr. Michaud has for valuing lots in Longueuil. I can understand that a man might be a good engineer but not a good valuator of real estate. If my information is correct, he was greatly mistaken if he reported to the department that this lot was worth $2,800.

Mr. JAS. SUTHERLAND. Mr. Michaud holds an important position in the department. He is a qualified land surveyor, a man of education and experience, and if he is not capable of making a valuation of a lot of land in a small town like that, I do not know who I can depend upon.

Mr. LENNOX. I have not had as much experience as the minister, but I can tell him this, that the more he studies the matter the more he will become convinced that a man going out of Ottawa into a new place and attempting to value a property, will usually be unsuccessful. All these matters are relative. You have to be familiar with the land in the locality, and it is absolutely impossible for an engineer or any one else going from the city of Ottawa in a place

where he has no knowledge of the local conditions, to value a property. We have had instances before of architects valuing property. I think if the minister will reflect for a moment he will conclude that a gentleman going into a new place, with which he is not familiar, having no data to go by, cannot successfully value a property. Therefore the committee will see how likely it is that this is an over valuation.

Mr. JAS. SUTHERLAND. In the first place this officer does not belong to Ottawa, he is a resident engineer of that district. I should have thought that he was well qualified especially after having gone into that town and after having had an opportunity of discussing these matters with all classes of the people. I can hardly believe it possible that any responsible official of the department would be so dishonest as to misrepresent the value of a property of that kind, or that he would sign a certificate upon his honour which was misleading.

Mr. LENNOX. I would like to ask the hon. minister what he means by saying that this officer was living in the district ?

Mr. JAS. SUTHERLAND. Montreal is just across the river and his headquarters are in Montreal where he has been for many years.

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries). I happen to know the locality and I know the property in question. I am not astonished at all at the price, because, from what I know personally, I am aware that this was the only site that could be got in the town of Longueuil for the post office at that price. Longueuil is one of the oldest towns on the south shore of the St. Lawrence and in the vicinity of the church the lots are taken and built upon. In this case this was the only available lot at this price in the centre of the town. This post office will serve not only the town of Longueuil but the people of the parish of Longueuil who come to the town to transact their business and who come on Sunday to attend religious service. This property was bought for $2,800 after Mr. Michaud had ascertained the proper valuation of it. This price is $1,000 less than it could have been bought for a month previously, because, during the interval between the visit of Mr. Michaud and the purchase of the property, a fire took place in part of the buildings upon the property which reduced the price to $2,800, thus saving $1,000 which otherwise the government would have been obliged to pay. But for this circumstance it would have cost the government $3,800. Longueuil is my native town and I know exactly all the circumstances accompanying the purchase of this property. There were other properties offered to my knowledge which would have cost a great deal more than this one and which would not have served the purpose as well as this property will. Longueuil is one of the oldest towns on the south side of the St. Lawrence and the need of a public building has been known and felt for a long time.

Mr. LEONARD. (Translation.) Is the hon. Minister of Marine and Fisheries aware that, at a public meeting, including most of the citizens of Longueuil, a protest was entered against the selection of the site and the price paid by the government ? Besides, is the hon. minister aware that the said property is not valued at more than $800 ; that the local member for Chambly is opposed to its selection, and has so expressed himself at this public meeting, adding that the said property was not worth more than $1,000 ?

Mr. PREFONTAINE. (Translation). I am surprised at the statement made by the hon. member for Laval. I know personally of the property in question, and I may repeat in French what I stated a moment ago in English, namely, that the said piece of land is certainly worth the price paid for it, and that it was the only one available at that place. As to the public meeting to which my hon. friend refers, I am aware that a few dissatisfied people, four or five, have complained because they had not succeeded in selling their own land, I presume, for four or five thousand dollars, while the government have been in a position to purchase for $2,800 a piece of land more suitable in every respect.

Then, again, I may say for the information of the hon. member for Laval, that the local member for Chambly does not at all times fully agree with the federal member, and possibly is not in sympathy with the people who sold that land to the government. He would possibly have been better satisfied if the site had been located somewhere else. However, I may state that this property is worth the price paid for it, and that it was the only site available in that neighbourhood—which is the most suitable and convenient for the people as a whole—without having recourse to expropriation, and thereby running the risk of paying a much higher price. I do not know that it would have been possible to secure a similar lot at this place for a lower price. The location is a central one ; it is the nearest site that it was possible to secure. It is conveniently situated, not only as regards the people of the town of Longueuil proper, but also as regards the country people who come to town either on Sundays or week-days.

Mr. LEONARD. (Translation.) Is not that lot situated in the east ward, and not in the centre of the town?

Mr. PREFONTAINE. (Translation.) I fail to see what the hon. member's object is in putting that question. It matters little whether that property is situated in the east or west ward ; and I contend that the property is

the most centrally situated that it was possible to secure. I am not familiar with the boundary lines of the various wards of the town of Longueuil ; at any rate, I may say once more that the site is the most conveniently and centrally located for the requirements of the people generally.

Mr. LEONARD. (Translation.) What other lots were offered to the government?

Mr. PREFONTAINE. (Translation.) I could not say exactly. I know that one of my relatives offered a piece of land. He wanted, I understood, five or six thousand dollars for it. True there were no buildings, but I do not blame him for having asked such a price, as the buildings became absolutely useless and the government were left with the bare land. The lot offered by my relative was central enough, being in the vicinity of the one referred to just now.

Another lot was offered in another section of the town, but it was too far away from the business centre. Its purchase for the purpose of constructing on it a public building would have brought forth a protest on behalf of the whole community.

Mr. LEONARD. (Translation.) Was the purchase of the land referred to recommended by the hon. minister?

Mr. PREFONTAINE. (Translation.) I did not recommend any.

Mr. LEONARD. (Translation.) Has a recommendation been made by some other member?

Mr. PREFONTAINE. (Translation.) I cannot say; you may inquire from them.

Mr. CASGRAIN. I quite admit that the case of the town of Longueuil is a much more favourable one than that of Acton Vale. Longueuil is a much more important place and the reason which I call for the erection of a public building are much greater than those to be found at Acton Vale, but what the hon. member for Laval (Mr. Léonard) said seems to show to a certain extent that the government is not careful enough in the valuation which it gets of these sites which are purchased for public buildings. My hon. friend says that the municipal valuation of that property is only $800, and that the local member who represents the district in the legislative assembly of Quebec asserts, and has asserted in a public meeting, that the value of this property is only $1,000. Here, we are paying $2,800 for a property which is valued on the municipal roll at $800 and is publicly asserted by an architect, a man who certainly has a reputation as being a valuator in Quebec who knows his business, to be worth $1,000. We are paying $2,800 for that property, which, notwithstanding what my hon. friend the Minister of Marine and Fisheries (Mr. Préfontaine) has said, does certainly not seem to be worth that money.

Mr. PREFONTAINE.

Mr. PREFONTAINE. I must say that I am very much astonished at the assertion made by the hon. member for Laval that this property is valued on the valuation roll of Longueuil at $800, and unless I see the proof I must decline to believe his assertion, or unless he says he has seen the valuation roll himself. I know something of the town of Longueuil for reasons which I have already stated. I have owned property there —I do not own any at the present time— and I know that property of this kind is not valued at $800 unless there was something extraordinary and this man had a pull with the municipal council which enabled him to have this property valued at such a ridiculously low price. The buildings on the site were insured for over $2,000 and I know that the owner received from the insurance company on account of the fire over $1,000. How could a property with buildings erected on it which were insured for $2,000 be valued by the municipal council at $800 ? The valuation put upon the property by Mr. Michaud is a fair valuation to my knowledge. This is the only site that could be procured without expropriation in the town of Longueuil unless the government had been willing to buy a property for $5,000, $6,000 or $7,000, or to take a property outside of the centre of the town in a location which would have been quite inconvenient. My hon. friend from Montmorency says that an architect has stated that the property was only worth $1,000.

Mr. CASGRAIN. I was referring to Mr. Perrault the local member who is an architect.

Mr. PREFONTAINE. I do not care whether this statement has been made by Mr. Perrault or any one else. There are architects and architects. Some architects will give you an estimate of the cost of a building at $5,000, and before you have that building completed it will cost you $10,000 or $15,000.

Mr. CLARKE. What about the value of his opinion as to land ?

Mr. PREFONTAINE. Land ! What does he know about it ? If he valued this land at $1,000 he does not know what he is talking about.

Mr. LEMIEUX. As to the qualifications of Mr. Michaud for valuing that property, I am sure that my hon. friend (Mr. Casgrain) knows that Mr. Michaud is one of the most competent valuators we have in Canada. Mr. Michaud does not reside in Ottawa. He was brought to the department by the hon. ex-Minister of Public Works (Mr. Tarte). His appointment was specially recommended—and this is a fact which will appeal to my hon. friend from Montmorency —Mr. Michaud was specially recommended by his friend, Senator I. P. B. Casgrain, who had acted with him as land valuator for

the Canadian Pacific Railway in Montreal. Senator Casgrain is not an architect, but he is a very able man, and as a valuator he has no peer in Montreal. Mr. Michaud was associated with him as valuator for the Canadian Pacific Railway, and surely if he were able to value land in the heart of the city of Montreal, he is competent to value a little bit of proterty in Longueuil. Mr. Michaud occupies the highest possible standing in the community, and I do not believe that his valuation would be questioned by any court of justice or by any concern in Montreal. My hon. friend (Mr. Casgrain) says that the site was criticised by Mr. Perrault, who is an architect, and an able one too, and who is local member for the county of Chambly, but my hon. friend (Mr. Casgrain) knows that besides having these qualifications, Mr. Maurice Perrault has also another ambition, and it is to become the Liberal candidate in the county of Chambly-Verchères at the next general election. He was a candidate before the convention held lately against the sitting member (Mr. Geoffrion), and my hon. friend (Mr. Casgrain) knows that these gentlemen are presently at loggerheads.

Mr. CASGRAIN. I did not know that.

Mr. LEMIEUX. Well, it has been ventilated in the press by Mr. Perrault himself. Anyway, it must be admitted that the site has been purchased at a fair price, and that the valuation is a just one and could not be successfully questioned before any court in Montreal.

Mr. BLAIN. The minister stated last year that the price of the site would be very small. Surely the minister will not say that $2,800 is a small price.

Mr. JAS. SUTHERLAND. In an important place like Longueuil I think it is a small price. The lot is 118 feet by 85 feet, and it is one of the principal lots of the town. I cannot think it possible that the officials and the people they deal with, would be so degraded and dishonest as to certify that the price is fair and reasonable, if such is not the truth. I do not think they would do such a thing for the whole amount paid for the lot.

Mr. INGRAM. Did the government purchase the buildings on the lot ?

Mr. PREFONTAINE. The purchase included the buildings, which will be torn down.

Mr. BLAIN. What is the total cost of this building ?

Mr. JAS. SUTHERLAND. About $20,000.

Mr. BLAIN. Is the plan being prepared now ?

Mr. JAS. SUTHERLAND. Yes.

Mr. LEONARD. Is it being prepared by Mr. Maurice Perrault ?

Mr. BLAIN. How is it that last year the minister stated that the cost of the building would be $10,000. That statement seems to be misleading.

Mr. JAS. SUTHERLAND. My hon friend will not find many instances in the 'Hansard' where I made a statement that is not correct.

Mr. BLAIN. There are a good many of them.

Mr. INGRAM. The Minister of Public Works is falling from grace.

Mr. BLAIN. Last year the minister stated ('Hansard,' page 13070) :

> This is in the county of Chambly ; the population of the town is 2,257 ; the postal revenue is $612.92 ; the building will cost $10,000. The cost of the site would be very small.

Mr. JAS. SUTHERLAND. I was new in the department, and I gave the figures as they were given to me, but if the hon. gentleman figures it out he will see that the statement is not far astray. Take $10,000 for the building, $2,800 for the lot, $1,000 for the heating and lighting, contracts for fittings, &c., and it will come pretty nearly to $20,000. I have explained over and over again that the chief architect in some cases gave me the cost of the building when it was asked, and not the total cost of the work undertaken. It is perfectly true, as the member for Toronto (Mr. Clarke) says, that you must heat and light a building, but there seems to have been a misunderstanding, and in many cases the information given applies to the building proper and not to future contracts that were to be let.

Mr. INGRAM. Are we to understand that when we ask for the total cost of a building we have to go into all these little details in order to find it out ? You cannot have a public building complete unless you have all the fittings necessary to carry on the business.

Mr. JAS. SUTHERLAND. That is what I mean. When I was asked what would be the total cost of the work, I answered that. I was at once asked for a separate statement of the estimated cost of the building, and it was quite natural, from the custom of the past, for the chief architect to suppose that the total cost meant the cost of the building.

Mr. INGRAM. Are we to understand that in future, when we ask the total cost, it will be the cost of the bare walls ?

Mr. JAS. SUTHERLAND. No, the total cost of the work, and I have given that to-night.

Mr. CLARKE. We had better have a clear understanding of this point. Last

session I endeavoured to get some light on the question. On page 13071 of 'Hansard,' I asked :

What is to be the total cost of this building ? Has the site been secured ? Are the plans prepared ? We seem to be going it blind in most of these cases.

The MINISTER OF PUBLIC WORKS. My hon. friend must admit that I have given that information already.

What did that mean ? The information given was that which the hon. member for Peel has just read. The minister said: 'It will cost $10,000.' That was in a place with postal receipts of only $600.

Mr. JAS. SUTHERLAND. It is very evident, from what the hon. gentleman has read, that it was the building that was referred to, because it refers to the cost of the site ; and when my hon. friend asked the cost of the building, the officers of the department, from the custom of the past, supposed that he meant the cost of the building alone.

Mr. CLARKE. I used the words 'total cost,' and the minister said that it would cost $10,000. Now we are told that it is going to cost $20,000. It would be fairer and franker for the hon. gentleman to tell us at once what it is going to cost to complete the building, including the heating and lighting, as well as the cost of the walls and partitions. It is because we cannot get that information at the inception of these votes that these discussions take place. We have had innumerable instances of that since these estimates have come up.

Mr. JAS. SUTHERLAND. I have explained to my hon. friend over and over again that if there was any misunderstanding, it was because the architect supposed that the information wanted was the cost of the building. However, if we are to have a better understanding, it will be my duty to give the total cost of the work to the House whether the inquiry is made from hon. gentlemen opposite or not.

Mr. INGRAM. Is there to be a local architect employed in connection with this work ?

Mr. JAS. SUTHERLAND. My policy is to have a local architect as clerk of works if I can obtain one.

Mr. INGRAM. I understand the hon. gentleman to say that he intends to discontinue employing clerks of works unless they were paid on commission and not by the day.

Mr. JAS. SUTHERLAND. I have stated over and over again that my policy is to employ architects where they can be employed, and pay them, as well as others who are not architects as far as possible, on commission.

Mr. CLARKE.

Mr. INGRAM. This is a new work. Will the architect be paid on commission ?

Mr. JAS. SUTHERLAND. That is what I intend.

Mr. TAYLOR. It is now a quarter past 11. We have done a good day's work, and I think we had better adjourn.

Mr. JAS. SUTHERLAND. I cannot agree with my hon. friend that we have done a good day's work in spending a whole day in passing a few items which have all been discussed before.

Mr. TAYLOR. I would remind the hon. gentleman that in the session of 1892 the House occupied from eight o'clock in the evening till three o'clock in the morning in passing three items. The next item to be reached we want to compare with one of the items on which we spent nearly the whole night on that occasion, and it will take some considerable time.

Mr. JAS. SUTHERLAND. That kept the party in opposition for a great many years, and the same policy ought to keep any party in opposition.

Mr. TAYLOR. My hon. friend took a prominent part in the discussion at that time, and I want to draw his attention to a resolution moved by the late Minister of Justice, the Hon. David Mills.

Mr. JAS. SUTHERLAND. My hon. friend voted with us.

Mr. TAYLOR. It was carried unanimously. Here is the resolution :

That in the expenditure of public money the public interest and not party favouritism should control, and in the choice of places for the erection of the public buildings for post office, customs-house and inland revenue purposes regard may be had to the amount of revenue collected and of public business done.

The two items on which we spent the whole night were for Dartmouth post office, which had a revenue amounting to $2,019, and a post office for Lunenburg, which had a revenue of $2,700, whereas the revenue from Montmagny post office was about $600. The hon. minister must surely take cognizance of the resolution which he was a party to passing. I think my hon. friend should ask the committee to rise and read 'Hansard' of that year from page 2715. The Minister of Justice asked how many places in Ontario with a revenue under $1,000 had not public buildings. A list of them was given by the late Senator Landerkin and will be found on page 2753. The whole night was spent in trying to prevent the government passing those three items.

Mr. JAS. SUTHERLAND. It is my duty to endeavour to proceed with the buisness of the House as rapidly as possible.

Mr. TAYLOR. It was agreed that we should adjourn at eleven o'clock.

Mr. JAS. SUTHERLAND. I am not aware of any such agreement. I am anxious to meet the wishes of the opposition, but I thought that probably we could run through those Quebec items, which have been all voted on and discussed before, and allow any particular one to stand to which there was any special objection.

Mr. INGRAM. A good many of us had to attend committees this morning at ten o'clock, and will have to attend committees to-morrow morning at the same hour. It is all very well for hon. gentlemen opposite, who have simply to listen, to wish to proceed, but those on this side, who have to peruse documents from time to time, find the work very trying.

Mr. JAS. SUTHERLAND. I do not think that my hon. friend or anybody else has more to attend to than I have, and I am quite willing to remain here in order to expedite business, but if my hon. friends opposite think I am not justified in pressing the business through, I am going to move that the committee rise, report progress and ask leave to sit again.

Some resolutions reported.

Mr. FIELDING moved the adjournment of the House.

Mr. CASGRAIN. What business will be taken up to-morrow ?

Mr. FIELDING. If we get through the day's orders and come to government business, we shall proceed with supply.

Motion agreed to, and House adjourned at 11.25 p.m.

HOUSE OF COMMONS.

WEDNESDAY, March 30, 1904.

The SPEAKER took the Chair at Three o'clock.

QUESTIONS.

POULTRY STATIONS.

Mr. PUTTEE asked :

1. How many poultry stations are there operated by the Department of Agriculture, and where are they situated ?

2. What is the net cost of these stations ? Do any of them show receipts to equal expenditure ?

3. Has the Minister of Agriculture received from the Manitoba Poultry Association a resolution favouring the establishment of stations in Manitoba ?

4. Has the department any reports, or have any investigations been made, as to the need of such stations in Manitoba ?

22½

Hon. SYDNEY FISHER (Minister of Agriculture). I must ask the hon. member (Mr. Puttee) and also the hon. member for East Prince (Mr. Lefurgey), whose question, No. 3 on the order paper, relates to the same subject, to move for returns covering the information contained in these questions in such a way that I may present it to the House. The answers would be very long and would involve a great deal of work.

APPLES FROM MONTREAL TO EUROPE IN COOL CHAMBERS.

Mr. E. D. SMITH asked :

1. What quantity of apples were carried from Montreal to Europe in cool air chambers of steamers in season of 1903 ?

2. What was the extra charge per barrel for such service ?

Hon. SYDNEY FISHER (Minister of Agriculture) :

1. Eight thousand seven hundred and ninety-six barrels.

2. One shilling and sixpence.

FRESH MEAT TRADE WITH EUROPE.

Mr. McGOWAN asked :

1. Have any of the steamships subsidized by the government, having cold storage chambers, been successful in transporting fresh meat across the Atlantic during the past season ?

2. If so, what were the names of the steamers ; the quantity carried ; and the ports and dates of sailing ?

Hon. SYDNEY FISHER (Minister of Agriculture). We have no records in the department from which we can find anything about any shipments of beef from Montreal in cold storage chambers during last season.

FEES TO McCARTHY, OSLER, HOSKIN & HARCOURT.

Mr. LEIGHTON G. McCARTHY (North Simcoe). Before we pass from the order of 'Questions put by Members,' I would call attention to a question standing on the order paper which has been there for some days. It refers to payments said to have been made to the firm of McCarthy, Osler, Hoskin & Harcourt. In view of the fact that the newspapers are discussing the matter, I would like to have the question put, and I would ask that, in the absence of the hon. member for East Simcoe (Mr. Bennett), in whose name the question stands, some other gentleman would put the question.

Mr. INGRAM. The hon. member for East Simcoe prefers to put his own question, I think.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister. I may say to my hon. friend (Mr. McCarthy) that the Minister of Justice (Mr.

Fitzpatrick) informs me—indeed, I think he told the House—that the statement in the Auditor General's Report is not correct, and that the payments had been made to Mr. Osler.

Mr. RODOLPHE LEMIEUX (Solicitor General). I am instructed by the Minister of Justice to answer the question by saying that no payments were made to the firm of McCarthy, Osler, Hoskin & Harcourt by or through the Justice Department.

INQUIRY FOR RETURNS.

Mr. T. CHASE CASGRAIN (Montmorency). Before the Orders of the Day are called, I would ask the attention of the Minister of Marine and Fisheries to a return asked for of certain bills of account, &c., relating to the mission of Mr. P. B. Savard. The papers cannot be long, and I would ask that they be brought down as soon as possible.

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries). It will take some time before the papers can be copied. They are very voluminous—I think nearly a thousand pages.

Mr. CASGRAIN. If I may be allowed a moment, I think the hon. gentleman (Mr. Préfontaine) has not in mind the motion to which I allude. The first motion I made was only for the accounts, and surely they cannot be spread over a thousand pages.

Mr. PREFONTAINE. I thought that a question had been asked and answered showing exactly what the amount was.

Mr. CASGRAIN. But the order of the House is for the detail of accounts, and these are what I want.

Mr. PREFONTAINE. Of course, as to that, there can be no delay. As to the other, it cannot be finished for some time.

Mr. CASGRAIN. I will give the hon. gentleman reasonable time for that.

DISALLOWANCE OF BRITISH COLUMBIA ACTS.

Mr. H. BOURASSA (Labelle). Before the Orders of the Day are called, I would like to ask the government whether a report which appears in this morning's papers is correct. This report states that two laws of the legislature of British Columbia have been disallowed by the Governor General, one of them relating to Asiatic immigration into the province, and the other to the employment of Chinese labour in the coal mines.

Right Hon. Sir WILFRID LAURIER (Prime Minister). With regard to the first law mentioned by my hon. friend, I could not give any information, but the law passed by the British Columbia legislature restricting Japanese immigration, has been disallowed.

PRINTING OF THE VOTERS' LISTS.

Mr. A. B. INGRAM (East Elgin). I would like to ask the leader of the government what progress is being made with the voters' lists. I find that a number of members received their lists several weeks ago, others have not received theirs yet. Will the right hon. gentleman say whether the Bureau is printing those lists now?

Right Hon. Sir WILFRID LAURIER (Prime Minister). I am informed that previous to the summoning of parliament the lists were being printed as fast as they came to the Bureau, but they did not come regularly. The summoning of parliament necessitated an interruption of the work for the printing of reports for the session. As soon as this printing is disposed of, the printing of the lists will be carried on as usual, and as fast as can be. Each member will be furnished with the lists.

SUPPLY.

House in Committee of Supply.

Public buildings, province of Quebec.

Mr. CASGRAIN. As several members from the province of Quebec are absent, I would suggest to the Minister of Public Works that we allow all the Quebec items to pass with the exception of one, which will stand so that hon. members may have an opportunity later of discussing any of the Quebec items when that one comes up.

Mr. JAS. SUTHERLAND (Minister of Public Works). That is quite agreeable to me. But if any hon. gentleman wishes to ask any question with regard to any of these items now, I shall be willing to give the information.

Mr. HENDERSON. I have no doubt that would be very agreeable to the Minister of Public Works, but I am not sure it would be quite so agreeable to the country. As I understand it, these items will never be called again, and probably we will have no opportunity of taking them up one by one. No doubt they will be entirely lost sight of in any future discussion.

Magog public building, $12,000.

Mr. BLAIN. Will the minister give us some information about the Magog item?

Mr. JAS. SUTHERLAND. Total cost is $25,000. No action has been taken yet. The possible sites are under consideration and it is intended to proceed with the work as soon as possible.

Montreal examining warehouse — additions and alterations, including fittings, furniture, &c., $18,000.

An hon. MEMBER. Carried.

Mr. R. L. BORDEN. Mr. Chairman, I do not think items ought to be carried in

this way. I have suggested to the hon. Minister of Public Works over and over again, and it will expedite the passage of his estimates very much if he will adopt the suggestion, that he give an explanation as to these items whether any question is asked or not. The committee is entitled to know something about these works for which it is asked to vote money and I have suggested that the object and necessity of the work should be stated, whether it is under public contract, or whether it is being done by day labour, when the work was commenced, when it is expected to be completed and other details of that kind. I took the trouble to think out very carefully last session some of the details of this kind which, I think, should be supplied to the committee on every occasion, by the hon. Minister of Public Works. It simply invites criticism resulting in the waste of time when he does not give the committee this information in the first instance. I am sure that his estimates would be facilitated if on every occasion he would in the first instance give these details and this information to the committee instead of waiting until the information is dragged out of him by hon. members in different parts of the House who are obliged to ask more or less disconnected questions for the purpose of bringing out that which should be given in the first instance in regard to every one of these items.

Mr. JAS. SUTHERLAND. I quite agree with my hon. friend.

Mr. R. L. BORDEN. But it is not done.

Mr. JAS. SUTHERLAND. It has been done upon almost every occasion. I did not want to act contrary to what I understood to be the wish of the committee. My hon. friend (Mr. R. L. Borden) was not in when the request was made by the hon. member for Montmorency (Mr. Casgrain) that another system of procedure should be adopted in regard to these few items.

Mr. R. L. BORDEN. I was not suggesting in any way that the procedure suggested by my hon. friend from Montmorency should be departed from. That was in regard to the discussion. What I maintain is that when each of the items is called, even if not one word is said from this side of the House, the hon. minister should give us the information.

Mr. JAS. SUTHERLAND. I think the method proposed by my hon. friend (Mr. R. L. Borden) is quite reasonable and that it will facilitate the passing of the items unless some question arises which is made the subject of discussion. This vote of $18,000 is asked for the purpose of making provision for additions and alterations, including fittings and furniture required at the Montreal examining warehouse requested by the Customs Department in accordance with the subjoined estimate: six new freight elevators, furniture and fittings for express and other departments, new electric passenger elevator, electric lighting plant, increased height of well for passenger elevator, the total cost of which will be $44,700. Of this there has been expended $24,700 leaving a balance of $20,000.

Mr. GALLERY. Mr. Chairman, I would like to ask the hon. Minister of Public Works if he intends to do anything with the building of the Inland Revenue Department in Montreal. At present I think this building is an eyesore to the city of Montreal and that something should be done to put it in repair or that money should be provided to build a new one.

Mr. JAS. SUTHERLAND. In reply to my hon. friend (Mr. Gallery) I would say that there are no new appropriations in these estimates, but the suggestion of my hon. friend will be taken into consideration, we will see what is required and if any appropriation is needed further it will be placed in the supplementary estimates.

Mr. GALLERY. As the hon. Minister of Inland Revenue (Mr. Brodeur) is in his place I think he would be better able to explain the condition of the inland revenue building in Montreal than I am, and to state whether it is necessary or not to have a new building.

Mr. BICKERDIKE. I must endorse the remarks of my hon. friend from Montreal, St. Anne's (Mr. Gallery). The inland revenue building in Montreal is old and quite inadequate for the present requirements. I believe that Montreal gets side-tracked in regard to a great many expenditures of this kind. Consideration is not given to the amount of revenue derived from the city of Montreal and I do hope that when the supplementary estimates come down there will be a sufficient amount placed in them to give us a respectable building for the inland revenue department.

Montreal public buildings—improvements, alterations, repairs, &c., $8,000.

Mr. JAS. SUTHERLAND. This vote of $8,000 is for carrying out in accordance with the subjoined estimates, the following repairs: Renewal and repair of Dominion public building, painting, custom-house, fitting parcel office in post office for custom-house, three stokers for three boilers and roofing inland revenue building.

Quebec immigrant buildings on Louise embankment and breakwater on King's wharf buildings, $2,000.

Mr. JAS. SUTHERLAND. This vote is to provide for renewals, improvements and repairs to immigration building on Louise

embankment. There is a detail of the repairs required—plumbing, painting, hardware, lumber, labour and sundry repairs amounting to $2,044.

Mr. R. L. BORDEN. I want to have a clear understanding as to what is the meaning of the arrangement which was referred to a little while ago. Does the hon. minister understand that any discussion, which may be proceeded with now in the absence of certain hon. gentlemen from Quebec, should be proceeded with, or does he desire that the entire discussion which may arise from any of the explanations he may give should be reserved for the item which is to stand ?

Mr. JAS. SUTHERLAND. I understood the request from my hon. friend from Montmorency to be that owing to the absence of some hon. members we might go through these items allowing one to stand upon which any hon. member might discuss any of the items included in the vote. I do not wish any restriction to be put upon them. It should be clearly understood that if an hon. member of the House wishes to ask for any information or to engage in any discussion in regard to any of the items he will have an opportunity of doing so.

Mr. R. L. BORDEN. The hon. minister has not quite answered my question yet. Does he desire that if any discussion is to take place on the part of hon. gentlemen who are here now, it shall be proceeded with as the items are reached, or does he desire that the entire discussion shall be reserved for the item which is to stand ?

Mr. JAS. SUTHERLAND. Whichever way my hon. friend thinks would be the more convenient.

Sir RICHARD CARTWRIGHT. The practice usually has been to leave one item over and on that it is understood that the discussion shall range over the whole series.

Mr. JAS. SUTHERLAND. If any person wishes to discuss any item I am quite agreeable.

Mr. R. L. BORDEN. The reason I ask is that some hon. gentlemen who had some observations to offer in regard to one or two of these items came and asked me as to what the understanding was, not desiring to engage in any discussion that would be a breach of any understanding.

Mr. JAS. SUTHERLAND. I am quite willing to vary the arrangement as I understood it, if any gentleman wishes to bring up a discussion.

Mr. R. L. BORDEN. I do not want to vary it ; I want to know what it was.

Mr. JAS. SUTHERLAND. That is what it was.

Mr. DEPUTY SPEAKER. The proper way would be to allow one item to stand,

and that would leave the resolution open. If any person wishes to return to a particular item to discuss it, the minister has promised that he will make a motion to reopen it. That would be the regular way.

Mr. R. L. BORDEN. We had better adhere to the regular way. That is the understanding.

Mr. DEPUTY SPEAKER. That is the understanding.

Quebec—Hospital for treatment of immigrants suffering from trachoma and kindred diseases, $12,000.

Mr. JAS. SUTHERLAND. Since these explanations were prepared, the chief commissioner of the Immigration Department, has recommended the purchase of a property which has been reported upon by the medical authorities as very suitable. The cost of that property would be about $14,000. There is considerable land including a building, which with some refitting will answer the purpose admirably. There was great objection raised by the Harbour Commissioners and merchants to this building being erected on the wharf as intended, and a compromise has been arranged which is more satisfactory to all concerned. The money will not be expended as was intended, but this property will be purchased, if the recommendation of the department is carried out, and some improvements made on the building. It will not cost anything near so much as if we had to erect a new building.

Quebec post office, renewals, improvements, repairs, &c., $2,000.

Mr. JAS. SUTHERALND. This $2,000 is for repairing and painting the roof, cleaning and painting office, new hardwood floor, repairs and post office fittings, repairs to heating and plumbing, whitewashing and cleaning basement.

Sherbrooke drill hall, $10,000.

Mr. JAS. SUTHERLAND. This drill hall is in exactly the same position as the several others which we discussed last night. No part of the money has been spent and I will bring down full information in regard to it when we discuss the other armouries.

St. Hyacinthe drill hall, $15,000.

Mr. JAS. SUTHERLAND. This stands in the same position as the other.

St. Hyacinthe public buildings, addition to, &c. $18,000.

Mr. JAS. SUTHERLAND. The chief architect informs me that this will complete the contract. The total cost including heating, fixtures, &c., and site was $34,490.

St. John's, examining warehouse, $3,500.

Mr. JAS. SUTHERLAND. This is to provide for the erection of an addition in

rear of the St. John's public building for an examining warehouse. This is estimated to be the total cost of the work.

St. John's public building, $10,000.

Mr. JAS. SUTHERLAND. This is for the erection of a new public building in St. John's for post office purposes. The plans for this building have not been completed and the chief architect is unable to give me the total cost at the present moment, but I will have it when we come to the item again.

St. Louis de Mile End public building, $20,000.

Mr. JAS. SUTHERLAND. This is to make provision for a public building in St. Louis de Mile End for post office purposes. The site has been purchased for $6,009 ; it is at the corner of the Boulevarde and St. Louis street and is 85 feet 10 inches by 70 feet. The total cost of this building when completed is estimated to be $30,000.

Terrebonne public building, $12,000.

Mr. JAS. SUTHERLAND. The minister was authorized to purchase the site 65 feet by 132 feet for $1,500 from N. H. Desjardins.

Thetford Mines public building, $10,000.

Mr. JAS. SUTHERLAND. This is to complete the payment of the contract price. The total cost of the work was a little less than $20,000 while the estimate was $19,728. That includes the heating, fixtures, &c.

Mr. HAGGART. What is the population of Thetford Mines ?

Mr. JAS. SUTHERLAND. I do not know but I will get the information.

Mr. HAGGART. The population is 1,605.

Manitoba — Dominion public building — renewals, improvements, repairs, &c., $6,000.

Mr. JAS. SUTHERLAND. This is the usual vote for renewals and repairs throughout the province.

Mr. PUTTEE. Has the appointment of a building inspector to succeed Mr. Cyr been made yet ?

Mr. JAS. SUTHERLAND. No.

Winnipeg district, military store building, $10,000.

Mr. JAS. SUTHERLAND. The chief architect informs me that he has just received from the Department of Militia and Defence the sketch for this building, and I shall be able to give full information in regard to it on the supplementary estimates.

Winnipeg new immigration building and postal station, $60,000.

Mr. JAS. SUTHERLAND. We have just completed the acquisition of a site for this building. It did not cost anything, because we have exchanged a piece of property which was considered unsuitable with the Canadian Pacific Railway Company for a more convenient and larger piece of ground. It is estimated that the total cost of the building will be $60,000.

Mr. WILSON. Where is this building to be located, and how many immigrants will it accommodate ?

Mr. JAS. SUTHERLAND. It is to be just opposite the other building, towards the river. It is to be built at the request and under the instructions of the Department of the Interior, and is expected to be very much more convenient than the old building.

Mr. WILSON. These expenditures are not to be charged against immigration, I suppose ?

Mr. JAS. SUTHERLAND. No, they are charged to a special vote.

Mr. HENDERSON. What material is to be used in the construction of this building ?

Mr. JAS. SUTHERLAND. Brick.

Mr. HENDERSON. I am very glad that something more substantial than the old building is to be erected. I had occasion a few years ago to examine the building used for immigration purposes, near the Canadian Pacific Railway station, and I am only surprised that there has not been some terrible catastrophe there, resulting in loss of life through fire, as the building is a most dangerous one and the means of escape are very insufficient. After the discussion we had last night, I am pleased to hear the minister state that $60,000 is to be the extreme limit of expenditure for this building ; for he has given us to understand that when he makes a statement of that kind, the amount named is to be adhered to, and the instructions to his chief architect will be to prepare plans and specifications which will bring the cost of the building within the amount prescribed. I hope those of us who may be here another year, if this matter comes up again, will be prepared to hold the minister strictly to the pledge he has given us. We now know what we are doing. We are voting $60,000 for the erection of an immigration building in Winnipeg ; the members of this House are to be responsible for that expenditure ; and the chief architect is not to do as has been done in other cases—usurp the functions of parliament and say that a larger sum of money shall be expended. I desire to impress on the minister that he has pledged himself that $60,000 and no more is to be expended on this building.

Mr. JAS. SUTHERLAND. Before the hon. member spoke I gave instructions that

if there was any doubt about this amount being sufficient, not one dollar was to be expended until full information was had; and the intention is to complete the building for the sum stated here.

Mr. WILSON. How many stories will it have?

Mr. JAS. SUTHERLAND. Four.

Mr. HENDERSON. Are we to understand that $60,000 will complete the building, including the furnishing, heating apparatus and everything connected with it? Because that is what I understand when we are told that the building will cost so much—that $60,000 will complete the whole structure, and do whatever is necessary to put it in shape to receive immigrants and to be taken over by the Interior Department.—

Mr. JAS. SUTHERLAND. This includes everything except the furniture.

Mr. HENDERSON. I am afraid there is room enough in that for the minister to do a great deal of electioneering.

Mr. JAS. SUTHERLAND. I do not want any such opportunity. When a building is completed, a requisition is made for what furniture is required.

Mr. PUTTEE. I would urge on the hon. minister the necessity of not in any way delaying this work. A vote was taken last year and nothing has since been done. During this month, stormy though it has been, a tremendous lot of immigrants have gone through to the west, and there is suffering and complaints from them that they are not furnished with proper accommodation in the immigration building. As regards the cost, the building should be constructed to meet the requirements of the immigrants, and as they are increasing very vastly, it would not be reasonable to tie down the minister to any limited amount, more especially in view of the increases in cost of construction. On Monday, materials are to be increased again ten per cent in some lines, so that in all probability the estimate made last season will not cover the cost of the building this year.

Mr. JAS. SUTHERLAND. I do not think there has been any delay on the part of the department. It is only this week that we received a deed of the property, and the chief architect tells me that he has now received a sketch of the building and will be prepared to advertise for tenders almost at once.

Winnipeg military building—magazine, $3,000.

Mr. JAS. SUTHERLAND. The plan is not yet furnished, but the cost will be $3,000.

Winnipeg land and building for new post office, $200,000.

Mr. JAMES SUTHERLAND.

Mr. W. J. ROCHE. Has the site been selected?

Mr. JAS. SUTHERLAND. No. I may say that on the report of the chief architect of the department, we thought that by adding two more stories to the present building it would be sufficient. Protests, however, were made by leading citizens and the council of the board of trade, and some time ago I asked a representative of the Post Office Department and the chief architect of Public Works to visit Winnipeg. They did so, and after consulting with the leading citizens and the board of trade, they reported that the enlargement of the old building would not even meet temporarily the wants of the community. They recommended that a new site be purchased and a new building erected. The board of trade forwarded to me options on a number of sites, and I received quite a number of other suggestions, and the whole matter is now under consideration. The prices of the sites are extremely high, and it is estimated by the chief architect that a building sufficient for the requirements of Winnipeg will not cost less than from $250,000 to $300,000.

Mr. WILSON. What is asked for a site?

Mr. JAS. SUTHERLAND. From $75,000 to $150,000.

Mr. W. J. ROCHE. Has the government any options at present?

Mr. JAS. SUTHERLAND. We have half a dozen.

Mr. W. J. ROCHE. I notice that there is nothing in the estimates for any other public building in Manitoba outside the city of Winnipeg. In glancing over the items, especially for the province of Quebec, I notice that many towns, which have been given public buildings there, are inferior in population and postal revenue to those in Manitoba not similarly located. My hon. friend from Peel (Mr. Blain) reminded us last night of the policy which the hon. gentleman and his party laid down when in opposition, according to which the government should take the revenue into consideration before deciding to construct any public building. I have just gone over some of those towns in the province of Quebec where money has been voted for public buildings, and where the revenue is much less than in the town where I reside. A reason given by the hon. member for Bagot (Mr. Marcil) why a public building should be erected in Acton Vale, was that the population was increasing and it was the principal town in his constituency. I can urge that Minnedosa is the principal town in my constituency and has a much larger revenue than many towns, for which we have voted public buildings. I have here a list of a

number of these towns, giving their revenue and population and the cost of the public buildings in each :

	Revenue.	Cost.	Population.
Alexandria	$2,973 94	$10,000	1,911
Acton Vale, Que.	919 05	12,000	1,175
Lévis...	2,367 68	20,000	7,783
Montmagny	1,713 92	6,000	1,919
Longueuil..	660 56	12,000	2,835
Magog	2,491 64	10,000	3,516
Terrebonne	1,701 86	12,000	1,822
Thetford Mines.	2,418 09	10,000	1,605

All those towns have a revenue much less than Minnedosa, where the government have two public buildings at present, for which they are paying rent, namely, the land office, for which they are paying $20 a month and the post office. If the hon. gentleman would agree to bring down an estimate for $10,000 for a public building to accommodate the post office and land office in the town of Minnedosa, I would guarantee that he will get a free site on the principal street of the town and one of the best sites. At present the post office there is in a very inconvenient spot. There is a river running through the centre of the town. The north part is largely occupied by railways and railway offices and the post office in on that side of the river.

The business portion of the town is on the south side of the river, and if the post office were just in the centre of the town, south of the river, it would accommodate the major portion of the population much better than it does at the present time. If the hon. gentleman takes the revenue as the principle upon which he should act, I can urge the claims of my town. It is badly in need of a public building, and the erection of one would save the government from the necessity of paying out rent for the land office and for the post office, as they are required to do at the present time. The hon. Minister of Public Works could get his material right in the valley inside of the town limits. There is a native stone which is used in the construction of many of the public buildings and private residences of the town, and it makes a splendid building stone. It can be got very cheaply within a mile of the centre of the town. I think that with the material on hand and with a free site, the hon. gentleman should not hesitate about being a little more liberal in his treatment of the province of Manitoba, and not confine all these expenditures to public buildings in the city of Winnipeg. I do not wish to minimize the importance of the city of Winnipeg, or to deny the absolute necessity of greater accommodation being provided in that city. They are very much in need of it, but why should the government confine all of the votes for public buildings to the city of Winnipeg ? I strongly urge upon the hon. minister that he should direct his attention to my constituency, even although it is represented by an opponent of the government, and accord fair justice to that constituency as far as putting something in the supplementary estimates for a post office and land office in Minnedosa is concerned.

Mr. JAS. SUTHERLAND. There are no new appropriations in the estimates now under consideration. If there are no votes for Manitoba outside of the city of Winnipeg, it is because the works for which votes have previously been taken will be completed before the 30th June next. The remarks of my hon. friend from Marquette (Mr. Roche) as to the necessities of the town of Minnedosa will be taken into consideration later on.

Mr. LaRIVIERE. Mr. Chairman, while my hon. friend the Minister of Public Works is on that question, I would remind him that there are three incorporated towns in the district of Provencher, none of which has a public building. The town of Emerson, where there is a customs office and post office, both under rental, has no public building, and the claims of that town should certainly be taken into consideration. The town council of St. Boniface last year made an application direct to the government for a public building, but I am sorry to say that the application was not entertained, and I hope that this year better consideration will be given to the request. There is also the town of Morris, which is a very central railway point, and that town should also be considered in the most favourable way by the government. I hope that the hon. minister will see his way clear to doing something for the towns in this district.

Mr. McCREARY. I want to endorse the statements made by my two colleagues from the province of Manitoba. That province has not received the justice to which it is entitled considering the revenue which is derived from it, as compared with the revenue received from some other provinces. In the city of Winnipeg, where I reside, the postal receipts for the months of September and October, 1902, from the sales of stamps were $12,000 and $15,000, respectively. For the months of September and October, 1903, the sales had increased from $12,000 and $15,000, respectively, to $18,000 and $21,000, respectively. Certainly there is no place in Canada, except Montreal and Toronto, where the postal revenue exceeds these amounts, and the sales of postage stamps in Winnipeg come well up to those of Toronto. So I say that the city of Winnipeg deserves any vote for extending its postal facilities which may be given. In regard to the other towns mentioned, no doubt they deserve to have public buildings, but I wish especially to mention the oldest town in the province of Manitoba, except St. Boniface—the town of Selkirk, the town which was first laid out to be the city of Winnipeg, at the place where the Canadian Pacific Railway intended to

cross the river. It was divided into lots before the city of Winnipeg was laid out. There is a population of about 3,000, and the revenues of the town are very large. The government are paying rent for a post office, customs-house and the offices of the Indian agent, the Indian inspector, the sub-land agent, the timber inspector and the fishery inspector. They have to pay rent for the offices of eight or ten different officials today, and I submit that if a $15,000 or $20,000 building were put up, the rent which is now paid would more than pay the interest on the investment. I would ask the hon. minister to place something in the supplementary estimates for the town of Selkirk. This is a town that deserves consideration although I have never urged it very strongly upon the hon. minister, but I ask for cold justice at least in regard to this particular town.

Mr. PUTTEE. The hon. Minister of Public Works will begin to see that the matter of public buildings in the west is one which is just beginning to be an important question. But, coming back to the item under discussion, the Winnipeg post office item, I would say that it is a very important and rather contentious question as to what should be the site of this post office. Of course, the whole responsibility will rest with the hon. minister of the department, and what I would like to impress upon him is not to be too strongly influenced by the various parties who have sites to sell. It may be that there will be considerable difficulty in getting a suitable site at a fair price, or one that would be acceptable to the majority of the citizens. I believe that the present site of the post office is the one that would be the most acceptable, and if the department would increase its property there and acquire the lots adjoining, it seems to me that would cause the least upset and be the most acceptable arrangement. This was urged upon the government a number of years ago. I myself urged it in 1900, when, I suppose, the adjoining lands could have been secured at a price 50 per cent less than that which would be asked for them now. While these options are before the hon. minister, knowing something of the pressure that is being applied, and knowing also something of the need of keeping the post office in a central position in the city, if it is possible, even moving it more towards the centre than away from it, I would ask that the hon. minister see that all interests and all available sites are considered.

Mr. JAS. SUTHERLAND. I have given instructions to the officials to take the greatest possible care in regard to the points which my hon. friend (Mr. Puttee) has brought up. I fear very much, from the report of the officers, that the land adjoining the present building would not be sufficient for the accommodation required now or in the near future if we could purchase it, but they want $2,000 a foot frontage. It seems to me that for all the increased space that we would have by acquiring the adjoining lot we could not afford to pay $2,000, although I quite agree that we want to get as near the business centre of the city as possible. I think from the fact that we have a large number of properties offered that we will be able to choose from them one in a desirable locality and at a fair price.

Mr. HENDERSON. Mr. Chairman, before this item is carried, I desire to say a few words. I notice the amount asked for by the hon. minister is only $200,000. None of us, on this side of the House at any rate, presumes for one moment that this is going to be the entire appropriation for a post office in the city of Winnipeg. The site is costing anywhere from $75,000 to $150,000, and it will certainly require a very considerable sum to erect a post office. Now, I think the hon. minister should take into consideration the fact that the Winnipeg of to-day is only a small town compared with what the Winnipeg of ten years hence will be, and that provision should be made for the future so that this parliament will not be called upon again within the next ten or even twenty years to expend a large sum of money for the purpose of providing a post office for the city of Winnipeg. I think the city is entitled to a structure in keeping with the commercial importance of the place. But, whatever the minister is going to expend in the erection of this post office, I hold that he should now state to the committee what that amount will be. The hon. gentleman has his chief architect, and before placing this item in the estimates, he must have had a calculation made of the cost of a structure that would conform to his idea of a proper post office for the city of Winnipeg. The only matter on which there can be any doubt is the cost of a site. I understand that the government has the power to expropriate any land in Winnipeg that they think necessary for the purposes of the government. So, I would say to the minister that he should not allow himself to be imposed upon in any way by owners of property suitable for a post office site, but that the power of expropriation possessed by the government should be used, if necessary, to secure the best site for the purpose. The minister should invite the aid of the board of trade of Winnipeg and other commercial interests to bring to bear upon the people who are interested in the sale of property, the propriety of dealing fairly and reasonably with the government, so that the government should not be forced to pay an undue price for the land required for a great public improvement of this kind. I am prepared to hear the minister state that a very considerable sum, even a large sum, is neces-

sary for the construction of this building. I suppose he would not name anything less than double the amount he has asked for here—perhaps it might be even more than that. No doubt, the minister has had an estimate made of the cost of the building he intends to construct—he certainly should have such an estimate before he asks this committee to vote any money for the purpose. And, as the only question on which he cannot decide is the question of the site, and as that may be approximately estimated by striking an average between about $75,000 and about $150,000, he should rise in his place and tell us what money is to be expended on the post office in Winnipeg. So far as I am concerned, I am not disposed to limit him, or to say that he should be compelled to erect a building that would not be in keeping with that great commercial city, or that would not meet the requirements of that city for years and years to come. But we must know what the cost of the building is to be, otherwise we cannot give an intelligent vote on this subject. I repeat that Winnipeg is entitled to a first-class building, a building that will be an ornament to the city, and that will meet its post office requirements for years to come. I know that there is very considerable grievance in Winnipeg because of lack of post office accommodation. I do not believe that sufficient land could be had adjacent to the present post office on which to erect a proper building. My recollection may be wrong, but that recollection is that on the main street the property is built right up to the post office. I do not see how the present building is to be utilized in connection with the new structure if a building to afford the accommodation that will be required is to be provided.

Mr. LaRIVIERE. Is the minister (Mr. Jas. Sutherland) aware of the nature of the title by which the government holds the site of the present post office? The first post office building in Winnipeg was in the southern part of the city. Later on, the business portion of the city extended to the north, and the business men asked the government to transfer the post office to a more northerly part of the city. I understand that the present site was given to the government with the understanding that the post office should be located on it. If that is the condition of the title, I do not know how the government would be able to move the post office from that place without compensating the original owner. Because the owner had a large property in the neighbourhood, and it was with the idea of enhancing the value of that property that he made, I might say almost a gift to the government of a site for the post office. I fully endorse what the hon. member for Winnipeg (Mr. Puttee) says, that it would be possible to enlarge the present building by extending it northward over ground not now occupied by any building of consequence, and available for this purpose. By making this extension and adding a couple of stories, I think sufficient accommodation would be provided for a long time to come. But I draw the special attention of the minister to the condition of the title by which the government holds the present site.

Mr. JAS. SUTHERLAND. The matter of the title to the site of the post office in Winnipeg was brought to my attention only yesterday. I am having it investigated. I believe there is some condition, but I do not think it is so narrow as that mentioned by the hon. member for Provencher (Mr. LaRivière)—that the site is to be occupied by the post office. I believe that the land was sold on the condition that it was to be used as a site for government offices. As to enlarging the present building, as my hon. friend from Provencher knows, that was the policy of the government. In fact I was authorized by parliament to proceed with these improvements. But a very strong protest was received from the citizens of Winnipeg, and, as I said, I had the chief officer of my department and also one of the inspectors of the Post Office Department visit Winnipeg and remain there for some time. After a full discussion of the whole matter, they came to the conclusion that the improvements that had been suggested would not be adequate, that they would afford accommodation barely sufficient for the present.

Mr. LaRIVIERE. If it is only the addition of a couple of stories I would agree to that. The post office requires more ground-floor room. If you take the adjacent lot of 50 feet wide, you can enlarge the building and increase the accommodation very much.

Mr. JAS. SUTHERLAND. My information was that the lot the hon. gentleman refers to was 30 feet. I must say that my experience, and, I fancy, the experience of others in regard to enlarging a building of this description is that a great deal of the money is wasted. However, they asked $2,000 a foot—or rather they refused $2,000 per foot.

Mr. LaRIVIERE. Not per square foot.

Mr. JAS. SUTHERLAND. Well, no, hardly.

Mr. LaRIVIERE. Some people pretended that that price had been asked for square foot.

Mr. JAS. SUTHERLAND. My hon. friend (Mr. LaRivière) is evidently not so easily startled as I am. I thought the price quite high enough per front foot. The matter was gone into with a great deal of care by the board of trade along with the officers of the two departments. I think the report made to me fully warranted me in stopping

the work. None of the money has been spent. We will save money by this plan. In reply to the hon. member for Halton (Mr. Henderson), I am glad to know he approves of the change that has been made. As I have already explained, it is only two or three weeks since this new policy has been adopted. In a large work like this at Winnipeg it would hardly be possible to have a detailed plan ready so soon. In the opinion of the chief architect a suitable building cannot be put up there for less than $250,000 or $300,000.

Mr. HENDERSON. Does that include the cost of the site ?

Mr. JAS. SUTHERLAND. No, exclusive of the site.

Mr. HENDERSON. Then before we take concurrence on this item, perhaps the minister will be able to make a definite statement as to how much money he intends to spend on the Winnipeg post office ?

Mr. JAS. SUTHERLAND. I will try to.

Mr. R. L. BORDEN. I would suggest that the minister, in the erection of this post office, should take into consideration the future development of the city of Winnipeg, that he should have regard not only in the erection of the building itself, but also in the selection of the site, to the future of the city. Winnipeg is beyond doubt destined to be a very great city, and it would be injudicious, I think, to select a site which would not allow for extension in the future, or to erect a building now which would not subserve the purposes of a very great city. I understand that no site has yet been selected, although the options have been obtained. I presume before this item passes concurrence, we will be able to get not only the information which has been asked for by my hon. friend from Halton, but also information as to the site which will have been selected, because that might require some discussion.

Mr. JAS. SUTHERLAND. I hope before this item comes up for concurrence, unless it comes much quicker than I expect, I will have that information. Of course we intend to make a building that will meet the requirements of a large city.

Winnipeg military buildings—quarters for non-commissioned officers, including guard room, &c., $6,000.

Mr. JAS. SUTHERLAND. This is a revote. No work could be done on account of the weather. The total cost of this work, I understand, will be $12,000.

Mr. R. L. BORDEN. Is it a new building ?

Mr. JAS. SUTHERLAND. It is an addition to the existing building.

Mr. R. L. BORDEN. How is the work to be done ?

Mr. JAS. SUTHERLAND. By contract.

Mr. HENDERSON. We are frequently hearing about the weather interfering with the operations of the government. I am afraid the government is too readily taking refuge behind the weather. We heard the other night that certain towns in western Ontario could not be supplied with postal accommodation on account of the weather, but other towns adjacent were supplied with all the postal facilities that were necessary, notwithstanding the weather. In Winnipeg they have had a very fine winter. I had the pleasure of visiting that city in the month of February, and I found building operations going on without apparently being interfered with at all by the weather. The winter was not extreme, and outdoor work and building operations could be readily carried on. I hope this excuse for delay will not be repeated too frequently, and made use of for the purpose of letting the government out of a little difficulty.

Winnipeg public buildings—addition to, $35,000.

Mr. JAS. SUTHERLAND. I think in view of the change of policy, we will not require this vote. Some temporary changes have been made, and some improvements for the meantime. Whatever money we will require for that purpose, if we have not enough, I will ask for in another vote. In the meantime I move that this vote be struck out.

Mr. McCREARY. If the old post office building is to be remodelled for other purposes, as well as for the custom-house, inland revenue building, land office and Indian office, it will require a large sum of money for new elevators and other purposes. It seems to me that at least $25,000 should be kept in the estimates for that purpose.

Mr. JAS. SUTHERLAND. There are no new votes in these estimates. We must decide upon what changes are desirable, and what improvements are to be made in the old building. We will then ask, in the supplementary estimates, what amount we think will be required to do that work.

Mr. PUTTEE. It will be a couple of years before the new post office is available, and this money was taken last year after the improvement of the present office was effected. The minister will have to spend money in remodelling it. During last winter $5,000 was spent in the building. There has been a lot of time and money frittered away. The accommodation was not sufficient last winter, and will not be during the coming summer. Material matters such as increasing the space have not been attended to.

Motion agreed to, and item struck out.

Northwest Territories—Calgary—addition to examining warehouse, changes and additions to post office fittings, &c., $4,000.

Mr. JAS. SUTHERLAND. This is a re-vote to make provision for constructing an addition 30 by 40 feet, two stories high, to the examining warehouse.

Mr. R. L. BORDEN. Is it by contract ?

Mr. JAS. SUTHERLAND. The addition will be let by contract.

Mr. BLAIN. What proportion will be for fittings ?

Mr. JAS. SUTHERLAND. The proportion for fittings will be small as it is an examining warehouse.

Mr. R. L. BORDEN. When do you require completion of the building ?

Mr. JAS. SUTHERLAND. The tenders would require completion this season.

Northwest Territories—Court-house, lock-up and police accommodation, $1,500.

Mr. JAS. SUTHERLAND. We maintain the court-houses in the Territories and this is for the repairs generally.

Northwest Territories — Dominion public buildings — renewals, improvements, repairs, &c., $5,000.

Mr. R. L. BORDEN. What buildings have we in the Territories ?

Mr. JAS. SUTHERLAND. Besides the court-houses and jails we have Dominion land offices and registry offices, and post offices, and the lieutenant governor's residence, in the different towns in the Territories.

Mr. R. L. BORDEN. I suppose we have lock-ups.

Mr. JAS. SUTHERLAND. I think they are all in connection with the court-houses.

Mr. R. L. BORDEN. How much was spent under this item last year ?

Mr. JAS. SUTHERLAND. $5,530.

Edmonton jail, $35,000.

Mr. LANCASTER. What was the total cost of that jail ?

Mr. JAS. SUTHERLAND. The contract was $50,150. The total cost including the cell doors, fittings, &c., will be $68,846.63.

Mr. LANCASTER. This is an enormous expenditure for a jail. Is it used for any other purpose ?

Mr. R. L. BORDEN. Is it a jail, or a hotel, or both ?

Mr. JAS. SUTHERLAND. It is only for a jail. This is inclusive of the site which cost $8,259. There is a large piece of land there, and I believe it is the intention of the Department of Justice to establish a penitentiary for the Territories.

Mr. LANCASTER. How many prisoners is it supposed to accommodate ?

Mr. JAS. SUTHERLAND. I think I will have to get that information from the Justice Department. I see there are 14 cells.

Mr. LANCASTER. Are they made of gold bricks to cost this enormous sum ? What is the building constructed of ?

Mr. JAS. SUTHERLAND. Brick.

Mr. W. J. ROCHE. Two years ago the minister stated that this was to accommodate 40 male prisoners and 15 female prisoners, and that he would not ask more than $20,000 or $25,000 for that building.

Mr. JAS. SUTHERLAND. Who stated that ?

Mr. W. J. ROCHE. The Minister of Public Works.

Mr. JAS. SUTHERLAND. The then Minister of Public Works.

Mr. W. J. ROCHE. In 1902 the minister stated :

I do not intend to spend more than $20,000 or $25,000 on the jail. My officers tell me that we cannot build a jail for that money exclusive of the site which has cost $8,950. Of course I do not bind myself against the opinion of my chief architect, but it seems to me that for $25,000 we can build the jail.

Mr. JAS. SUTHERLAND. I find that I made a mistake. There are 14 cells on each of the three floors.

Mr. R. L. BORDEN. When will it be completed ?

Mr. JAS. SUTHERLAND. The contract was let on the 5th of June, 1903, and it is to be completed on the 20th of May, 1905.

Mr. R. L. BORDEN. I suppose building is more expensive in Edmonton than it is in the east, but even so, it is a rather large expenditure for a building of the size indicated.

Mr. JAS. SUTHERLAND. The best guide to that, I suppose, is that there were quite a number of tenders, and the lowest was very much lower than the highest, and it was accepted.

Mr. R. L. BORDEN. One would suppose that a building of that kind would not cost, in the east, more than $15,000 or $20,000. Of course we must make some allowance for the greater cost of material and labour, although I am informed that the bricks are made on the spot.

Mr. JAS. SUTHERLAND. In a building of this kind a large part of the expense is in the iron work; but I can assure my hon. friend that, considering the prices of material and labour and the size of the building, the tender, compared with the other tenders, is quite low.

Mr. R. L. BORDEN. When will the building be completed ?

Mr. JAS. SUTHERLAND. The contract calls for its completion in May, 1905.

Mr. R. L. BORDEN. Is there a court-house in Edmonton ?

Mr. JAS. SUTHERLAND. Yes.

Mr. R. L. BORDEN. The jail must be on a very much more elaborate scale than the court-house.

Mr. JAS. SUTHERLAND. Yes, very much. I think it is the intention of the Department of Justice to establish a penitentiary there.

Macleod court-house, $1,500.

Mr. JAS. SUTHERLAND. This is to complete the contract. The total cost is $22,875. That includes the building, boilers, fittings and furniture, fences, sidewalks and the total finishing of the work.

Mr. R. L. BORDEN. Does it include a jail or lock-up as well ? There is no jail or lock-up in connection with this building, though I understand that there are cells in the basement for temporary use.

Moosejaw public building, $5,000.

Mr. JAS. SUTHERLAND. This vote was taken for the purchase of a site, but the town has given a site worth between $5,000 and $6,000, and this vote will be used for going on with the work. I shall be able to submit the plans, specifications and estimates of cost with the supplementary estimates.

Mr. LANCASTER. Can the minister give us an idea of what the total cost will be ?

Mr. JAS. SUTHERLAND. It will be $20,000 or $25,000.

Prince Albert court-house and post office, $15,000.

Mr. JAS. SUTHERLAND. The information required to complete the plans and to give the estimates has not been received from the Department of Justice.

Mr. BLAIN. I would like to draw the minister's attention to the fact that in many cases there is altogether insufficient land purchased by the government for these public buildings. I think the government, in view of the growing condition of Manitoba, the Northwest Territories and British Columbia, should secure ample land for public buildings. In the older parts of Canada you often find a public building which has cost $25,000 or $30,000 erected on a very small site ; so that it contributes little or nothing to the appearance of the town for the amount of money expended. In some cases the building covers every foot of the site. Another point, to which the minister might direct his architect's attention, is that in many of these post offices too much floor space is given to the postmaster and his assistants, and entirely too little to the general public. I am not saying that too much space is given for the work to be done inside, but too little is given for the use of the public.

Mr. JAS. SUTHERLAND. I fully agree with the hon. gentleman that in many cases too little land has been purchased. In this case the government own the ground and will see that sufficient space is allowed to meet the expansion of business. Some years ago I found that the difficulty pointed out by my hon. friend existed especially with regard to post offices. There was not sufficient space for the accommodation of the public, and in all new plans we are making provision to guard against any difficulty of that kind in the future.

Mr. R. L. BORDEN. Why are the post office and court-house in one building ? It seems a strange combination.

Mr. JAS. SUTHERLAND. In these places, which are growing very fast, it is difficult to rent offices, and it was suggested that in this instance the post office might be put into the court-house building, by adding an extension, without materially increasing the cost.

Red Deer court-house, lock-up, &c., and land office, $10,000.

Mr. HENDERSON. Where is Red Deer ?

Mr. JAS. SUTHERLAND. It is in Alberta district. The total cost of the work, including heating and lighting apparatus, will be $19,393.

Mr. W. J. ROCHE. Has the contract been let ?

Mr. JAS. SUTHERLAND. The contract was let to Johnson & Tait, of Red Deer, on the 7th of December, 1903, and calls for completion on the 20th of November, 1904. The building is to be of brick.

Nanaimo public building—addition to, $14,600.

Mr. JAS. SUTHERLAND. This vote is required to build an annex to the north end of the Nanaimo public building, as requested by the Department of Customs, and to provide new letter-boxes for the post office.

Mr. R. L. BORDEN. What is the size of the building now existing, and what will be the total cost of the proposed addition ?

Mr. JAS. SUTHERLAND. The building was put up in 1882. The size is 48 by 42 with a staircase 12 by 24. The walls are of stone. An examining warehouse is in the basement, the post office on the ground floor and the office of inland revenue on first floor. The total cost will be $34,056. The proposed addition will cost $14,600.

Mr. R. L. BORDEN. Has the contract been let ?

Mr. JAS. SUTHERLAND. The contract for the addition has not been let, but the advertisements are now out asking for tenders, and tenders will be received on the 10th of April.

Mr. R. L. BORDEN. What is the reason for this additional accommodation ?

Mr. JAS. SUTHERLAND. This is a customs port and the business has increased very considerably of late years.

Rossland armoury, $21,000.

Mr. LANCASTER. Is this a new building ?

Mr. JAS. SUTHERLAND. Yes. The estimated cost is $26,000. The site was secured from the provincial government. It is 120 feet on First avenue and 90 feet on Monte Cristo avenue. The building will be of brick on stone foundation and 102 feet in length, exclusive of the entrance.

Mr. R. L. BORDEN. What is the total strength of the militia force to be accommodated there ?

Mr. GALLIHER. There are two companies in that place, but this will be the central meeting point of all the companies in the district. That is why it is larger than any of the others that have been granted in that particular district.

Mr. R. L. BORDEN. The hon. gentleman says this is for the accommodation of two companies. What is the strength of those companies ?

Mr. GALLIHER. They would run from 40 to 60. I do not know the exact number.

Mr. BLAIN. Of what material is this building to be constructed ?

Mr. JAS. SUTHERLAND. Of brick.

Mr. BLAIN. Has there been some change in this respect ? The amount is very much more than the hon. gentleman stated last year.

Mr. JAS. SUTHERLAND. Yes. I think it was intended last year to build a wooden shed ; this is to be a brick building, and a shooting gallery is to be provided. I think that, considering the character of the men that went from this district to the South African war and the services they rendered, it is due to the district that we should furnish the volunteers there with reasonably good accommodation. Perhaps there is no other district in Canada upon which we could call for soldiers with the certainty of getting so large a number of the very best men.

Mr. R. L. BORDEN. That is very true, of course, and every one is most anxious to give the men of the active militia all over the country the best possible accommodation. But it hardly seems possible for us to erect armouries of this kind everywhere. An armoury costing $26,000 and intended for the accommodation of two companies of from 40 to 60 men each would seem to be rather excessive in its cost. Possibly the dimensions are too large. I must confess that I hardly see how it would be possible for that number of men to use, to any great extent, a building so large as this amount should provide. I am not speaking of Rossland alone, but I have in mind the armouries in a great many other places in the country. I have thought sometimes that we spend a little too much money on armouries and, perhaps, not enough on the force itself. I realize that we must have accommodation for the men engaged in the active militia, but that accommodation should be on a reasonable and moderate scale. It would be impossible to erect a $26,000 armoury for every two companies. I do not know how near to Rossland the other two companies are. If this armoury would answer always, or for any considerable period of years, the wants of other companies, that might put a different aspect on the case. But I do not know how near the headquarters of the other companies are, or to what extent those companies can use this armoury. I think perhaps the Minister of Public Works might give us a little more information on that point. I entirely concur in what he has said as to the class of men who are engaged in the active militia, not only in Rossland, but throughout the west. At the same time that does not justify us in being too lavish in the construction of these armouries, either in the west or in the east. I have not observed the armouries in the west, but I have observed some of those in the east, and, as I say, I have sometimes thought that perhaps we are using a little too much of our funds in that way.

Mr. JAS. SUTHERLAND. There is one fact that will explain a great deal in connection with this item, and that is that a building of this character would cost twice as much in the district in which it is to be constructed as it would be in any part of eastern Canada.

Mr. GALLIHER. Further to satisfy the hon. leader of the opposition (Mr. R. L. Borden), as far as possible, I would like to say that, as he well knows, in the western part of the country—in other parts of the west as well as in British Columbia—the conditions are such that we cannot get outside drill. In such towns as Rossland you have to drill winter and summer in the armoury. Practically, this is a drill shed as well as an armoury. At the time when the appropriations were made for the other four companies at four different points—

Mr. R. L. BORDEN. Where ?

Mr. GALLIHER. One at Nelson, one at Kaslo, one at Kamloops and one at Revel-

stoke. When these appropriations were asked for, a request was made also for a drill hall at Rossland. But the title to the land had not been procured, and so this appropriation was not passed at the same time as the others. I stated in the House at that time that I would bring the matter up at the next session if the title in the meantime had been procured. The idea of building this armoury larger than any of the others was that there would be two companies at Rossland and that, as has been the practice in the past, the different companies might come together once or twice a year from different parts to hold a sort of field day, as it were. Each of the other companies, as I have stated, has its own drill hall, the buildings having been completed and being now occupied. We would like to have other companies there, in fact other places have been applying to be allowed to organize companies, but so far the Militia Department has not seen fit to increase the number of companies in that district. Grand Forks, Greenwood and, I think, Fernie, made the same request. As the minister has said, building there is much more expensive than in eastern Canada, costing at least from 50 to 60 per cent more. To provide accommodation for the two companies and for the purposes of a central meeting point, as I have suggested, it is necessary to have a building of the dimensions proposed in this case.

Mr. R. L. BORDEN. Are they infantry companies ?

Mr. GALLIHER. Yes ; they have gatling guns also, which would be stored in the armoury with the accoutrements.

Mr. R. L. BORDEN. What was the cost of the drill halls in Kaslo and these other places ?

Mr. GALLIHER. Outside of Nelson, I think they will average $6,000 or $7,000. The drill hall in Nelson is a brick structure, and cost about $14,000.

Mr. R. L. BORDEN. It would seem to me that, as a drill hall, this cannot be of very much service to the other four towns mentioned, because they have their own drill halls, and also because they are situated at considerable distances from Rossland according to my recollection.

Mr. GALLIHER. Only in the way I have stated, for meeting together generally, as they do once a year. There is only one company at each of these other points, Nelson, Kaslo, Revelstoke and Kamloops, and the idea in putting up this large building is to accommodate the two companies at Rossland, which will probably be the headquarters.

Mr. R. L. BORDEN. Where does the commanding officer live ?

Mr. GALLIHER. The district officer commanding is at Victoria.

Mr. GALLIHER.

Mr. R. L. BORDEN. These two companies at Rossland and the four other companies, do they all belong to the same regiment ?

Mr. GALLIHER. Yes, the Rocky Mountain Rifles.

Mr. R. L. BORDEN. Who is the officer commanding, and where does he live?

Mr. GALLIHER. There is in each place the captain, a lieutenant and so on, there are non-commissioned officers in each of the different places where the companies are. There is also the district officer commanding at Victoria, Col. Holmes.

Mr. JAS. SUTHERLAND. Is there not also a lieutenant-colonel in connection with the organization ?

Mr. GALLIHER. Yes, Mr. McDonnell, I think.

Mr. R. L. BORDEN. There is, of course, an officer commanding the district ; besides, I suppose, there would be an officer commanding the regiment of which these companies form part, and I would like to know where his headquarters are?

Mr. GALLIHER. At Nelson, I think.

Vancouver public building, $60,000.

Mr. JAS. SUTHERLAND. This is for the purpose of erecting a new building for a post office at Vancouver. The total cost, including the fittings, is estimated at $200,000.

Mr. EARLE. Has the site been obtained yet ?

Mr. JAS. SUTHERLAND. Yes, the site has been purchased for $52,000.

Mr. R. L. BORDEN. What is the size of the site, and where is it situated ?

Mr. JAS. SUTHERLAND. It is 156 by 120 feet, with a lane 20 feet in width. It is one of the best sites in the city of Vancouver, situated on the corner of Grenville and Hastings streets. It was purchased from Mr. D. Robertson. The Order in Council was passed on the 17th of November, 1903, but the sale was not completed until some weeks after.

Mr. R. L. BORDEN. I understand land is very valuable in Vancouver, at the same time that seems a fairly high price. It depends of course on whether it is situated in the centre of the city or in the suburbs. Has the hon. gentleman any valuation ?

Mr. JAS. SUTHERLAND. I will give one valuation, for a lot perhaps not as favourably situated as this, the Bank of Commerce paid $45,000 for only 60 feet frontage, while we have 156.

Mr. MACPHERSON. There are 156 feet on Hastings street and 120 on Grenville

street. These are the principal business streets.

Mr. JAS. SUTHERLAND. I took a good deal of trouble personally in getting at the value of this property. I was very anxious to get hold of that lot, and we got a kind of lien on it in the first place, otherwise I do not suppose we would have been able to purchase the site at the price we did. The site bought by the Bank of Commerce is the only illustration of the value of property I have been able to procure in that locality. As a rule, when the Post Office Department want another building, they get us a report. They have an officer who furnishes us with a report as to the necessity of the building and suitability of a site. They also make all the inquiries they can concerning the property. An officer of the department is invariably sent on to examine the property, who makes, I do not say a sworn statement, but a written statement of the result of his investigations into the value of the property.

Mr. R. L. BORDEN. Did my hon. friend obtained any valuation ? Of course a comparison between this and any other lot is not very valuable to any one who is not familiar with the city. To those who understand the relative values of properties in that city it might be useful information, but it does not afford much information to the members of this House. Therefore it would seem to me that with respect to the purchase of a property costing so large a sum as this, it is desirable that we should be furnished with some valuation from persons who are thoroughly familiar with real estate values in the city of Vancouver.

Mr. JAS. SUTHERLAND. I took considerable pains personally in assuring myself of the value of this property. Valuations were furnished by some of the leading real estate men of the city, and a report was made by a Mr. Henderson, who has been for some years a resident of that city, as to the value of this property. I quite agree that the instance I quoted of the Bank of Commerce is not a very valuable guide to us, still their lot is situated very close to this property, and is on the same street, and having changed hands recently, I thought it would afford us some indication. I am pleased to see that the city appears to be growing very fast, and a valuable building is required.

Mr. MACPHERSON. The government have been very fortunate in acquiring this property. Had anybody else but the government been purchasing it, it would have cost at the least calculation $60,000. The Canadian Pacific Railway owned part of the property adjacent, and were very desirous of seeing public buildings put up there ; for that reason they had an option on the property so that nothing else could be put up there but a public building. It is one of the best situated lots in the city of Vancouver, and is extremely well adapted for the purpose of a custom-house and post office. This government could to-day get $60,000 for that property for which they paid $52,000. The Canadian Bank of Commerce four years ago paid $45,000 for a lot not any better situated than this, and for a considerable less amount of land.

Mr. BLAIN. What other public buildings have the government in Vancouver ?

Mr. JAS. SUTHERLAND. Under the department there is only one public building, I think.

Mr. MACPHERSON. There is the post office and the armouries.

Mr. BLAIN. There was an item voted last year of $60,000. May I ask the hon. minister if that was expended last year ?

Mr. JAS. SUTHERLAND. That was for this same site. We are revoting $8,000.

Mr. BLAIN. I understand that. This is only for the post office ?

Mr. JAS. SUTHERLAND. Yes.

Mr. BLAIN. When this matter was up last year the hon. minister made a statement in regard to it and perhaps it would be well if I were to read what he said :

The MINISTER OF PUBLIC WORKS. It will probably cost in round figures $100,000. The city is growing very fast and accommodation to about that extent is required. We are now paying very heavy rentals and I think it is a good business proposition to have all our offices in one building in Vancouver.

What is the explanation ?

Mr. JAS. SUTHERLAND. I do not exactly catch the connection. It is perfectly true that we are paying heavy rents in Vancouver. What about the $100,000 ?

Mr. BLAIN. I cannot catch the connection either. When the Vancouver public building item of $60,000 was up last year my hon. friend made the statement.

Mr. JAS. SUTHERLAND. Read it again.

Mr. BLAIN. I will read it again.

The MINISTER OF PUBLIC WORKS. It will probably cost in round figures $100,000. The city is growing very fast and accommodation to about that extent is required. We are now paying very heavy rentals and I think it is a good business proposition to have all our offices in one building in Vancouver.

Mr. R. L. BORDEN. It is for my hon. friend to explain that.

Mr. JAS. SUTHERLAND. Yes, it is rather difficult. I do not understand the statement at all.

Mr. CLANCY. This is not the only one that the hon. gentleman cannot explain.

Mr. JAS. SUTHERLAND. I am pretty nearly always right in my statements. Very often in the discussion of these items, I cannot hear hon. gentlemen clearly and they cannot hear me, and it may be possible that in discussing these items in a conversational way, the reporters may not catch exactly the statements that are made.

Mr. CLANCY. Oh, oh.

Mr. JAS. SUTHERLAND. Well, I am speaking in earnest. I am not asking for any favours from the hon. gentleman in regard to this matter. If the statement is there, I cannot explain it. It must have been a misfake ; that is all. My hon. friend must know that there is a liability to errors of this kind. Have I ever shown a disposition to misinform the House in regard to giving it information ? If the quotation is made it is certainly a mistake. I could not have made any such mistake as that and I would not come here and give a figure which I knew would be contrary to what was expected and which would be unreasonable. There may be times when there may be differences in the figures that are given for reasons which are quite understandable, but this statement is quite unreasonable.

Mr. CLANCY. I think that the committee has not at all dealt harshly with the hon. gentleman. People are usually let off on the first offence, sometimes on the second and sometimes on the third, but that does not condone the hon. gentleman's offence in any way. Statements have been made by the hon. gentleman—I am not going to say that he made these statements in an attempt to deceive the House—which have disclosed a looseness, a carelessness, and an utter disregard of exactness and correctness on the part of the hon. gentleman's officers, if they were speaking through him to this committee. This is no doubt a serious state of things, and I have no doubt that the hon. gentleman probably spoke at that moment from information which was given him ; but his information was faulty on that occasion and it has been faulty on many other occasions. It has been urged with great reason that the hon. minister in seeking to get his estimates through should give only such estimates as may be carried out and if he is unable to carry out these statements, he should come back and get a new mandate before he expends one dollar of money. The hon. gentleman will surely not show any temper. I do not think he has any good reason to do so, because, over and over again during the sittings of this committee, it has been pointed out that he has made statements, which, without being construed in harsh terms, may be said to have shown him to be acting in bad faith.

Mr. JAMES SUTHERLAND.

Mr. JAS. SUTHERLAND. I cannot agree with my hon. friend (Mr. Clancy) ; that is all. It is a difference of opinion. It is perfectly true that the statement which the hon. gentleman (Mr. Blain) reads, appears in 'Hansard.' This is the unrevised 'Hansard,' because, with the duties I have to perform, I have not time to revise the 'Hansard.' I probably would not have noticed the error in the figures without having some notes before me anyway. I have never made a statement with the intention of deceiving the committee and the figures which are stated by me are almost invariably given to me by the officers of the department as the hon. gentleman knows. While there has been a very considerable looseness in that regard in the past, it has been my endeavour to have the estimates given much more closely than they have hitherto been given. It is the effort of the department to do so now, and all I would say is that if that statement appears it is certainly a mistake. It is so wide of the mark that I could not have made any such statement last session. It is an error.

Mr. R. L. BORDEN. Possibly it may be due to my hon. friend the Minister of Public Works, not being quite so familiar with his brief as he ought to be. I have seen that occur in other tribunals—in the courts. When a man is not very familiar with his brief, he sometimes says things that are not quite warranted, and does it quite unintentionally. Of course, my hon. friend must remember that when his words are taken down by the 'Hansard' reporters, every hon. gentleman in the House goes to the 'Hansard' for the purpose of obtaining information about the cost of these public works. We rely upon them, and when my hon. friend says that he has not time to revise the 'Hansard,' I would think that it should be very desirable that he should revise it, or, at all events, that it should be revised by some officer of his department. It is extremely important that we should have matters of this kind stated accurately to the House. I am not speaking of the revision of the 'Hansard' other than in regard to verifying the accuracy of statements of this kind. It would perhaps not be too much to ask that statements of this character should be gone over by some officer of the department if my hon. friend is liable to make these mistakes in giving information to the House. Of course, it is a perfectly absurd mistake to say that this whole building, including the site, is to cost only $100,000. If my hon. friend is familiar with his brief at the present time, perhaps he would be good enough to tell us what estimate has been made of its cost. That certainly should be furnished to the House after a very expensive site has been purchased and after we are committed to a very considerable expenditure.

Mr. JAS. SUTHERLAND. The estimated cost of this building is $200,000 in round figures, and my instructions are that the plans are to be completed and carried out in accordance with the amount as estimated by the officials as being sufficient to complete the work.

Mr. R. L. BORDEN. May I ask the hon. minister whether that includes simply the cost of the building and the cost of the site, or whether it also includes the cost of fittings, such as lighting, heating, furniture and items of that character ?

Mr. JAS. SUTHERLAND. That included the heating, lighting, and substantially everything required in the building, but it does not include the site.

Mr. R. L. BORDEN. Does it include the furniture ?

Mr. JAS. SUTHERLAND. Yes, the furniture as well.

Some resolutions reported.

PRIVATE BILLS.

Sir WILFRID LAURIER. When the order for private Bills was called, the Bills were not printed, but I am informed that they are now printed and distributed, and if my hon. friend (Mr. Borden) will consent, we will take up that order, so that they may be advanced a stage.

Mr. R. L. BORDEN. I have no objection.

SECOND READINGS.

Bill (No. 21) to incorporate the Pontiac and Interprovincial Railway Company.—Mr. McCool.

Bill (No. 22) respecting the Brantford and Hamilton Railway Company.—Mr. Calvert.

Bill (No. 23) respecting the Collingwood General and Marine Hospital.—Mr. McCarthy.

Bill (No. 24) respecting the Canadian Fire Insurance Company.—Mr. McCreary.

Bill (No. 25) to incorporate the White Horse and Alsek Railway Company.—Macpherson.

Bill (No. 26) to incorporate the Edmonton, Athabaska and Mackenzie Railway Company.—Mr. Oliver.

Bill (No. 27) respecting the Real Estate, Title, Guarantee and Trust Company.—Mr. Demers (St. John and Iberville).

On motion of Sir Wilfrid Laurier, House adjourned at 5.45 p.m.

23½

HOUSE OF COMMONS.

TUESDAY, April 5, 1904.

The SPEAKER took the Chair at Three o'clock.

NEW MEMBER.

Mr. SPEAKER. I have the honour to inform the House that the Clerk of the House has received from the Clerk of the Crown in Chancery, a certificate of the election and return of John H. Sinclair, Esq., for the electoral district of Guysboro', province of Nova Scotia.

GRAND TRUNK PACIFIC RAILWAY.

The Right Hon. Sir WILFRID LAURIER (Prime Minister), moved that the House go into Committee to consider the following proposed resolution :

That it is expedient to ratify the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the eighth day of March, 1904, transmitted by His Excellency the Governor General to this House by his message of March the eleventh ; and which varies in some respects the provisions of the agreement between His Majesty and Sir Charles Rivers Wilson and others, representing the said company ; a copy of which forms the schedule to the Act 3 Edward VII., chapter 71 ; and to authorize the government to do whatever is necessary to give full effect to the first mentioned agreement.

He said : Mr. Speaker, the transportation question is undoubtedly the most important of all those which have engaged and still continue to engage the attention of parliament and the attention of the Canadian people as well. It is a question at once complex and involved, complex and involved in this, that there are several works of a national character which have to be undertaken and carried out in the course of time, but which cannot be all undertaken at this moment. There is the construction of a second transcontinental railway from tidal water to tidal water, and which more immediately calls for the deliberation of parliament ; there is the improvement and development of the waterways from the great lakes to the Atlantic sea-board ; there is the improvement and development of overland communication between the great lakes and the Atlantic sea-board, either by the construction of new lines or by perfecting lines now existing ; there is also the connection of the great western centres of population with the waters of the Yukon Territory. All these projects deserve attention, they are all meritorious and they have all to be attended to. The question is therefore, where so much is to be done, where we should commence. This was the problem which faced the government and which

faced parliament last year; and having given the matter the best consideration we could give it, we do not think that we mistook public opinion nor failed in the proper appreciation of the events and circumstances which have taken place, in having concluded that the first of all those works which requires to be attended to is the construction of a second transcontinental railway.

There are for this conclusion, I say, paramount reasons—reasons at once political and commercial. The population of Canada to-day is probably six million of souls—perhaps a little over six million. Certainly not less than five-sixths of this number of people and more are centred east of Lake Superior. Though the western section is vastly inferior in number to the eastern section, it is a matter of public knowledge, of public notoriety, that the west is increasing with far greater rapidity than the eastern section, and the day is not far distant, indeed I think we can almost see the dawn of the day which will see the western population equal to and perhaps exceeding the population of the eastern section. Between these two sections of population, however, there is a gap of several hundred miles of uninhabited and hardly habitable land. This gap constitutes an interruption of communication that has to be made up and supplemented by the hand of man. This has been done to some extent already by the construction of the Canadian Pacific Railway—to some extent only, not completely. If we reflect that railway communication has become a primary necessity of civilized life, if we remember the growing importance which railway communication occupies in all the relations of civilized life, no further argument is required to show that a single line of railway between these two groups of the Canadian people is absolutely inadequate and insufficient. Then, when we remember that the western group of our population is geographically connected with another group of population largely akin in language and origin, but alien in allegiance, from which it is separated by no natural obstacles, and with which communication is established by means of several railways running north and south, the necessity is all the more apparent, not certainly that we are in doubt as to the allegiance of these people in the west, not certainly that we believe they can be seduced from their present allegiance in any manner whatever, but it becomes the duty of the Canadian people, and it certainly is the part of statesmanship, to provide, and that immediately, all sections of the Canadian people with proper facilities of communication, at least equal to those which exist amongst our neighbours to the south of us.

Then, when we reflect further that the population of the west is largely composed of foreign elements which have to be assimilated, we will no doubt agree that the best instrument of assimilation is the railway—the railway which annihilates distance, which makes neighbours of men who, previous to its era, would have remained unknown to each other, and would perhaps not even have suspected the existence of one another.

Strong as is the aspect of the question from the political point of view, stronger is it from the commercial point of view. The western population of Canada are largely growers of cereals, chiefly wheat. They can send their products to market at this moment only by rail, then by water, and then either by rail or water. To-day, as soon as the crop has been threshed in the month of November and up to the month of December, when navigation is closed, the products of the people of the west have to be sent by rail to the end of Lake Superior. Then they are sent over Lake Superior, and when they reach the other end of the lake, they are sent to their destination either by rail or water. What is the consequence of the present condition of things? What happens to-day? As soon as the crop has been threshed during the months of September, October and November, and whilst navigation is open, the existing railways have to make a supreme effort in order to collect rolling stock in the western section of the country so as to be able to take as much as possible of the crop to the shore of Lake Superior. They have to starve all the other sections of Canada. Trade is disorganized, and there is discontent in the east, and not much content in the west either. But, as soon as navigation is closed, the commercial life of the west, as far as the transportation of grain is concerned, is stopped. Nothing can take place. If there should be millions of bushels of wheat still stored in the granaries of that western country, if there should be a rise in price, or a sudden demand, the demand could not be supplied from the west, because, though whatever may be said to the contrary, the single line of railway which we have to-day is not adequate to the commercial necessities or to the transportation of cereals. The statement has been made, and it has been repeated on the floor of this House, that if wheat has been carried by the Canadian Pacific Railway by the north shore of Lake Superior, the statistics show that an infinitesimal quantity has been carried. But it is unfortunately beyond doubt that the grades and curvatures of the line around the shore of Lake Superior will not permit the successful commercial carriage of wheat over it. Therefore, these considerations make it necessary that we should have another line of railway to connect the east with the west, so as to supply the wants of the community.

In what I have stated so far, I have had chiefly in view the section of the road which we have in contemplation which is to connect the tidal waters of the St. Lawrence and the Atlantic with the wheat fields of

the prairies. In regard to the other section of the road, from the city of Winnipeg to the Pacific ocean, no dispute can arise, and no dissonance of opinion has been heard. There seems to be a general consensus of opinion that that section of the road has to be built, and built immediately. Unfortunately, the same unanimity does not exist in regard to the section of road extending eastward to the tidal waters of the Atlantic. In my estimation, and in the judgment of the government, that section of road is just as necessary at this moment as the other section. But there has been an impression in this country that the section of country which is to be covered by the road from Winnipeg eastwards towards the St. Lawrence is barren and inhospitable. That impression has been carefully cherished and promulgated even on the floor of this House, because, on the floor of this House, we have heard the statement made with some relish with a good deal of satisfaction and with beaming smiles, that that section of the country was a land of muskegs and jack pines. Perhaps the first consideration after all is not so much what is the character of that section of the country. The first consideration is whether or not, whatever may be the character of the country, it is possible to find there a location for a line of railway with such gradients and curvatures as will permit the commercial transportation of freight, of cereals, and the information we have in hand, which is abundant, is to the effect that such a line can be found, and will be found through that section of country. The information we have at this moment is to the effect that for three-fourths of the distance between Quebec and Winnipeg the line will run over a level plateau, over which the construction of a railway will be almost as feasible as over the prairies. But, even as to the general character of the country, we have to-day abundant information that it is possessed of a character in regard to soil and climate which will be a painful disappointment to those gentlemen who have taken a morbid pleasure in maligning it. Once upon a time I made the statement on the floor of this House that we had in regard to the character of this tract of country mountains of information. That statement was received with a great deal of sneering incredulity.

Well, Sir, we cannot expect that these mountains, any more than any other mountains, will come to those wilful and blind victims of self-imposed prejudice. But, if these gentlemen would only take the trouble to go to the mountain themselves, the scales would fall from their eyes and they would find that there is in that section of our country, a good and fair land, quite able to support a large population. These words are not mine. I borrow them from the first explorer of that country, because it is not only yesterday that that country has been explored. More than 200 years ago, when Canada was still under the French regime, the French Government sent an exploratory party to the region between the mountains and Hudson's Bay. That expedition was composed of M. de St. Simon, an officer of the French government, a second man whose name is not known, and Father Albanel, a Jesuit missionary. The party left Tadousac in the month of August, 1671. They ascended the Saguenay river, explored Lake St. John, and traversed the rivers flowing into the Hudson's Bay. They wintered in that section and explored it thoroughly not returning to Tadousac until the month of August of the following year. The report of that exploration is available ; it is to be found in Les Relations des Jesuites, a work which we have in the library. Speaking of the character of the country, Father Albanel used this very expressive language—I quote from the American edition of the Relations des Jesuites which was published a few years ago by Mr. Thwaites (page 181).

> On the 23rd and 24th of June we found a less mountainous region. Its atmosphere is much milder, and its fields are beautiful ; and the soil would bear abundantly and be capable of supporting a large population if it were cultivated.

At page 205 he continues :—

> They are in error.

Perhaps he anticipated with prophetic vision the speeches which we heard last session on the floor of this House—

> They are in error who have held that this region whether by reason of the intense cold and ice and snow, or the lack of wood suitable for building or heating, is uninhabitable. They have not seen these vast and dense forests ; these beautiful plains and these wide prairies, bordering the rivers in various places and covered with every kind of grass suited to the maintenance of cattle. I can assert that on the 15th of June, there were wild roses here, as beautiful and fragrant as those at Quebec. The season seems to be further advanced, the air extremely mild and agreeable. There was no night during my visit ; the twilight had not yet faded from the west when the dawn of day appeared in the east.

This is the character of the country that the new railway will cross. Two hundred years have elasped since these lines were written, but this country is yet unsettled. And what is the reason ? The reason is perhaps, not so much the want of communication, as the impression that has prevailed, and is still prevailing in some quarters, that a country so far north is not fit for the habitation of man. But we have learned in recent years that the question of longitude and latitude has little to do with climatic conditions, and even far to the north we have not only found the precious metals, but we have found that it is possible for vegetables to grow and mature. Why, Sir, it is not more than forty years ago, when some of the highest and ablest men we have

in the land—I will not cite their names because they are well-known—predicted, that the fertile plains of Manitoba and the North-west Territories—which are fast becoming the granary not only of the continent but of the whole world—were unfit for agriculture. It was not that the land was not fertile, but it was because they believed that the frost would not permit of grain maturing in a country so far north. We know how these prophecies have been falsified. We know that within the last twenty years or so, settlers have crossed the Laurentian Mountains, and finding good land to the north of the Lake St. John region, they have started a new Quebec there, which proves the truth of the statement made by Father Albanel two hundred years ago.

Having come to the conclusion therefore, that it was in the interest of the country, necessary that a new railway should be built, through that region, we believed it would be sound policy and good business to interest in that enterprise, the Grand Trunk Railway Company of Canada. I need not go over the full details of the contract which we made, and which was fully debated last session on the floor of this parliament. Suffice it to say, that one of the leading features, and perhaps the leading feature of that contract, was that the Grand Trunk Railway of Canada would not only be a party to this enterprise, but that they would have a controlling interest in it, and would practically take the enterprise on their own shoulders. When the moment came for us to discuss with the Grand Trunk Railway Company the terms of the contract which had been submitted to parliament and approved, the Grand Trunk Railway Company made the objection that the conditions imposed upon them were too onerous; that they could not undertake to float, and to organize, and to finance this enterprise unless the government would relax a little some of the more binding features which had been inserted in that contract. They made several requests which are now before parliament, and after a lengthy discussion with their representatives, we agreed upon certain modifications to which we now ask the assent of parliament. The proposition which they made to us, and the concessions which were made by us are now before the House. They are not numerous, and I venture to say that our hon. friends opposite, when they saw the narrow extent of the concessions which we had agreed to, were surprised at the moderation of the Grand Trunk Railway Company, and the comparatively unimportant modifications which we were called upon to make. Not only were they surprised at the moderation of the concessions which we made, but I believe they were vexed, because it deprived them of a good deal of the thunder which they were prepared to fulminate here. At all events, the proposition is before parliament,

and the time has now come to discuss it. I would suspect from the smiles which I see on the faces of my hon. friends opposite, that to-day they are not quite satisfied. I suspect that they will have some fault finding even yet, but I have been so accustomed to that from these hon. gentlemen, that anything which they may say will not surprise me now. I am not after all surprised, nor do I find much fault, if on this, as on every other occasion, it has not been found possible to satisfy the gentlemen on the opposition benches.

Let us see, however, the nature and the extent of the modifications we have made. The first of these modifications relates to the time within which the line is to be built, and the proposition to which we to-day ask the assent of parliament is in these terms:

Sec. 1. Notwithstanding anything in the said contract contained, the time for completion of the western division of the railway shall be and the same is hereby extended to the first day of December, 1911, and the tenth paragraph of the said contract is amended accordingly, and by inserting the word 'strikes' after the word 'floods' in the seventh line thereof.

By the terms of section 10 of the contract submitted to parliament last session, it is provided that the western section of the line, the portion from Winnipeg to the Pacific ocean, should be built within the period of five years commencing December 10, 1903. The company thought that this limit of time was perhaps a little too short and the only modification which they asked was that in case of failure on their part to comply with this condition of the contract, the deposit of $5,000,000 should not be forfeited. Their application was in these terms:

Time for the completion of the construction of the western division, fixed as December 1, 1908, is considered short. Failure to complete within the time should at least not create a forfeiture of the deposit.

We did not altogether agree to this, but we provided that the time should be extended by three years so that the company will have until December 1, 1911, in which to complete their line.

These are all of the concessions which have been made except that to the legitimate causes for delay, such as floods, disturbances, &c., strikes are added. I am sure that our hon. friends on the other side of the House will have no objection to agree to this modification of the contract.

The next clause is in relation to the deposit. The demand made by the Grand Trunk Railway Company is in these words:

Upon the issue of the guaranteed stock now forming the deposit already made being approved by the shareholders of the Grand Trunk, legislation to be passed confirming its substitution and acceptance in lieu of that called for by the agreement.

2. The company to be entitled to a release of the deposit at least to the extent that it forms security for the construction of the western division upon the expenditure in such construction of $5,000,000 realized from the proceeds of bonds to be guaranteed by the Grand Trunk.

The reason for this demand will be explained in a moment. I may say at once that we did not comply with this request. What was agreed to is to be found in section 2 of the supplementary contract, and is in these words :

Notwithstanding anything contained in the thirteenth and twenty-ninth paragraphs of the said contract, the company shall, when it shall have completed the construction of the said western division in accordance with the terms of the said contract as hereby amended, and shall have supplied rolling stock to the amount of fifteen million dollars ($15,000,000), if the eastern division shall not then have been constructed and completed by the government, be entitled to the return of the deposit made under the twelfth paragraph of the said contract, or any part thereof which may then remain unforfeited in the hands of the government under the terms of the said contract ; and the company shall also be entitled to have the guarantee of the government endorsed upon the said bonds issued in respect of the western division, pursuant to paragraph twenty-nine of the said contract ; and if it is shown to the satisfaction of the government that the western division will be completed and rolling stock to the said amount of fifteen million dollars $15,000,000) supplied before the construction and completion of the eastern division and that the application of the said deposit will enable the company to so complete the western division and supply rolling stock to the said amount and that the same will be so supplied, the said deposit shall be released by the government in such instalments as may from time to time be agreed upon.

Provided, however, that, of the said rolling stock to the amount of fifteen million dollars ($15,000,000), rolling stock to the amount of five million dollars ($5,000,000), to the satisfaction of the government, shall then have been marked in the manner provided by the twenty-second paragraph of the said contract, ready to be assigned to the eastern division under the said paragraph upon its completion and to serve all the purposes in respect of the whole of the said contract intended to be served by the five million dollars ($5,000,000) worth of rolling stock in the said twenty-second paragraph mentioned.

I may explain that by section 20 of the original contract, it was provided that the company would make a deposit of $5,000,000 either in cash or government securities, and that deposit of $5,000,000 was to be a guarantee for the construction of the western division of the road within the time mentioned in the contract. By one of the other provisions of the contract, paragraph 22, it was provided that the company would be bound as part of its contract to equip the road with rolling stock to the extent of $20,000,000. This applied not only to the western section of the road, but to the whole road from Moncton to the Pacific ocean, but it was further stipulated in addition that at least $5,000,000 worth of rolling stock would be marked and set aside for the special use of the eastern section of the road. The company represented to us that the terms in relation to this deposit were too exacting, that it might happen that when the company had completed the western division and would be prepared to equip it with rolling stock and to equip the whole road with rolling stock, the government section would not be completed, and in a condition to receive the rolling stock and that then the deposit might be kept by the government for an indefinite time. The company not unreasonably thought there should be a limit to the time for which the government could retain this deposit. We thought this provision reasonable enough, therefore we have inserted in the amended contract the stipulation which I have just read, if when the company shall have completed the western section, the eastern section shall not have been completed by the government, and shall not be in a position to receive the rolling stock, then the company shall be entitled to the release of its deposit, provided that of the twenty millions of rolling stock, five millions is to be set aside for the eastern section as security that it will be equipped. We hope, and it is our intention that the construction of the eastern section will proceed pari passu with that of the western section. The government, however, would not take any chances on that, and stipulated that if at the moment it had completed its part of the road, the government had not completed the eastern section, then the company should be entitled to a release of the deposit.

This seems to be a very reasonable arrangement, and I do not think that our hon. friends opposite will have much to criticise in it.

We now pass to the third section of the new agreement which is in these terms :

Pending the completion of the eastern division.

The paper as printed says :

Upon the completion of the eastern division.

But that is evidently a misprint and the word 'pending' must be inserted to make the meaning clear.

Pending the completion of the eastern division by the government, the company shall be entitled to lease from the commissioners, to be appointed under the said Act, and to operate such portions of the said eastern division as may from time to time be completed, but upon such terms as may be agreed upon between the company and the said commissioners, which terms are not to be more onerous than those of the lease of the whole division by the said contract provided for, save in so far as may be necessary to give full effect to the paramount right of the said commissioners next hereinafter mentioned, and subject always to the paramount right of the said commissioners to

use and operate the same without any payment of tolls or other compensation for such purposes as they may deem necessary or expedient in the execution of their commission.

I may here refer the House to section 20 of the original contract. It is provided in section 20 of the original contract that:

When completed the said eastern division shall be leased to, and operated by, the company for the period of fifty years, at a rental, payable as follows:—For the first seven years of the said term the company shall operate the same, subject only to payment of 'working expenditure' and defined in paragraph fourteen of this agreement; for the next succeeding forty-three years the company shall pay annually to the government, by way of rental, a sum equal to three per centum per annum upon the cost of construction of the said division, ascertained in the manner defined in paragraphs fifteen and sixteen of this agreement, provided that, if, in any one or more of the first three years of the said period of forty-three years, the net earnings of the said division, over and above 'working expenditure,' shall not amount to three per centum of the cost of construction, the difference between the net earnings and the rental shall not be payable by the company, but shall be capitalized and form part of the cost of construction, upon the whole amount of which rental is required to be paid at the rate aforesaid, after the first ten years of the said lease, and during the remainder of the said term.

Regarding this, the company made the following request:

Upon the completion of the construction of the eastern division, the company should have the option of operating under lease the portions constructed upon undertaking to pay working expenses and to hand to the government a portion (to be fixed) of the net earnings.

Rental payable under the lease to be made by the company upon the completion of the eastern division to be made a charge only upon net earnings for the whole term, or at least for a longer period than the three years provided in the agreement (section 20).

In other words, the company proposed simply to pay the net profits and nothing else, but the government would not agree to that. The only amendment made to the contract in this respect is this, that pending the construction of the eastern division, as soon as a section is completed, it can be leased to the company on terms to be agreed upon, but not to be more onerous to the company than those stipulated in the contract. This is the whole departure from the contract under this head, and to this I do not think our friends opposite will have any serious objection.

The next section is of more importance. It relates to the assistance to be given by the government for the construction of the western division. This provision of the new contract is embraced in sections 4 and 5:

4. The 28th paragraph of the said contract is amended by striking thereout all the words following the word 'not' in the eighth line thereof and inserting instead thereof the words 'in respect of the prairie section exceed $13,000 per mile of the mileage thereof, although 75 per cent of the said cost of construction may have exceeded the said sum of $13,000 per mile.

5. Notwithstanding anything in the said contract contained, the government may and shall, preserving always the proportions in the said contract, provided as between the prairie and mountain sections of the western division, implement for the purposes and subject otherwise to the provisions of the said contract, its guarantee of the bonds of the said company to be issued for the cost of construction of the said western division, in such manner as may be agreed upon, so as to make the proceeds of the said bonds so as to be guaranteed a sum equal to 75 per centum of the cost of construction of the western division ascertained as provided in the said contract but not exceeding in respect of the prairie section $13,000 per mile.

I have here to call the attention of the House to section 28 of the original contract. That section provided that the government would guarantee the bonds of the company to the extent of 75 per cent on the cost of construction of the western division, but the liability of the government was not to exceed $13,000 per mile in the prairie section or $30,000 per mile in the mountain section. The company made an alternative request which will be found in the correspondence brought down. They requested first that the government should guarantee an issue of bonds sufficient to realize 75 per cent of the whole cost of construction, without any restriction as to liability. Or they made an alternative offer that the government would advance the money.

They proposed that the government should—

Raise the aid proposed to be given by an issue of government securities bearing interest at three per cent and now quoted at or about par, and accept as security for the advances to aid in construction, bonds of the company. * * * Such bonds to form a portion of one issue, 75 per cent of which the government shall be entitled to receive and hold, and the balance to be when guaranteed by the Grand Trunk Railway Company, used for the purpose of raising the additional 25 per cent required.

The government would not accept either of these propositions, but the proposition which was finally adopted, is embodied in the section I have just read, and is to this effect. First of all the restriction as to the liability of the government guarantee in the mountain section is removed. In the original contract the government guarantee was limited to $30,000 per mile in the mountain section, but now we undertake to guarantee 75 per cent of the cost of construction, whatever it may be, without any restriction. Then we undertake also to implement the proceeds of the sales of the bonds, so as to make the amount actually going into the construction, 75 per cent of the total cost of construction. This is to be done on conditions to be further agreed

upon between the government and the company. The reason of this change is obvious, and requires very little explanation. It is to be found in the altered condition of the money market. It is a matter of notoriety that the money market has become very different from what it was six months ago. Then it was easy and affluent. Now it has become stringent and contracted. The credit of Canada has not suffered, but is to-day just as high as ever, and Canadians may be proud of the fact that Canadian government securities are quoted as high as English consols. But even with the endorsation of the bonds by the Canadian government to-day, it is a matter of notoriety that these bonds could not be sold in the market at the price they could have realized six months ago. It is notorious that even with the endorsation of the Canadian government, whose credit is as high as that of any government in the world to-day, these bonds could not be sold except at a heavy discount, and the government therefore has undertaken to implement the difference which may exist between the price realized by the bonds and their face value. How this is to be done we are not prepared to say at the moment. It is to be a matter of agreement between the company and the government, for this reason, that the present condition of things is exceptional and not likely to endure. If the market is to continue as it is, and the bonds have to be sold at a heavy discount, the government will have to advance a little more in order to make up the difference between the face value and the price realized; but if the market should revert to the condition in which it was six months ago, the amount to be further advanced by the government would be infinitesimal. Moreover, the bonds will not be issued in a day. Their issue may take several years, and arrangements will have to be made by mutual understanding between the company and the government, and the government will have to see that these bonds are issued with the approval and sanction of the Governor General in Council. This will be made still more clear by the Bill to be introduced, than it is by the explanation I have given and the contract brought down. This is the most material departure that has been made from the terms of the original contract, and it is of a character, I think, amply to be justified by the new conditions that have arisen. Even though it may involve a little higher outlay on the part of the government, I think it is very reasonable and ought to commend itself to the judgment of the House, and the judgment of the people of Canada at large.

The next question to which I have to call the attention of the House is as to the payment of the interest on the bonds. This is provided for in sections 6 and 7. These paragraphs read as follows:

6. Notwithstanding anything in the said contract contained, the government shall not exercise any rights in respect of possession, foreclosure or sale, by reason of non-payment of interest by the company under the thirty-first, thirty-second or thirty-third paragraphs of the said contract, or under all or any of them, unless and until there shall be such default to the extent in the whole of a sum equal to five years of such interest, as the company is not relieved from payment of or permitted to defer or capitalize by the provisions of the said paragraph.

7. In case of such default being made by the company in respect of the interest of the said bonds so guaranteed by the government as would, under the provisions of the said contract as amended hereby, entitle the government to take possession of the said western division or to foreclose or sell the same, the remedy of the government shall, notwithstanding anything in the said contract contained, be the taking possession thereof by and through an agent or manager to be appointed as hereinafter provided, whose powers and duties shall be to manage and operate the said western division, to receive all the tolls and revenues thereof, to pay thereout working expenditure as defined by 'the Railway Act, 1903,' including the expenses of such management or agency, and to distribute the surplus tolls and revenue, after payment of such working expenditure, *pari passu* between the government or other holders of the bonds secured as provided by paragraph 35 (a) of the said contract and guaranteed by the government and the holders of the bonds secured as provided by paragraph 35 (b) of the said contract and guaranteed by the Grand Trunk Railway Company, in the proportion of seventy-five per centum of such surplus tolls or revenues to the holders of the former issue of the bonds and twenty-five per centum to the holders of the latter issue, and the mortgage to be prepared under the said paragraph 35 (a) shall contain appropriate provisions in that behalf. The said manager or agent is to be appointed by the government, with the concurrence of the company, or, if they are unable to agree, by a majority of the Supreme Court of Canada.

Section 31 of the original contract provides that, on the prairie section, the company shall pay the interest on the bonds from the date of their issue, and, in default of payment the coupons shall be taken by the government which shall thereby be subrogated to all the rights of the creditor and be entitled to exercise all the prerogatives of the bondholders The next paragraph provides that, in the mountain section, for seven years the company shall not be required to pay interest, but the interest shall be paid by the government. For the next three years, the company shall pay the net profits of the road, and, if there is a deficiency between the net profits and the amount necessary to pay three per cent, it shall be capitalized and added to the debt of the road. Then, after that—that is, after ten years—the company shall pay the interest, and, in default of payment, the coupons shall be taken by the government, which shall be subrogated to all the rights and powers of creditors. The company represented that this section

was altogether too onerous and made the following request :

Interest should only be made a charge upon net earnings of the company, with a proviso that to the extent that such interest is not paid in any year it shall be charged up against the company and carried over, bearing interest, and be payable out of the first surplus of earnings in any year thereafter over and above the amount required to pay the fixed charges accruing due in that year. Failing the company being able to pay the interest as herein contemplated, the whole amount unpaid to be added to the principal of the mortgage and be payable when the same becomes due.

In other words, the company proposed simply that they should not pay the interest stipulated in the agreement which I have read, but that the extent of their obligation should be to pay the net profits of the road and nothing more. The government would not agree to that, but we made certain conditions which were accepted finally by the company, and which are embodied in the agreement which I have read. The first concession was that the government would allow five years of grace in the payment of interest, but, if the company defaulted for full five years, the government would be empowered to exercise, not the rights stipulated in the agreement—that is, to take possession of the road or exercise the right of foreclosure—but that the road should be put in the hands of a manager who would manage it for the benefit of all parties interested, and would distribute the earnings between the government and the Grand Trunk Railway Company in the proportion of 75 per cent to the government and 25 per cent to the company. I would like the House to bear in mind that, according to the tenor of the agreement, the road is to be built by the joint guarantee of the government and the Grand Trunk Railway Company, 75 per cent of the guarantee being furnished by the government and 25 per cent by the company. Now, if we had not agreed to this modification what would be the consequence ? Here is a case, in which the company could say to us—and say very properly I think—that the conditions we had imposed upon them were too exacting and made it impossible, or, if not impossible, very difficult, for them to finance the enterprise. Suppose we had kept to ourselves the right, after the road was built, to take possession of it the moment there was default in the payment of interest, naturally, the second issue of bonds, which has to be guaranteed by the Grand Trunk Railway Company, would be blemished to an extent far more serious than under the new contract. The party who was asked to advance the money upon the second issue of the bonds would have before him the prospect that, if there was a bad year, through failure of crops or other reason, and it were impossible for the company to pay the interest upon the bonds, the government might step in and take possession of the road. In that case, the bonds would not realize the same price as they will now that we have a different arrangement for the protection of all the creditors. The new arrangement offers an inducement to investors to put money into the enterprise because they know that if there is a failure of crops and the interest cannot be paid, there will be no taking over the road. They know that there must be five years' failure to pay the interest before the government can exercise its rights under the bonds and also that the right of the government will not be to take forcible possession but simply to have the road put in the hands of a receiver who will manage it for the benefit of those who have put money into it, that is to say, the government of Canada and the creditors of the company. Under such circumstances, the bonds must sell for more than they would otherwise, and so the road will be burdened to a less degree than it would be if we had adhered to the original agreement. These reasons seem good, and we agreed to them ; and I think that what we have done will commend itself to the good sense, and also to the patriotic sense of hon. gentlemen on the other side of the House.

Now, we come to the last important departure that has been made in the contract. It is with regard to the common stock. Section 27 of the original agreement was in these words :

The company undertakes that the Grand Trunk Railway Company of Canada shall acquire and take the said common stock to the amount of twenty-five million dollars, except shares held by directors, not exceeding one thousand shares, and shall hold the same during the term of the said lease, and so long as any of the bonds guaranteed by the government under the terms of this agreement shall remain outstanding unpaid.

The new departure that has been made to this arrangement is as follows :

Notwithstanding anything in the 27th paragraph of the said contract contained, the Grand Trunk Railway Company shall not, after the acquisition of the twenty-five million dollars of common stock therein mentioned (less shares held by directors, not exceeding one thousand), be prevented from making any such disposition of such common stock as the said Grand Trunk Railway may deem expedient, provided, however, that the said Grand Trunk Railway Company shall, during the delay mentioned in the said paragraph, continue to hold a majority of the said stock by such title as shall enable the said Grand Trunk Railway Company to control the policy of the company.

I stated at the opening of my remarks that when we determined to undertake this enterprise we thought it would be good policy and sound business to bring into it the Grand Trunk Railway Company ; we thought it would be to the advantage of the country at large, because we would associate with it that powerful organization east

and west, and make it contribute to the advantage of the new population of the west and the old population of the maritime provinces. It was part of our agreement that the Grand Trunk Railway Company should go into the enterprise and control it, and we stipulated that for that purpose they should acquire and hold for all time, not only the majority but the whole of the common stock, $20,000,000 thereof. Here again the Grand Trunk Railway Company represented to us that this agreement was altogether too severe and too onerous, that there was no necessity for it. They would not agree to it, and they ask to be released from the obligation imposed upon them of controlling the policy of the company for all time. But, Sir, in order to do so it was not necessary to go so far as we did in the first agreement, it was not necessary to bind them to hold twenty millions of stock for all time, it was sufficient to bind them to hold such an amount of that stock as would be necessary to keep control of the company ; and if this could be done with twelve millions of the stock, or thirteen millions or fourteen millions, or any other quantity of common stock, there was no necessity why such stock should not be treated as the stock of any other company, and made elastic so that the company could deal with it as any other company would do. Under such circumstances we thought the demand was a reasonable one and therefore we agreed to it, we agreed that the company might dispose of all the stock, provided, however, they always kept an amount sufficient to enable them to control the policy of the company, and to control the whole enterprise. This also seems to constitute a very reasonable departure from the terms of the contract as laid down last year.

Sir, it seldom happens that in a matter of this kind, where a contract is made in an enterprise of this magnitude, it is not found afterwards to be susceptible of amendment and improvement. That is what has taken place with regard to this contract. I do not speak of the other two sections because they are of minor importance, but I am sure they will not be criticised. I have laid before the House an explanation of all the changes which we have thought proper to make in the contract of last year. If they are examined, as I hope they will be examined, with care and attention, without any bias, I venture to hope they will commend themselves to the unbiased judgment of the House, even to the judgment of our hon. friends on the other side. The changes are moderate, and they do not constitute any violent departure from the agreement made last year and which parliament sanctioned. I have only to say in conclusion that I lay them with all confidence before the House and ask for their favourable consideration.

Mr. R. L. BORDEN (Halifax). Mr. Speaker, at the conclusion of the speech of the Prime Minister last year when he introduced this measure, he asked the House to hail it with earnestness and joy. I have observed a little less of earnestness and joy in the speech of my right hon. friend to-day. Let me say that I find very little satisfactory explanation of these amendments in the remarks which he has just addressed to the House. He went over the same ground that he went over last year. He has gone back 240 years for the purpose of showing us that the northern country through which the proposed line is to pass was then thoroughly explored, and of demonstrating to us at the same time that it was much better than the region situated to the south of it. It would naturally occur to every one of us that if that country was thoroughly explored 240 years ago it is a remarkable thing that it has not been developed since. What explanation has the right hon. gentleman for that failure on the part of the people of Canada to grasp the situation which he has described to us? He tells us that there were 'mountains of information' placed on the table of the House last year, or placed before the members. There was what my right hon. friend called a mountain of information, but after further developments took place it was found that the mountain had only brought forth a mouse ; there was very little information in it, and certainly no information which would justifiy us in undertaking to build a railway in that country without further examination and without further survey.

Now there is not much in what the right hon. gentleman has said, but such as it is I shall have to refer to it. He says that the government had thought best to interest the Grand Trunk Railway in this enterprise. We had all supposed, and the Grand Trunk Railway Company themselves had supposed, that they were the first to approach the government with a proposal to build from North Bay into the Northwest of Canada ; and the government of this country finding itself somewhat constrained by political exigencies, insisted in the first place that the line should be built from Quebec to Winnipeg through a country which has not yet been explored, but which may have great possibilities ; but afterwards, constrained by certain further political exigencies, the government insisted upon adding to that the line from Quebec to the city of Moncton. That is a more accurate statement of the circumstances than the one which my right hon. friend has given.

Now let me deal in the first place with one reason which my right hon. friend has put forward for making one at least of these further concessions. He says that the reason of the additional bond guarantee upon the mountain section, and upon the prairie section also, is that the money market is more stringent than it was six months ago. Let me point out that this con-

tract was sanctioned by parliament on the 24th day of October last, and that this supplementary agreement was entered into by the government on the 18th day of February, I think; and during that time I am assured by those who can speak with more authority on the subject than myself, that there was no such change in the money market as could justify the enormous concessions which have been made by this government. What does my hon. friend the Minister of Finance (Mr. Fielding) say to that? What did he say to that during this very session? He was asked by my hon. friend from Toronto (Mr. Osler):

Mr. OSLER. I think the proposition of the hon. minister is the only possible way to be adopted just now, in the present state of the money market, but it seems to me rather risky to have left the renewal until within two or three months of the maturity of the loan. That large loan should have been provided for some time ago. It would be very risky for any ordinary corporation to leave such a large amount at the risk of the money market without arranging for its renewal.

In reply to that the Minister of Finance said:

I may say to my hon. friend that we have not been neglecting this matter, but that it has been engaging very carefully the attention of the department for quite a number of months past. I sent Mr. Courtney to London long before the loan matured in order to make preparatory arrangements, but my hon. friend is aware that, bad as the money market is now, it was worse then. We have been keeping in close touch with the market and seeking the most available moment to have the transaction placed upon it.

Does not my right hon. friend know that Mr. Hays, the general manager of the Grand Trunk Railway Company, to whose remarks I will give some further attention in the course of my address, stated that the debenture stock which was deposited by the Grand Trunk Railway Company with the government in December last, was deposited purely for the purpose of convenience and not on account of the slightest difficulty that the Grand Trunk Railway Company had in raising this money? Yet my right hon. friend, in the face of this declaration of my hon. friend the Minister of Finance and in the face of the declaration of the manager of the Grand Trunk Railway Company, puts forward to-day the alleged greater stringency of the money market as a reason why these further concessions should be made.

Mr. Speaker, I would like to describe the financial position of this contract in its amended form and in doing so let me say to my right hon. friend that I am going to invoke the opinion of a man who has been certified by the government as perfectly competent to speak, as a man of the highest possible integrity and who, during this session, has been described by my right hon. friend as a man better qualified than any other in Canada to form an opinion in regard to matters of this kind. My right hon. friend described Mr. Blair as follows:

There is not in Canada a better qualified and more competent man to discharge the duties of the office to which we have called him. * * * I recognize him as a man of great ability, as a man of great talent, and I have no hesitation in saying that you cannot find in Canada any one who is better endowed than Mr. Blair to be chairman of the Railway Commission.

Therefore, you must pay some regard to Mr. Blair's opinion of this enterprise, to Mr. Blair's opinion as to the cost of this enterprise, and to his estimate of the obligations which this country is entering into when it undertakes a project of this kind. Mr. Blair said:

You have a total of $139,000,000 representing the direct and indirect liabilities which the government assumes in connection with the enterprise.

I made an estimate last session and in doing so I adopted to a very considerable extent certain figures which had been placed before the House by my hon. friend the Minister of Finance. I did that for the purpose of the argument and also in order to remove as between my hon. friend the Minister of Finance and myself any question of controversy as to what the figures should be. I desire now to give an estimate to the House of the position of the country under this amended contract, and in doing so let me say that I depart to some extent, and particularly in regard to the question of interest during construction, from the estimate which my hon. friend made last year, and which I then adopted, because, from looking over his figures again, I see that he has evidently made too low an estimate of the period of time required for the construction of this road. Let us see where we are under this amended contract. My estimate is as follows:

Construction of railway from Moncton to Winnipeg, 1,875 miles, at moderate estimate of $40,000 per mile	$ 75,000,000
Assuming completion in 8 years, there will be an average of at least 4 years for simple interest at 3 per cent during construction, or $2,250,000 per year for four years	9,000,000
	$84,000,000

The above estimate assumes that the money can be borrowed on 3 per cent securities at par—but if securities are placed at 90 (and the Finance Minister has admitted that they will not bring par) the result would be:

To provide $75,000,000 at 90 per cent as cost of 1,875 miles	$ 83,333,334
Four years simple interest during construction, at 3 per cent, $2,500,000 per year for 4 years	10,000,000
	$93,333,334

Assuming the cost of the railway to completion to be..	$ 84,000,000
We must add seven years' interest (not compounded) after completion, during which the Grand Trunk Pacific is to pay no rent..	17,640,000
	$101,640,000
Interest on this sum for three years additional, during which no rent is collectable, unless earnings are sufficient (not compounded).... ..	9,147,600
	$110,787,600
But, as above stated, if the securities are placed at 90, instead of at par, the cost of the railway will be....	$ 93,333,334
Seven years' interest after completion (not compounded)..	19,600,000
	$112,933,334
Interest on this sum for three years additional, during which no rent is collectable (not compounded).... ..	10,164,000
	$123,097,334

QUEBEC BRIDGE.

(Hansard 14526, sec. 6.)

Bonds to be guaranteed by the government, to be issued monthly, as work proceeds, and bridge to be completed 1st December, 1906.. ..	$ 6,678,200
Eighteen months' interest at 3 per cent for half of the period between December 1903 and December 1906, during which the work will be in progress..	300,519
	$ 6,978,719

Thus we have the cost of the eastern division, including the Quebec Bridge, as follows:

If securities bearing three per cent interest are sold at par, then our liabilities in respect of the railway from Moncton to Winnipeg will be..	$110,787,600
Our liabilities in respect of the Quebec bridge will be..	6,978,719
	$117,766,319
If our securities bearing three per cent interest are sold at not more than 90, after payment of commission and charges, then our liabilities on railway from Moncton to Winnipeg will be....	$123,097,334
Quebec bridge..	6,978,719
	$130,076,053

This does not include any interest on the twenty half-yearly payments of interest which the government will be obliged to make during the period of ten years in which the Grand Trunk Pacific will pay no rental.

And it does not include $18,850,000 estimated by Mr. Blair as our loss during forty years in which we shall receive from the Grand Trunk Pacific three per cent, while we shall probably be paying at least three and one-half per cent on the money borrowed for the purpose of constructing the road.

But the engagements of the country do not stop there. To the sum total for the eastern division and the bridge, whether we take the figures at $117,000,000 or $130,000,000, must be added the obligations to which the country is committed for the prairie and mountain sections.

For the 1,000 miles of prairie section, the country will guarantee three per cent to the extent of $13,000 per mile. For 1,000 miles, this would amount to $13,000,000.

For the 500 miles of mountain section, we guarantee three per cent bonds sufficient to provide seventy-five per cent of the whole cost, including interest during construction, and any discount on the sale of the bonds.

The president of the Grand Trunk Railway Company puts the actual cost of the whole at $50,000 per mile.

500 miles at $50,000 per mile.. .. .	$ 25,000,000
Interest at 3 per cent for four years, being on the whole amount for one half the period of construction.. ..	3,000,000
	$28,000,000
Seventy-five per cent of the above to be guaranteed by the government for the construction of mountain section..	$ 21,000,000
And the government agrees to pay the interest on bonds so guaranteed for seven years, that is to say $630,000 per year for 7 years..	4,410,000
	$ 25,410,000
But if bonds sold at 90 per cent, then to provide above $28,000,000 there would be required..	$31,000,000
Seventy-five per cent of above to be guaranteed by the government for the construction of mountain section..	$ 23,250,000
And the government agrees to pay the interest on bonds so guaranteed for seven years, that is to say $697,500 per year for seven years..	4,882,500
	$ 28,132,500

SUMMARY OF OBLIGATIONS.

	If 3 p.c. bonds are sold at par.	If 3 p.c. bonds are sold at 90 p.c.
Eastern division and Quebec bridge..	$117,750,000 or	$130,000,000
Prairie section..	13,000,000 or	13,000,000
Mountain section	25,000,000 or	28,000,000
	$155,750,000 or	$171,000,000

Thus if three per cent bonds are sold at par, the eastern division and Quebec bridge would cost $117,750,000; the prairie section would cost $13,000,000; the mountain section would cost $25,000,000; total, $155,750,000. If three per cent bonds are sold at 90; the eastern division and Quebec bridge will cost $130,000,000; the prairie section will cost $13,000,000, and the mountain section $28,000,000, making a total of $171,000,000.

That, Mr. Speaker, is a statement of the obligations to which the country has committed itself by the project of last session as amended by the supplementary agreement which my right hon. friend has brought down. Now, if we take Mr. Blair's estimate of $139,000,000, you will find that Mr. Blair in the sum of $139,000,000, which he gave as his estimate, included for the prairie and the mountain section, the sum of $23,250,000 as the amount which the government would be obliged to guarantee. But, if you look at the estimate of the president of the Grand Trunk, who says that the prairie section will cost $20,000 a mile, and the mountain section $50,000 a mile, you will find that the government will be obliged to guarantee bonds to the amount of not merely $23,250,000, but of $34,000,000, the difference between these two amounts being $10,750,000. If you add this to Mr. Blair's estimate of last year, it will make his estimate in the light of subsequent developments, very little less than $150,000,000.

Further than that, there is another consideration. Every hon. gentleman of the House knows, that last year the member for North Norfolk (Mr. Charlton)—who I regret is not in his place now on account of illness—stated distinctly over and over again, and he spoke as the mouth-piece of the government, that it was absolutely futile to build this railway as a grain carrier from the west to the east, unless you constructed it with grades not exceeding one half of one per cent. I challenged the government, last session, to state the additional cost within $20,000,000, which that would impose upon the country, and not one gentleman on the other side was able to give any estimate founded upon any data which would be regarded as authoritative for a moment by any railway man.

Now, after looking on the obligations of the country, with regard to this enterprise; what do we find, on the other hand, are obligations, which as stated by the president and directors of the Grand Trunk Railway Company to their shareholders, rest upon the Grand Trunk Railway Company? What is it that they are to do on their part if we undertake liabilities aggregating $150,000,000, or thereabouts? According to the statement of the president and directors of the Grand Trunk Railway, to their shareholders at a recent meeting, the Grand Trunk Company assume a total obligation of guaranteeing three per cent bonds not exceeding the sum of $15,000,000, or, rather about fourteen and a half million dollars.

It has been stated by the president of the Grand Trunk Railway Company in the correspondence with the government, that this is a partnership. Let me not be accused of misquoting his words; let me read them from the published correspondence which has been brought down, and laid upon the table of the House.

It has always seemed to me that the government of Canada and the Grand Trunk Railway Company, being in point of fact partners in the enterprise.

Being in point of fact, partners in the enterprise. While the Grand Trunk Railway Company last year, as its share of the enterprise had to guarantee bonds not exceeding $18,000,000, certainly not exceeding $20,000,000; this year, through the good nature of my right hon. friend—that same good nature no doubt which led him to appoint Mr. Blair to be Chairman of the Railway Commission—this year the obligations of the Grand Trunk Railway Company are reduced to fourteen and a half million dollars or thereabouts. On the one hand, we have obligations on the country to the extent of about $150,000,000, and on the other hand we have the other partner in the enterprise agreeing to enter into the partnership to the extent of less than $15,000,000.

What were the grounds upon which this vast outlay was asked from parliament last year? The grounds were: first to protect the country from the abrogation of the bonding privilege; secondly, to develop new territory in the north and the west; and third, to provide an all-Canadian route. These, stated in a few words, were the objects of this enterprise which my right hon. friend presented to the House and to the country in the very eloquent speech which he made last year. We have not heard him to-day speak of the bonding privilege. The crisis which a year ago had developed so acutely seems to be in a quiescent condition to-day; there does not seem to be that tremendous danger which called upon us last year to put aside those who would say: to-morrow, and to-morrow, and to-morrow; and those who would say: wait, wait, wait. Instead of that, my right hon. friend to-day is himself saying: wait, wait, wait; to the extent of three years in the construction of this western railway; and so far as the eastern division is concerned, he does not seem to be impelled by the same ardour and anxiety, and apprehension which actuated him last year.

Well, Mr. Speaker, we did not object to legitimate railway development; we did not object last year to developing the resources of the country by railways. We moved several amendments, however, to this resolution, and we proposed an alternative scheme to which I will refer later. We proposed for example, a resolution which would commit the Grand Trunk to moderate rates. It was moved by my hon. friend from Marquette (Mr. Roche) and it was voted down by the hon. gentlemen on the other side of the House. We moved an amendment for insuring transportation

through Canadian routes. We insisted that this government should impose upon the Grand Trunk Railway Company the same obligations—because they were much more needed—which it was imposing in this contract upon the Grand Trunk Pacific Railway Company, and again the government voted us down, and my hon. friend the Minister of Finance said that we could not have any amendment to the contract, because everything had been agreed upon. But when the contract is opened up, when everything is not agreed upon, when there is a fresh commencement and a new deal, I do not find that any of these amendments which we suggested last year have been put into this contract. We moved an amendment calculated to prevent undue capitalization; to guard against watered stock, to prevent speculation in the stock. Again we were voted down. We were told that nothing could be changed, and it was pointed out to us that the stock could not be speculated in because the Grand Trunk Railway Company was to hold it for fifty years. But all these matters should have been corrected when this contract was again opened up between the government and the Grand Trunk Railway Company, and not in any single respect has any concession been made by the company to the country; but in every respect, almost every respect at least, in which any change has been made—it has been made in the shape of a concession by the country to the Grand Trunk Railway Company.

What was the position of affairs last year? Why should there be any change in this contract? Does not my right hon. friend (Sir Wilfrid Laurier) know, does not every member of this House know, does not my hon. friend the Minister of the Interior (Mr. Sifton) in particular know that he and my right hon. friend the Minister of Trade and Commerce (Sir Richard Cartwright) declared that this was one of the most splendid railway propositions that was ever placed before any legislature in any country. Was it not declared by the right hon. the Minister of Trade and Commerce and by many other gentlemen on the other side of the House that this railway project must be an immensely paying one in the very near future? If these declarations are to be taken at their face value why is it that any necessity whatever has arisen for any change in the terms of this agreement? What did the right hon. the Minister of Trade and Commerce say? He said, as reported in 'Hansard,' page 9361:

I believe a really good bargain may be one which is to the advantage of both parties. I think that this is notably an instance of this sort.

This then was notably an instance of a good bargain for the Grand Trunk. Why in view of that solemn declaration of a Minister of the Crown, speaking with authority as we know he did, is there any further concession to the Grand Trunk?

What did the hon. the Minister of the Interior say last session? In the first place he pointed out that the net annual profits of the Canadian Pacific were $15,000,000 and then he proceeded to compare this proposition with the Canadian Pacific proposition very much to the advantage of the former. After declaring that the Canadian Pacific Railway ran through a very barren territory, over about the worst route that could have been selected in the west, he said:

(Hansard, 1903, p. 8677.)

But this new line of the Grand Trunk Pacific Railway will run from Winnipeg to the mountain pass, through a territory, every mile of which is fertile and productive. It is hardly conceivable that such should be the case, yet the information in the possession of the government amply justifies the statement I have made. There is no such fertile stretch of country in the world.

And further he said:

(Hansard, pp. 8678 and 8679.)

The Grand Trunk Pacific, on the other hand, will go from the Rocky Mountains Pass to the coast through as rich a timber and agricultural country as there is in Canada—a country rich in timber, mineral and soil. Then we must not forget that when the Canadian Pacific Railway was projected, there was no movement of settlers from the outside; there were no farmers coming to Canada in 1881 from foreign countries. . . . But what is the position now? We had an immigration into the Northwest of 125,000 people last year. If it keeps on at that rate for the next ten years, think what that will mean to the Grand Trunk Pacific Railway. Think of the difference in that company compared with that of the Canadian Pacific Railway, which went travelling on for years and years before there was any appreciable influx of settlers.

One would think this would be a consideration which would induce the government to say to the Grand Trunk: We have here a magnificent railway proposition for your consideration. We are bearing nearly all the cost of the construction of the railway; go on with it and if you do not see fit to go on with it, we have a proposition here which will induce capitalists from almost any part of the world to embark upon that enterprise. We have faith in it, they will have faith in it. There is no need of further inducements and we will not permit you to have one further concession.

But the hon. Minister of the Interior (Mr. Sifton) went further. After pointing out that the Canadian Pacific Railway had startd off with no eastern connections and with no lines through Ontario and Quebec he said:

(Hansard, p. 8679.)

The Grand Trunk Pacific Railway, on the contrary, will start with a magnificent system of connections, ready to open business the very day the road is finished. What does that mean? It is impossible for us to conceive the differ-

ence that will make in the volume of business which the railway company will do. Consider these facts. Consider the prospects of the railway, and ask if there is the slightest reason why any sane, reasonable man, should think this company will fail in its obligation to the government.

Yet not satisfied with the proposition stated with such force and such eloquence by the hon. Minister of the Interior (Mr. Sifton) all the Grand Trunk Company have to do is to go to the government and the government immediately concedes almost everything they ask.

What is the view of the Grand Trunk directors with regard to this ? Let us hear what Lord Welby, one of them, said at a recent meeting :—

> With the rapid settlement of the country, which will follow the establishment of the line within a very few years, it will be a very profitable line.

And yet it is not enough that the country guarantees three-fourths of the cost of the western section, it is not enough that the country builds at its own expense the eastern division and allows these corporations to have the use of it free of cost for ten years. Further concessions must be given. An opportunity must be afforded the company to deal in $12,000,000 of stock, and to deal in bonds which will be sold below par. This is done at the mere request of the Grand Trunk, and yet my right hon. friend (Sir Wilfrid Laurier) stands up and says that the concessions are very reasonable and moderate and that the country will be surprised to find that they are so very reasonable and moderate. What did Sir Charles Rivers-Wilson say :

> Passing as it will do through the most fertile and most promising belt of country in the whole of the Northwest Territory, there cannot be the slightest doubt that this portion of the road, built, as I have said, under such favourable and economical conditions, will immediately produce excellent results, and will by itself more than justify the adoption of the scheme in its entirety.

If we are to guarantee three-fourths of the cost of that road in the Northwest, which by itself will more than justify the adoption of the scheme in its entirety, why is it that, when the Grand Trunk asks for further concessions of a very important character from the country, the government, without even consulting parliament in the first instance, should make these amendments and allow them to be announced to the country by the Grand Trunk people themselves ?

Sir Charles Rivers-Wilson further said :

> As regards the prairie section, the government, not unfairly, held that it would be self-sustaining from the day of its completion, and in this view we are willing to concur.

Mr. R. L. BORDEN.

Mr. Chas. M. Hays said :

Here is the Grand Trunk, the parent company, standing with a large traffic ready to deliver it west bound. This traffic is now given to a competitor. It does not have to wait five, ten or fifteen years to build up a traffic ; it starts with a traffic right from the beginning, and that is of a most remunerative character. This enterprise which we are advocating to-day, ladies and gentlemen, combines points and advantages that no other transcontinental line in the United States or Canada can have.

Mr. Alfred W. Smithers said :

We believe that by this means, and by no other means, you will get into the Northwest, and . . . . railways getting there will have a great future in Canada.

What does all this mean ? It means that it was absolutely necessary for the Grand Trunk, in its own interest, to get into the west. I do not say that we should oppress the Grand Trunk with unreasonable conditions when it desired to do so. I said last session as I say to-day that I am prepared to give all reasonable aid to the Grand Trunk to get into that country under such reasonable restrictions as shall prevent public aid given by this country from going to build up ports in the United States, but I do not see any justification or cause, under the conditions presented, for making the concessions which have been made by the government without consulting parliament.

My right hon. friend (Sir Wilfrid Laurier) will remember another topic of discussion last year. That was as to whether or not the Grand Trunk Railway Company thoroughly understood the conditions upon which it had entered upon this contract. My hon. friend (Sir Wilfrid Laurier) has more than once in replying to myself referred to me as a scrap book orator.

An hon. MEMBER. Hear, hear.

Mr. R. L. BORDEN. My hon. friend from Hants says, hear, hear.

An hon. MEMBER. From West York.

Mr. R. L. BORDEN. I desire to justify my right hon. friend's term, and to say that I do not think he could have used a more appropriate word, and I shall tell him why. He has made that answer to me after I have quoted his solemn and official declarations of policy, given as pledges to the people of this country. When I have quoted these to him, he has referred to me as a scrap book orator. Well, then, what are we to judge of the right hon. gentleman's views ? Are we to conclude that the right hon gentleman views these solemn declarations and pledges to the people as so many scraps added to the heap ? There are a good many scraps of that kind, which we have occasionally to rescue from the scrap heap. Let me remind him of some of them. Does he remember his pledges with regard to free trade, and economy, and decreased taxation, and purity in elections, and preference in the mar-

kets of the mother country ? All these have gone to adorn and swell the scrap heap, and my right hon. friend ought not to take it unkindly if occasionally we rescue some of them from the oblivion to which they have been consigned by the other side of the House.

Let us for a moment consider some of these official and carefuly studied pledges of ministers of the Crown, made during the past session, and let us see whether we had or had not at that time any distinct statement by ministers of the Crown that the Grand Trunk Railway Company knew what they were doing when they entered into this enterprise, that every line and syllable of the agreement had been considered by them. What did my hon. friend the Minister of Finance (Mr. Fielding) say ? He said :

(Hansard, 1903, p. 8569.)
Well, Mr. Speaker, whatever may be the solidity, strength and power of the Grand Trunk, we have it all in the undertaking we are now submitting to parliament.

Again we have him saying :

(Hansard, 1903, p. 8570.)
We have not been content that they shall stand behind it. We have required and they have readily consented that they shall be in it and of it and form the whole thing.

Again he spoke with equal emphasis :

(Hansard, 1903, p. 8579.)
I believe that the obligation that they have given to us is given in good faith, that they have accepted the national responsibility which this condition involves and that they mean to live up to the contract, and I am satisfied that we can find means, if necessary, to make them live up to it.

But where were those means when the Grand Trunk Railway did not live up to the contract ? What then became of the protection and the safeguards which, according to my hon. friend, the government possessed ? We find my hon. friend further giving us this assurance :

(Hansard, 1903, p. 11852.)
It was fully understood, I think, between the Grand Trunk and the government that our interpretation of the contract and theirs is the same. However without reviving a previous discussion I may say that this is what the Act requires and that they have assured us that they are prepared to do what the Act requires.

What has become of that assurance ? Is not this a business government ?

They have assured us that they are prepared to do what the country requires.

When was that assurance withdrawn ? Why was it not taken in such form as would have placed the government in a position to rely upon it ? Again we find my hon. friend expressing himself with even more emphasis :

(Hansard, 1903, p. 11853.)
If additional obligations on the part of the old Grand Trunk Company are asked as in the amendment of my hon. friend, all we can say is that they are not in the contract, and we have no right to demand them.

The country, it appears, could not demand anything which was not in the contract, but the Grand Trunk Railway could do so and could obtain what it demanded. Again we have my hon. friend the Minister of the Interior thus describing the agreement :

(Hansard, 1903, p. 8635.)
A clear, distinct and unambiguous contract with a responsible company.

Why, then, is it that this session has been called specially, as we are told by the directors of the Grand Trunk Railway, to consider these amendments which they have exacted from the government, after this great measure had been agreed to and adopted ? My hon. friend the Minister of Agriculture (Mr. Fisher) was not behind his colleagues in his appreciation of this wonderful contract. He said :

(Hansard, 1903, p. 9529.)
Sir, we make a clean cut proposition embodied in a contract signed and sealed with a reputable corporation of great resources which is going ahead with the project as rapidly as possible.

Instead of going ahead rapidly, this company has come to parliament to obtain further concessions before one single stroke of work is done in the construction of the road through the west ? And what did my hon. friend the Minister of Customs (Mr. Paterson) say ?

(Hansard, 1903, p. 10292.)
The government's plan is there in black and white, signed by men of repute, signed by the ablest railway men in the world. These men are not mere promoters.

If they are not promoters, how is it we have this demand made on the government, and acceded to by them, that there shall be at least $12,000,000 of this stock of the Grand Trunk Pacific taken over by the Grand Trunk Railway for no consideration, or a mere nominal consideration, and be disposed of by them upon the markets of the world, just at the price they see fit and when they see fit ? What did my right hon. friend himself say ? And I have reserved his remarks to the last, because they are more enlightening perhaps than any of the other quotations I have made. This is perhaps the most significant scrap of the heap :

I do not deny that the Grand Trunk Railway is at the bottom of this enterprise. . . . 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.

In the light of what my hon. friend has said to-day, let me again point out those words :

Therefore we hold them tight to their bargain and they cannot deviate from it.

Well, Mr. Speaker, if then my right hon. friend could hold them so tight, why did he not do so ? Why did he permit them to deviate from their bargain ? If they were bound by the terms of their agreement, why does he make these further concessions ? If the bargain was an excellent one for the Grand Trunk Railway, as the right hon. gentleman and his colleagues declared last session, if it was a bargain made with responsible men, and a bargain so made that the other party could not deviate from it, but could be held tight to it, what is the meaning of this spectacle to-day of a parliament called specially, as we are told, to consider this further proposition ? What is the meaning of it all ? Is there anything behind it ? My right hon. friend has not given us any explanation. Is there any minister of the Crown who will explain to the people all these matters which my right hon. friend put to one side, but which he should have dealt with ? The country is entitled to an explanation of this extraordinary volte face. My right hon. friend has thrown no light on the subject.

Let us go back and consider what took place after last session. Shortly after the session closed rumours arose that the Grand Trunk Railway would not make its deposit. Then we were told that a deposit was made, but made after the time it should have been, and not such a deposit as the contract called for ; but it was declared by the Liberal organs from one end of the country to the other that the stock which was deposited in lieu of cash was just as good as the cash itself—even better, because it could be sold for more in the market. We were assured that the deposit of stock was not due to any difficulty or financial stringency, but merely for the purpose of convenience. Not one word was then vouchsafed to the country concerning any proposition for any amendment to the contract. The Liberal organs everywhere all said that, although technically the deposit was not in accordance with the contract, it was practically so, and all that was required was some merely formal legislation for the purpose of overcoming any technical objection. Well, the government then gave out a statement, which was published in its organ, the Toronto 'Globe,' on the 19th of December, 1903. That statement was as follows :

> The Grand Trunk Railway has deposited £1,000,000 of their guaranteed stock as security for the carrying out of the agreement entered into last session between the government and the Grand Trunk Pacific Railway Company subject to ratification of their shareholders at a general meeting. Inasmuch as the contract requires cash or government securities for the deposit, legislation will be required to confirm the acceptance of the securities which have been deposited, though such securities are worth to-day more than par and their value is unquestionable.

Well, Mr. Speaker, if the government had a satisfactory deposit, and one which would meet the conditions of the contract, if the securities deposited were worth more than par, if their value was unquestionable, why did not the government insist on going on with the contract ?

Why was it, if these negotiations were then in progress, that the vice-president and general manager of the Grand Trunk Railway Company gave this interview on his return from England ? The dates are a little significant—the letter of the president of the Grand Trunk, Sir Charles Rivers-Wilson to the government is dated 15th December ; the government's official statement was given to the press on the 18th December, and Mr. Hays arrived from England, where he had been attending a meeting of the directors of the Grand Trunk, shortly before the 25th December. And what does Mr. Hays say ? Does he say one word about the proposed amendments which are demanded in the letter of the 15th December ? Mark you, he is speaking ten days afterwards ; and no one can believe that the government did not know something about these proposed amendments when they put out this statement on the 18th December. And certainly they knew all about it when Mr. Hays had his interview on the 25th December. And what did Mr. Hays say ? Did he tell the people of this country that the Grand Trunk would not proceed with the enterprise unless they received further concessions ? Not a word of it. Why ? Well, we can only conjecture as to that. We know that my hon. friend the Solicitor General (Mr. Lemieux), who was in the confidence of the government, in that same month of December told the people of this country that my right hon. friend (Sir Wilfrid Laurier) was going to give a New Year's gift to this country in the shape of a general election. And it would not be very judicious, perhaps, to convey to the people at that time, in view of the general election, the news that the Grand Trunk Railway Company was demanding further concessions. It would be very much better, you know, to convey that news to the country after an election. For, it would not be a desirable topic for platform discussion before the people. Too many questions would be asked. And so nothing was said about it. In order that I may do no injustice to the general manager of the Grand Trunk Railway Company let me recall what he has said. I quote from the report of his interview contained in a government organ, the Toronto 'Globe,' of 25th December :

> The Grand Trunk Pacific will certainly be built,' said Mr. Hays. 'The Grand Trunk never had any difficulty in raising the money, and will not have any in carrying out the transcontinental project.

Well, if the Grand Trunk Railway Company would have no difficulty in carrying

out this transcontinental railway project, why should this country give to the company the extraordinary concessions that are contained in this supplemental agreement? Mr. Hays continues:

The securities deposited with the government are better than the cash equivalent. They were deposited because of convenience, not because of any failure to raise the money. There was a delay of a few days but the time allowed by the government was rather limited. Neither have we violated any moral obligations to the shareholders of the Grand Trunk or broken faith with the government. The Grand Trunk possessed these securities for the purpose of the company, and they were utilized. As to the building of the road the construction will be begun in the spring.

Not one word as to the amendment being asked, or required, or thought of. The security had been put up—it was better than that which the contract called for—and the road was to proceed in the spring:

Our first object will be to get the east connected with the great lakes for summer traffic and then to give Winnipeg connection with the east. The people of the west want more railway facilities and we intend to give it to them as quickly as possible.

Well, Mr. Speaker, I will not refer further to what I might call a conspiracy of silence—because that is what it amounts to under the conditions I have stated—but will pass for a moment to the letter of the president of the Grand Trunk Railway Company to the government, bearing the date of 15th December, 1903. There is one very significent passage in Sir Charles Rivers-Wilson's letter to which my right hon. friend has not called attention. He said:

I hope that you will understand that the chief amendments which we will propose will in no way affect the principle of the Act or curtail the rights of the government.

There may be two opinions about that. If the principle of the Act is to safeguard the interests of the Grand Trunk Railway Company altogether and the interests of the country in the least possible degree, I would agree with Sir Charles Rivers-Wilson. He goes on:

Their object is to allay any possible apprehensions of our shareholders.

That is the object. But I am inclined to think, that perhaps, some higher object should be sought in considering concessions of such great importance than merely to allay any possible apprehensions of the shareholders of the Grand Trunk Railway Company. But I would like to say one word further, in passing, with regard to that letter and it is to call attention to Sir Charles Rivers-Wilson's remarks with regard to 'rigid conditions.' The Prime Minister, speaking this year, said:

Representations were made to us by the representatives of the board that they could not finance the enterprise if we adhered to the rigid conditions we had imposed upon them.

Well, the general manager of the Grand Trunk Railway Company is absolutely at issue with my right hon. friend so far as that is concerned, because he tells us in the interview to which I have referred, that there would be not the slightest difficulty in raising the money. But taking the expression 'rigid conditions,' let us see what they amount to.

The government undertook obligations to the amount of $150,000,000.

The government gave to the corporations the best part of the road for ever.

The government gave the remainder of the road for nothing for ten years, and thereafter during a further period of forty years for less than the interest on the cost.

The government permitted one of the corporations to deliver to the other $25,000,000 of stock for nothing and thus to subject the people to payment of dividends thereon for ever.

The government received no assurance of cheaper rates, or of transportation from our own ports.

The government had kindly permitted the Grand Trunk to carry to Portland all traffic gathered up on the proposed line.

And these conditions are declared by the president of the Grand Trunk Railway Company to be 'rigid,' and, apparently, my right hon. friend acquiesces.

Let me say also that the president of the Grand Trunk Railway Company goes a little out of his way, in the correspondence that has taken place and also in his remarks at the meeting of the shareholders of the Grand Trunk to reflect upon the opposition.

It has always seemed to me that the government of Canada and the Grand Trunk Railway Company, being in point of fact partners in the enterprise—the former actuated by considerations of national policy, the latter by the necessity for securing its share in the growing prosperity of the Northwest—the burden of financial liability should be shared between the two in as equable proportions as possible.

Well, it is really amusing to read that expression of Sir Charles Rivers-Wilson in view of the conditions which were made in the contract last year, and especially in view of the amendments proposed this year. He continues:

But I venture to think, and this view is strongly held by my board, that too large a portion of the burden has been imposed upon the Grand Trunk Railway Company.

My hon. friend from Toronto (Mr. Clarke) suggests that that certainly must be humorous. Sir Charles goes on:

I think I am correct in believing that this shifting of the balance was caused by the extreme, I must say, in some respects unfair, opposition which the Bill met with in the House.

All I can say is that this remark displays very remarkable ignorance on the part of

the president of the Grand Trunk Railway Company with regard to what took place in the House. That contract went through this House exactly in the same way in which it entered this House with the exception of two amendments, I think, which were accepted by the government, and the president of the Grand Trunk Company does not complain of either one of those amendments. Now in view of that, how he ventures to say that the shifting of the balance which throws an undue proportion of responsibility and liability on the Grand Trunk Company has been occasioned by unfair opposition in parliament, passes my comprehension. It went through exactly as it came into this House, with the exception of two amendments accepted by the government, with the full approval, I think, of the Grand Trunk Railway Company, and of neither of those amendments does he complain in the correspondence, or ask to have them altered in any way. Therefore it seems to me this gentleman has gone a little out of his way, and I think it would probably have been a little more discreet on his part to ascertain the facts correctly before he saw fit, both in the correspondence and in his remarks at the meeting of the Grand Trunk shareholders, to cast aspersions upon men who in this House represent, I suppose, half the people in Canada. They were doing what they thought was their public duty. I think he will not find in the debate which took place one unkind word. I spoke of the president, of the general manager and of the officials of the Grand Trunk Railway Company, in courteous and nearly always in complimentary terms. I referred more than once to the work of development which had been done in the province of Ontario and in the province of Quebec by the Grand Trunk Railway Company. I said that we would be glad to see that railway get into the Northwest of Canada, but I wanted it to reach the Northwest under such terms and restrictions as would ensure that public aid should not go to build up commercial centres and ports in the United States. If that was unfair opposition, then I am guilty of unfair opposition. I did not in any way reflect upon Sir Charles Rivers-Wilson nor upon Mr. Hays, nor did any hon. gentleman on this side of the House. We gave them due credit. I further said that I did not blame them for making the very best bargain they could make with the government of the country, but I thought it was the duty of the government on the other hand to conserve in every way possible, to safeguard in every way possible, the interests of this country in respect of the matters I have referred to. So I repeat again that I regret very much that Sir Charles Rivers-Wilson should have found it necessary to make these most unfounded and uncalled for aspersions and reflections upon hon. gentlemen in this House, who, however mistaken they may have been in their views with regard to this contract, were certainly acting in good faith, and were doing only what they thought their public duty demanded of them in the interests of this country.

Now coming back for a moment to the question of a partnership between the government and the Grand Trunk Railway Company, there can be no doubt that that is the view which the directors of the company took. Sir Charles Rivers-Wilson in his speech before the shareholders, said :

> The result, therefore, of the agreement was a combination of these two interests for the construction of the proposed road which would thus be carried out, as I have said, by means of a partnership between the government and the Grand Trunk Pacific Company, supported as that company would be, by the influence and connections of the Grand Trunk Company.

Lord Welby said :

> We have driven. I may say, the Canadian government into becoming absolute partners with us in the expenditure on that mountain section.

It would be interesting to know what force the directors of the Grand Trunk Railway Company used for the purpose of driving the government to become partners in the mountain section. Mr. Hays said :

> To my mind it is difficult to conceive that there can be any objection to this scheme which promises so much to the Grand Trunk Railway, and which links its fortunes with those of the government of Canada, in a way that the two must work together ; not only for the benefit of the country at large, but for the joint benefit of the country and the Grand Trunk Railway.

Is it necessary, Mr. Speaker, that Canada should go into a partnership with any corporation in this country, however great? Is it desirable? Especially is it desirable that it should go into a partnership with a corporation which, as my hon. friend the Minister of Finance explained last year, has its own interests so largely bound up in a port and in a commercial centre in the United States of America? The terms of the partnership that is to be entered into do not seem to be fair as far as the country is concerned. My right hon. friend, when he was discussing this agreement last year, said :

> When the Grand Trunk Pacific Railway have a line provided for them as is provided by this Bill, I cannot conceive why they should put their money into the building of a rival line.

Mr. Blair, certified by the Prime Minister as a most competent man, said :

> Is there a well grounded fear that the Grand Trunk will not allow us two or three years hence to build and make them a present of this line ?

The Prime Minister and Mr. Blair seemed to agree that we are practically building and giving away the line. Surely no one can

dissent from the views which they thus express. Our obligations are well on to $150,000,000, those of the Grand Trunk are less than $15,000,000, about one-tenth of ours. While under the Act of last session our cash outlay and guarantees would be enormous, under the amended agreement we are adding to our guarantee liability $7,500 per mile upon 500 miles, making $3,750,000 additional on the mountain section. Interest thereon for seven years at 3 per cent amounts to $787,500, making a total of $4,537,500. We are also to guarantee not merely 75 per cent of cost of construction as ascertained, but such sum as will realize that amount upon the sale of the bonds, even at a discount. This will create an additional liability, and we may fairly assume that the additional liability imposed upon the country by this amended agreement, will reach to six or seven million dollars.

Now the present Minister of Railways told us some time ago in the maritime provinces, that certain modifications had been asked for in the contract which was for so many months discussed in parliament. He said :

> They are on the whole of a very moderate character indeed. In fact the people of Canada will be both glad and surprised, in view of all they have heard, when they learn of the few and reasonable alterations which are being asked for.

I will discuss those more in detail a little later on. But let me say here that the view which the Minister of Railways and Canals takes is not very much in accord with the view which the directors of the Grand Trunk Railway Company take. I observe that Mr. Alfred Smithers, one of the ablest men upon the board of the Grand Trunk directorate, speaks of the new agreement as contrasted with the former agreement, in this way :

> And I wish to say, with all respect to Mr. Allen, that the statement which he has put forward to-day really relates to the agreement, or what he thought was the agreement, when he left the board, but it does not relate to the agreement which we present to you to-day. That which we present to you to-day is a much more modified and a much more favourable agreement. (Applause).

That is the view of a very able director of the Grand Trunk Railway Company. Let me say further that the reference to Mr. Allen is a reference to a gentleman who thought the first agreement was not in the interest of the company, who resigned as a director and whose criticisms presented at a recent meeting, were directed, as Mr. Smithers points out, to the first agreement. What does Sir Charles Rivers-Wilson say in regard to that ? He regards these amendments as absolutely and completely distinguishing the new agreement from the old agreement. Let me quote him :

> The matter treated of in the paper read and the remarks made by Mr. Allen, jr., show me conclusively that Mr. Allen has not studied the second agreement, the modified agreement, but that he has founded his criticisms upon the first agreement which was laid before the board when he was a member of it.

Sir Charles Rivers-Wilson also says further :

> In the meantime a great and unfavourable change has occurred in the financial position throughout the markets of the world, and the directors, in the interests of the shareholders, came to the conclusion that modifications in the agreement were imperative in order to safeguard the credit of the company.

I would ask the government why it is that the government see fit to impose permanently on this country extraordinary obligations because of a temporary financial stringency in the money markets of the world. Does my hon. friend the Minister of Finance deal with other obligations of the government in that way? No, he is postponing at the present time the placing of a permanent loan because he expects better conditions in the money market later on ; yet, because of this temporary condition of the money market, we are to have imposed on this country permanent obligations to the Grand Trunk Railway Company. That does not seem to me to be very wise statesmanship and my right hon. friend has not explained why he considers that a wise and prudent course to follow.

Before taking up the amendments in detail, let me say that there was a great deal of discussion last year on both sides of the House respecting the relative merits of the all-rail route from the west, the part rail part water route, and the entire water route from Thunder Bay ports to Montreal and Quebec. The hon. member for North Norfolk (Mr. Charlton), the hon. Minister of the Interior (Mr. Sifton) and many other hon. gentlemen on the other side of the House presented very forcibly to the House considerations which led them to believe that this railway, if built upon certain grades, would be able to compete with the water route or the part water and part rail route. This view was combated by a great many hon. gentlemen on this side of the House who argued, at least as far as the 500 miles across Lake Superior was concerned, that the water route must always be the cheaper. That view has been very strongly supported by a railway expert who has been writing a series of articles in the 'Morning Chronicle,' a newspaper published in my own constituency. In an article published in that paper on the 21st March, he says :

> If the canals were so deepened as to permit the lake carriers to reach Montreal or Quebec from Georgian Bay, it is perfectly certain that all railways would be put out of business, so far as the grain trade in summer is concerned. . . . . The grain carried by the Grand Trunk

and Canada Atlantic during 1903 was 5,000,000 bushels more than in 1902. Their receipts at the following ports were :—

	Bushels.
Depot Harbour	15,000,000
Midland	14,000,000
Collingwood	1,200,000
Meaford	5,000,000

These remarkable results have been achieved by the cheapness of water carriage from Fort William to Georgian Bay. The lake rate of freight has been at times one-twenty-fifth of that by rail.

Whether that statement is correct or not I do not know. The statement is published in a reputable paper in the province of Nova Scotia, the 'Morning Chronicle,' and that paper declares that these articles are written by a railway expert. I give the figures and the statement for what they are worth to the House. That seems to be the view of Mr. Hays to a great extent. I have carefully read his speech delivered at a recent meeting of the Grand Trunk Railway shareholders and the whole trend of his argument is that the Grand Trunk Railway must get access to Lake Superior on both sides. They must bring the grain from the west to Thunder Bay and this will be carried to the east of Lake Superior by water and not by rail. That is the whole of Mr. Hayes' argument. That is as I understand it, that is as it is understood by a well known financial newspaper published in London, the 'Financial News' which, on March 9th, 1904, said :

A glance at the map issued to the shareholders should suffice to point Mr. Hay's moral. Wheat will not be carried all the way east by rail. The Canadian Pacific, the Great Northern, and the Northern Pacific take wheat to Port Arthur or Duluth, and use water carriage on the great lakes. Similarly, the wheat gathered by the Grand Trunk Pacific will be carried to Port Arthur, and if there is to be any land carriage eastward of the lakes the Grand Trunk will have it.

My right hon. friend nods acquiescence in that view of the situation. Does he realize what it means ? Does he realize that it means the disappearance of the myth of safeguarding the bonding privileges and preserving the all-Canadian route ? Does he realize that it means the disappearance of transportation through our own ports ? Does he remember that there is not one stipulation in this contract which prevents the Grand Trunk from taking its freight to Portland as before ? The grain will go to Portland as before, because the Grand Trunk Railway will carry it to Portland as before. We will have incurred a very large part of the liability and expense necessary for creating in the Northwest Territories of Canada a railway for the purpose of enabling the Grand Trunk Railway to do that. That is the only difference between the situation now and what is was before. The government have kindly and generously consented to bear the greater part of the liability necessary to build about 2,000 miles of railway in the Northwest Territories and they have refused during the past session to insert one single stipulation binding the Grand Trunk Railway not to carry the traffic of that railway to Portland. We moved amendments for that purpose, they voted them down and when the agreement was opened up they still saw fit to withhold their hand from imposing on the Grand Trunk Railway Company one single syllable which would make it necessary that they should carry that freight to Canadian ports instead of to Portland. Indeed, I understand that those who are interested in the welfare of Portland are not very much disturbed about the outlook. They have had the Grand Trunk Railway freight before, and they expect to have it again. They have a sublime and earnest confidence that the building of the Grand Trunk Pacific Railway through the Northwest Territories of Canada will in no way interfere with the interests of Portland but that all the traffic there gathered will go to swell the trade of Portland and that the ports of Halifax and St. John will be relegated to the same position that they have occupied in the past. Ministers of the Crown were rather brutally frank about this during the past session when we placed this consideration before the House. We asked them why they did not impose on the Grand Trunk Railway Company some obligation to carry this freight to Canadian ports. The hon. Minister of Justice (Mr. Fitzpatrick) spoke for the government in that regard. I would commend his language to my hon. friends from the maritime provinces because it is very important and very significant. He said :

Our great competitor in the English market is the United States, and for six months in the year, yes, for seven months in the year, we are depending upon our chief competitor for an outlet to that market for our Canadian products.

No Canadian outlet, mark you, during six or seven months in the year. He continues :

Is that wise or is it prudent ? How can you get out from Montreal in winter except by way of Portland or Boston or New York ?

Mr. BROCK. By way of Halifax.

The MINISTER OF JUSTICE. Halifax competing with Portland ? It is double the distance practically.

Mr. BROCK. What is the use of talking ?

The MINISTER OF JUSTICE. What is the use of talking ? Can we shut our eyes to geography ? Can we shut our eyes to facts ? How much of the trade of Montreal has gone to Halifax ? How much grain has gone from Montreal to Halifax or to St. John ? How much of our food products have gone that way ? Invariably they have gone to Portland or to Boston or to New York. As Portland is to the Grand Trunk Railway so Boston is going to be to the Canadian Pacific Railway.

That is the language of a minister of the Crown in dealing with our proposal to impose upon the Grand Trunk Railway Company some obligation to carry this freight to Canadian ports. And the Prime Minister was not far behind him. When I pointed out to the right hon. gentleman that grain having once gone to Quebec, it would be carried by the Grand Trunk to Portland instead of to St. John or to Halifax, the right hon. gentleman said that that would not be so; he said the distance by the new line from Quebec to Portland would be four hundred miles as they estimated it—but I think it would be more—and he said that the distance from Quebec to St. John would be the same as the distance from Quebec to Portland. Here is what occurred, and I quote from 'Hansard,' page 11969:

Sir WILFRID LAURIER. The distance between Portland and Montreal is 300 miles, and the distance between Quebec and Richmond is 100 miles, so that the distance between Quebec and Portland must be about 400 miles.

The distance between Montreal and Portland is 300 miles, the distance between Quebec and Richmond, where the road joins with the road from Montreal to Portland is 100; so there is a distance between Quebec and Portland of 400 miles.

I pointed out to the right hon. gentleman, that the distance from Quebec to Portland was 317½ miles, and he said he was much obliged to me for my moderation in having corrected him. He said it was unfortunate that the geography was such, but he said we could overcome it by this contract which, however, does not impose one single stipulation on the Grand Trunk for I was surprised to find that the Finance Minister (Mr. Fielding) took the same view of the situation. I quote from 'Hansard,' page 12189. I asked him whether there was anything in this contract to prevent the Grand Trunk Railway from carrying to Portland. He answered:

The MINISTER OF FINANCE. There is nothing to prevent them, but they must charge no higher rate for traffic to Canadian ports than they charge for traffic to American ports.

Well, as I pointed out last year, if the Grand Trunk brings grain to Quebec; if it has its own line to Portland and if it can get the same toll for carrying 317 miles to Portland that it can get for carrying a much greater distance to St. John or Halifax—and it will only participate in part of the tolls to the latter cities—will it not be in the undoubted interest of the Grand Trunk to take that grain to Portland instead of St. John. And I asked him therefore: Why should you not impose some stipulation upon the Grand Trunk in that respect. Let me quote further:

Mr. BORDEN (Halifax). And Portland being so much nearer than St. John or Halifax, they would necessarily carry it to Portland.

The MINISTER OF FINANCE. They might carry it to Portland if they were perfectly free; but under the present contract they are obliged to give the same rate to St. John or Halifax as to Portland.

Mr. BORDEN (Halifax). They will give the same rate, but it will be to their interest to carry it to Portland.

The MINISTER OF FINANCE. Undoubtedly they would make more money by carrying it to Portland, but we do not intend to permit them to carry it there.

Where was the obstacle to their carrying it there? Where was the stipulation within the four walls of this contract, which prevented them carrying it there?

Mr. BORDEN (Halifax). Where is the restriction to prevent them?

The MINISTER OF FINANCE. By the fact that the Canadian rate is not greater than the American rate, and we will trust to the patriotism of the Canadian shipper, that when the rate to a Canadian port is not greater than to an American port, he will ship by the Canadian port.

Some hon. MEMBERS. Oh!

Mr. FIELDING. Hear, hear.

Mr. R. L. BORDEN—And then I said:

Mr. BORDEN (Halifax). Then, it is not sections 42 and 43 that the hon. Minister of Finance relies on to prevent them, but the patriotism of the Canadian shipper?

Some hon. MEMBERS. Hear, hear.

Mr. R. L. BORDEN. Hon. gentlemen on the other side applaud. We are to incur obligations to the extent of $150,000,000 to accomplish a certain object, and then we are to rely in the end on the patriotism of the Canadian shippers. That is the position in which the government finds itself. Would not Canadian patriotism be just as great if we did not incur this obligation to the extent of $150,000,000? How does the expenditure of this money in that way increase the patriotism of Canadians? The patriotism of Canadians is great; no one respects and values it more highly than I do, but these corporations will carry this freight just where they are making the most money out of it; and the Minister of Finance has admitted distinctly in the quotation which I have read, that the Grand Trunk Railway Company will make more money by carrying this freight to Portland. And if they will make more money by carrying that freight to Portland, and if there is no stipulation in the contract to prevent them from carrying it to Portland, where do you think it will be carried? Can there be any two answers to that question in the mind of any hon. gentleman in this House? There being no stipulation to prevent them, and they making more money by carrying it to Portland, then to Portland it will go in the future exactly as it has gone to Portland in the past.

When the Minister of Justice tells us that you cannot carry freight to Halifax and St. John on a profitable basis, I take issue with him. The records of the operations of the Intercolonial Railway within the past six months have demonstrated the contrary, if the truth has been told us in the answer given recently to a certain question by this government. The government has been experimenting—let me say it was when a general election was believed to be imminent—in sending certain cargoes of grain to Halifax, and a question was asked the House with regard to that, and an answer given, and here are the question and the answer :

Mr. KENMP asked :

1. How many bushels of grain have been hauled by the Intercolonial Railway during the six months preceding March 1st, 1904, for delivery at Halifax for export ?
2. What was the proportion delivered in each month ?
3. What lake ports was it shipped from ?
4. What was the rate per bushel from such lake ports to Halifax ?
5. What was the mileage of each railway over which it was hauled ?
6. What were the earnings per bushel of each railway ?
7. What was the estimated cost per bushel for the service the Intercolonial Railway performed ?

Hon. JAMES SUTHERLAND (Minister of Public Works) :

1. The number of bushels of grain hauled by the Intercolonial Railway during the six months preceding March, 1904, for delivery at Halifax for export was : Wheat 87,826½ bushels, corn 59,611 bushels.

2. Proportion delivered each month was :

	Bushels.
November, wheat	47,836
December, wheat	23,990½
January, wheat	16,000
February, corn	59,611

3. All of it was shipped from Depot Harbour.

4. The rates from Depot Harbour to Halifax were:

	Per bushel.
16,000 bushels wheat	5·15
31,836 bushels wheat	4·90
39,990½ bushels wheat	5.40
25,718½ bushels corn	4·94
33,892½ bushels corn	5·00

5. The mileage of each railway over which it was hauled was :

	Miles.
Canada Atlantic Railway	346
Grand Trunk Railway	34
Intercolonial Railway	828

6. The earnings per bushel of each railway were ?

	Cents.
Canada Atlantic Railway on 16,000 bushels wheat	2·27½
Grand Trunk Railway on 16,000 bushels wheat	·60
Intercolonial Railway on 16,000 bushels wheat	2·27½
Canada Atlantic Railway on 31,836 bushels wheat	2·15
Grand Trunk Railway on 31,836 bushels wheat	·60
Intercolonial Railway on 31,836 bushels wheat	2 15
Canada Atlantic Railway on 39,990½ bushels wheat	2 40
Grand Trunk Railway on 39,990½ bushels wheat	·60
Intercolonial Railway on 39,990½ bushels wheat	2·40
Canada Atlantic Railway on 25,718½ bushels corn	2 19
Grand Trunk Railway on 25,718½ bushels corn	·56
Intercolonial Railway on 25,718½ bushels corn	2 19
Canada Atlantic Railway on 33,892½ bushels corn	2·22
Grand Trunk Railway on 33,892½ bushels corn	·56
Intercolonial Railway on 33,892½ bushels corn	2·22

7. The estimated cost per bushel for the service performed by the Intercolonial Railway was 2·27 cents. There was thus a slight loss on the export business, but having regard to the inward cargo and passengers obtained for the Intercolonial, the business was not considered unprofitable.

Now let us see what that amounts to, and let us examine its bearing upon the question of extending the Intercolonial Railway to Georgian Bay :

The Intercolonial received, say, 2·25 cents per bushel for hauling 828 miles.

The other roads received 2·75 cents per bushel for hauling 380 miles.

Taking five cents as average an equal mileage division of rate would have given :

The Intercolonial	3·4 cents.
The other roads	1·6 "

Moreover, if as stated by the government, 2·27 cents per bushel is the cost of carriage for 828 miles, then 3·31 cents per bushel would be the cost of carriage per bushel for the whole 1,208 miles. Therefore, you have this position. According to the statement of the government you can carry grain from a Georgian Bay port to Halifax at a cost of 3·31 cents per bushel, and the average rate obtained for that carriage in these shipments was 5 cents, leaving to the Intercolonial Railway a profit of 1¾ cents if they owned the whole line from Halifax to the Georgian Bay.

How can the Minister of Justice (Mr. Fitzpatrick) or any other hon. gentleman opposite say that you could not do a profitable business in carrying grain from Georgian Bay ports to Halifax or St. John if you had the Intercolonial extended to the Georgian Bay. There is no answer to the proposition ; if the statement of the government is correct, and if the Intercolonial Railway were extended to Georgian Bay you could do a splendidly profitable business. The answer which the government

have given to this question affords the most cogent reason why the Intercolonial should be extended to the Georgian Bay without any delay, and why the government should at once enter upon the policy of so extending that railway and of giving to the province of Ontario the advantage of a government road which has so long been enjoyed by the province of Quebec and by the maritime provinces.

I desire now to examine in some detail the provisions of the supplementary agreement. Let us first look for a moment at paragraph 1. Last year my right hon. friend (Sir Wilfrid Laurier) gave us, as I have already said, exhortations of the most earnest character not to wait, yet paragraph 1 of the supplementary agreement, declares that the time for the completion of the western division shall be extended to the first day of December, A.D., 1911, and the paragraph is amended accordingly. I would have supposed, although I do not profess to be a railway expert, that, at least so far as the line from Winnipeg to Edmonton is concerned, a distance of less than a thousand miles, construction might have been completed in two, certainly in three years. I am told on good authority that an average construction of a mile a day, particularly in a prairie country such as we have in the west, is not very great, and an average of one mile per day for three years would have extended that railway from Winnipeg to Edmonton. I know of course that you must take into consideration our winter season, but notwithstanding that I would have thought that the road might have been completed in a good deal less than eight years and that the government need not have extended and should not have extended the time so unduly as they have done. Does my right hon. friend (Sir Wilfrid Laurier) remember his exhortations to us last year ? He said he was not with those who cried : To-morrow, and to-morrow and to-morrow, wait, wait wait. The flood-tide was upon us. Is not the flood-tide as much upon us to-day, as it was last year ? Is it not more upon us than last year ? The flood-tide has risen upon us, surely, in the year which has elapsed since he made the speech. Why is it that my right hon. friend's utterances now lack the earnestness which so characterized them last year ? He possibly may also remember that although the flood-tide was upon us last year, although time would not wait last year, not one single step has been taken by the government to survey this eastern division. If the flood-tide was then upon us, if there was a crisis, if time would not wait, why has the government paused during these six or seven months, and taken no steps to secure a survey of the country through which the eastern division is to pass ? Is it as has been whispered in some parts of the country where the eastern division is not popular, is it because the eastern division is to be dropped ? Is it because that division is to be dropped east of North Bay at least ? I do not know, but gentlemen who profess to know what they are talking about are certainly whispering this in Ontario at the present time, if I am correctly informed. My right hon. friend (Sir Wilfrid Laurier) I suppose derived his expression of to-morrow and to-morrow and to-morrow from a great poet. Might I paraphrase a little and say that the attitude of the government might be expressed in this way :

> To-morrow and to-morrow and to-morrow
> Creeps on this petty pace from day to day,
> And all our yesterdays have seen the route
> Unknown and unsurveyed.

They stand still. Not a step has been taken and the period for the western division has, as I have said, been unduly extended for eight years from last December. Unless the government is able to demonstrate the absolute necessity of this extension, I protest against it ; I protest against in at least so far as the prairie section of the western division is concerned. If the government had given a certain extension of time for the completion of the mountain section, possibly it might not be open to criticism, but they have not imposed upon the company the obligation of completing any portion of the road until December 1st, 1911. Railway facilities, as we know, are urgently demanded in the west at the present time, and yet the only stipulation we have in the contract is that the whole line shall be completed in eight years. I think it would have been wiser for the government to have made some stipulation, more stringent than that which they have imposed in respect of the line between Winnipeg and the point where the mountain section begins, and I regret very much that they have seen fit to make this concession to the Grand Trunk Railway without more consideration.

With respect to paragraph 2, I notice that it is couched in somewhat peculiar terms ; but as any observations I have to make with regard to it will be more suitably made in committee, I shall reserve them for that stage.

As to paragraph 3, it looks somewhat suspicious. It looks as if the intention were to drop the eastern section, with the exception of that part from Winnipeg to North Bay. It would be easy to do that under section 21 of the Act of last session, which provides for staying construction between sessions of parliament. This is the new provision :

> The company shall be entitled to lease from the commissioners to be appointed under the said Act, and to operate such portions of the said eastern division as may from time to time be completed.

Let us suppose that the eastern division is completed from some point at or near North Bay to Winnipeg and a lease is taken, and that the rest of the eastern division is not

carried forward any more speedily than were the surveys during the last six months; what will be the result ? The Grand Trunk Railway will have its project exactly as that company proposed it to the government in the first instance. Something has been said, I think, about a portion of the line being probably premature. A whisper of that kind, it is said, is contained, in a circular which was passed among some of the Grand Trunk directors before the recent meeting, and probably further reference will be made to that before this debate is over. My remarks have extended so far that I shall not stop to consider it at present.

With regard to paragraph 4, that certainly is a most valuable concession to the Grand Trunk Railway ; and as we examine one after another all these paragraphs, we are met everywhere with the same situation—concessions to the corporation and none to the country. With wearisome monotony, we see that idea expressed all through the amended contract. Every concession is made to the corporation, but where does the country come in ? We have not so far seen any concession to the country, but perhaps we may strike one before we are through.

Mr. FIELDING. I did not catch something my hon. friend said about some circular distributed to the Grand Trunk meeting. Would the hon. gentleman be kind enough to repeat what he said ?

Mr. R. L. BORDEN. I say there had been mention of a certain circular or memorandum referred to by some of the Grand Trunk shareholders at their general meeting. I have seen a reference made by Mr. Allen, in his speech at that meeting, to a a circular which had been sent, I think, to the directors, and I think it was made known to some of the shareholders, and in that circular a certain portion of this line, amounting to some 500 miles or hereabouts, was spoken of as probably premature.

Mr. FIELDING. Of that line which the Grand Trunk Railway was to build ?

Mr. R. L. BORDEN. No ; the line which the government are to build.

Mr. FIELDING. Does the hon. gentleman know from whom the circular came ?

Mr. R. L. BORDEN. I only know that I saw this reference to it.

Mr. FIELDING. My hon. friend said somebody would produce it.

Mr. R. L. BORDEN. I will give my hon. friend, before this debate is over, everything we have in our possession with regard to it. There was a reference made to it beyond doubt. I can assure my hon. friend of that, if the report we have of the meeting is correct, and I have every reason to believe it is. As to exactly what the circular was or its terms, I do not know, but the expression which caught my attention was the reference to a statement in it that a portion of the line was probably premature. We may have an opportunity of discussing that later on.

Mr. FIELDING. Will we have the circular ?

Mr. R. L. BORDEN. We have not got the circular. I thought I made myself plain to my hon. friend. We have not the circular, but it can be produced by the Grand Trunk Railway. I am not in their confidence, my hon. friend is, and he can produce it if he sees fit.

Mr. FIELDING. My hon. friend has referred to a circular. It was not I who referred to it, and if there is any obligation to produce it, it is on his part.

Mr. R. L. BORDEN. I stated what I believed to be the truth, because it is contained in a report which I have—a reliable report—of what took place at that meeting. I mentioned that one gentleman at that meeting referred to this circular. I did not say that I had seen it. I have not seen it, but I have seen that gentleman's reference to it, and what particularly caught my attention was his reference to that report as stating that a portion of the line, amounting to about 500 miles, was probably premature. That statement, this gentleman said, was in the circular. I do not know whether he spoke the truth or not. I was not there to hear him make the statement, but the report which came to me of that meeting attributed to him that observation.

This paragraph 4 is a very valuable concession to the Grand Trunk Railway. It commits the government to a guarantee of three-quarters of the cost of the mountain section, no matter what that may be, and it cuts down the Grand Trunk guarantee to a corresponding amount. So far as the country is concerned, it commits it to an indefinite liability. What is the reason for this ? If we are practically to provide all the credit, why not provide the remainder and own the road ? Were we not told in the first place, ad nauseam, that every detail in the contract was agreed to by the Grand Trunk Railway, and that no amendment could be accepted, because everything had been settled ? How then is it that the government have gone back on their professions and on the position they took, and have agreed to that very serious and indefinite liability contained in section 4 ? Let my right hon. friend remember that he is establishing a precedent which may not stop here. I pointed out to him in the House last session that when we were committing ourselves to certain aid to the Grand Trunk Pacific in the mountain section, we should remember that there is another transcontinental line, the Canadian Northern, and that by and by we may have these gentlemen knocking at our door demanding aid. Have we not established a precedent for them or any other transcontinental railway which may afterwards come

to parliament for aid when we increase, without any adequate reason, the very generous aid granted the Grand Trunk Railway in respect of the mountain section? My right hon. friend has perhaps not fully considered how apt are these gentlemen, who come to parliament for aid, to cite these precedents. We were giving $30,000 a mile before, now we are giving $37,500 per mile, and the only reasons put forward by my right hon. friend is that there is a certain stringency in the money market, and money is not quite so easy to borrow now as it was some five or six months ago. I did not think that an adequate reason, especially in view of the opinion expressed by the Finance Minister himself, that this stringency is only temporary. That should not be a ground for establishing a precedent to be used afterwards for all time against us, and for imposing upon us permanent obligations, or at least obligations which continue during a period of some fifty years.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. R. L. BORDEN. Mr. Speaker, shortly before six o'clock, I was referring to a remark made by one of the shareholders of the Grand Trunk Railway Company, in their recent meeting. In order that I may be strictly accurate, I will quote from a report of what he said. I do not wish it to be understood that it was a circular distributed among the shareholders at that meeting, and, if my words would bear that interpretation, I wish to explain that that is not what I meant. He said:

> In an official memorandum I read that the 500 miles—Quebec to North Bay—'is probably premature.'

I do not know what this gentleman intends to refer to by the expression 'official memorandum,' but I understand it to be memorandum of the Grand Trunk itself or of some official or officials of the railway. At all events, that is the statement contained in the report of that gentleman's speech.

Mr. FIELDING. In what paper?

Mr. R. L. BORDEN. It is not from any paper. It is from a stenographic report of this gentleman's speech—

Mr. FIELDING. By whom?

Mr. R. L. BORDEN. I will endeavour to gratify the somewhat fastidious curiosity of my hon. friend (Mr. Fielding). He is described as Mr. James W. Mills, 13 Cheverton Road, Hornsey Lane, W.

Mr. FIELDING. Is it published in any newspaper?

Mr. R. L. BORDEN. No. But I understand that this gentleman is a responsible man. I do not know that publishing it in any newspaper would add to its authenticity. But if my hon. friend thinks otherwise, it could be published in a newspaper during the week.

In the course of my remarks I have examined the provisions of this supplemental agreement as far as section 5. I come now to that section. It provides as follows:

> The government may and shall, preserving always the proportions in the said contract provided as between the prairie and mountain sections of the western division, implement for the purposes and subject otherwise to the provisions of the said contract, its guarantee of the bonds of the said company to be issued for the cost of construction of the said western division, in such manner as may be agreed upon, so as to make the proceeds of the said bonds so to be guaranteed a sum equal to seventy-five per centum of the cost of construction of the western division ascertained as provided in the said contract, but not exceeding in respect of the prairie section, thirteen thousand dollars ($13,000) per mile.

As I have already remarked, this obliges the government to increase the guarantee to a somewhat indefinite extent and it opens up means of manipulating the bonds so as to secure great profits. There does not seem to be any check on the commission to be charged for placing the bonds—the section does not contain any direct provision of that nature. Under this section, it seems to me, the road could be very largely constructed at the expense of the government, even as to that portion intended to be provided for out of the bonds of the Grand Trunk. The government, apparently, has no control over the rates at which the bonds shall be placed—there is no express provision in the contract to give them that control. Can they control the commissions to be charged for placing the bonds? This section seems to be enormously in favour of the corporation, and the checks, if any have been provided to control the placing of these bonds, are altogether insufficient.

Now, I come to sections 6, 7, and 8, which, I think, may be considered together. They have been quoted by my right hon. friend the Prime Minister. They relate to the period of time which shall constitute a default on the part of the Grand Trunk Pacific Railway Company in meeting the bonds guaranteed by the government, and they also deal with the remedy of the government if that default proceeds to such an extent as to justify the government in taking action. Last year, very great stress was laid by the members of the government, and particularly by my hon. friend the Minister of Justice (Mr. Fitzpatrick) upon the provision that, if default was made in respect of these bonds the government could at once enter into possession. It could do more than that—it could foreclose:

it could have this property sold, could buy it in, I suppose, and operate the line itself. But what is the provision we have here? No action can be taken by the government unless the company is five years in default to the government in respect of the bonds which the government shall have guaranteed. But the company may be in default for four years and six months, and may so remain during the entire period for which the bonds were issued, and apparently, under the terms of this supplemental agreement, the government can not take any action at all. Therefore, it is open to the company to allow the government to provide interest for four years and six months on the bonds guaranteed; then the company can made the subsequent payments, leaving the government during the remaining years for which the bonds are to run without any remedy at all, and without receiving any interest upon the amount which it had advanced. If I am wrong in believing that to be the effect of the contract my hon. friend the Minister of Justice will be able to correct me when he comes to consider the question in committee. But if the company becomes in default for more than five years, what is the position of the government? Last year, great emphasis was laid on the fact that the government could foreclose. But that remedy is gone; the government cannot foreclose. It can require that a receiver be appointed. But during the continuation of the receivership, capital will be required for the maintenance of the road and for improvements. Who will be called upon to provide this capital? The government, of course. A road operated by a receiver or manager appointed under such circumstances is usually not so efficiently run as by a strong and financially capable corporation. Great emphasis was placed last year upon the fact that the government had a first mortgage. It is not a first mortgage now, because, if any surplus arises during the period of the receivership, that is not to be appropriated to the bonds guaranteed by the government, but 75 per cent only is to be appropriated to the bonds guaranteed by the government and 25 per cent to the bonds guaranteed by the Grand Trunk Railway Company. The government is placed in exactly the same position, it seems to me, as the Grand Trunk Railway Company in respect of the bonds guaranteed by it. The government does not get really a mortgage at all. For, you cannot foreclose it. It is simply an instrument creating a charge under which the government cannot foreclose, but can enter into possession and operate the road, using the surplus earnings of the road for the purpose of defraying interest upon the bonds guaranteed by the government and the interest upon the bonds guaranteed by the company, in the proportion of 75 per cent for the one and 25 per cent for the other. Now, what is the reason for this change? Is it not true, as was stated by the Minister of Finance and the Minister of Justice last year that the conditions of the original agreement were thoroughly understood and assented to by the Grand Trunk Railway Company? Why should the country occupy a different position from that which was absolutely agreed to last year? For what purpose has this change been made? What pressure has been brought to bear upon the government to do away with that which, last year, was thought to be of importance and on which, in their official statements to the House and the country the government placed a great deal of reliance. It seems to me that this provision opens up a rather curious possibility. And it is this:

During a time of prosperity the interest upon the bonds guaranteed by the government may be paid by the Grand Trunk Pacific Railway Company, and that may go on during a period of commercial expansion, during a period when the country is prosperous. The company may even during that period remain in default for four years and six months. But when a time of depression comes, when it may not be convenient that that railway should continue to be operated by the Grand Trunk Pacific Railway Company, the government will be obliged to take hold of it if further default is made. Then for five, ten or fifteen years, this government will be allowed to keep that road in its possession, to advance any moneys necessary for its operation and maintenance during a period of depression; but when the time of expansion again comes, when back interest has been paid up, then the government will have to give up the road, and the Grand Trunk Pacific Company, which is only another name in that regard for the Grand Trunk Company, will take it again and earn all the profits that can be obtained out of the road during the further period of commercial expansion. It does not seem to me that there is any justification for a stipulation of that kind which was not in the contract as originally framed, a contract which had obtained the assent and approval of the gentlemen who are now asking for these modifications.

I come now to paragraph 9, and it does seem to me that in this paragraph the government has excelled itself. Paragraph 9 deals with a matter that was very much discussed in this House last year, the possibility of speculation by the Grand Trunk Railway Company in a very large amount of stock of this company which admittedly is to be handed over to the Grand Trunk Railway Company without any consideration except what is called their support of this scheme. Let me read the clause:

Notwithstanding anything in the 27th paragraph of the said contract contained, the Grand Trunk Railway Company shall not, after the acquisition of the twenty-five million dollars of common stock therein mentioned (less shares

held by directors, not exceeding one thousand), be prevented from making any such disposition of such common stock as the said Grand Trunk Railway may deem expedient, provided however that the said Grand Trunk Railway Company shall, during the delay mentioned in the said paragraph, continue to hold a majority of the said stock by such title as shall enable the said Grand Trunk Railway Company to control the policy of the company.

The last words of that paragraph are very significant, and I will deal with them later on. Mr. Speaker, every hon. gentlemen in this House will remember the position that members of the government took with regard to this stock last year. Amendments were moved from this side of the House more than once, requiring that the Grand Trunk Company should pay for that stock at par, and arguments were advanced on this side of the House showing that if that stock should pass, as we apprehended it would pass, into the hands of the Grand Trunk Railway Company for a mere nominal consideration, or for no consideration, that stock being afterwards held by the Grand Trunk Railway Company would be used for the purpose of increasing the rates exacted from the people of this country for the purpose of paying dividends on that stock. Now there is no doubt as to the attitude which the government then took, because it was repeated over and over again in the strongest possible terms by my hon. friend the Minister of Finance, and by my hon. friend the Minister of Justice at least once, and by other members of the government. I do not know whether the official declarations, the solemn declarations, which were then made are to be regarded by my right hon. friend as having been relegated to the limbo of scraps. But let me read to him a few of them, and if there ever was a more extraordinary change of front than that which is presented by the document now placed before parliament for ratification, I would like some hon. gentleman on the other side of the House to point it out. My hon. friend the Minister of Finance, in answer to objections made from this side of the House, used this language; at page 8570 of the 'Hansard':

We have provided that practically the common stock of this company, to the full extent of $25,000,000, shall be held, not by promoters, not even by the old Grand Trunk Railway promoters individually, but by the Grand Trunk Railway Company itself * * * * I want to know where there is a chance for promoters when they can only hold 1,000 shares against 249,000.

But the stock is now to be put upon the market, is now to be speculated with, and the reason which was put forward as a strong and cogent reason by the Minister of Finance last year absolutely disappears. But let me quote again from that hon. gentleman a little further on:

(Hansard, 1903, p. 8570.)

If the Grand Trunk Railway acquired that stock at a comparatively small sum and afterwards floated it on the market at a higher sum, that would be a proceeding which might be open to objection.

Well, we know from the declarations made at the Grand Trunk meeting, we know from the comment upon those declarations made in financial papers of the highest class in London, that the Grand Trunk Railway Company expects to receive that stock, the whole of the $25,000,000 of that stock, for the support which they are giving to this enterprise. I will deal with the amount of that support later on. But the Minister of Finance continued as follows:

(Hansard, 1903, p. 8570.)

But the Grand Trunk Company must not only take this stock, but hold it for all time; they cannot put a dollar of it on the market. It is absolutely impossible to buy a share of that stock; it must be held by the Grand Trunk Railway Company itself and no person can buy or sell a share. Where then comes in the chance of speculation?

That was my hon. friend's standard argument. Yet in face of that declaration by this government, we have a clause which puts more than $12,000,000 of that stock in the market for speculation. But we do not know for what reason the government is permitting this, because my right hon. friend this afternoon absolutely threw no light whatever upon that question. But that is not all. The Minister of Finance, if I may quote him again, and if I may be permitted to regard his official declarations in this House as not scrap, went on further:

(Hansard, 1903, p. 11230.)

I maintain that we are not at all concerned as to what these two companies do in reference to that. If it were stock that was to be placed in the market and sold I could at once recognize that we would have a great deal of interest in it.

That interest, Mr. Speaker, seems to have been absolutely lost when this supplementary agreement was entered into by this government. My hon. friend continued:

If this stock were to be put in the market, taken over by the Grand Trunk Railway Company at 5 cents on the dollar, and in later years it passed into the hands of other people at 100 cents on the dollar, if the question of freight rates comes to be adjusted at any time and it becomes a question whether we are to have such freight rates as will earn a fair dividend on the 100 cents that the present holder paid, or on the 25 cents that originally went into the treasury, there certainly is much to be said in favour of the man who purchased the stock and who says: I paid 100 cents on the dollar for it.

That is to say, when this Grand Trunk Company takes $12,000,000 of this stock which it receives for the support it gives to this enterprise, and puts that into the hands of bona fide purchasers, those men

will be entitled, according to the admission of the Minister of Finance, to come by and by and say : We have paid 100 cents on the dollar, and we want you so to fix the rates upon these western lines that we shall receive fair and just dividends upon the money. But Sir, that is not all. Let me quote further from my hon. friend the Minister of Finance, because of all the Ministers of the Crown he was the most pronounced and the most emphatic on this subject. He said :

(Hansard, 1903, p. 11231.)

The strength of this enterprise is to be found in the fact that the Grand Trunk Railway Company are not only behind it but they are in it and of it. If the Grand Trunk Railway Company take over this new stock of 25 cents on the dollar, they cannot sell it to anybody at 26 cents on the dollar the next day, and they cannot sell it later on for 100 cents on the dollar. It must stay in the treasury of the Grand Trunk Railway Company.

But, in order that there may be no doubt about the position of the government in this regard, my hon. friend the Finance Minister was even more emphatic than that later on. Although he was assisted on one occasion by the hon. Minister of Justice, he apparently took charge of this matter on behalf of the government, because he put forward forcibly and cogently, as he always does, the best argument that could be made in support of the position which the government assumed at that time. He continued as follows :

(Hansard, 1903, p. 11851.)

The stock will not be allowed to go into the market and pass into the hands of other persons, and possibly at a later stage, be treated, in the fixing of freight rates, as capital at a fictitious value.

The stock will not be allowed to go into the market, he said. Well, under this provision, as I understand it, stock to the extent of $12,000,000 is to be allowed to go into the market, is to be allowed at a later stage to be treated, in the fixing of freight rates, as capital at a fictitious value. I would like to know the reasons, if there are any, which have induced the government to make this tremendous concession, fraught with so much importance to the people of this country with reference to freight rates. My hon. friend the Minister of Finance continued as follows :

We think it important, for several reasons, that the Grand Trunk should take and hold that stock and not dispose of it.....Therefore, we insist that they shall acquire, take and hold that stock.

When and why did they stop so insisting ? That was the position of the government at that time. They were insisting. If they were so insisting at that time, why did they afterwards assent to this provision of an exactly contrary import ? We are treated to-day to an entirely different position of affairs, to a new contract, a new stipulation, which permits every one of the evils against which my hon. friend the Minister of Finance last year said that the country was absolutely and entirely safeguarded. But, that is not all. I do not wish to weary the House with these quotations, but I think it is of importance to have these declarations—I might call them pledges—which were made to the country by so important a member of the government as my hon. friend the Minister of Finance placed at some length before parliament and the people for the purpose of eliciting an answer, if answer there be, as to why it is that in respect to this most important matter so extraordinary a change of attitude is presented by the government. My hon. friend the Minister of Finance went farther. He said :

(Hansard, 1903, p. 1185.)

We claim that we do get from the old Grand Trunk Company two things of importance to which I have referred--one that they should take and hold the stock and thus identify themselves closely with the undertaking, and the second that they should become the guarantors of the bonds to the extent of one quarter or possibly more of the balance required for the building of the western division. In these two things we have obligations on the part of the Grand Trunk which we think are of value ; and, if additional obligations on the part of the old Grand Trunk Company are asked, as in the amendment of my hon. friend, all we can say is that they are not in the contract, and we have no right to demand them.

Apparently the Grand Trunk Railway Company had the right to demand that this position taken by the government so strongly and so firmly through the mouth of my hon. friend the Minister of Finance should be absolutely departed from, and that speculation in the stock which is admitted to be so fraught with evil to the public should be permitted for some reason which has not been fully disclosed to the House. But let me give one or two more quotations from my hon. friend, because he has placed the evil, which he now permits, so strongly and forcibly before the country, that I cannot do better than let the country have the full benefit of the opinion which he was not slow to announce at that time. He said :

The Grand Trunk Company would be delighted to have that clause stricken out, so that they might be allowed to take that stock up and float it in the money market if they pleased, no doubt.

My hon. friend thoroughly realized the situation at that time, and he continued as follows :

That, I have no doubt, would be more gratifying to the promoters of this enterprise.

Well, the promoters of this enterprise have every reason to be gratified now, because they have exactly that which my hon. friend said they should not have, and by what means they got it he has not informed us. He has not been quite so eloquent as usual in

explaining these matters, certainly not nearly so eloquent as he was in regard to this railway last year. Let me continue the quotation which I am reading :

(Hansard, 1903, p. 11875.)

We have put that limitation in, not to please the Grand Trunk Company but as an additional guarantee to the people that the stock is not going to be placed in the market and floated at a fictitious value.

They did not put it in to please the Grand Trunk Railway Company, but evidently they took it out to please the Grand Trunk Railway Company, and they took it out without any justification whatever, if the arguments so forcibly presented to the House and the ccuntry last year by the Finance Minister are of any value whatever. He continued :

I say, unhesitatingly, that it would be better to give it to the Grand Trunk, even without any other condition, than it would be to have it dealt out to be used by stock speculators in the market.

And now the company is presented with that clause. Does the country hail with joy a clause which permits that stock to be dealt out to be used by stock speculators in the market ? Is that what my right hon. friend calls an exceedingly reasonable and moderate provision in the light of the language used by his most important colleague in discussing this subject in the House last year ? Well, it would seem to me that a little more explanation is due to the House and the country than anything we have yet heard from the right hon. Prime Minister. But that is not all. I have one other little quotation from my hon. friend the Minister of Finance, with which I will trouble the House if I am not inflicting his views to too great an extent on the House and the country. He said :

(Hansard, 1903, p. 11221.)

But we are protecting the people against any such condition, because we are refusing the company the power to put a dollar's worth of that stock on the market and sell it to any one. It is not negotiable, it cannot get in the stock market, it cannot be the subject of speculation; no innocent third party will be able to come and say : I paid in good faith 100 cents on the dollar for that stock and am entitled to get a dividend on what I paid. We have stipulated that the stock cannot be put on the market. It must remain in the hands of the Grand Trunk Railway during the term of this lease.

Mr. Speaker, is it conceivable that declarations of that kind should be made by the government of this country in regard to so important a matter as this, that they should be made in the month of September or October, 1903, and that in the following month of February the government would deliberately execute and enter into a contract stultifying every one of its words which I have quoted ? Is it conceivable that the right hon. Prime Minister of this country would dare to come down to parliament without some better explanation than he has given to-night in regard to this most extraordinary change ? What is the meaning of it all ? Here is language of the most pronounced character, here are evils pointed out by my hon. friend the Minister of Finance, here, in these quotations, he declaims upon the dangers of stock speculation. He says here that not one dollar of this shall be placed upon the stock market for the purpose of speculation ; he says that the Grand Trunk would be very glad to strike out the restriction, but the government will take good care that it shall be kept in—and yet, within four months after that, this stapulation is taken out, and more than $12,000,000 worth of this stock is handed over to be speculated in.

But my hon. friend the Minister of Finance was not the only member of the government who took that position. My hon. friend the Minister of Justice (Mr. Fitzpatrick) took the same ground, and here is his argument :

(Hansard, 1903, pp. 11219-11220.)

My hon. friend's fear is that this stock, issued at a low figure, and falling into the hands of the public, will afterwards be taken into account, and the question of freight rates will be considered. My hon. friend has overlooked the fact that the $25,000,000 of common stock, under the contract, is to pass into the hands of the Grand Trunk Company and will not be dealt with on the same principle as it would be if it had passed into the hands of the general public. That company will have to take this stock and hold it, which would not be the case with the general public.

Let me say, that if the Minister of Justice overlooked something on that occasion, the government would seem to have overlooked something on this occasion, viz.: That all the evils that have been portrayed by these gentlemen are now before the country, that the country is face to face with them, and that the country will have to encounter them if parliament sees fit to ratify this contract which contains a stipulation wholly inconsistent with the declarations of the government last session, as to what is in the public interest.

But that is not all. There was a gentleman with us last session who is not with us now ; I refer to Mr. Blair, the Chairman of the Railway Commission. The judgment, the ability, and the integrity of Mr. Blair have been certified to by the government in every possible way. They have been certified to, not only by his appointment to the chairmanship of the Railway Commission, but by the declaration of the Prime Minister in this House during the present session. Let me quote what I believe to be the words of Mr. Blair, and which, if my information is correct, were communicated by him to his colleagues ; let me quote his views on the subject ; and if I am mistaken in any way as to the authenticity of this memorandum from which I am quoting, let me say that the words which I attribute to Mr.

Blair and which I believe were used by Mr. Blair in discussing this matter with his colleagues, are words which carry great weight of themselves whether they are uttered by Mr. Blair or by any one else. Mr. Blair said :

Any new transcontinental lines should be built under conditions which would make every dollar of bonds and every share of stock available in cash as near the face value as possible. If bonds may be disposed of by companies at a large discount, and stock distributed gratuitously, or on terms which produce little or no cash at all for construction and equipment purposes—which has been forbidden by law—the business such railways may do will for dividend purposes be always unduly burdened and will be a grave handicap for all time to the development of the interior. With capital shares and bonds ultimately coming into the hands of innocent buyers at prices increasing with the growth of the railway traffic, it will be impossible for either a Railway Commission or the government itself to reduce tolls below a dividend-paying basis.

That is the opinion of an expert who is certified as such, by the Prime Minister of Canada ; certified as the best man in Canada for filling the position of railway commissioner. That is the deliberate opinion of this gentleman, and it is absolutely at variance with the position which the government takes in asking that parliament shall amend this contract by inserting the stipulation now proposed. Mr. Blair continues :

An appeal from the holders of the company's bonds and shares, to fix tolls sufficiently high to ensure a moderate dividend, cannot easily be resisted, and as a consequence the country, through its business and traffic, is in effect as much charged, though indirectly, with the weight of these obligations as if the amount was covered by an issue of government bonds.

Moreover, the system is not sound. Why should a few people be allowed to make themselves millionaires in such a way ? No one nowadays puts his money into the capital shares of a railway company at the inception of the undertaking. It has been done hitherto, it is not done now, and why not ? Because with the government assistance supplementing the sale of bonds the railroad can be built. And yet capital shares are issued by the million and appear later, when the enterprise becomes a success, in the hands of the purchasers who clamor for dividends upon them.

This is the way in which the question will present itself to the very man whom the government have put at the head of that railway commission which has to regulate these rates. He says : They are not easily to be resisted ; issue that stock for nothing and place it in the hands of promoters who can put it upon the stock market, and afterwards it will come up in the hands of men who have paid one hundred cents on the dollar for it, and their demands for dividends, as Mr. Blair says, are not easily to be resisted. He continues :

The objection to this system applies with great force to railways in our western country, where the drawbacks of a long haul to reach the market must always make a moderate or reasonable railway toll a vital consideration. It may not be possible to repair the errors of the past. It is possible to prevent their repetition in the case of new railway undertakings in the future, and the remedy lies in the immediate adoption of a policy which will ensure the construction of railways running east and west and traversing over rich undeveloped regions in the west, under conditions which will limit the amount of dividends to be paid based upon the actual cost of these undertakings.

And, Mr. Speaker, if I understand the position of affairs aright, that is a position from which the government absolutely departs in proposing the amendment to parliament which is contained in this supplementary Bill.

But there are some insignificant words in the concluding portion of this paragraph, to which public attention should be directed, and they are these :

Provided, however, that the said Grand Trunk Railway Company shall during the delay mentioned in the said paragraph, continue to hold a majority of the said stock by such title as shall enable the Grand Trunk Railway Company to control the policy of the company.

I am not an expert in the dealings of railway promoters, nor do I profess to know thoroughly the means by which railway trusts in the United States have been organized and carried on ; but those who are more familiar with such matters than I am, have informed me that by means of what is called a voting trust, stock may be sold and the control of it retained by the persons who desire or are obliged to retain control of it ; so that twenty-five millions dollars of stock, let us say, might be put upon the stock market, and yet the Grand Trunk Railway Company might by a certain stipulation retain such power as to voting as to enable it to control the policy of the Grand Trunk Pacific. I understand that such arrangements are made in the United States ; I have been told so by persons who have bought stock upon which they have not a right to vote. Although they receive the dividends upon it, and although they are in every other respect the holders of such stock, nevertheless the right to vote on it is controlled by a trust ; and if that arrangement is contemplated—as it seems to be contemplated by the concluding words of that paragraph—then, Sir, it would enable the Grand Trunk Railway Company, to put not twelve millions, but twenty-five millions of this stock on the market in such a way. What are these gentlemen to give for this stock ? What does Sir Rivers-Wilson say about it in his speech delivered at the recent meeting of the shareholders. He said :

I must not forget to mention that in return for the support which we ask you to accord to

the Grand Trunk Pacific Company, the Grand Trunk Company will retain a controlling interest in that company, and will become the possessors of the whole of the common stock, amounting to $25,000,000, or £5,000,000.

The 'Financial Times' of London, an eminent financial authority, in its issue of March 9, 1904, says in reference to this:

In return for its assistance the Grand Trunk receives the whole of the common stock of the new company, amounting to 25 million dollars, which one may regard as waste paper or as an asset having enormous possibilities in the way of eventual appreciation—according to the view one happens to take of the prospects of the new line.

What does the Grand Trunk Railway Company give in the way of support to this new enterprise? It gives, in the first place, its financial assistance for the purpose of putting up a $5,000,000 deposit, which has been deposited during the past month of March by this company. Sir Rivers-Wilson, or some director of the company said, what is undoubtedly the fact, that every dollar of that $5,000,000 will be handed back eventually to the Grand Trunk Railway Company. It is contemplated to hand back that money eventually and Sir Rivers-Wilson said further that the putting up of that sum would not cost the Grand Trunk Railway Company one farthing. How that is to be arranged I do not know, but that is the statement made at the directors' meeting.

What else is it to do? It is to guarantee the bonds of the Grand Trunk Pacific Company to an amount of less than three million pounds, two million nine hundred and some odd thousand pounds sterling, a little more than fourteen and a half million of dollars. There are two partners in this enterprise, the government, which is to incur obligations of not less than $150,000,000, of which a considerable portion must be paid in cash, and the Grand Trunk Railway Company which is to pay no cash at all, at least not for many years, and is to guarantee bonds to an amount of less than $15,000,000. That is to say, the obligation which the Grand Trunk Railway Company undertakes are less than one tenth of the obligations which the country undertakes for the purpose of building this Grand Trunk Pacific line.

But when it comes to a question of compensation, the Grand Trunk Railway Company which has been in the back ground so far as support is concerned, comes to the front at once as soon as the question of compensation is mooted and it is to receive $25,000,000 of the common stock of the Grand Trunk Pacific for the support which it thus gives. May I be permitted to ask, Mr. Speaker, where the country comes in on that deal? The country gives ten times the support to that enterprise that the Grand Trunk Railway Company gives. The Grand Trunk besides taking over the western division as its own and obtaining the eastern division for nothing for ten years, with a lease at a low rental for forty years more, receives $25,000,000 worth of stock for its support and the country is to receive nothing. Why does not the government insist that this stock shall be held by the country instead of by the Grand Trunk Railway Company? Is there any objection to that? Ought there to be any objection to that? Would not that have some advantages? Would there be anything incongruous in it? Does not the government of Great Britain hold a controlling interest in the shares of the Suez Canal? Would not this country be in a better position if the government were to hold a controlling interest in the stock of the Grand Trunk Pacific Railway Company? If the government held the stock they could forego dividends in order to give lower rates, and if dividends were paid they would go back to the people from whom they were received. The government would control the policy of the Grand Trunk Pacific Company and make the road a thoroughly Canadian road, and, last but not least, the government could prevent the diversion of traffic to the United States ports and centres. None of these results can be accomplished by giving to the Grand Trunk Railway Company common stock of the Grand Trunk Pacific Company to the extent of $25,000,000. I do not know any reason why in view of the conditions under which this road is to be built, in view of the support which the country on one hand and the Grand Trunk Railway on the other are to give to this enterprise, I do not know of any reason why $25,000,000 of common stock should be given to the Grand Trunk Railway Company while the country receives no corresponding or compensating advantage. It does seen to me that my hon. friend, in revising this contract, has taken a position which is not in the interests of this country. I know that the directors of the Grand Trunk Railway Company at a recent meeting declared to the shareholders that the interests of the Grand Trunk were thoroughly safeguarded, and I think they were very safe in making that statement, but I would like to have it demonstrated a little more to my satisfaction, that the interests of the country are thoroughly safeguarded. It is all very well to allay any apprehensions that the shareholders of the Grand Trunk Railway may have, but so far as we in this parliament are concerned, it behoves us to see that the interests of the country are safeguarded, with at least as strong provisions as those which protect the interests of the shareholders of the Grand Trunk Railway Company.

Now I come to paragraph 10 and 11 of this agreement, which deal with the rights

of the Grand Trunk Pacific Company at the end of 50 years. Paragraph 10 is as follows :

Paragraph twenty-one of the said contract is amended by adding thereto the following clause :—

'Provided, further, that, in the event of the government determining to undertake the operation of the said eastern division, the company shall be entitled for a further period of fifty years to such running powers and haulage rights as may be necessary to continuity of operation between the said western division and other portions of the company's system and the Grand Trunk Railway system upon such terms as may from time to time be agreed upon, or as may from time to time, in case of failure so to agree, be determined in the manner provided by paragraph 24 (2) hereof, which is hereby made applicable to cases arising under this paragraph.

Paragraph 11 of the agreement declares that :

In case, during the currency of the lease of the eastern division, the company shall have constructed a branch line or lines running from a point or points in the said eastern division, the government shall, if at the expiration of the said lease, it shall determine to undertake the operation of the said eastern division, take over such branch line or lines as the company may elect not to retain, at such value as may be agreed upon, or as may, in case of failure so to agree, be determined in the manner provided by paragraph 24 (2) of the said contract, which is hereby made applicable to cases arising under this paragraph. If any such branch line or lines shall have received any grant or grants under the provisions of any Act of the parliament of Canada, the amount of such grant or grants without interest, shall be deducted from such value and the difference only shall be payable by the government upon the taking over of such branch line or lines.

The company will build branches and during 50 years it will find out which of these branches are profitable and which unprofitable. At the end of 40 years it can simply say to the government : This branch and that branch and the other branch we have found to be unprofitable. We have made a mistake in building them, they have been of no use to us as feeders of our line, we elect not to retain them, and you must therefore take them over and pay for them. But all the valuable branches, those which control the trade of the country, without which the eastern division may be of very small value indeed—all these the Grand Trunk Pacific will retain. And by the erection of terminals at important junction points, the Grand Trunk Railway may also control the situation in another way ; so that at the end of the period of forty years, the government will find itself absolutely at the mercy of the Grand Trunk Pacific and be forced to accept such terms as may be dictated by the company.

Needless to say, the original agreement, as amended by this subsequent agreement, puts out of sight not only for fifty years, but possibly for a century, any possibility of extending the government system of railways throughout the length and breadth of this continent. That possibility is put entirely in the background. This government, I say, has no mandate at present to enter into any such agreement as will put the possibility of government ownership in this country absolutely out of sight. There is a feeling growing among the people in favour of government ownership. That feeling may or may not develop, but I do say that it is not wise or prudent for the government, and the government has no mandate to impose such a condition in this contract as will prevent the country at some future time, if it desires so to do, from extending the system of government railways across the continent.

Let me now say a few words with regard to the general subject. Our proposal last year was to extend the Intercolonial Railway to Georgian Bay. That is a proposal by which I for one am still prepared to stand. My right hon. friend said, I think, on one occasion, that Mr. Blair denounced our proposal as a mad scheme. But our proposal to extend the Intercolonial to Georgian Bay is one which has always commended itself to Mr. Blair, and as to which he has expressed himself publicly in very strong language. When my right hon. friend the Prime Minister suggests that Mr. Blair denounced the scheme we proposed as a mad one, I do not think he will find any warrant for that statement in any language used by Mr. Blair. Mr. Blair certainly did denounce the scheme of the government, not only as mad, but as an unjustifiable and wanton waste of public money, but he never made use of any such language with regard to the scheme we proposed. If he ever used any such language with regard to the extension of the Intercolonial to Georgian Bay, he would have expressed himself absolutely in contradiction to what he said in a carefully prepared memorandum. In that memorandum Mr. Blair said this :

The observations thus far made by the undersigned amply justify the conclusion that it is quite misleading to look for a fair test of the principle of government ownership in the experience of the Intercolonial, or to condemn that principle as inherently defective because in the comparison of net results the showing as between the corporation railways and the government railway is unfavourable to the latter. There is no good reason which can be suggested, or which in the opinion of the undersigned actually exists, why the government of Canada cannot apply and work out the principle of government ownership as successfully as it is being worked out in other British dependencies and in foreign lands.

That is the language, not of any ordinary individual, but of a man who is regarded by the government more capable than any other in Canada to deal with railway ques-

tions, and who, for that reason, has been placed by this government at the head of the Railway Commission. Further on Mr. Blair said :

There is one certain means of putting the Intercolonial upon an interest paying basis, and that is by the extension of its line.

Does that strike you, Sir, as characterizing the scheme which I proposed as a mad one. It strikes me rather as commending that scheme as wise and prudent.

The Montreal extension has done much ; but a further extension will do more. While the government railway has captured the larger part of the traffic originating in Montreal and destined for inland eastern and even export points, it has no connections west and is allowed to take only what traffic the two corporation railways do not care to retain themselves. All winter shipments from the west ordinarily reach the seaports of St. John or Portland via the Canadian Pacific and Grand Trunk respectively, and although the Intercolonial is fairly well placed to carry freight to Halifax and St. John, it must always remain excluded from that portion of the business arising west of Montreal, so long as present conditions continue.

That is an elaboration of what Mr. Blair had just said, and I commend it to the Prime Minister as the statement of a man who has received his highest approbation, not only by appointment to the Railway Commission, but also by my right hon. friend's eulogium of him during the present session. Mr. Blair continued as follows :

The undersigned has long held the opinion that a port on the Georgian Bay should be reached by the Intercolonial, and thus a connection had with the Canadian Northern by water transport, open and practicable for from four to six weeks longer than canal navigation. The Canadian Northern would gladly co-operate with the government railway, as it has no other railway connection nor any interest antagonistic to the government system. Duluth and Chicago would be in touch with the Intercolonial, and direct through rates could be arranged to Montreal or Lévis during the summer season, and to St. John and Halifax during the winter.

And the government has demonstrated, by the information it gave the House this session, the absolute feasibility of carrying grain from Georgian Bay to Halifax at a fairly good profit—a profit far better than that at which the Intercolonial carries a very large portion of its freight, I will venture to say. But Mr. Blair went on to say :

By the construction of storage elevators on a sufficient scale to hold grain in quantities not going forward until navigation closed, a large and ever-increasing traffic would find its way over Canadian territory and by government railway to the ocean through the gateways of Halifax and St. John.

Not only would it find its way in increasing volume, but at such fairly paying rates as would wipe out the deficit on the Intercolonial, of which we hear so much, and would place that road on a very good and paying basis. Mr. Blair then continued as follows :

The advantage of such extension to the Intercolonial can hardly be over-estimated. If the Canada Atlantic system were acquired a traffic-producing section of the country, with a growing local business already created, would be found on the western portion of the line ; while St. John, Halifax and Sydney at the other end would equalize the existing conditions and carry the intermediate section, a section which, it is only fair to say, has within the last few years shown signs of considerable progress and before the lapse of many years may be expected to be self-sustaining.

Let me state that argument in my own words, as I understand it. Mr. Blair says we have in Nova Scotia and New Brunswick a splendid paying portion of the Intercolonial, but that portion has been handicapped by the fact that the line from Moncton north to the province of Quebec has not been a paying portion. He says the Intercolonial is cut off from western connections. Acquire the Canada Atlantic, or expropriate it, and you will have these results. In the first place, you wil have in the east of Canada a splendid paying portion of the Intercolonial. In the second place you will have in the west the Canada Atlantic system, or some other system possibly constructed by the government itself, and that will be a paying road running, as it will be, through a country where there is no water competition.

And further than that, you have the possibility of an enormous through-traffic, by the Canada Atlantic, if acquired by the government, over the Intercolonial to Halifax and St. John. And, putting all these things together, he says there can be no doubt of the wisdom of acquiring that railway and thus completing the extension of the Intercolonial which was begun when it was extended from Lévis to Montreal. That is the view which I am commending to the government because it is the view of a man upon whose judgment they cannot pass any reflection. If Mr. Blair does not understand something about transportation in this country, surely he would not have been put in the position he now occupies. If he had not made a study of railway problems, he would not have received this mark of the government's confidence. But my right hon. friend was so impressed with his ability, that putting to one side the strong speech Mr. Blair had levelled at his project, putting aside even the reflections which Mr. Blair had cast upon the government, but looking only at the public interest he said : Here is the man of all men in Canada to deal with these questions. I give my right hon. friend this gentleman's opinion as to what ought to be done. Does this seem like calling the acquisition of the Canada Atlantic a mad scheme ? On the contrary, he says it will prove the salvation of the Intercolonial Rail-

way? And why has not the government adopted this course ? The only reason that has ever been given to the House by my right hon. friend, I think, was that celebrated vision of his when he stood at Depot Harbour, and, looking out upon the wild waste of waters, came to the conclusion that the government could not engage agents to canvas for freight and could not have anything to do with steamships. These considerations do not seem to have impressed themselves upon Mr. Blair, who, of all other men in the country, according to the opinion of the government, has most closely studied and best understands the problems which attend the question of transportation. Mr. Blair continued :

If the Canada Atlantic system were taken over by the Intercolonial, the tolls now in force on that line could be maintained. No complaints have been made with respect to these tolls. That they are moderate and acceptable to the people who use the railway is shown by the entire absence of agitation, public or otherwise, against them. That these rates are also profitable is shown by the net results for the year 1902, which amounted to $618,000, or 4 per cent on $15,000,000 after paying all operating expenses for the year and making large outlay upon betterments.

Then, Sir, summing up the whole situation, Mr. Blair's view is this :

From the purely Canadian, national point of view, the Intercolonial would then have advantages over any other railway in Canada. Its traffic would find an outlet during the summer months at Montreal and Quebec, and during the winter at Halifax, and St. John, and there is good reason to believe that it would give the two Atlantic seaports (the Canadian Pacific also serving at St. John) all the business they could conveniently handle for some time to come ; and moreover, from the point of view of its paying prospects, the outlook is in the highest degree encouraging. At present there are 400 miles of good paying railway at the eastern end of the Intercolonial Railway. Extension to the Georgian Bay, by way of the Canada Atlantic Railway, would give 300 or 400 miles of profitable railway at the western end, and, as has already been pointed out, these two ends together would be able to carry financially the less productive and intervening section and afford a substantial surplus towards paying interest on the capital outlay.

Let me commend this view of the situation to my right hon. friend, and let me ask him whether, in view of these strong and forcible words of this man whose judgment he so much commends, there is not reason for drawing back from what the government are doing at the present time—reasons for seeking some better solution of the transportation problem than is afforded by this measure ? The government need not be afraid of drawing back. They have already receded from their position on a dozen or more different points, even from the most solemn declarations have been made by Ministers of the Crown. It would be impossible for them to depart further from their professions than they have already done. And, though they have ridiculed the idea of extending the Intercolonial to the Georgian Bay it is not too late for them to draw back. Let me commend this to my right hon. friend in the same spirit which prompted him to believe that we on this side would regard this agreement as eminently reasonable and satisfactory. There is time for repentance, even for this government, and the extension of the Intercolonial to Georgian Bay would be a bringing forth of fruit meet for repentance, at which I am sure, the country would greatly rejoice. The development of the Intercolonial Railway, the operation of the government system upon a larger basis than at present, would probably bring about a better management of that railway, and would tend to produce better results than we have hitherto had—not only for the reasons to which I have adverted and which have been put forcibly by Mr. Blair, but for the reason that if this system became a very great system, the fierce light of public opinion beating upon it in all parts of the country would necessitate better and more economical management and one less subject to political influences than has prevailed in the past. As I said last session, I would like to see the Intercolonial absolutely free, if possible, from party political interference. And, if it were extended to Georgian Bay I believe not only the province of Ontario, but the great west as well, would receive very great benefits. We should thus have better control of rates than we could obtain by any railway commission or any similar tribunal, however efficient. Every reason that has been advanced by the able men at the head of the Grand Trunk Railway Company for pushing that railway into the Northwest seems to me to be applicable of the Intercolonial Railway. These gentlemen of the Grand Trunk regard it as imperatively necessary that their road should reach the Northwest. Mr. Hays very plainly points out that if they do not extend it to the Northwest they may not in future, be able to pay dividends on stock which is now returning something to the shareholders. Well, if it is a good thing for the Grand Trunk Railway to extend into the Northwest, why is it not, for the same reason, a good thing for the Intercolonial Railway to extend to Georgian Bay ? The reasons which make it desirable for the Grand Trunk to go into the Northwest to get its share of traffic make it not only advisable but necessary for the Intercolonial, if it propose to secure a part of the western traffic, to have its line extended to the Georgian Bay.

Now, I suggested last session that it might be possible for the government to devise some means by which the line of railway now running north of Lake Superior could be utilized for the purposes of more than one

railway system. I pointed out that that road is capable of handling, I believe, five or ten times the traffic it handles at present; and I made the suggestion—which I said was subject to first obtaining expert advice and expert opinion—that the government could come to an arrangement with the Canadian Pacific, the Canadian Northern and the Grand Trunk by which that road might be utilized for the purpose of the three railways without a dollar of expense to the country. Some unfair representations of what I proposed have been made. It has been suggested that I desired to put this country to an enormous expense for the benefit of the Canadian Pacific Railway, and it has been hinted, if not asserted, in this House that I, standing as a public man in parliament, made that suggestion at the instance of the Canadian Pacific Railway. Sir, I desire to repudiate, in the strongest possible language which the usages of parliament will permit, any such suggestion as that.

The Canadian Pacific Railway did not, nor did any one on their behalf, make any such suggestion. Whatever may be the merits or demerits of the proposal I then made, they are wholly my own. I suggested that these railway companies pay to the country such a rental as would meet the cost of acquiring the control of that road, and that they should also pay for the operation and maintenance of it upon a wheelage basis. If the argument of the Minister of Finance last session was worth anything, the utilization of that track for three roads instead of one would not cost the people of this country one cent. This policy would immediately have given the Grand Trunk access to the west and the Canadian Northern access to the east. I observe that while the government have been sleeping as to this matter, other railways have taken it up, and I quote from an article in the 'News' of Toronto. There is a report to the same effect in the Toronto 'Globe.' I observe that the Canadian Pacific Railway and the Canadian Northern Railway are now entering into a similar arrangement to that which I have referred. The 'News' item is as follows:

It is understood that the Canadian Pacific and the Canadian Northern authorities have reached an understanding respecting the line from Toronto to Sudbury. The Canadian Pacific will have running rights over it, and the Canadian Northern will secure a haulage arrangement over the Lake Superior section of the Canadian Pacific. The latter road thus secures a direct line for passengers and freight between this city and the west.

Now, I have been speaking of the extension of the Intercolonial to the Georgian Bay, and let me say before I leave that question entirely, that while I understand how limited the season of navigation is after the crops have been harvested, nevertheless, as I pointed out to the government last year, I believe that by a system of ice-breakers the period during which grain can be shipped from Fort William and Port Arthur might be considerably extended. That subject does not seem to have been investigated by the government, at least I have heard no official utterance upon it. If it would be possible to accomplish that, and those who are familiar with these waters say it would be possible to accomplish it, then we have still another argument in favour of the extension of the Intercolonial to the Georgian Bay; because of course the longer you make that season of navigation the greater opportunities you create for traffic to pass from Thunder Bay over Lake Superior to the shores of the Georgian Bay and to be transmitted by the Intercolonial to Halifax and St. John.

Now, Mr. Speaker, I do not say that the Intercolonial ought to stop at the shores of the Georgian Bay. I believe that its extension should only be limited by the western confines of the Dominion. There is no good reason why it should not be extended to the city of Winnipeg, or why the people of that city should not have communication by means of the Intercolonial with Ontario, Quebec and the maritime provinces. I submit that by that means the Intercolonial would reach into the Northwest, and not only secure a considerable portion of the traffic which passes from the west to the east, but also a considerable portion of the traffic which passes from the east to the west of Canada in agricultural implements, merchandise and commodities of a hundred different kinds which must be sent from the east of Canada into the west for many years to come. I still advocate the extension of the Intercolonial to Winnipeg. It would be wise also, if necessary in order to overcome congestion, to aid in double tracking or otherwise improving the line between Fort William and Port Arthur and Winnipeg. I say, as I said last year, that in doing that we should only give reasonable public aid in return for the most absolute and thorough control of rates upon those lines, so that we might give to the people of the west every possible facility and the cheapest and most economical means of transportation that could be devised in this country.

But, Sir, I am prepared to go even further, and I say that rather than enter into the present contract, I believe it would be infinitely wiser and more in the interest of this country that the government should itself immediately construct a line from Winnipeg to the coast. What is the position at present? Let us examine it for a moment. We are committing this country to obligations to the extent of $150,000,000. If we consider the probability that the bonds must be sold at 90 cents we are committing this country to obligations to the extent of $170,000,000; and the Grand Trunk Railway Company, the other partner to the contract, is committing itself to obligations

to the extent of only $14,500,000, or a little less than $15,000,000. What is the result of the contract at present ? The result is that 1,500 miles of railway built in the west of Canada as part of an enterprise to which the government contributes $150,000,000 or $170,000,000, and to which the Grand Trunk Company contributes only $14,500,000, is to become the absolute property of the Grand Trunk Pacific. If we are going to expend $150,000,000 or $170,000,000 for the construction of this line and hand over 1,000 miles of the most profitable portion of it to the Grand Trunk Pacific Company what is the objection to our incurring the other $14,500,000 of obligations and owning that whole stretch of road ? We are to build 1,875 miles from Moncton to Winnipeg, a portion of the line which is declared by the Grand Trunk to be infinitely less profitable than that portion which lies further west. We pay for the whole of that, we build the whole of that, we hand it over to the Grand Trunk for ten years for nothing, and we hand it over to them for forty years for a very small rental, a rental which, according to the opinion of Mr. Blair, will involve us during 40 years in a loss of $18,500,000. We build in the west 1,500 miles of railway, and we guarantee bonds to the extent of $13,000 a mile on 1,000 miles of that, and bonds to the extent of $37,500 on the remaining 500 miles ; we make provision that if the bonds are sold at a discount we shall increase our liability. After building 1,500 miles of railway in that splendid country, a country and a railway, with enormous possibilities, possibilities transcending those of the Canadian Pacific Railway which earned $15,000,000 of profits last year—I am quoting the opinion of the Minister of the Interior as to that—after building that railway we hand it over to a corporation without any control of rates, without any assurance of cheaper transportation, without any assurance even of the transport of our traffic over Canadian lines and to Canadian seaports. Is there any good business in accepting that position ? Is there any sound statesmanship in taking that position ? If we are to incur obligations to the extent of $150,000,000, why should we not go the whole figure and incur the other $14,500,000 of obligation and own that line in the west, which may at some future time bring a revenue to the people of this country of $15,000,000 a year, as the Minister of the Interior has pointed out.

If we are to incur all the obligations of this contract, why should we not take some part of the profit of this contract ? Why should we own only the eastern division of this railway ? Why stop at that ? Why is there to be no participation by the government in the profits of the 1,000 miles of splendidly paying property in the west ? What are the obligations of the Grand Trunk Pacific ? Let us take them as stated at the recent meeting of their shareholders.

Sir Rivers-Wilson stated the obligations of the Grand Trunk Railway Company, which we would be required to assume if we did what I propose. They are as follows :

If you have followed the figures which I have just mentioned, you will find that the result shows an amount of principal bonds guaranteed in respect of both sections of £2,968,000, and of annual interest of £118,720, but even this interest liability, comparatively small as it is, need not accrue until the expiration of eight years—the period allowed for construction—the interest on cost during construction being provided for out of capital. This, then, constitutes the responsibility of the Grand Trunk Company.

Well, if the guaranteeing of bonds to the extent of £2,968,000 is all the contribution of the Grand Trunk, why should we hand over this 1,000 miles of splendid profitable road in the west ? What is Mr. Hays' view of the situation ? His view is this :

The Grand Trunk Railway is not going to be called upon under its guarantees for one cent for eight years after this enterprise is started—after the construction of the line is commenced,—the cost of the line during construction being added to capital and provided out of capital, and the securities which the Grand Trunk will guarantee will not be issued for eight years, and then after that eight years have rolled by, you have seven years yet on the mountain section, a part on which there seems to be some doubt. There can be not the slightest doubt as to what the returns will be from the prairie section, but on the mountain section you have seven years without any claim at all, three years after that only a claim on what is earned, making, therefore, before the mountain section becomes anything of a burden on the railway, eighteen years.

That is the view which the Grand Trunk directors and their general manager take of the situation. It does not seem to me wise that after pledging our resources to the extent of $150,000,000 or $170,000,000 we should stop short of owning that which we have built, merely in order to avoid a further liability of fourteen and a half millions, which is to be assumed by the Grand Trunk. Can any reasonable man say that the ownership of that splendid western line, which has been so glowingly described by my hon. friend the Minister of the Interior and others, as well as by Grand Trunk directors, would not be worth the additional liability which we would incur by taking the place of the Grand Trunk ? Sir, if we adopted that policy, we would own a national transcontinental railway in the true sense of the term. We would absolutely enly control rates. We would absolutely ensure transportation of our own products through our own territory and from our own seaports. We would give our people the most economical means of transportation. We would fully accomplish the aims set forth in the Order in Council of May 19th, 1903, which was brought down to the House last year, and which is familiar to every hon. gentleman. In that Order in

Council the government stated its principles, as I thought, wisely and well, although it has since departed from them in every possible respect. The government declared its policy in that Order in Council in these terms :

It is obvious that before any satisfactory conclusion can be reached upon these questions a thorough and comprehensive inquiry should be made.

Further on it said :

Forces operating against the attainment of all Canadian transport, namely :

Competition by United States railways ;

Competition by United States vessels from Lake Superior ports, diversion of Canadian products through eastern outlets to Boston, Portland and other United States ports, should be investigated, and the best and most economical methods used by our competitors should be carefully studied and reported upon.

If the government have investigated the question of diversion of Canadian products to Portland, why have they permitted this contract to be placed before the House in its present condition, without a single stipulation which would prevent the Grand Trunk Railway Company from taking the traffic at the shores of the Georgian Bay and carrying it to Portland exactly as it has done before ?

It seems to me, therefore, Mr. Speaker, that having regard to the obligations which the government propose to assume, it would be very much more in the interest of the country that they should not stop short, but go just a little farther, only one-tenth farther, and own and control for the people of this country that splendidly profitable portion of this railway which is to be built through our Northwest. Now, I have not forgotten the actuarial statement which my hon. friend the Minister of Finance gave us last year. He declared that a sum of $8,853,504 would provide for the construction of 1,875 miles of railway, costing, according to his estimate, $54,609,676. He made that declaration although he admitted that the government would receive no return for its outlay upon the road until seven years after its completion. I do not wish to misrepresent my hon. friend. He said that the government could take that sum and place it in the hands of a trust company and that it would provide for everything the government would have to pay in respect of interest until the Grand Trunk Railway began to make its payments of rental at the rate of 3 per cent on the cost of construction. If the sum, or a little more than the sum, of eight and three-quarters of millions of dollars would provide for the construction of 1,875 miles of railway under such conditions, how much would it take upon the same basis to provide for the construction of the western division of this railway ? The western division of this railway, according to the estimate of the directors of the Grand Trunk Railway Company, will cost, for the 1,000 miles of prairie section, $20,000 per mile, or $20,000,000, and, for the 500 miles of mountain section, $50,000 a mile, or $25,000,000. Add these together, and you have $45,000,000 as the cost of the western division of this railway. In respect to the prairie section, you are not to consider that you will receive no return until seven years after completion. Sir Rivers-Wilson, in his letter to the government, or in his address to the shareholders, has said that the prairie section would be immediately profitable, that it would be immediately a paying section, and he declares that the government have taken that view. So you do not have the same condition that you have as to the eastern division. Therefore, I say that, applying the argument which my hon. friend the Minister of Finance thought proper to present to the House and the country last year, you could take $5,000,000 or $6,000,000 and provide for everything that the government would have to pay in respect to the interest on the construction of the western division until that road became profitable. If that was a good argument last year in the mouth of the Minister of Finance, and it was hailed with acclaim by every member of the government and by every hon. gentleman on that side of the House, why can we not apply it to the western portion of this railway ?

My hon. friend spoke about a surplus. He said : We have a surplus of $15,000,000 and it will take only half of that surplus to provide for the construction of this eastern division. Does he realize that it will only take one-third of that alleged surplus for one year to provide for the construction of this western division. Can any better use be made of the excessive taxation wrung from the people of this country, than to provide the people of Canada with a thoroughly national system of railways extending from the Atlantic to the Pacific ? This was supposed to be an excellent argument last year for the eastern division ; I seek to apply it in all sincerity to the western division, and once more I ask my right hon. friend to retrace his steps, to consider what can be done with $5,000,000 or $6,000,000 in the construction of this western division and to keep for the people of Canada this magnificent asset in the shape of a great national railway in the Northwest Territories. I trust that I shall not appeal to my right hon. friend in vain. He himself has shown that it is not too late ; the government have gone back once, let them go back again, and this time let them go back to some purpose in the interest of the people of this country.

I did not take into consideration so far, the cost of equipping that road, and no doubt that will be referred to by hon. gentlemen in reply. The cost of the equipment of the whole road was placed at $20,000,000 ; it has been reduced temporarily by one of the clauses of this agreement to $15,000,000 ; but we will assume

that $20,000,000 will be required. Well, I want to bring to the attention of the government, the method which the Grand Trunk Railway propose to adopt with regard to that. Last year when my hon. friend from Hamilton (Mr. Barker) urged that the security taken upon the rolling stock would not amount to very much because the rolling stock could be acquired by means of a lease, the Minister of Justice and the members of the government disputed that argument very earnestly. Let us see how the Grand Trunk directors regard it. Sir Rivers-Wilson says :

> As regards the five millions for rolling stock, it is not five millions—it is estimated at three millions. With that the Grand Trunk has nothing to do. That rolling stock will be provided by the Grand Trunk Pacific Company, and, as the general manager will tell you, they have laid their plans for providing that rolling stock by a trust fund. Therefore, you may wipe it out and call it four milions.

The 'Financial Times' of London, commenting on what took place at the meeting said :

> The rolling stock it appears is to be provided for by a separate trust.

Therefore the twenty million dollars of supposed preference stock is not to be used, according to the views of the Grand Trunk directors, for the purpose of providing rolling stock, but it is to be kept in the treasury, or placed in the stock market, we do not know which. It may be reserved for an opportune occasion, and then placed upon the stock market for speculative purposes. The government is surely as well able to provide the rolling stock for the equipment of a profitable line in the Northwest of Canada, as is either one or other of these corporations. Under the modus operandi of these gentlemen they will provide this rolling stock by means of a trust and the rental for the rolling stock will be paid out of earnings. They propose to deal with it in that manner, so that the obligation to provide this rolling stock will not impose one dollar of capitalization upon this company. It will be provided for out of earnings, it will be leased, a trust will be created which will provide the rolling stock and lease it to the Grand Trunk Pacific and then the rental will be paid out of earnings. The advantage of that operation to the company will be that the capital stock of the Grand Trunk Pacific can be reserved for some other purpose, can pass to promoters, can be used for speculative purposes, and the rolling stock will be provided for out of the earnings. The disadvantage to the country will be, that this supposed security which we were to have upon this rolling stock will probably not be worth five cents; and there will be further fictitious capitalization. That will be the advantage to the Grand Trunk Railway Company on the one hand, and the disadvantage to the country on the other hand.

Well, Mr. Speaker, I do not see any fair suggestion, any good reason against dealing as I proposed with railway development in the west. The only security for our guarantee is the road itself. Can any hon. gentleman here dispute that ? Then, if the road itself it not good security for our guarantee, is it not good security for the people's money invested in that road, so that it should be owned by the people of this country. That seems to me to be the common sense view of the situation ; it seems to me that is the way in which it will strike the average, ordinary business man of this country.

I say that the government itself should build this road ; it should build it promptly ; not within seven or eight years, but the prairie section at least should be built within a very much shorter time; and I say that it should build the mountain section as speedily as possible. Another important advantage which would be secured to this country by adopting that policy is this: it will put to one side any future application by any other transcontinental railway company for aid for a line from Edmonton to the Pacific coast. We will have another application before many years ; we will have it made on the basis upon which this aid is given to this company.

The government, building the line from Edmonton to the coast can give running powers, controlled by this country, to any other transcontinental railway—and let me say in passing lest I should forget it—that when I advocate the building by the government of this line into the Northwest of Canada, I desire to express my conviction that the government should by means of that national line, admit the Grand Trunk Railway of Canada into the Northwest ; but it should admit it under such practical restrictions as will not permit our traffic to be carried to a foreign seaport.

The Grand Trunk Railway has done a great work in Canada, and it is doing a great work in Canada to-day. I dismiss, with the little notice which they deserve, the slighting words which have been used by the gentleman who is at the head of that corporation, in reference to those who sit in the opposition here. These words will not influence any one of us; they pass by us as the idle wind which we regard not; we will not be influenced in our attitude towards the Grand Trunk by any indiscreet or ignorant remarks of Sir Rivers-Wilson. We say that we believe that the Grand Trunk should get into the northwest of Canada ; we believe that this country should give it access to the Northwest, by this line which the country should build. But, Sir, we should give the Grand Trunk Railway access to that territory under stipulations binding upon the Grand Trunk itself; not under stipulations which are binding only upon the Grand Trunk Pacific, and

which do not at all bind the Grand Trunk Railway Company of Canada, the important factor in that regard.

And now with regard to the northern part of Ontario and Quebec, I stand by the position which I took last year. I do not say that there is not a great country in the north; I believe that it may be found that there is a great country in the north; all I say about that is that we do not know at present all we should know about it before embarking upon this enterprise. I say that we should first thoroughly survey and explore that country, ascertain its resources and requirements, and give it such railway facilities as it demands for its development. I say that we should not build a railway through that territory for the purpose of exploring it any more than we should essay to find the north pole by building a railway to it. Let us find out about the country first—and the government has done nothing during the months which have elapsed since last session to survey or explore the country—let us find out about the country first, and be sure of our ground, and then let the country have that development which its resources demand. I have been told that there are many millions of acres of land south of the height of land in the province of Quebec, which are awaiting railway development and colonization. I have heard it placed as high as 100,000,000 acres. I have not investigated the subject myself and I do not know; my hon. friends from Quebec know more about it than I, but I am assured that an enormous tract of territory in Quebec south of the height of land and of the route of this railway awaits development and colonization. Why should we not do something for that country? Why do we wish to run away from the settlement that we have? Is there not something to be done at our doors before we undertake to go through that northern country especially when it has not been adequately surveyed and examined. I do not stand against railway development in this country but I do maintain that we should first, thoroughly survey and explore it, ascertain fully its resources and requirements, and then give it such railway facilities as they demand. Do not build a railway through it for the purpose of exploring it. Be sure of your ground. Be sure of the conditions, be sure of the resources and then consider the necessities and possibilities and count the cost.

And I adhere to my policy of last year with respect to the development of our inland waterways, our canal system, and the equipment of our national ports. We have the most magnificent inland navigation in the world. It is open in part to our neighbours of the south. If we do not use it, they will. The state of New York is spending $100,000,000 in deepening and widening the Erie canal. They expect to transport grain from Duluth to New York for 2½ cents per bushel. Their ports are thoroughly equipped. They are alive to the situation. We must be equally alive if we wish to hold our own.

My position as to the line from Moncton to Quebec, I adhere to as stated last year. I say survey that country, ascertain its possibilities and if you can find a shorter line, from Rivière du Loup, to Moncton I will support its construction, if it will give the maritime provinces a better fighting chance to secure their fair share of the great trade of the west. I will support the government in building a road of that character, but I will not support a policy which would transfer it, when constructed, to the Grand Trunk Pacific or to any other corporation. I say that the road when built should be maintained and operated as part of the Intercolonial, as part of the government system of railways, and I have heard no reason urged on the other side of the House during all the long debate of last session which would for one moment convince me that the policy I then propounded to the House on that point is not a wise and prudent policy. Let that line be owned and operated by the people of Canada; let it be operated as part of the Intercolonial Railway, as part of a great system of national railways extending from the Atlantic to the Pacific, affording to the people of this country, by thorough control of rates, cheap and effective transportation of their products and commodities—ensuring the upbuilding of their own seaports, and the development of Canadian routes, and giving to our producers and manufacturers the means of holding their own in friendly rivalry and competition with those of the great republic to the south of us.

I therefore beg to move—

That all the words after the word 'that' in the proposed motion be left out, and the following substituted therefor:

This House regrets that the government has committed itself to the granting of further concessions to the promoters of the Grand Trunk Pacific Railway; and that such concessions remove many of the supposed safeguards upon which the government placed reliance in submitting to parliament the measure as originally proposed.

This House regrets that in attempting to determine the all important problems of transportation the government did not first seek the aid and advice of competent and independent experts, whose opinion might have been procured and laid before parliament, at the present session, if the government had acted with reasonable vigour and with due regard to the magnitude of the interests involved and to the urgency alleged by the Prime Minister.

This House is of opinion that in considering these problems and in initiating and developing any great national system of transportation it should be our aim to provide the best and cheapest carriage for our products and importations; to secure their transportation through Canadian channels and Canadian seaports and for that purpose to make the Canadian routes the most

economical and serviceable ; to open up valuable territory for colonization and development ; to stimulate interprovincial trade ; and to bind more closely together the scattered communities of our country.

That in order to accomplish these results the following objects and considerations should be kept constantly in view :

(a) To develop and extend the government system of railways, and to free the management thereof from party political control or interference.

(b) To secure absolute and thorough control of rates and traffic facilities in return for reasonable public aid to railway construction or improvement.

(c) To improve and extend our canal system, to develop our lake and river routes, and to equip thoroughly our national ports on the great lakes, the St. Lawrence and the sea boards.

(d) To perfect a system of elevator warehousing and terminal facilities.

(e) To secure under government control and direction, or where expedient under government ownership, common haulage or running facilities where one railway can usefully accommodate several systems, and thus to ensure to the public more economical carriage and efficient service.

That the proposed contract does not subserve these objects but, on the contrary, seriously endangers their realization.

That under the proposed contract the government has, in effect, committed the country to a partnership with two railway corporations, upon terms by which the people virtually supply the capital and assume the risk, while the two corporations receive enormous benefits and concessions without compensating advantages to the country.

The proposed contract does not ensure transportation over Canadian routes and through Canadian seaports, but entrusts control thereof to a corporation whose policy and interests must favour diversion to United States ports.

It involves the country in a liability practically sufficient to construct the whole of the proposed railway while the more profitable portion of that railway is to become the property of the corporations.

It enables one of the corporations to acquire from the other without payment twenty-five million dollars of stock entitled to dividends which must be paid by the public.

While permitting dividends to be declared on the stock thus acquired, it has not safeguarded the public against the higher rates which such dividends shall involve.

It not only fails to provide for the extension of the Intercolonial Railway, but it commits the country to a project which is calculated to postpone for fifty years and probably for a century any attempt to establish and develop in Canada a national system of railways owned and controlled by the people.

It overlooks the economic advantage of transportation by water and ignores Canada's possession of the most magnificent inland navigation in the world, the splendid possibilities of which if neglected by us will be fully utilized by our neighbours to divert our products to their ports and our trade to their commercial centres.

It absolutely commits the country to the construction of many hundreds of miles of railway through a practically unexplored territory although the results of exploration and survey may demonstrate the improvidence of the undertaking.

It imposes on the country a rashly undertaken project involving obligations so enormous as to seriously imperil the possibility of improving and developing other lines of transportation more suited to the requirements of the whole Dominion.

It hands over to the promoters of the undertaking, without check or safeguard of any kind whatsoever, power to manipulate, dispose of and deal in enormous issues of bonds and stocks, although the extent of the country's obligations will depend upon such dealings, and the public interest in regard to traffic charges, will be prejudiced by any resulting increase of capital.

The House is of opinion that instead of ratifying the proposed amended contract it would be more in the public interest to initiate forthwith, and develop with all speed, a system of national transportation, which should include :

1. The immediate construction and control by the Dominion of such lines of railway in the west to the Pacific as the enormous importance and increasing development of the great western country require.

2. The extension of the Intercolonial Railway to the Georgian Bay and thence to Winnipeg, and the extension and improvement in the province of Quebec and in the maritime provinces of the government system of railways.

3. The development and improvement of our canals and inland waterways, and the thorough and efficient equipment of our national ports and terminals on the Atlantic and Pacific as well as on the St. Lawrence and on the great lakes.

4. The thorough examination, exploration and survey of the country between Quebec and Winnipeg, with a view to the future construction of such lines of railway as may be found in the public interest.

That for the purpose of accomplishing these results the government, in accordance with the policy laid down in the Order in Council of 19th May, 1903, should immediately avail itself of the best expert advice and assistance.

Hon. CLIFFORD SIFTON (Minister of the Interior). I hoped to be able to offer some remarks this evening, Mr. Speaker, but as we have reached the hour of ten o'clock, I beg to move that the debate be adjourned.

Motion agreed to.

On motion of Sir Wilfrid Laurier, House adjourned at 10 p.m.

HOUSE OF COMMONS.

WEDNESDAY, April 6, 1904.

The SPEAKER took the Chair at Three o'clock.

FIRST READINGS.

Bill (No. 28) respecting the Temiscouata Railway Company.—Mr. Malouin—by Mr. Talbot.

Bill (No. 29) to incorporate the Canadian Credit, Indemnity and Guaranty Company —Mr. Guthrie—by Mr. Holmes.

Bill (No. 30) respecting the Guelph Junction Railway Company.—Mr. Guthrie—by Mr. Holmes.

Bill (No. 31) to incorporate the Guelph and Goderich Railway Company.—Mr. Holmes.

Bill (No. 32) to incorporate the Walkerton and Lucknow Railway Company.—Mr. Henderson.

Bill (No. 33) respecting the Vancouver, Victoria and Eastern Railway and Navigation Company.—Mr. Morrison.

GRAND TRUNK PACIFIC RAILWAY COMPANY.

Mr. McCARTHY moved for leave to introduce Bill (No. 34) respecting the Grand Trunk Pacific Railway Company.

Mr. HAGGART. Will the hon. gentleman (Mr. McCarthy) explain what the object of the Bill is ?

Mr. McCARTHY. It is simply for the purpose of making the necessary arrangements in the charter carrying out the proposal which is now before the House in regard to the Transcontinental Railway.

Motion agreed to, and Bill read the first time.

QUESTIONS.

TRANSPORTATION OF FRESH MEAT.

Mr. McGOWAN—by Mr. Taylor—asked :

1. Have any of the steamships subsidized by the government, having cold storage chambers, been successful in transporting fresh meat across the Atlantic during the past season ?

2. If so, what were the names of the steamers ; the quantity carried ; and the ports and dates of sailing ?

Hon. SYDNEY FISHER (Minister of Agriculture). We have no record of any shipments of meat during the last season in any steamships sailing from Montreal.

CHARLOTTETOWN RAILWAY STATION.

Mr. LEFURGEY asked :

1. How many men and teams were employed on the brush-work for filling in hole near railway station at Charlottetown, P.E.I., between the 9th day of February and 16th day of February, inclusive ?

2. What were the wages paid for men per diem, and what for teams per diem ?

3. Out of what appropriation was this money taken and what expenditure has taken place on this work to date ?

4. When was this work commenced, and for what purpose is the work intended ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. 148 men and 56 teams were employed on the bush-work for filling in hole near the railway station at Charlottetown, P.E.I., between the 9th day of February and 16th day of February, inclusive.

2. The men were paid $1 a day cutting brush, and the teams including drivers were paid 50 cents a load.

3. The money was taken out of the appropriation. 'To increased accommodation at Charlottetown,' and an expenditure of $1,363 has taken place on this work to date.

4. The work was commenced on the 11th of February and was for the purpose of making a fill on the property recently purchased on which it is proposed to extend sidings for increased accommodation required at Charlottetown.

EXPORT OF BUTTER AND CHEESE.

Mr. BRODER asked :

1. How many pounds of butter and cheese, respectively, were exported from Canada in each of the years from 1898 to 1903, both years inclusive ?

2. How many pounds of such butter and cheese, respectively, were exported in each of said years in cold storage ?

Hon. SYDNEY FISHER (Minister of Agriculture):

1.

Year ended June 30.	Lbs. butter	Lbs. cheese.
1898	11,253,787	196,703,323
1899	20,139,195	189,827,839
1900	25,259,737	185,984,430
1901	16,335,528	195,926,397
1902	27,855,978	200,946,401
1903	34,128,944	229,099,925

2. The following statement gives the number of packages of butter carried in cold storage from the port of Montreal during the seasons of navigation in the years named :

Season of navigation.	Packages.
1898	209,172
1899	429,734
1900	227,863
1901	410,893
1902	525,735
1903	335,395

The following statement gives the number of boxes of cheese carried in cold storage and in cooled air from the port of Montreal during the seasons of navigation in the years named :

Season of navigation.	In cold storage.	*In cooled air.
1898	5,514 boxes.	
1899	1,406 "	
1900	.....	
1901	56,500 "	23,269 boxes.
1902	7,127 "	80,337 "
1903	.....	43,800 "

* The 'cooled air' service did not go into operation until late in 1901.

It will be observed that the foregoing statements do not give the net weight of the butter and cheese carried in cold storage each year, but merely the number of packages. The department has no means of ascertaining the weight of the cold storage shipments. It is only from the port

of Montreal that cold storage ships sail, as in the winter season cold storage is not required.

BINDER TWINE AND BARBED WIRE.

Mr. E. D. SMITH asked :

1. What amount of binder twine was made in Canada in the years 1891, 1896, and 1901 ?
2. What amount of barbed wire was made in Canada in 1891, 1896, and 1901 ?
3. What amount of each was imported in each of the years named ?

Hon. WM. PATERSON (Minister of Customs). I regret that I have not the answers to the first two questions.

3. The quantity of binder twine imported into Canada during the years named was as follows :

	Lbs.
Fiscal year 1891..	221,757
" 1896..	3,023,896
" 1901..	9,674,268

The quantity of barbed wire imported into Canada during the said three years was :

	Lbs.
Fiscal year 1891..	88,158
" 1896..	429,544
" 1901..	14,253,500

THE MINISTER OF AGRICULTURE.

Mr. TOLTON asked :

What benefit have the farmers of Canada received, financially or otherwise, for the following expenditure, as shown in the Auditor General's Report, on pages D—10 and D—22, for 1903 :—

Sundries.

Travelling expenses, Hon. S. A. Fisher..	$ 335 95
Cab-hire, Hon. S. A. Fisher..	32 00

Osaka, Japan, Exhibition.

Travelling expenses, Hon. S. A. Fisher..	1,514 57
Transport expense, per C. P. Ry. Co., to Japan and return, Hon. S. A. Fisher	475 92
	$2,358 44

Sir WILFRID LAURIER (Prime Minister) :

The item $335.95 for travelling expenses is not correct. According to the Auditor General's Report, this sum should be $206.93. The sum $335.98 includes the travelling expenses of the deputy, $8.75 ; the private secretary, $109.95 ; and Mr. Jackson, $10.35.

The benefit which the farmers of Canada have received for the very moderate expenditure mentioned in the question, is that under the able administration of Mr. Fisher, the Department of Agriculture has been of more service to the farming community than at any time since its creation, and that by the active work of Mr. Fisher the farmers of Canada have had made available to them services of profit which they never had before.

MARCONI STATION AT GLACE BAY.

Mr. CLARKE asked :

1. Is the Marconi wireless telegraph station at Table Head, Glace Bay, N.S., in operation ?
2. If not, has any reason been furnished to the government why it is not in operation ?
3. How much money has been contributed by the government to aid in the introduction of the Marconi system into Canada, and in the erection of structures for that purpose ?

Hon. R. PREFONTAINE (Minister of Marine and Fisheries) :

1. The Marconi station at Glace Bay is not yet open for commercial uses, but is in constant communication with other Marconi stations on the American coast, and also with vessels on the Atlantic.

2. No reason has been furnished, since none has been asked for, the government being satisfied that the Marconi Company are using their utmost endeavours to establish a satisfactory transatlantic wireless service, it being entirely in the company's interest to do so.

3. Glace Bay station, $80,000.

MR. YOUNG, HOMESTEAD INSPECTOR.

Mr. W. J. ROCHE asked :

1. Did Mr. Thomas Young, homestead inspector, Manitoba, resign his position during the year 1903 ?
2. If so, what was the date of his resignation ?
3. Was Mr. Young a candidate at the provincial elections in Manitoba last July ?
4. Is Mr. Young now in the employ of the government ? If so, in what capacity ; what is the date of his appointment, and the amount of his salary ?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

1. Yes.
2. 12th July, 1903.
3. The department has no official information on this point. He was reported in the press as being a candidate.
4. Yes, Mr. Young is now employed as forest ranger for Northwestern Manitoba. He was appointed on the 9th November, 1903 at $125 per month.

MR. JONASSON, HOMESTEAD INSPECTOR.

Mr. W. J. ROCHE asked :

1. Did Mr. S. Jonasson, homestead inspector, Manitoba, resign his position in 1903 ?
2. If so, what is the date of his resignation ?
3. Is Mr. Jonasson now in the employ of the government ? If so, in what capacity ; what was the date of his appointment, and the amount of his salary ?
4. Was Mr. Jonasson a candidate at provincial elections in Manitoba last July ?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

1. Yes.
2. 30th June, 1903.
3. No.

4. The government has no information on this point.

CHEESE—COOLING EXPENDITURE.

Mr. BLAIN asked :

1. What has been the total expenditure in connection with the cheese-cooling room at Woodstock, Ontario, up to the first March, 1904, detailed as follows :—
2. For cost of site for curing room ?
3. For cost of construction of buildings ?
4. For cost of machinery, fittings, &c. ?
5. For cost of cheese purchased ?
6. For cost of hauling cheese ?
7. For cost of salaries of officials, labour, travelling expenses, &c. ?
8. For cost of cheese boxes, chemicals, light, telephone, cold storage, freight, and all other incidentals ?
9. How much has been received for sale of cheese ?
10. How much has been received for curing cheese ?

Hon. SYDNEY FISHER (Minister of Agriculture). As the answers to this question and the following three questions in the name of the hon. member for Leeds (Mr. Taylor) involve a considerable amount of work and a very large number of figures, I must ask these hon. gentlemen to move for returns, and I will facilitate the passage of their motions.

FISHING RIGHTS IN JAMES BAY.

Mr. LANCASTER asked :

1. Has the rental for the fishing rights in James Bay, granted to Arch. McNee, of Windsor, under lease from the Department of Marine and Fisheries, under the 13th November, 1902, been paid for the year 1903 ?
2. Has the rental for the same rights been paid for the year 1904 ?
3. If so, by whom were the rentals paid ?

Hon. SYDNEY FISHER (Minister of Agriculture).

1. Yes.
2. Yes.
3. Archibald McNee.

EXPORTATION OF APPLES.

Mr. E. D. SMITH asked :

1. Has the government inspector examined the compartments in which apples were stored on the outward voyage from Canadian ports, on the following vessels :—Ionian, Parisian, Ontarian, Tunisian, Peruvian, Bavarian, Pretorian, Manchester City, Manchester Shipper, Ulunda, Lake Erie, Damara, Kensington, Mount Temple, Lake Champlain, Southwork, Montcalm, Canada ?
2. What system of mechanical ventilation was in operation upon each vessel, if any ?

Hon. SYDNEY FISHER (Minister of Agriculture).

1. Yes.
2. The Ontarian was fitted with Sirocco fans ; the Manchester City and Manchester Shipper were fitted with Gibb's patent ventilators and electric fans. The Pretorian, Kensington, Southwork, Canada, Ontarian, and Montcalm had cooled air compartments. All the other vessels named in the first question had only the ordinary system of cowl ventilation.

TRENT CANAL—CLAIMS FOR DAMAGES.

Mr. SAM. HUGHES asked :

1. Has the government, or have any of the departments, data regarding claims for flooded lands along Sturgeon Lake, in Verulam Township ?
2. What persons have put in claims for damage ?
3. Have these claims been examined into ?
4. What report has been made upon them ?
5. Will the claims be paid this year ?

Hon. H. R. EMMERSON (Minister of Railways and Canals).

1. Have data for ascertaining if damages are caused by Trent canal works in the township of Verulam.
2. The corporation of the township of Verulam, through Mr. R. J. McLaughlin, K.C., of Lindsay.
3. No, they have been referred to Mr. R. B. Rogers, the superintending engineer of the Trent canal, for report.
4. No report has as yet been received.
5. Until Mr. Rogers' report is received cannot say what action may be taken.

MEMBER INTRODUCED.

John H. Sinclair, Esq., member for the electoral district of Guysborough, introduced by the Hon. W. S. Fielding and Mr. A. Johnston.

REPORT PRESENTED.

The thirty-sixth annual report of the Department of Fisheries—Hon. Raymond Préfontaine.

GRAND TRUNK PACIFIC RAILWAY.

House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, 'that Mr. Speaker do now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904 ; ' and the proposed motion of Mr. Borden (Halifax) in amendment thereto.

Hon. CLIFFORD SIFTON (Minister of the Interior). Mr. Speaker, I am quite sure that I shall express a sentiment in accordance with the views of both sides of the House when I say that at this stage of the discussion of the question which occupied so long a time during last session, and which is the main business outside of the ordinary routine of the present session, it will be well for us as far as possible to confine our attention to those points that are really in issue, and to leave aside those general features of the discussion which occu-

pied so much time in the former debate. I shall not therefore follow my hon. friend, the leader of the opposition in the wealth of quotation with which he adorned his address. No one could listen to my hon. friend without being impressed with the ingenuity and the apparently great satisfaction with which he indulged in dialectical subtleties drawn from declarations by members on this side of the House, by Mr. Hays, by representatives of the Grand Trunk Railway Company, and by others who have spoken on this question. One could not help either, feeling, that if my hon. friend had been deprived of the opportunity of quoting from those speeches, and from the confidential documents of our friend the chairman of the Railway Commission, that his address might have been very much shortened, and that the last half hour, which was devoted to the constructive part of the subject—to the work of informing us what his actual views were upon the important subject before us—would have been in fact all that he would have found necessary to place before us.

My hon. friend referred with some force to a remark made by the Minister of Finance at the early part of this session, in which he referred to the state of the money market; and this was one of the criticisms made by the hon. leader of the opposition as an effective reply to the position of the government, but which in fact did not prove what it was intended to prove, and did not show that the position of the government was in any way open to criticism in connection with the amendment which has been made to the contract providing that the government should have liberty to implement the guarantee of bonds. It had been explained by the Prime Minister that the reason of this was that there was a possibility that owing to the state of the money market the bonds might not sell at par; and my hon. friend the Minister of Finance's remark was quoted for the purpose of showing that he had stated that in his opinion the money market was getting better instead of worse. Now, the real facts are known, or can be known, to any person who takes the trouble to inform himself on the subject, if he has not already done so. The real fact is that at the time this contract was framed, at least at the time when we began to frame it, about the 1st of July last or thereabouts, it was our information and the general belief that Canadian government bonds bearing interest at 3 per cent would sell at par, or perhaps a little better than par, in the money markets of the world. I have no doubt that opinion was well founded at that time. But a combination of circumstances had been operating in the money markets of Great Britain and of the world, which culminated in the latter part of last year in a state of the money market which was described to me by a prominent financier in London as something altogether beyond the experience of any person acquainted with financial matters in London during the last forty years, so that for a time securities were almost unsaleable. That is the time to which my hon. friend the Minister of Finance (Mr. Fielding) referred as the time when the money market was very unfavourable. At that time the Deputy Minister of Finance, Mr. Courtney, was in London upon financial business. Since that time the market has shown signs of recovery and a short time ago the three per cent guaranteed bonds of the Canadian Northern were, I believe disposed of at 90 cents on the dollar, and this was regarded on the money market as a fairly good sale. Thus, we are in the position at the present time of having our bonds not worth par at three per cent on the money market, but worth, as far as we can judge, about 90. But we may hope that this is not a permanent condition of affairs; we may hope that as the market has recovered, it will continue to recover and that at the end of six or seven years, when the permanent guaranteed bonds under this agreement come to be placed on the market we will have sufficiently recovered our position, so far as the sale of bonds is concerned, to be able to borrow money at three per cent in the markets of the world, as we could twelve months ago. Thus the provision that we may implement the guarantee of bonds is made not because there is any certainty that we shall have to do so, but simply as a precautionary measure asked for by the company on account of the possibility that we might not be able to secure the face value of these bonds. The provision, therefore, is simply one to cover a contingency. No fault is to be found with either the government or the company in that connection. The credit of Canada is just as good as it ever was but money throughout the world is dearer than it was a year ago, and we, in common with the rest of the world, must suffer to some extent from that fact. Then my hon. friend (Mr. R. L. Borden) quoted at some length and with great force to show that the members of the government claimed during the debate which took place last year, that the Grand Trunk Railway Company was a party to this contract. He said: If it was true, as these hon. gentlemen said last session, that the Grand Trunk Railway Company was a party to this contract, why have we the spectacle of parliament meeting here again to make amendments to the contract? Why are we meeting here for that purpose if what they said was true, and the Grand Trunk Railway Company was in reality a party to the contract? I shall make a reference to the implied sneer of parliament meeting to deal with this question. For my part I can see no reason for the suggestion that the subjet which we have before us is not worthy of the atten-

tion of this parliament. It seems to me that since the Canadian Pacific Railway was conceived no more important subject has been brought before the Canadian parliament than that which we are now discussing. It is a subject well worthy the attention of parliament. The necessity for our coming here does not, however, show that the arguments which we presented to the House were incorrect. What we then said was not that the Grand Trunk Railway Company had accepted this contract and was in a technical sense a party to it, but that this was a contract the carrying out of which required the action of the Grand Trunk Railway Company which was a necessary party to it; that the scheme was one which involved the action and co-operation of the Grand Trunk Railway Company and so, therefore, that the Grand Trunk Railway Company was a necessary party to this enterprise. And, Sir, the fact that the promoters could not go on with the enterprise, but that the enterprise had to stop until the Grand Trunk Railway Company was satisfied, is a conclusive proof that the attitude which we took was correct. Our meeting therefore is not the proof that the representations we made were incorrect, but it is a proof that they were absolutely correct. My hon. friend (Mr. R. L. Borden) made another reference which I think I can hardly pass over without a word or two. He quoted from a statement said to be officially given out by the government to the press and I do not think I am going too far when I say that there was a distinct suggestion in the hon. gentleman's statement that there was a conspiracy of silence, a distinct suggestion that it was the intention of the government, contemplating an early appeal to the people, to deceive the people in regard to this contract. I am quite unable to see upon what my hon. friend (Mr. R. L. Borden) bases a suggestion of that kind. On the 17th of December, a deposit of the guaranteed bonds of the Grand Trunk Railway Company was made instead of the deposit of cash or government securities provided for by the contract. That deposit was made in London, England, and on the 15th day of December, two days before, Sir Charles Rivers-Wilson had written a letter to the right hon. the Prime Minister (Sir Wilfrid Laurier) which had not been received here, and which did not reach here until Mr. Hays returned, and of which the Prime Minister therefore knew nothing when the official announcement was given out. When Mr. Hays arrived here and the terms of the letter which Sir Rivers-Wilson had written communicating the views of the Grand Trunk board to the Prime Minister were known, the government took the matter into consideration, realizing that the whole question was again to be discussed. Between the time that the bonds were deposited in England and advice was sent to us to that effect and the time when Sir Rivers-Wilson's letter arrived, nothing was said by the government. Is it therefore to be inferred that there was a conspiracy of silence? There was nothing said, Mr. Speaker, because there was nothing to say. The bonds had been deposited in England while Mr. Hays was on his way back. The subject was to be discussed when he got here, and like any sensible men of business we kept silence until Mr. Hays arrived here and then the matter was discussed in the ordinary way. From that statement of fact how does my hon. friend (Mr. R. L. Borden) come to make the unreasonable proposition, or to commit himself to the unreasonable statement or suggestion that it was the intention of this government to dissolve parliament, to go to the country and to take a verdict practically on what would be a false representation of facts. I do not think the hon. gentleman (Mr. R. L. Borden), upon further reflection, would care to commit himself to the suggestion he has made, I do not think that any government we have ever had in Canada, whatever may have been their political sins, would be guilty of going to the Governor General, asking a dissolution of parliament and then going before the people with a distinctly false statement and a false platform on which to appeal for support. I understood my hon. friend (Mr. R. L. Borden)—although upon this point, not having heard him very distinctly, I speak subject to correction,—to agree in the suggestion of his supporters in the country and in the press that it was a discreditable thing that we were bound to wait until the directors and stockholders of the Grand Trunk Railway Company decided upon the proposition which was submitted to them. That has been argued at some length by certain classes of newspapers in Canada. It has been said that it was derogatory to the dignity of Canada and the Canadian people that we should have to wait until we found out whether the stockholders of the Grand Trunk Railway Company would ratify the contract or not.

Well, I do not think that our dignity is in danger on that account. We can, without loss of dignity, act in the ordinary business way. And, desiring as we do, desiring at least as the members on this side of the House do, to really nationalize the Grand Trunk Railway, to really make it a Canadian railway and give it a connection with the wheat fields of the west, to engage it in the work of building up Canada as against the work of building up United States ports and United States connections, we do not think that our dignity suffers if we condescend to enter into negotiations with the gentlemen who own the railway and are, therefore, in a position to deal with us. So we are prepared, without any fear of loss of dignity, to deal with these gentlemen, to enter into a contract with them and to submit the results of our deliberations to parliament.

My hon. friend spoke briefly of the change in the contract respecting the removal of the limit of cost upon the mountain section of the railway and upon the alteration in the remedy which is provided in case of default. And he referred to the fact that members on this side of the House had spoken at great length for the purpose of showing that this railway was likely to be of a very profitable character, and said: If this railway is going to pay so well, why this difficulty in getting the Grand Trunk Railway shareholders to agree to the terms for its construction? Sir, we have nothing to take back of our statements respecting the prospects of profitable operation of the railway. We are prepared to admit to this House that the gentlemen who are proprietors of the Grand Trunk Railway are not in as good a position to form an opinion as to this enterprise as we are, that they do not know as much about the country as we do, that they probably have not as much faith in our country as we have. But, for ourselves, having gone into this enterprise with the profound conviction that it was going to be profitable in every sense of the word, including that of upbuilding Canada, and we are prepared to meet these gentlemen who, for their part, are afraid, and show our confidence by releasing the old provision and inserting provisions which can only come into effect in case of default which we do not anticipate. It will be found, if they are carefully examined, the principle on which they have been assented to is this—that, while it is true that the shareholders of the Grand Trunk Railway Company have been somewhat timid about meeting our propositions, have failed to entirely meet the propositions which were ratified by parliament last session, the concessions have been made for the purpose of meeting the views of those who fear that our anticipations of success might not be realized. And the fact that we have been willing to agree, the fact that we believe that parliament will be willing to agree, to these modifications will be taken as the measure of our confidence that the railway will be a profitable enterprise and will show that we fully believed everything we said during the last session of parliament. My hon. friend has made the statement more than once in the course of his remarks yesterday, if I understood him correctly, and it has been repeatedly stated by our friends of the Conservative party in their press, in speeches they have made here and elsewhere, that the control of rates which is provided for in connection with the carrying on of this enterprise is not effective. Many arguments have been presented to the House and the country upon the basis of that proposition. I should have thought that this contract was so drawn that we would have been spared the necessity of wasting any time in the discussion of that proposition. Section 39 of the contract says:

Mr. SIFTON.

The rates and tolls to be levied and taken by the company upon any part of the said railway shall be under the control of the Governor in Council, or of such authority, commission or tribunal as is designed or constituted under any Act of the parliament of Canada for the regulation or control of the business of railways.

Now, I hazard the assertion that all the lawyers of this House put together cannot now sit down and draw a clause which will be more effective in giving parliament complete control of the rates and of the traffic upon that road than this clause gives. Parliament controls, because parliament controls the government. If parliament is not satisfied with what the government does, the remedy is in the hands of parliament. If we choose to nominate or appoint a railway commission for the purpose of discharging these functions, we can do so; we have done so. If we are not satisfied with the way the railway commission acts or with the principles they adopt, we can embody new principles in the statutes, and compel the commissioners to observe them. There is no way by which government can be given more complete control than is given by this section. It has been suggested, in connection with the same subject that the power which the Manitoba government has under the contract they made with the Canadian Northern Railway, which came up here for action some two or three years ago, is a more effective control than that which we possess under this contract. I submit that the facts are the exact opposite of such a statement. The Manitoba government had a contract with the Canadian Northern Railway which, so far as it is effective, gives the Manitoba government the right to control the rates. But, in order to make that effective they had to come to this House and have legislation to ratify it. And now that they have it ratified, all that they have is the contract, they have no legislative power over the Canadian Northern Railway, but simply the power to enforce the contract by such measures as are open to them. But, in connection with the contract we are now discussing, we have a clause which, by contract between ourselves and the company, puts the company in such a position that it can never raise the question of a vested right. It is a consenting party of the exercise of the jurisdiction which we possess. We have a contract which binds them to consent to the exercise of the power, and we have the legislative power behind us which we can exercise at any time which we see fit. The arguments upon this question of control of rates are based upon the capitalization of the railway. Now, I say at once that the capitalization of a railway in so far as the bonds are concerned, must affect the traffic rates. I admit at once that, when you allow bonds to be issued under your express jurisdiction, and you give the company the right to borrow money

upon these bonds, so long as the enterprise yields a revenue it will be difficult for you to say that these bondholders should not have some return for the money you have authorized the company to borrow. But the stock of a railway company is in a different position altogether. The stock of a railway company is the proprietary of the company; it is not a creditor in the ordinary sense of the word. The man who takes the stock at this rate takes it in face of the expressed provision in the contract that the freights shall be absolutely under the control of the government, and all the provisions of our legislation which place under legislative control every act and every operation of the railway company. So it seems to me that all the arguments which are attempted to be applied to this question from the capitalization, outside of the question of the bonds which are issued can have no material effect upon the conclusion which will be arrived at.

The main objections which are urged to the merits of this scheme, as they are put before us in the press and, to some extent, by our hon. friends on the other side of the House, are to the financial features of the scheme; and upon this question I will take the liberty at a little later stage, of referring to the position taken by my hon. friend the leader of the opposition. Now, what is the position of this company? First of all, what are its obligations; and next, what are the resources which parliament proposes to put within the reach of this company for the purpose of discharging its obligations? In the first place, they are obliged to make a deposit of five million dollars. We put that to one side, because, as the leader of the opposition said, they get the money back some time, and it is only a question of financing, the money does not have to be ultimately provided. Their next obligation is to build the western section of the railway, and for the purpose of doing that they have, first, the government bonds for three-quarters, and one quarter of their own bonds. This will dispose of the original construction of the railway. Then they have the following obligations placed upon them: To lease and operate the eastern section and pay the rental; to equip the road with rolling stock to the value of twenty million dollars; to induce and to procure that the Grand Trunk Railway Company shall guarantee the second mortgage bonds and float the same; they enter into obligations to carry their freight by Canadian channels, and to give as good a rate as given to United States ports; they arrange to guarantee sufficient shipping facilities; they agree to provide the working capital to operate this great system of railway. And they are bound to do something else, which apparently is lost sight of by those who discuss this question, but which, when it comes actually to the business of operating the railway, is one of the most serious difficulties which railways have to meet. Railway men know that when you have built a railway, when you have built it according to the ordinary specifications provided, when you have a standard railway and begin to operate it, that is the time you begin to have to expend money upon your road. Why, let our hon. friends look at the estimates which we have passed from year to year for the Intercolonial Railway. The Intercolonial was built and equipped and finished long ago, but my hon. friends have had the pleasure of discussing several million dollars for the purpose of adding to the furnishing, the betterment and the improvement of facilities upon that road. Let them take the accounts of the Grand Trunk Railway, let them take the accounts of the Canadian Pacific Railway, let them take the accounts even of the Canadian Northern Railway, a new road which, within a year and a-half, after a certain portion of the line was constructed, was obliged to go upon the money market for the purpose of selling debenture stock to increase the facilities of the road, to increase the station accommodation, to increase the yard accommodation, and to build the hundred and one things that are required as soon as the business of a railway begins to develop. For the purpose of doing that this company is provided with certain resources, it has no other resources than the ones I am going to mention, and the moneys for this purpose have to be provided along with moneys for other purposes and for working capital. Now, what is this company getting over and above the first and second mortgage bonds provided for the original construction of the railway? What has it got in order to enable it to fulfil all these obligations that I have mentioned? It has twenty million dollars of preferred stock and twenty-five million dollars of common stock; that is, forty-five million dollars of stock altogether, which this company has for the purpose of enabling it to discharge the whole of its financial obligations.

Now, it is a delicate thing to begin to talk about what stock is worth. If we should say the stock is worth twenty-five cents on the dollar, when they came to do something with that stock our statements might be quoted as an illustration of what we thought the stock was worth. If we said it was worth more, giving any particular figure, we would be liable to the same misconstruction. But you have only to remember that here are forty-five million dollars of stock, of which the company has the right to sell, at the outside, about $32,500,000 worth; leaving aside the $12,500,000 or $13,000,000 which they are required to hold, there is only thirty-two million dollars' worth of stock which, under the most liberal construction of the charter, they are able to sell. If you take thirty-two millions of this stock on the one hand, and look at the obligations which they have to discharge on the other, how much is that stock going to realize?

What comes ahead of it? Before a dollar of interest can be paid upon that stock, you have to pay the working expenses, you have to pay interest on the first government guaranteed bonds, you have to pay interest upon the second bonds guaranteed by the Grand Trunk Railway Company, you have to pay the rental of the eastern division, and then only comes in the interest upon this stock, which our hon. friend thinks is such a valuable asset. Well, I venture the statement, I think I am quite safe in saying that if the promoters of this company and the Grand Trunk Railway Company united could get 60 cents on the dollar for that $32,000,000 of stock, they would think they were doing pretty well, they would think it was a pretty good sale. The 3 per cent bonds of the Dominion of Canada sold the other day in the money market for 90 cents on the dollar, an absolutely indefeasible security. If these gentlemen could get 60 cents on the dollar for their $32,000,000 worth of stock, I fancy nobody would have an opportunity of offering the amount twice. That would produce about twenty million dollars, just enough to put upon the road the twenty million dollars' worth of rolling stock which is required by the contract. So you have the Grand Trunk Company, if they are fortunate enough to be able to finance to that extent and in that way the twenty million dollars of rolling stock, in this position, that having built the road and placed the rolling stock upon it, all their other obligations have to be discharged, the working capital have to be provided, betterments from time to time have to be provided, and various financial obligations have to be discharged for the purpose of protecting themselves; and for the purpose of securing themselves, of recompensing themselves for the discharge of these functions, they have in their treasury only thirteen million dollars of the common stock of this company. I think that is a fair statement of the position.

The suggestion is made that they would job that stock off, that they would give it away to somebody for nothing. Will anybody suggest a reason why they should do so? Will anybody suggest a reason why the Grand Trunk Company, owning thirteen million dollars of stock of this company and being under tremendous financial obligations, having pledged their entire financial existence upon the success of this company, would give away the stock for nothing? Would anybody suggest anything more ridiculous than that proposition? I venture to say that a more ridiculous proposition cannot be suggested than that this company with $13,000,000 of the stock of the Grand Trunk Pacific in the treasury, having pledged its existence financially to the success of this enterprise, should give away that stock practically for a nominal consideration to anybody. The possible increase in value of such stock is the only return they have beyond what their own road may get in the future for the expenditures and responsibilities which they may have to incur. For my part, I am quite prepared to take this position before the House, and as a practical financial proposition, I do not think there is anybody on the other side of the House who would dispute it, that the possession of that $13,000,000 of stock is not too great a security for the obligations the Grand Trunk Railway Company will undertake in connection with this enterprise.

Mr. R. L. BORDEN. Mr. Speaker, I know my hon. friend (Mr. Sifton) does not want to misrepresent me but he is not stating my argument correctly. What I said was that the Grand Trunk Railway Company would get $25,000,000 of the common stock of the Grand Trunk Pacific Railway Company in consideration of their support of the Grand Trunk Pacific Railway Company. I did not suggest that the Grand Trunk Railway Company would give that away for nothing. I suggested that the Grand Trunk Railway Company would make an enormous sum of money out of the stock, or out of more than $12,000,000 of it by selling it for a very substantial sum.

Mr. SIFTON. I am very glad that my hon. friend (Mr. R. L. Borden) has made the statement he has, because it at once relieves us from any further discussion of those wild statements which have been made in the press of my hon. friend and which my hon. friend has now with great good sense repudiated. The suggestion that the Grand Trunk Railway Company are going to make an enormous sum of money is one that should have a moment's attention. There is $13,000,000 worth of common stock. I have pointed out the obligations that the company have incurred. The Grand Trunk Railway Company, in the first place, have guaranteed the second mortgage bonds. They have entered into a contract which we are all familiar with in regard to traffic. They are bound to see that the working capital is provided, that the necessary betterments from time to time are furnished, and as against that they have $13,000,000 of stock, which, at the time, has no value whatever. If the Grand Trunk Railway Company ever make a dollar out of that $13,000,000, what must be done first? This enterprise from end to end must be made a success. There cannot be one single copper of dividends paid upon that stock until every obligation of this company to the government of Canada has been discharged, and until these obligations have been discharged the calculation which was made by my hon. friend the Minister of Finance (Mr. Fielding) at the last session of parliament showing the total cost of this road and the amount necessary to discharge all these financial obligations at from $13,000,000 to $15,000,000 stands good. It cannot be disputed in any way whatever. Let my hon. friends take

either horn of the dilemma they like. They cannot tell us on the one hand that somebody is going to make millions out of this stock and on the other hand tell us that the company are not going to discharge their obligations. The two things do not hang together. Until the obligation is discharged the stock is not worth a copper. The question as to what the stock is going to be worth rests with the people of Canada. As to what dividend is going to be paid on that stock the parliament of Canada and nobody else will decide. Preliminary to this contract we have absolute plenary power to decide the rates of freight and all traffic arrangements on the road.

I am going to travel for a moment out of the record to answer an argument that has appeared in the press and has been elaborated at great length but which my hon. friend the leader of the opposition has not put forward. I did not expect that he would put it forward because I was satisfied that upon careful examination he would not consider that it was a tenable argument and he would therefore not present it to the House. But, nevertheless, it may be by others of his party who are not so cautious and it deserves, therefore, a few moments of attention. It has appeared in very reputable newspapers and has been circulated to a considerable extent. The statement is made for the purpose of prejudicing the discussion of the financial features of this contract that the furnishing of the $20,000,000 worth of rolling stock can be eliminated, because, they say, this rolling stock, under devices known to financiers at the present time, may be provided by a rolling stock company and it may be covered up and charged to working expenses taken out of the earnings of the road. So, they say that inasmuch as a rolling stock company can be formed, and the company can get their $20,000,000 worth of rolling stock in that way which can be charged up against the running expenses of the road at a later date without reference to the financial resources of the company, it need not be considered in connection with the capital which will have to be borrowed or other financial resources that we furnish. Well, it is easy to carry on these financial operations in the newspaper. There is nothing easier than financing a railway in the newspaper, or even sometimes, Mr. Speaker, in a speech, but it is more difficult to do it when you come to actually raise the money. The rolling stock company is a rather well known institution amongst our railway affairs of later years. Rolling stock bonds are secured in two ways. They are secured, first, by a mortgage upon the rolling stock, or by a lien which amounts to a mortgage and they are secured in the second place, by a covenant for payment on the part of the railway company which provides for a rent payable from the railway company to the rolling stock company sufficient to pay the principal in a short time and so wipe out the total debt for the furnishing of the rolling stock. If that could be done under this contract the point would be very well and properly taken. If this company could, by the assistance of a rolling stock company, have all the rolling stock furnished and the company pay back the cost of the rolling stock out of working expenses in the next ten or fifteen years that would be an additional resource which we would have to take into account. But, there are two or three serious objections to that. In the first place, they cannot give a mortgage on the rolling stock because all of the rolling stock has two mortgages upon it already, mortgages which the terms of the original contract permit. All of the rolling stock has two mortgages upon it already which makes it absolutely useless for the purpose of being employed in that way. The original contract provides in certain clauses for certain first mortgages to be given, but if my hon. friends will follow through the provisions of that contract they will find that the rolling stock is subject to two mortgages. The mortgages are divided but the net result is that there are first and second mortgages on all of the rolling stock. Therefore, money cannot be raised by mortgage on the rolling stock. In the next place, if my hon. friends will look at the definition of 'working expenditure' they will find that the working expenditure, the payment of which the company are entitled to charge up and which includes certain payments in respect to rolling stock, will not permit the principal and interest to be charged up against working expenses. Therefore, the principal of the rolling stock bonds cannot be paid up and charged against working expenses, so that the two securities, one being the payment of the rolling stock company out of working expenditure and the other being a mortgage on the rolling stock, disappear.

Mr. HAGGART. My hon. friend talks of two securities on the rolling stock. Cannot the seller to the railway company make the conditions of sale and take a security on the rolling stock which will be prior to any other security ?

Mr. SIFTON. We had that up last year at considerable length, and if my hon. friend will look at section 35 (a) of the contract he will find :

> 35. (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 . . . . to secure the payment of the said issue of first mortgage bonds guaranteed by the government.

They have to put an equipment of twenty million dollars upon this road ; and this Act requires that they shall give the government a first mortgage. They cannot

give the government a first mortgage if they only borrow the equipment, or only buy it under a lien note in which the property does not pass. If my hon. friend (Mr. Haggart) will discuss the matter with lawyers upon his own side of the House, he will have no difficulty in convincing himself.

Mr. R. L. BORDEN. Does the Minister of the Interior say that they would not be satisfied by giving to the government a first charge upon their interest in the rolling stock ?

Mr. HAGGART. Hear, hear.

Mr. FITZPATRICK. Not at all.

Mr. HAGGART. The Minister of Justice gave that opinion last year.

Mr. SIFTON. My hon. friend (Mr. Borden) puts that point in the form of a question and not in the form of an assertion, because I doubt that my hon. friend (Mr. Borden) would make the assertion as a lawyer ; that they could give us a first mortgage upon a leasehold property, upon a property which they did not have the ownership of. The Minister of Justice discussed the subject at length last session, and he cited at length the opinion of the counsel who prepared the contract for the government, and to whom this point was specifically and particularly referred ; and counsel gave the unqualified opinion that there could be no possible doubt upon the question, and that it could not be debated. Under these clauses of the contract there are two mortgages to be given upon the rolling stock. The government therefore, having two mortgages upon the rolling stock, a third mortgage would not be a very good security upon which to borrow money. Having therefore no power to charge up the payment of the principal to working expenditure, there is absolutely no security whatever for the borrowing of money upon which the rolling stock could be supplied.

I may say, Mr. Speaker, that in so far as the question of the charging the principal of rolling stock bonds to working expense is concerned, that was a point that required very careful consideration. I do not make a statement on that point as a lawyer, because it is not my business in this House to act as legal adviser to the government ; but I make the statement after having referred that matter to the Minister of Justice, and after having referred it to Mr. Shepley and to Mr. Chrysler the counsel for the governmet in the preparation of the contract, and I hold the written opinions of Mr. Chrysler and Mr. Shepley, as well as the opinion of my hon. friend the Minister of Justice : that there is no possible doubt about the question ; that there is no possibility of this rolling stock being charged up to working expenditure under the provisions in this contract.

This point will probably be raised in the further discussion, and it may be worth while for me as a matter of record to give the words which Mr. Shepley uses in connection with this particular matter :

Re Grand Trunk Pacific Railway Company. My opinion asked on following hypothesis : bonds given by railway company for rolling stock equipment required by contract, to a company formed for purpose of furnishing such equipment. Such bonds payable in annual instalments based on consolidation of principal and interest. I assumed such bonds to be quite distinct from construction bonds to be guaranteed under contract. Question asked is whether, by this or any similar device the instalments when paid, so far as they represent principal of such bonds, can be charged to working expenditure as defined either in clause fourteen of contract or in section 2. C, C, of Railway Act, 1903, or under any other admissible definition and so obtained priority over construction bonds guaranteed by government and Grand Trunk in my opinion neither by the method suggested, nor by any similar device can the bond principal representing cost of equipment be taken out of earnings as working expenditure under either express definition or any other admissible definition of that term. Such principal is not (to use the words of the two express definitions) tolls, rents or annual sums paid in respect of the hire of rolling stock let to the company. The hypothesis seems to involve not hire, but sale. If so, think it extremely doubtful whether even interest on such bonds would fall within either express definition. Probably cost of maintenance and repair of such rolling stock would fall within any definition.

(Signed) GEORGE F. SHEPLEY.

Mr. HAGGART. I was not arguing that the amount should be charged out of the earnings of the road ; but that the parties who put the rolling stock upon the road could have it as security, independent of the government or any other security proposed by this Act.

Mr. SIFTON. I say in the most flat-footed and emphatic way, that they could do nothing of the kind. There are two mortgages provided for by the statute, which must be first mortgages. I am sure that my hon. friend (Mr. Haggart) who is generally careful of what he says, is not desirous of misleading the House, or of taking a position which is absolutely and entirely untenable, according to the statement of reputable counsel to whom the question had been submitted.

Mr. HAGGART. You do not touch the point which I make at all.

Mr. SIFTON. I have only dealt with that point, because it was a point which has been raised in a certain section of the press for the purpose of confusing the issue, and creating the impression that there are financial resources given to this company, which as a matter of fact are not given. I need not refer to the other point as to the sale of the government bonds, which has been raised so often in the press.

for the last two days. The Prime Minister made clear what the position is in that respect. And, as to the charge which is made that the second mortgage bonds guaranteed by the Grand Trunk Company will be sacrificed upon the market, surely a word or two will settle that. The statement is made in that racy manner which is characteristic of some of our newspaper men when they are dealing with a subject of this kind; the statement is made that if the Grand Trunk Company does not get enough money the first time they issue the guarantee bonds, all they have to do is to issue more. And then we are told that, against the unfortunate patrons of this railway who have to pay the freight rates, you are piling up a tremendous charge which they will have to pay in the end.

Now, who guarantees these bonds, and who will have control of the sale of them? It is the Grand Trunk Railway Company. The Grand Trunk Company is a solvent corporation; it has forty thousand stock holders, many of whom have been waiting a long time for dividends and who take a very active interest in the affairs of that company. Is it conceivable that the stockholders of the Grand Trunk Company are going to allow the managers of that road to guarantee bonds to an unlimited extent, and sell them at a sacrifice price upon the market. Why, Mr. Speaker, the suggestion is absurd, it only needs to be stated in order that its absurdity may be apparent. You can rely upon it, if anything is done carefully in connection with this whole transaction from beginning to end, it will be the placing of the bonds by the Grand Trunk Railway Company so that they will not have to guarantee any more than they are absolutely compelled to. Therefore, what is apparently a concession in this contract is not in reality a serious one, but is one which has its compensation; that is to say, a provision whereby the government will share with the Grand Trunk Company to the extent of one-third of the loss, because by that means we increase the security of the second mortgage bonds, give them a better price, and lessen the charge on the road in the shape of bonded indebtedness. So that it is not a concession wholly without compensation.

We have been taunted with the statement that we had declared that the original contract was a good and binding contract, and yet we have to come back to parliament and ask parliament to change it. Well, as I said before, we are not seriously concerned about the loss of dignity involved in this transaction. But I repudiate entirely the suggestion that we had in any way misled parliament in regard to the actual position of affairs. We made a contract which was signed by Mr. Charles M. Hays, the general manager of the Grand Trunk Railway Company, and by other leading men on the board of that company. We had a right to assume that these gentlemen would be able to implement their obligations to us, and bring with them into this enterprise the shareholders of their company. We do not impute to these gentlemen any bad faith. We know that they were desirous of accepting the contract as it stood, and of carrying it out; but with all their influence with the shareholders of the Grand Trunk Railway Company, they found themselves unable to do so, and, as stated in Sir Charles Rivers-Wilson's letter, further concessions had to be made. But I think the House will agree with the statement of the Prime Minister, that the concessions that are made are not so serious or so important that they ought to deter this House from accepting them and going on with this great enterprise.

My hon. friend the leader of the opposition referred at length and with great force, as if it seriously affected the question, to the opinion expressed by Mr. Alfred Smithers, one of the directors of the Grand Trunk and a very capable business man, to the effect that the contract as modified by the agreement which we are now considering, was a better contract for the Grand Trunk than the original contract. I do not think it required a man of great ability to discover that fact. We are all prepared to admit that when the company asked us for concessions, and we gave them concessions which on both sides are admitted to be important, we made for them a better arrangement than the original contract provided. But notwithstanding that fact, let it not be forgotten that so serious did leading shareholders in the Grand Trunk Company consider the obligations which the company entered into by that contract, that some of them sold their stock and severed their connection with the enterprise. I am not going to burden the House with quotations; but there is a reference in the 'Canadian Gazette' of March 10, which shows conclusively the extremely serious view which leading stockholders of the Grand Trunk Railway Company took of this transaction. It is as follows:

> The Grand Trunk Pacific scheme has attracted considerable attention and caused no small amount of comment. At the meeting of the company held yesterday the shareholders' sanction was obtained after a considerable amount of opposition; although the general feeling now seems to be that the Grand Trunk either had to consent to build the road or see some one else do it. After the publication of the special report on the scheme the opposition was much more pointed, and large sales of the company's stocks were made, especially from the provinces. As compared with a week ago the first preference stock is 6½ down at 102⅓, the second preference stock 4¼ at 88, the third preference ¼ at 37⅞, the guaranteed 1½ at 98¼, and the ordinary ¾ at 11⅞. Since the beginning of February the depreciation in the company's open stocks has been serious, the first preference

being 9 per cent down, the second preference 8 per cent, the third preference 3½ per cent, the guaranteed 2¼ per cent, and the ordinary 2 per cent.

I quote this, Mr. Speaker, for the purpose of showing that while our friends on the opposition side of the House apparently regard very lightly, as a matter of no concern, as a matter in fact almost to be joked at and jeered at, the idea that the Grand Trunk Company is incurring any serious obligation in connection with this enterprise, gentlemen who have been large stockholders in the company all their lives, have thought fit to sever their connection with it and to sell their stock at a considerable sacrifice. I do not regard these apprehensions as being justified; but they are natural in view of the obligations which the company had incurred, and the necessarily limited amount of information they could possibly have in regard to the real prospects of this enterprise in the future. We cannot expect gentlemen in England to have the same information in regard to our country that we have ourselves.

Just one word or two in regard to the arrangement which we have made with reference to the prairie section. It does not seem as if any effective criticism has been offered with regard to that. We assist the Grand Trunk Pacific by a guarantee similar to that which we gave to the Canadian Northern Railway. When the latter was before this House, practically no opposition was offered to it by hon. gentlemen opposite. There can be no reason why a similar guarantee in the case of the Grand Trunk Pacific should be any more subject to opposition. The plan is just as good in one case as in the other.

Then, when we come to the mountain section, the only thing we have to compare our proposition with is the proposition made by the hon. leader of the opposition at the last session of parliament. My hon. friend's idea, as explained by him at that time, was that we should endeavour to make an arrangement by guarantee. We have endeavoured to make an arrangement by a guarantee, and have made it. But if he could not make an arrangement by a guarantee that would suit him—and the one we have made did not suit him, although it was the best that could be made—he would adopt the plan of building the line through the mountains as a government line, and allow the Grand Trunk to use it. So that we have to compare our proposition of a guarantee on three-fourths of the cost of the road west of Winnipeg with the scheme propounded by the hon. leader of the opposition, of a guarantee on the prairie section and the construction of the mountain section by the government. What would be the result? The result would be that, as the guarantee would only apply to the prairie section, the government would probably be paying deficits for the mountain section, while the company would be earning dividends on the prairie section. But we put the two sections together under one guarantee, so that we are able to share up the losses with the profits, with the probability—nay the certainty—that the enterprise as a whole will pay.

Then we have the criticism with reference to the eastern section. And I am afraid that the fate which attacks a party determined to oppose a measure whether or no and determined to find some reason for opposing it, a fate which generally places them in a very uncomfortable position, is beginning to overtake our friends on the other side of the House. They have made a good many observations about traffic on the eastern section. I am not going at the present moment or in fact at any future time in this debate to go into a lengthy discussion as to the traffic which may be expected to go over the eastern section of the railway. My hon. friend from South Lanark (Mr. Haggart), who I understand is to follow me in this debate, has expressed himself in unmeasured terms in sneering at the idea that any considerable portion of western traffic would go over this eastern section. I am not able to agree with him. During the last session I gave figures in regard to this, and expressed my views at some length in regard to the wheat traffic on this section. At a later stage I was somewhat misrepresented and it was made to appear that in having given certain rates on certain lines at certain times, I had asserted that these would be the rates on this line. I made no such statement but expressly guarded myself in this matter. I said that I merely gave these as illustrations of what railways had done under certain circumstances, and of what railways under certain conceivable circumstances might do, but I expressly refrained from making any definite prediction or statement as to what my view was in respect to the probable amount of traffic which might go over this line. I gave the facts and circumstances as they appeared to me, but I left the House to draw the inference that they might see fit to draw from these facts. Let us take for one moment the question of this wheat traffic. My hon. friend says that the wheat traffic will go from the wheat fields of the west to Port Arthur and Fort William and from there will be routed. We all know perfectly well that so far as the summer traffic is concerned that is true. There will be at certain times in the summer, not very often, but occasionally, times when the railways will take some wheat out all-rail, but, speaking generally, the position will be that in summer time the wheat will go to Port Arthur and Fort William and from there will be routed eastwards. My hon. friend the leader of the opposition (Mr. R. L. Borden), says with great gusto, as if it were a fatal

objection to the scheme, that when you get the wheat to Port Arthur and Fort William you have no control of the route and that the Grand Trunk does not undertake to convey it to Canadian ports. What I say is, that when the wheat gets to Port Arthur and Fort William it does not make any difference what the Grand Trunk Railway will or will not do. In summer time the wheat will go out by water to Montreal or Quebec or by the Erie canal to New York, so that the question of what the contract with the Grand Trunk is, in respect of summer traffic in wheat is absolutely immaterial; it has nothing to do with what will happen to the traffic. We expect that owing to the improvements that have been made to the waterways of this country, Montreal and Quebec will be able to compete successfully with the route to the south. It is now competing successfully. Wheat was hauled last season from Duluth to Quebec for 3½ cents a bushel and certainly a railway will not compete with this; that may be taken as evident. But during the winter months, during the four and a half or five months when rolling stock would otherwise be idle and when ships are coming to our ports and demanding cargoes, then the railways will and do haul wheat all-rail. My hon. friend knows that the Canadian Pacific Railway hauls millions of bushels all-rail to make cargoes for these ships and the Grand Trunk Pacific will have a certain portion of that traffic during that season of the year. Then the question of routing comes up. The hon. the Minister of Justice (Mr. Fitzpatrick) said last session that all the people in the west would be patriotic enough to route by a Canadian port if they got the same rate. We will not even have to depend on their patriotism to secure that object. The people of the west have been trying for years to preserve the purity of their wheat. During the first two or three years I was in this House, one of the matters to which I had to give constant attention was the grading and inspection of wheat, and we had to change the Inspection Act so as to provide that the inspection should not be tampered with after the wheat left Port Arthur. Since that time, owing to the absence of eastern interference, the reputation of Manitoba wheat has been steadily rising and at the present time were it not for occasional unauthorized interference which cannot easily be traced, the price of Manitoba wheat would be absolutely and equitably fixed. What these people want is to have the wheat absolutely pure and to be sure that it cannot be regraded on the way and if you give the people of Manitoba and the west an opportunity of sending by a Canadian route at the same rate they will always take it; you will not have to depend on their patriotism for that. One of the things which the people of the west will regard as an advantage in connection with this road will be that the grain will be taken out by Canadian channels and that from the time it leaves the wheat field until it leaves the Canadian port, it will be under the jurisdiction of this parliament, so that we can penalize any attempt to interfere with the grading, thus securing for the growers the price to which they are entitled. The road will do more than that. We know that it will carry a large cattle traffic. If my hon. friend will take the trouble to inquire amongst the cattle men of the west, he will find that there is a distinct grievance amongst them at the present time owing to the lack of transportation facilities. A prominent supporter of my hon. friend who leads the opposition (Mr. R. L. Borden) said to me the other day that he was a supporter of the Grand Trunk Pacific Railway, because he was in the cattle trade, and the cattle trade of the west wanted the Grand Trunk Pacific, and wanted it at once. We know that this road will carry wheat, it will carry flour in large quantities from the Northwest to the European markets, and it will also carry, as my hon. friends know, a large proportion of the European imports to the towns and cities of the west, so that there is every prospect, from every possible business standpoint, of this road doing a large and profitable trade. Why are our friends so much opposed to this being done? Is it because, as the hon. member for South Lanark (Mr. Haggart) says, this is a country of granite ridges and muskegs, a country through which a road of decent grades cannot be constructed? Now, I think I am safe in saying that when we brought up this proposition last year, if there was one thing which was perfectly clear, it was that the hon. gentlemen opposite were anxious to make it plain that they were in favour of the Grand Trunk Railway Company having a western connection. They have been in favour of it, I think, from the start. They have asserted themselves in that way and their press has asserted itself in that way. I know that the party as a party could hardly refrain from endorsing the statement I make, that from the beginning they have been in favour of the Grand Trunk Railway Company getting a western connection. How is that connection to be given? Is the Grand Trunk to go over the same route as the Canadian Pacific Railway, with the result of making a railway of poor grades, with sharp curves and long distances? Or are gentlemen opposite in favour of them going further north and getting a road over a flat country with lighter grades, shorter distances and opening up a new country? Now, we suppose that our hon. friends are men of common sense, as we hope we are ourselves. There are sometimes disputes between us as to that. We give them credit for ordinary good judgment, and we think that in their heart of hearts they will agree

with us that the line of short distance, low grades and easy curves and the line that opens up a new country is the line by which the Grand Trunk Railway ought to be given connection with the west ? It is to be regretted that the surveys which have been made were not returned from the Grand Trunk Railway Company to the government in such a way that they could be laid before the House. They were not sufficiently completed to allow of a report being made. But, a few days ago I sent the geographer of the Department of the Interior, who is himself a competent surveyor and a thoroughly qualified man, to the office of the Grand Trunk Railway, to go into the matter with their chief engineer and to prepare a short statement of the results of the investigations that have been made with regard to the eastern line. That gentleman went down and collected the information. And this is his report :—

Department of the Interior,
Office of the Geographer,
Ottawa, April 5th, 1904.

Memorandum.

During the summer of 1903 preliminary surveys were made of the line between North Bay and Winnipeg and location surveys were made of a large portion of the line between Winnipeg and White Earth lake, about 200 miles. The extraordinarily wet weather not only interfered with the work and movements of the survey parties but made the carriage of supplies extremely difficult and expensive. Enough work has been done, however, to show that it is possible to get a line from Winnipeg to the point at which the North Bay branch diverges from the main line, with grades not to exceed 0·4 per cent and curves of not more than 4°. Mr. Stephens is confident——

Mr. Stephens is the chief engineer of the Grand Trunk on these surveys.

—that, on the final location he can reduce most of the 0·4 per cent to 0·3 per cent and he can shorten the line. All curves are compensated and the line is in every way a more favourable one than the Canadian Pacific through the corresponding sections. In general terms it follows the valley of the English river to Lac Seul ; thence to the Ogoki branch of the Albany river ; thence, in almost an air line, to Opazatika lake. From this point it will probably follow a little to the south of and parallel to a base line run by Messrs. Niven & Speight, in about latitude 49° 30', for the Ontario government. From the interprovincial boundary line it will probably run south-eastward to the head waters of the St. Maurice ; thence down the valley of the last named river ; thence across country to Quebec.

First 100 miles from Winnipeg can be built for $25,000 per mile ; that, between the 100th and 350th miles, will cost $35,000 per mile, and between 350th and 530th miles, $30,000 per mile. From the 530th mile eastward to Quebec cannot be estimated with any degree of accuracy, till further surveys are made, but Mr. Stephens considers $30,000 per mile ample. He also stated that all these estimates were liberal estimates and that the road should easily be constructed at these figures. The $30,000 estimate for the line through the 'clay belt' may seem high, but it is largely due to the heavy cost of getting in supplies. For the reverse reason the cost of the Quebec-Moncton section—other costs being equal—should be correspondingly reduced.

It should be mentioned that, in Ontario and Quebec, the line has been located well to the north, that as much as possible of the timbered area shall be above the track. At the same time it has been kept above the edge of the upper plateau or 'fall line' where the streams plunge down in falls and rapids to the lower plateau.

That is so that the timber can be floated down. After the part I have read follow the details of the different parts of the line. I will lay a copy of the report upon the table for the information of the House.

Mr. R. L. BORDEN. May I ask how many miles altogether this gentleman examined and what time he occupied in the examination ?

Mr. SIFTON. The report does not state that. It gives the particulars as to the whole of the line there. It is definite and full up to the point where it crosses the Interprovincial line. After that, it is estimated. I read the report for the purpose of pointing out that if we are at one with our opposition friends upon the fact that the Grand Trunk Railway ought to be given admission to the western country there can be absolutely no doubt that we are right as to the location we are choosing for the line. I will not labour that point at any length. But, if you are going to decide whether you are to have a good line or a poor line, you will surely take the good line ; if you are going to decide whether you are to have a shorter or a longer you will surely take the shorter ; and if you are going to choose between a line that will open up new country and one that will not open up a new country you will surely take the former. Now, I want to take a hypothetical case. Suppose that three or four years from now that line has been built, the Grand Trunk has its line from North Bay to Abitibi and the government says : Here is a great transcontinental line that stops five hundred and fifty miles from Quebec ; we will build a line to connect it with Quebec. Who on the other side of the House will say no ? Well, we tie the two schemes together and make one scheme. But, if both parts are meritorious, what is the matter with the whole ? Now, suppose this line of five hundred and fifty miles is built, and we have the Grand Trunk Pacific running from Port Simpson through to Quebec, gathering an enormous traffic all along that great line. But their winter traffic is all going to Portland, and their interest is to take it to Portland. Now, suppose that our friends from the maritime provinces say : You have to shorten that line and bring that traffic to maritime province ports. Is there any-

body here who would say that we should not do so ? Not a man. My hon. friend the leader of the opposition will not say so. He has not said so once in the course of his remarks. He has said: If you can get the grades, do it. Well, we are going to get the grades, and we are going to do it.

He says—and it is the only objection he has been able to raise—that it should be built as part of the Intercolonial and not as part of the Grand Trunk Pacific line. Let us look at that. Suppose you have the Grand Trunk Pacific from Port Simpson to Quebec with branches gathering enormous business all across the continent to be carried to Quebec. Now, you are going to build a line which will carry that traffic to maritime province ports, and you have to decide whether it is to be as part of the Intercolonial or as part of the Grand Trunk. In favour of the Intercolonial line, what ? Profits on this line of three or four hundred miles of railway—problematical profits acording to our experience, with the Intercolonial, but possible profits. In favour of building it as part of the Grand Trunk Pacific line, what ? The getting of the whole of that business over that transcontinental line and taking it to maritime province ports, getting the whole of the business of the enormous freight from Port Simpson and taking it to the maritime ports. What inducement is he going to offer to the owners of that transcontinental railway line practically to abandon their Portland connections so far as winter business is concerned, and take it to the maritime provinces ? We would be disposed, all things considered perhaps, to agree with him, and let it go as an Intercolonial line, if we built it. But what we say is that you cannot do it that way, and we say further that if you wait, if you do not make it part and parcel of the Grand Trunk now, if you wait until the line to Quebec is built, they will be better situated to keep the Portland line.

Now, Mr. Speaker, I have extended my remarks on these points much beyond what I intended. I am now going to say a few words in regard to the proposal of the leader of the opposition. He placed before this House last evening at the close of his long and very able address, an amendment embodying the views of himself as leader of His Majesty's loyal opposition, and of his party, on the important question which is now occupying our attention. My hon. friend will perhaps not take offence if I say that I think that within that document there was a surplus of verbiage, and that the hon. gentleman might condense his meaning into a smaller compass and perhaps with less risk of being misunderstood. But I propose to take what I conceive, after careful examination of it, to be the operative parts of that resolution and offer to you a few observations upon them. I find in subsection (a) that one of the demands which he makes is :

> To develop and extend the government system of railways, and to free the management thereof from party political control or interference.

Well, Mr. Speaker, so far as party political control is concerned, we have followed pretty much the same policy as the governments of the past. But in so far as the extension of the government system is concerned that has been the policy of only this government, though bitterly opposed at every stage by hon. gentlemen opposite. Notwithstanding the remarkable friendship which the hon. gentleman seems to display for the extension of the government system of railway, there never was a proposition brought down to the Canadian parliament of which I have any recollection, or of which I have read the record, which was more bitterly assailed, more determinedly contested at every stage, than the proposition to extend the Intercolonial to the city of Montreal. What more did they do ? When they had the Intercolonial, the government system of railways for which our friends profess so much admiration, what did they do ? They bound it by a contract and united it with the Canadian Pacific Railway so that it was not in a position to do business independently. We had to abrogate that contract, we had to change those conditions, we had to bring that railway to Montreal in order to make it a railway that the people of Canada had no cause to be ashamed of, and one which our friends opposite are now beginning to be proud of. My hon. friend goes on to say in section (b) :

> To secure absolute and thorough control of rates and traffic facilities in return for reasonable public aid to railway construction or improvements.

Mr. Speaker, that is a fine sentiment, but it does not come well from the Tory party. Why, Sir, year after year the Liberal party sat upon the other side of this House when railway charters were being passed, when subsidies were being granted, and begged, implored and besought, moved resolutions and fought for resolutions, to get some such principle as that into the legislation of Canada, and they utterly and entirely failed. In 1896, in the very first railway legislation we undertook, those principles were embodied. The first important railway matter we took up was the Crow's Nest Pass Railway, and we crystallized our idea in that charter and embodied the principles which we thought should obtain in railway legislation. We took control of the roadbed, we took the power of giving any other company running powers, we took control of the railway rates, we took control of traffic facilities, we did everything which the hon.

gentleman says we ought to do, and from that time to this, in our railway legislation from session to session, we have been making that control more and more effective, until this principle which the leader of the opposition declares ought to govern our legislation, is placed upon a basis so sound that it is beyond the possibility of being destroyed by the efforts of our hon. friends opposite. He goes on to say in section (c) :

To improve and extend our canal system, to develop our lake and river routes, and to equip thoroughly our national ports on the great lakes, the St. Lawrence and the sea-boards.

When we came into power we found nine feet of water in the St. Lawrence, it is now fourteen feet. My hon. hon. friend asked, as if he meant it to be a taunt to this government, if we knew that wheat was now being carried from Duluth to Quebec for 3¼ and 3½ cents a bushel. We do know it, and we know it is because of the vast improvements that we have made upon the lake ports, as at Port Colborne, upon the St. Lawrence canal and at the city of Montreal and in the St. Lawrence channel. As a result of the money that we have expended for the purpose of improving the waterways of Canada, as a direct result which could not have followed but for the expenditure of that money, we know that for the first time, during the last season, not only Canadian grain but American grain coming from American ports has been carried through those waterways to Canadian ports. So my hon. friend need not be alarmed, we shall attend to that. Then we are asked :

To perfect a system of elevator warehousing and terminal facilities.

We have a commission studying those very questions, and even our hon. friends are not able to find fault with their work. Next he asks us to give common haulage or running facilities upon railway lines. That is just what we have been doing in all our railway legislation, and the hon. gentleman never thought of it when they were in power. Last session our hon. friends started out with the idea that the Grand Trunk ought to have connections with the west. I think that at the beginning they were prepared to stand to that. But they found out that the national sentiment did not favour the idea of taking the Grand Trunk west for the purpose of getting that traffic and sending it out to American ports ; the national sentiment and the maritime provinces joined together were too strong for them, so that idea was dropped. Now the leader of the opposition is not a rash man, nobody will accuse him of that. He took time to think about his policy before inaugurating it and declaring it as a policy of the party, and after a thorough and careful deliberation he placed this policy before the House. As I understand it, it was to extend the Intercolonial by building connections and acquiring the Canada Atlantic, or building a new road to join the Canadian Pacific Railway, to acquire the Canadian Pacific Railway to Port Arthur, to go into partnership with the Canadian Northern Railway and the Canadian Pacific Railway from the lakes to Winnipeg, to build a government line through the mountains, with a suggestion that possibly the Quebec and Moncton line might be built as part of the Canadian Pacific Railway, though I did not understand that was necessarily a part of the scheme. That was the proposition which was placed before parliament by my hon. friend. It was done with great care and deliberation. I had not the pleasure of being present and hearing my hon. friend, but I saw in the newspapers the morning after the speech was delivered that a new star had arisen upon the political firmament, that my hon. friend had electrified parliament and the country by producing the scheme which he had presented. How long did it live ? About three days. The hard common sense of the people, which after all can be depended upon more than the brains of any clever man, took hold of it, looked at it, turned it over, dropped it. I do not think it has been heard of since. The most unkindest cut of all was the fact that my hon. friend last night only gave seven and a half minutes by the clock to that policy. Now, that policy may be considered to be disposed of. It certainly has no possible consideration in the amendment which my hon. friend has placed before parliament. In no way can the amendment be held to be a reinstating or endorsement of the policy which the hon. gentleman presented last year. So, he comes now with a new policy in the shape of the amendment which we listened to last night.

Leaving out all extraneous matter and considering simply what it presents as a railway scheme alleged to be an alternative to what we are discussing, this is what the hon. gentleman suggests. He declares himself in favour of a system of national transportation, which should include :

1. The immediate construction and control by the Dominion of such lines of railway in the west to the Pacific as the enormous importance and increasing development of the great western country require.

2. The extension of the Intercolonial Railway to Georgian Bay and thence to Winnipeg, and the extension and improvement in the province of Quebec and in the maritime provinces of the government system of railways.

The rest does not affect the question of railways. So that you find that the third and last policy of our hon. friends on the other side of the House is this : Build government railways in the west wherever they are wanted. That is a very fine general proposition. Build them wherever they are wanted. Everybody will then expect to get one. You build government railways in the west wherever they are wanted,

you extend the Intercolonial Railway to the lakes and ultimately, or at once, as fast as it can be done, to Winnipeg. That is the proposition which my hon. friend defines as an alternative to take the place of the proposition that we have before the House for the construction of the Grand Trunk Pacific line over the prairies of the west, and a government line under lease to the Grand Trunk Railway from Moncton to Winnipeg. The hon. gentleman and his supporters last session, week after week, conclusively proved to their own satisfaction that the line of railway from Winnipeg to Moncton could not do any business, could not find any traffic. The other day my hon. friend from South Lanark (Mr. Haggart) tauntingly asked my right hon. friend the Prime Minister if he still was of the opinion that this mad scheme of a railway from Winnipeg to Moncton would carry out any portion of the traffic from the great west. How do they propose to carry it out now ?—by a line 327 miles longer. That is the proposition which my hon. friend places before us. We have been talking of the shortest route across the northern portion of the province of Ontario and Quebec, saving every possible mile, saving every possible degree of curve, saving every inch of grade and we have been told day after day and week after week that such a line could not haul any business, that it was too long, that an all-rail line could not possibly take any considerable portion of the business out of the great west, and after groping around for a year for a policy, the proposition which my hon. friend now launches upon the House is that a line 327 miles longer will do the business which our short line is designed to do. Why, Mr. Speaker, it was only necessary that this proposition, as a result of six or eight months groping around for a policy, should be launched on the House in order to show the complete muddle into which our hon. friends opposite have got in this question. What is going to be the result if they do it ? Understand me, I am not discussing here the abstract question of extending the Intercolonial Railway to the lakes. There may be arguments in favour of that. If it comes before the House, if the government think it a question worthy of being taken up for consideration it may be decided one way or the other ; I shall not offer any observations upon that subject at the present time. I am not saying that at some time the Intercolonial Railway should not be got to the prairies of the west, but I do say that if it does get to the prairies of the west it should get to them by a short line and not by a line 327 miles longer than that short line. This contract takes the Intercolonial Railway to the prairies of the west and gives it an opportunity of going over a line 300 miles at least shorter than the one which the hon. gentleman proposes. What are you going to do to carry out this proposition ? Let us look at the consequence for a minute, and I commend this to my hon. friend from South Lanark (Mr. Haggart). Accept the proposition of my hon. friend the leader of the opposition and you will have the Grand Trunk Railway Company with its great system in the provinces of Ontario and Quebec absolutely without a western connection of any kind whatever. You condemn the Grand Trunk Railway Company with its 4,000 miles of railway and all its great connections for ever to be an American road working for the prosperity of an American port. You leave the great northern portions of the province of Ontario and Quebec to the extent of 1,200 or 1,300 miles which we propose to open up by this system, absolutely unopened. You do not open up one single mile of new territory, you get a line 300 miles longer than the one we propose and a line that cannot make any possible pretense of carrying out the traffic from the Northwest. As far as the financial proposition is concerned, if the Intercolonial Railway should undertake by the system proposed by the hon. leader of the opposition, involving a route at least 300 miles longer than that which we propose to do the business of the west, you multiply the deficit of the Intercolonial Railway by ten or twenty. You humbug and delude the farmers of the Northwest with the idea that every man is going to get a government line. When the Grand Trunk Pacific builds its main line, what will it do ? We all know perfectly well what it will do. Supposing it gets its main line built it will look out in all directions for business, it will build branch lines down into the Territories which are settled, and it will provide additional facilities so that it can compete for the business with the other companies that are established there. I would like to ask my hon. friend if he thinks that if he built a government line across the prairie that he could take government money and build branch lines of railway down into a territory that is served at the present time by other railways. I would like to see him get his appropriation from parliament if he undertook to do it. It cannot be done. Every man of practical experience in parliament knows that you cannot carry any such proposition as that into effect. My hon. friend's intention might be perfectly good. His proposition would never come within the sight of parliament. It would die in caucus just as his other proposition has died. I know perfectly well, that putting it as a plain proposition, if you are going to build government lines of railway wherever they are wanted in the Northwest Territories, it is a pretty popular proposition. My hon. friend may say that it is foolish for me to stand up in the House and argue that this should not be done. They may say : You should not set yourself in opposition to it.

I never was elected to parliament, Mr. Speaker, by supporting a thing that I thought was humbug, and I do not desire to be. I know just as well as I know I am standing here that the proposition to take government money and build lines of railway all through the Northwest is an impracticable and absurd proposition, and that the hon gentleman (Mr. R. L. Borden), if he were in power to-morrow, could not carry it out; that we could not carry it out; that nobody could carry it out. Therefore, I do not propose to stand in this House and give countenance to an idea, simply because I think that with some people it might be temporarily popular.

I have extended my remarks, Sir, to a much greater length than I had intended. Last night the leader of the opposition, in making as strong a presentation of his case as possible, extended to us an invitation to draw back and to hesitate in the carrying out of this great enterprise to which we have put our hands. I have to give my hon. friend (Mr. R. L. Borden) his answer upon that point, and I have to say that, so far from drawing back, so far from hesitating in connection with this enterprise, this government desires it to be understood that the Liberal party of Canada pledges its political existence on the carrying out of this enterprise.

Some hon. MEMBERS. Hear, hear.

Mr. SIFTON. Yes; and if we have any weak-kneed brethren in the Liberal party, let them understand that so far as the government is concerned, and I think so far as the gentlemen behind me are concerned, we have not any doubt upon the subject.

Some hon. MEMBERS. Hear, hear.

Mr. SIFTON. We have inaugurated this enterprise. We have, we think, exercised all the care that we could in connection with the various difficult and embarrassing and troublesome questions that necessarily arise in such an enterprise; but we have no doubt of the necessity, and we have no doubt of the value, of this enterprise to the people of Canada.

Just one word in conclusion. If you will turn for one instant to the map and look at the position in which Canada finds herself; if you will think what is going on to the south of us; if you will consider that lines of railway are being run from the Gulf of Mexico north for nine hundred, and one thousand, and twelve hundred miles, for the purpose of carrying the products of the northwestern states down to the Gulf of Mexico and thence to the markets of Europe; if you will consider that the Erie canal is being deepened, and that every possible facility for transportation southward, not northward, is being given by the great resources of the people to the south of us: if you consider all this, surely it will be clear that every possible thing that the people of Canada can do should be done by them to maintain their position, and to prevent the life-blood from being sucked from them by the efforts which are being made to take the traffic to the south. It is true that we cannot change the geography of our country, but we can fight against its disadvantages, and to some extent we can overcome them. And, Sir, when we have an opportunity of carrying through an enterprise of this kind, which will practically revolutionize the conditions of transportation in Canada, so far as all-rail business is concerned; when we are in a position, not only to have the advantage of the water transportation which lies along the international boundary, but to have a system of national transportation away from the boundary at all times, and available under any and all circumstances; surely, in the presence of the unbounded prosperity of Canada, we cannot afford to say that we will not avail of this opportunity; surely we should push forward to accomplish the successful completion of this great national enterprise.

Hon. JOHN HAGGART (South Lanark). The Prime Minister, when he introduced this amendment to the Grand Trunk Pacific Act, stated that the question of transportation excited more interest in the country than any other question. In that I agree. He stated further that it was the duty of the government to introduce some measure which would satisfy the overwhelming opinion of the people of Canada in favour of a better system of transportation, and that after consideration he had adopted the plan which at present is proposed to parliament. Reduced to its simplest form, that plan is: The building of a railroad from Moncton to Quebec, from Quebec to North Bay, from North Bay to Winnipeg, and from Winnipeg to the Pacific Ocean. This means the building of 3,400 miles of railway, 1,900 miles of which is absolutely built by the government, and the remainder of which is built by them to the extent of three-fourths of its cost. As was stated by the leader of the opposition, the government of Canada is required to expend, under this scheme, at least $150,000,000; and according to the statement of the president of the Grand Trunk to his shareholders, the Grand Trunk will assume a liability of fourteen and a-half million dollars. The government of the country is therefore paying ten times the money that the Grand Trunk Company is to carry out this scheme. But the leader of the opposition, in making his calculation, left out two very important items which the government is pledged to. The president of the Grand Trunk stated that they were to have a connecting line to North Bay and a connecting line to Lake Superior, and that they had made arrangements for the usual subsidies from the Dominion and the provincial governments. Therefore, in addition to the government's liability of $150,000,000,

you will have to add a further grant of money for the purpose of building the branches to Lake Superior and to North Bay.

When I discussed this question last year, I said that the government never intended to build the road from Quebec to Moncton, but I did not expect to find that the road from Quebec to North Bay was virtually dead, too. That appears to be the case, because if we look at the statement of the president of the Grand Trunk, we will find that he has made no provision at all for a connection to Montreal. He will let the people of Montreal take care of themselves, and in the confidential memorandum, circulated, I suppose, among the directors of the Grand Trunk Company, the road from North Bay to Quebec was looked upon as being a little premature. That is what the Grand Trunk people think about the scheme. They still hold to their old proposition to get into the Northwest by Winnipeg, if necessary over to the Pacific; and short connections with Winnipeg, Lake Superior and North Bay; securing connections with Montreal and Quebec by the Grand Trunk line as it at present exists. That is the plain intention of the Grand Trunk authorities. Mr. Hays, in his address to the shareholders, does not speak of the splendid advantages to be enjoyed by the people of Halifax and Quebec on account of carrying the western freight to the east. On the contrary, he says: We want a connection with Lake Superior for the purpose of carrying the freight by water, and then to connect with the Grand Trunk Railway and take it thence to the sea-board. Notwithstanding the argument of the Minister of the Interior to-day, the consensus of opinion is that the only possible way to carry the western freight to the east economically is to get it as quickly as possible to Lake Superior to avail of the water route, and in this way transport it to the centres of consumption.

The hon. Minister of the Interior mentioned a fact which is pregnant of the whole position. He stated that from Port Arthur to Quebec grain had been carried this year for 3½ cents a bushel and perhaps less. Any one who has followed railway statistics and is acquainted with railway matters knows that the Canadian Pacific Railway, the Grand Trunk Railway and the Canada Atlantic doubt their ability from this time out to carry grain by water from Duluth and Port Arthur to Midland and other Georgian bay ports, and thence by rail to Montreal or other Atlantic ports, in competition with the all-water route. The general opinion is that the Canadian Pacific Railway intended to build a branch line with no gradients, so as to have a perfectly level road, from the Georgian Bay to Montreal; but I think they have abandoned that scheme. They have found that no railway even though subsidized by the government and carried at one-half the rates charged by any other railway in the world, can compete with our water routes from Lake Superior to the Atlantic. It is true, as my hon. friend says, that a great deal of the traffic from Europe to Canada may pass over this line; but for the carrying of heavy traffic from Manitoba or the Northwest to the sea-board, it is absurd to suppose that any railway can successfully compete with a route part rail and part water or a route altogether water. Every railway man in the country knows this perfectly well. Then, what is the necessity of building a road at present from North Bay to Quebec? None whatever, because it is against nature. Canada has been placed more favourably by nature than any other portion of the continent of North America in regard to transportation. The natural means for the transportation of the cereals and other products of the west is down our magnificent system of waterways. I showed, in a speech which I delivered a couple of years ago, how business was transferred from one port to another by the slightest difference in rates. I showed that a quarter of a cent a bushel was sufficient to divert trade from Baltimore to Philadelphia, or from New York to Portland or Boston. The grain is consumed in Germany, Holland, or France or Great Britain; and if you go into the exchange in Chicago or Milwaukee or any other place where grain is sold, you will find that a quarter of a cent a bushel will be sufficient to divert it from United States channels to Canadian channels. Sentiment does not enter into the question at all. The man in Winnipeg who is shipping grain to Europe does not care whether it goes by Portland or Halifax or St. John, so long as he can send it to the markets of the world at the cheapest possible rate. We have within our own country the means of providing the greatest transportation facilities on this continent. By expending a sum of money which would be only a moiety of what the government propose to expend on this railway, we would so improve those facilities as to direct not only the traffic of Manitoba and the Northwest, but the traffic of the western states, through our own country.

Now, let me look at the proposition of the right hon. leader of the government. He proposes to expend $150,000,000 at least for the purpose of building this road and virtually handing it over to the Grand Trunk Railway Company. With that $150,000,000 what could we do? We could extend the Intercolonial Railway from Montreal to the Pacific coast. The distance from Montreal to Winnipeg by the Canadian Pacific Railway is 1,426 miles; from Quebec to Winnipeg by the proposed railway it is 1,500 miles. We could shorten the distance from Montreal to Winnipeg by at least 90 miles, by avoiding the detour which the Canadian Pacific Railway makes to go to Port Arthur, which would make the distance 1,336 miles;

and we would save the whole Moncton section, 150 miles, by building from Montreal to the Pacific. I am not in favour of government controlled railways ; but when the government contribute the whole cost of building a railway surely they have a right to own the railway, and make such conditions as they choose for the parties who propose to operate it ? But in this case we have a railway company forcing on the government of the country the terms and conditions on which they propose to operate the road.

Now let us look at the financial part of it. My hon. friend talks about the $25,000,000 of stock and the amount of rolling stock and so on, but let us see what the Grand Trunk Railway people assume their liabilities to be. The president of the Grand Trunk Railway stated to the directors and shareholders of his road that the liabilities which the Grand Trunk Railway Company undertake by this contract with the government is the sum of $14,500,000 or £118,000 per year. That is all the liability undertaken by the shareholders of the Grand Trunk Railway and nearly the whole of that is secured by a mortgage as good as those which the government of the country themselves have upon the undertaking. One quarter of the amount that is to be expended on the road from Winnipeg to Port Simpson represents the sum of $145,000 and the Grand Trunk Railway say : That is all our obligation and we have a mortgage for the securing of that $40,500,000, pari passu, with the mortgages of the government themselves. The government under the original contract had the right to foreclose under certain conditions but now they have no right of foreclosure whatever. They are in the position of a receiver ; if default is made by the western section of the road they collect the money and distribute it to themselves and to the Grand Trunk Railway according to the amount of the security they have in the undertaking. In reference to the rolling stock my hon. friend says : Oh, they have to provide rolling stock. Some of our friends here stated that the Grand Trunk could form a trust company for the purpose of providing that stock but my hon. friend says no. He mistook my question and did not answer it properly. I did not say that the interest on the cost of the rolling stock that was furnished to the road would be a first charge on the earnings of the road. I said that a trust company might put that rolling stock upon the road and have as security the rolling stock itself. The hon. gentleman (Mr. Sifton) shakes his head. Let me read just what the president of the Grand Trunk Railway says on that matter. I am sorry to say that he differs from the Minister of the Interior and Minister of Justice.

Mr. SIFTON. The government and parliament will be governed by the terms of the contract and not by what the president of the Grand Trunk Railway says.

Mr. HAGGART. Hon. gentlemen must remember what the president of the railway company said to the stockholders and shareholders of that company. He said : We have no other liability than this £118,000. Does the hon. gentleman (Mr. Sifton) deny it ? He does not. I questioned the Minister of Justice (Mr. Fitzpatrick) upon that particular point when it came up before the House last year. I asked him if a trust company could not put the rolling stock upon that road and if in that event the government could have any security upon that rolling stock except what they would have over and above the vendor's lien upon that rolling stock.

Mr. SIFTON. It would be quite impossible to do that under the contract.

Mr. HAGGART. That is what the president of the road says. He says :

> That rolling stock will be provided by the Grand Trunk Pacific Company, and as the general manager will tell you, they have laid their plans for providing rolling stock by means of a trust fund. Therefore, you can wipe it out and call it four millions.

Their intention is evident ; it is clear to any one who knows anything about railroading. Where would they get the money ? Where would they get $20,000,000 to put on rolling stock to be given as security to the government ?

Mr. SIFTON. That is their business ; they have to do it under the contract.

Mr. HAGGART. It is not in the contract.

Mr. OSLER. The government might alter the contract next year.

Mr. HAGGART. You may alter the contract but there is nothing in the contract which forces them to do it, and you have only a lien on the stock. As I understand, and I have inquired from lawyers—perhaps not equal to the Minister of Justice (Mr. Fitzpatrick) and the Minister of the Interior (Mr. Sifton) but of sufficient ability to enable me to make the statement on what I call authority—that this does not cover their vendors' lien ; they can retain the rolling stock as security for any unpaid balance on the rolling stock independent of the government's claim.

Mr. SIFTON. I do not wish to interrupt the argument of my hon. friend (Mr. Haggart) who has a perfect right to make the argument and to take the position which he has taken. The point he raised was before the government and was referred to the Minister of Justice (Mr. Fitzpatrick) ; it was referred by him to the counsel of the government and the opinion of the Minister of Justice, the Deputy Minister of Justice,

and the two counsel, upon the contract was that there was absolutely nothing in the point to which the hon. gentleman refers.

Mr. HAGGART. We have not that opinion here to criticise it. I am sorry to say that it differs from that of the other parties to the contract. As will be seen from what I have read they have an entirely different opinion on the subject. The Minister of Justice, to confirm his argument, stated that this point was referred to Mr. Shepley and others in Toronto, but when he read the statement of Mr. Shepley and others to the House it was seen that it contained not a particle of bearing upon the question at all. The question of the lien of the parties putting the rolling stock upon the road was never submitted to them at all; the only question that was submitted to these gentlemen in Toronto was the question whether the interest upon the rolling stock would be a first charge upon the earnings of the road. They said that perhaps the right of repairs on the rolling stock might be a first charge but in their opinion the other was not. There is the whole fact. The Grand Trunk Railway Company supplied $15,000,000 for the purpose of building the road. They build branches to Lake Superior or to North Bay; it does not say where. The remarkable part of the statement of the president of the road is that they do not intend to build a branch into Montreal. The right hon. gentleman (Sir Wilfrid Laurier) as I understood him, said it was proposed to extend some railways and that arrangements for that connection would be a subject for the future consideration of the government. But no provision is made under that agreement with the Grand Trunk Railway Company that they will build any connection for their road to Montreal. Another suspicious part of the agreement is this. It is true that in the original agreement the government have built the eastern section of the road with a certain amount of expedition, but under the amended agreement there is a provision by which the commissioners who have control of the building of this road may enter into an arrangement with the Grand Trunk Railway for the leasing of any part or portion of it which may be completed at that time, although the whole of it is not completed.

Therefore, if the road is built from Winnipeg to North Bay the government can contract themselves out of any engagement for the building of the eastern section. At least, that is my reading of this supplementary agreement. I may be wrong. I made careful inquiries about it, and have come to the conclusion that the government can contract themselves out of the bargain they made with the Grand Trunk as to the building of that portion of the road from Quebec to Moncton. Then we shall have not a through road, but a road to Quebec, unless the government insist upon the other portion of it being built. I think it is a wise provision under the contract which allows delay in that regard, for I think there is no necessity for making an expense at present either upon the Moncton section or on the other. I have already spoken of the Moncton section and showed the absurdity of building it. That point was fully dealt with by Mr. Blair, the ex-Minister of Railways, who showed conclusively that the route over which the government propose to build had been surveyed before, that it was found to approach closely to the international boundary and had not as good gradients as the route that was selected. For these and other reasons this route was not chosen, for the road between Riyière du Loup and the point of junction—Moncton I believe it is. The Minister of Finance says this eastern section of the Grand Trunk Pacific will ultimately be extended from Moncton to St. John by a line which will parallel the Intercolonial; but we may look upon that as something in the future. I suppose it will be the last section of the road to be surveyed. The surveying of the route from Winnipeg to Quebec and Quebec to Moncton will take at least two years or two years and a half, and so the government will have plenty of time to consider their position on that matter. But I hope that under the contract which they have made with the Grand Trunk Pacific Railway Company and the Grand Trunk Railway Company they are not bound to build the portion from Quebec to Moncton or from Quebec to North Bay. The Minister of the Interior talked about the gradients on the new line of road. He said that he had sent an officer of his department to Montreal for the purpose of learning what these gradients were, and that officer came back with the report that the section from Winnipeg to the interprovincial boundary is comparatively easy. We all know that, for it is practically a prairie section. And he said that from the interprovincial boundary to Lake Nipissing, the railway would cost $25,000, $30,000 or $35,000 a mile, and would have gradients of 4-10th per cent and curves of 4 degrees. And what cheers greeted the hon. gentleman when he made that announcement? Does not the Minister of the Interior know that these are the very gradients on the existing road from Winnipeg to Lake Superior? And, as to the road costing from $25,000 to $35,000 a mile, I saw another report, from the provincial government, that the extension of the road to Lake Temagami could be built for $20,000 a mile. As a matter of fact the expenditure is nearly $30,000 a mile——

Mr. TISDALE. That is without rolling stock.

Mr. HAGGART. No; in that there is an allowance of $3,000 per mile for rolling stock. But the gradients are, in many

cases, 90 feet per mile going north and from 50 to 60 feet per mile going south. I venture to say that the cost of the road from the interprovincial boundary—that is, from the end of the prairie section—to Lake Nipissing will be as great as that of the Canadian Pacific from the interprovincial boundary toward Port Arthur. I have stated before that some parts of that road cost $60,000 per mile to grade. It is through a country just such as my hon. friend describes—he uses the very words I used—a country with knobs of granite interspersed here and there with immense muskegs. It is not a difficult country as regards gradients, yet it is one of the most difficult countries on earth for railway building—a lacustrine country with granite ridges.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. HAGGART. At six o'clock I was dealing with the liabilities of the Grand Trunk Company under the proposed arrangement with the government. My hon. friend the leader of the opposition stated that the total liability would be in the neighbourhood of fifteen million dollars, or three million pounds sterling. In confirmation of that, I propose to read the remarks of the president of the Grand Trunk Company and of Mr. Hays. We want to know exactly in what position the Grand Trunk Company is in reference to the government. I think the statement of the president of the company is strictly correct, when he says that the whole amount of the liability of the company in this undertaking will be the guarantee of a quarter of the cost, or the difference between $13,000 a mile and 25 per cent on the mountain section, on an expenditure of 500 miles, and an expenditure of $7,000 per mile on that section of the road which is called the prairie section, for 1,000 miles. For this advance the Grand Trunk Company have received a pari passu mortgage for the amount they expend upon the line. Their security for the $15,000,000 will be a first mortgage on the prairie section and on the mountain section of this contemplated undertaking. Besides that they receive $25,000,000 of Grand Trunk Pacific stock.

As the leader of the opposition stated, last session the Minister of Finance and other members of the government dwelt upon the fact that the Grand Trunk Company are obliged to hold this stock until some dividend is paid, or some return is made on the common stock of the company. The Minister of the Interior, in criticising that statement, said that the bondholders were in a different position from the stockholders, that in any future calculations for the purpose of fixing the rates on the road the bondholders might be taken into consideration, but the stockholders need not be. I can see no reason for the distinction. Whether a man puts his money into bonds or stocks of the road, I do not see why he should not be considered afterwards in fixing the rates. I do not think there is any distinction. I do not know what the Grand Trunk Company intend to do with the 1,000 shares allotted to them and which they can dispose of in any manner they please. Perhaps it is offered as a partial security for the purchase of the rolling stock, together with the second-class mortgage on the road. My idea as to how the rolling stock is to be acquired is confirmed by the statement of Sir Charles Rivers-Wilson. He says the rolling stock to be put upon the road will amount in value to $15,000,000, but that will not be a charge in any respect, nor will one cent of it be paid by the Grand Trunk Railway Company. I think he is perfectly right. If his contention is right, and they can raise money for purchasing stock on the security of the rolling stock that is put on the road, they can give further security or a second mortgage, which they evidently intend to do, upon the undertaking. They can supplement it if necessary by giving stock of the road. But, speaking for the Grand Trunk Company and for the Grand Trunk Pacific Company also, he says that stock is security for a trust fund, and the government have no lien upon the rolling stock. The Minister of the Interior differs with me in respect to that; but the more closely I look into it the more I am convinced that, from a legal point of view, the vendor can make any conditions he likes in reference to the sale, and he may take as security that rolling stock independent of any agreement that is made between the other two parties. Then it amounts to this, that the building of this road from Moncton west will only involve the company in a liability of $15,000,000. Let me read the remarks on this subject of Mr. Hays and of Sir Charles Rivers-Wilson. Replying to Mr. Allen, a former director of the road, he stated that the liability of the Grand Trunk Company would be in the neighbourhood of £9,000,000 sterling, and we all know what a statement of Sir Charles before a board of shareholders in England amounts to, and what risks he ran in making a statement that might afterwards prove to be false. He says, in answer to Mr. Allen:

> He boldly states that the liability upon the Grand Trunk Railway will amount to £9,000,000 sterling and he divides that £9,000,000 sterling into £300,000,000 liability in respect of guarantees, £5,000,000 sterling in respect of rolling stock, and £1,000,000 in respect of the deposit. As regards the £3,000,000 of guarantee, that, as I stated to you, will undoubtedly be a liability, as I stated to you also, will swell the liability of the Grand Trunk Railway Company.

That is the only liability that he admits, the £5,000,000 of rolling stock.

> It is estimated at £3,000,000.

I do not clearly understand this agreement. I think it is only in the meantime that the rolling stock is to be furnished by the Grand Trunk Pacific Company, and is to be $15,000,000. I may be mistaken, but I understood that the $5,000,000 is to be subsequently added to it.

As regards the five millions for rolling stock, it is not five millions—it is estimated at three millions. With that the Grand Trunk has nothing to do. That rolling stock will be provided by the Grand Trunk Pacific Company, and, as the general manager will tell you, they have laid their plans for providing that rolling stock by a trust fund. Therefore, you may wipe it out and call it four millions. And as regards the one million deposit, that deposit will not cost you one single halfpenny. Therefore, the liability comes back to the sum which I have just mentioned—namely, about three millions.

That is strictly correct. In reference to the profit of the £1,000,000 sterling, there was a deposit made by the Grand Trunk Railway Company of this stock, or preference stock, or some security of the company to cover the $5,000,000 which was required in cash or government securities to be deposited. What a farce that deposit was. One of the conditions of the deposit was that it should receive the sanction of the Grand Trunk shareholders. It never received that sanction. Another condition was that the Grand Trunk authorities could not deposit the stock until they had authority to apply it, and they have no Act of parliament giving them authority to apply it for any such purpose as that.

Therefore, they were to come to the parliament of Canada after the Grand Trunk shareholders had authorized the deposit of the amount to obtain legislation to make the deposit of Mr. Hays a legal one. Then, my hon. friend the leader of the opposition quoted Mr. Hays as saying : Oh, the £1,000,000 sterling deposited in securities is better than cash and the Grand Trunk Railway Company intend to proceed with the construction of the road. The hon. the Minister of the Interior found fault with my hon. friend the leader of the opposition when he characterized this as being an election dodge. The probability was that an election was going to take place last fall and it would have been very uncomfortable for the hon. gentlemen opposite to have gone before the people with this big proposition, when there was no legal deposit made and no arrangement for the carrying out of the undertaking. What could Mr. Hays' statement have meant unless it was designed for election purposes ? Why was it stated that the deposit was made with the government and that the Grand Trunk Railway intended to proceed immediately with the construction of the road and the carrying out of the agreement made with the government ? There could have been no other object in view, because Mr. Hays knew that it would require the sanction of the shareholders and Sir Charles Rivers-Wilson stated that it not only required the sanction of the shareholders, but that an Act of Parliament was necessary to confirm and legalize the deposit. Therefore, my hon. friend the leader of the opposition was perfectly correct in placing the interpretation upon this proceeding that it could have no other meaning than that it was a sort of bogus arrangement made with the Grand Trunk Railway Company to carry out the arrangement. Mr. Hays, speaking upon the liability of the Grand Trunk Company, stated :

> The Grand Trunk Railway is not going to be called upon under its guarantees for one cent for eight years after this enterprise is started —after the construction of the line is commenced—the cost of the line during construction being added to capital and provided out of capital, and the securities which the Grand Trunk Railway will guarantee will not be issued for eight years——

Where are they to get the money in the meantime to proceed with the undertaking ? Is that to be furnished by the government ?

Mr. Hays continued :

> —and then after that eight years have rolled by, you have seven years yet on the mountain section, a part on which there seems to be some doubt. There can be not the slightest doubt as to what the returns will be from the prairie section, but on the mountain section you have seven years without any claim at all, three years after that only a claim on what is earned, making, therefore, before the mountain section becomes anything of a burden on the railway, eighteen years.

That is the liability of the Grand Trunk Railway Company in reference to the matter. In criticising the amendment proposed by my hon. friend the leader of the opposition, the hon. Minister of the Interior, referring to the extension of the Intercolonial Railway to Montreal, from Montreal to the Georgian Bay and if necessary to Winnipeg, and to the western section of the country, said that the evidence to be found in this House is that my hon. friend was bitterly opposed to the extension of the road to Montreal. My hon. friend never did anything of the kind. What he did oppose was a bad bargain which was made by the government with the Drummond County Railway Company and with the Grand Trunk Railway Company in order to get into the city of Montreal. He never opposed the extension of the Intercolonial Railway to Georgian Bay. The hon. minister stated also that my leader need not be opposed to the conditions made with the Grand Trunk Railway Company, because the General Railway Act makes provision in reference to the tolls and rates that are to be charged by all railways in the country, that the control of rates has

been given to the railway commission and that it would be useless to embody such a provision in the agreement made with the Grand Trunk Railway Company. But in the same breath he said that this government had acted differently on another occasion, that when they had the opportunity they made a bargain in reference to the Crow's Nest Pass railway, fixing the freight rates. If it were a work of supererogation in reference to the Grand Trunk Pacific, why embody this provision in the bargain with the Crow's Nest Railway Company? It is true that we have control over freight rates. It is true that we have the right to expropriate railways. We have the general power of confiscation, of taking them absolutely without remuneration. The parliament of Canada is invested with these powers, but we have never exercised them except on reasonable grounds. We could not take into consideration the $150,000,000 given by the government of Canada for the purpose of building this road and fixing the freight rates, nor could the commission do it. This is a gift from the people of Canada under the conditions embodied in the contract, and the fixing of rates and tolls must take into consideration, not the gift of the people of Canada of $150,000,000, but the actual value of the undertaking itself. Therefore, the condition as proposed by my hon. friend the leader of the opposition was a perfectly proper one to be embodied in this Bill. What are we doing? We are giving $150,000,000 for the purpose of completing this line. The parties who are the beneficiaries only give $15,000,000. We make no conditions as to freight rates or anything else. The hon. Minister of the Interior says that there is no necessity for it, that the board of railway commissioners, presided over by the best railway authority in Canada, will fix the rates nolens volens on the line of the Grand Trunk Railway. No necessity for embodying it in the contract? There is just as much necessity for embodying it in this contract as there was for embodying it in the contract for the construction of the Crow's Nest Railway. Then it is proposed to alter our position as to our security for the money that we advance on the prairie and western sections of the road. The reason given by the hon. Minister of the Interior, is that we want to allay the apprehension of the stockholders of the Grand Trunk Railway Company and show to the world the confidence of the people of this country in this undertaking. These are the reasons given by the hon. gentleman for changing the securities. They may be patent reasons. They may be reasons which influenced the government of this country, but fancy the parties to an arrangement of that kind, business men, asserting these as reasons for the purpose of modifying the security and giving to other securities an equality with them.

And we are told that this is done to allay the apprehension of the stockholders of the Grand Trunk Railway, and to show the confidence that the people of Canada have in the undertaking. Why, the $150,000,000 which the government is going to spend will complete this whole road, and if necessary, we can add the $15,000,000 which the Grand Trunk is going to put into it. Then, why should we not build the road ourselves and let the people of Canada become the owners? The Minister of the Interior has said: Oh, no; that won't do; our experience with the Intercolonial Railway is that we have to meet a deficit of $800,000 or $900,000 a year, and the deficit on a government-owned railway of the extent proposed here, would be perhaps ten times as great. Well, that is a reflection on his colleague's management of the Intercolonial Railway. I venture the statement here that if business men took hold of the Intercolonial Railway and charged the ordinary current rates charged by railways in other parts of the Dominion, there would be an annual surplus of a million and a quarter dollars from the Intercolonial Railway. I venture the opinion, and it is fortified by the results in European countries, that the government can manage the Intercolonial Railway as cheaply as a private corporation can, that employees could be got at as low rates because they have more confidence in a railway managed by the government; and, if the head of the department looks faithfully after his business, the supplies can be obtained even more cheaply than they can be obtained by a railway managed by a private corporation. Although I am perhaps not an advocate of government railways, yet I say that there is no reason whatever why the government should not build this road, and let it be owned by the people of the country, seeing that the people will have to pay practically the whole amount required for its construction. And, if in the course of a year or two the government find that they cannot manage the road successfully, then they can make arrangements with other companies who may manage it successfully. But why should we spend $150,000,000 without getting a single benefit in return, except what will accrue from the actual construction of the line? These are the plain, bald facts. You can build a railway cheaper from Montreal to Port Simpson than the amount you will expend on this road. From Montreal to Winnipeg it is 1,426 miles, and if you save 100 miles as you can, it will be 1,326 miles. Taking the estimate, which seems to be that decided upon by competent authority, of $165,000,000, which will be advanced by the people of the country, you can build the whole road from Montreal to the Pacific ocean, and then you will have it owned by the people of Canada. Let me point out that the leader of the opposition does not pledge himself to any expenditure, or to any undertaking

at all; he only draws the attention of the country to the fact, that if this government is going to spend $150,000,000, it can be spent to far better advantage than the government proposes. There are a hundred ways in which it can be more profitably expended. For $75,000,000 we can have twenty-foot navigation from Lake Superior to Quebec, and that would give us the control of the territory bordering on Lake Michigan, and which is now tributary to Chicago, Milwaukee and Cleveland. In addition to that, we would have the control of the transportation of our own produce from Manitoba and the Northwest Territories. With the remaining $75,000,000 we could build a railway from Montreal to Winnipeg, and have money to spare. My own idea is that nature has given us in Canada the command of the transportation facilities. I believe that time is the essence of an undertaking to insure that we should control transportation on the northern part of this continent. I believe that we should not wait until to-morrow, to-morrow and to-morrow. But I believe too, that the solution of the problem lies in the development of our waterways, supplemented by railways connecting with our great west. Does the Grand Trunk propose to carry a pound of wheat by rail from Winnipeg to Quebec? Does not Mr. Hays state to his shareholders: That the picking up of the freight in the west is controlled by the Canadian Northern Railway and the Canadian Pacific Railway, which take it to Port Arthur and direct it through channels foreign to the Grand Trunk? Does not he state further, that the Grand Trunk Railway want the gathering of this freight themselves so that they might carry it to Port Arthur, ship it to the Georgian Bay ports, and then carry it to the sea-board? Mr. Hays never contemplates such a wild scheme as the carrying of freight from Winnipeg to Quebec by rail, or what is worse still, from Winnipeg to Moncton and St. John. I do not believe that it can be done. Railroading has not arrived at such a state of perfection that even with the most favourable grades you can do it, and compete with the water routes. The Minister of the Interior has told us that during last summer wheat was carried from Port Arthur to Quebec for 3½ cents. What railroad can carry it at that rate? One quarter of a cent per ton is the minimum rate at which any railroad on this continent that earns anything can carry freight. The ordinary rate is half a cent per ton per mile. With these facts before you, think of carrying wheat from Winnipeg to Quebec for three and a half cents per bushel in competition with the water route, and you will see how ridiculous the idea is. It is well known that even in Germany and Russia, which are gridironed with railways, they are building canals for the purpose of cheapening freight rates. Think of the proposal to spend $100,000,000 to deepen the Erie canal, and you will have some idea of the importance that waterways play in the cheap transport of freight. Do you think that the Americans would spend $100,000,000 on the Erie canal if they could carry by rail as cheaply as they can by water? No. The solution of the transportation problem in this country is: railroads to the nearest point of the great water communication; larger canals; bigger ports; facilities at the ports; and a well-lighted channel from Montreal to Quebec. Perhaps I am dwelling too much on this question, but I have studied it all my life, as thoroughly as I could. If the present scheme is carried out as the right hon. leader of the government contemplates, with grades of 4-10 per cent form Winnipeg to Quebec, the expenditure will not be in the neighbourhood of $150,000,000, but will be nearer $200,000,000. I am taking the conservative estimate $150,000,000 as the expenditure of this country on the proposed undertaking; but I hope in the interests of my country that no such absurdity as the building of a road from Rivière du Loup to Moncton will ever be carried out. If that section of country requires a railroad, let it be built by the people of the province themselves, as is done in Ontario and elsewhere, supplemented by Dominion grants. If the country from Quebec to Winnipeg north of the height of land is such as it has been described by the right hon. gentleman and the missionaries who have travelled over it, as equal in fertility to the province of Quebec, let it be developed by colonization roads. If the country from Lake Nepigon to Winnipeg is, as the right hon. gentleman has described it, a beautiful fertile clay belt, which when opened up will be settled by a population equal in wealth and prosperity to the people of Ontario, the people of that province will open it up. I have had an opportunity of looking at the reports of the surveyors who were sent by the Ontario government to explore the country around Lake Nepigon, and to examine its agricultural, mineral and timber resources. There is a good deal of timber there, although it is not equal to the pine timber found near Lake Temiscamingue and Lake Temagami; minerals have also been found; but as for agricultural land, there is none at all. The country from Lake Nepigon to the prairies lying east of Winnipeg is exactly similar to the country lying between Port Arthur and Winnipeg. It is totally unfit for agricultural purposes. Providence sometimes provides that a country without agricultural land may have good timber or minerals or waterfalls or fisheries; but all these have to be developed. That section of country, as I described it before, in the words quoted by the Minister of Interior, consists of a mass of granite ridges separated from one another by muskegs. It is one of the most difficult countries in the world in which to build a railway. We have the experience of the Ontario government in

building in that section ; we have also the experience of the Dominion government in building around the north shore of the Lake of the Woods. These examples may indicate to us the character of the country. It may be in the interest of Canada, as well as in the interest of the Grand Trunk Railway, that a separate road should be built from Winnipeg to Lake Superior, and that a connection should be made with North Bay ; but surely that should be supplemented by the beneficiaries in the undertaking to a greater extent than is done in the scheme before us. If it is an undertaking from which there is the prospect of any return, let the parties who engage in it contribute something towards it. I have nothing to say against the prairie section ; nor have I anything against the Grand Trunk Railway. The Grand Trunk is a road of which the people of Canada are proud ; it is an excellent road, in first-class order. The shareholders of the company have had very little or no return from the people of this country, unless the holders of the preferential securities. The people of Canada would be justified in doing something to assist the Grand Trunk Company in sharing in what we believe are the brilliant and immense possibilities of Manitoba and the Northwest. If any corporation in Canada is entitled to a share in the benefits of that country, it is the Grand Trunk Railway Company. But let it be in reason. The people of Canada are contributing nearly the whole cost of the present undertaking. Whatever money the Grand Trunk Company are contributing they have first-class security for. They will never contribute one copper out of the pockets of the shareholders of the company. They only undertake a probable liability after a number of years of £100,000 sterling a year. For the expenditure which the people of Canada are making, we should surely have some more benefit than is possible under the arrangement proposed by the government. As I said before, that money expended in a hundred different ways would be of far greater benefit to the country. At this time it is madness, it is suicidal folly, for us to pledge the credit of the country to the extent of $150,000,000 more than it is pledged at present. There is no necessity for it. The Grand Trunk Company never contemplated it. They came to this government for the purpose of getting the ordinary subsidies given to railways for the purpose of extending their railway from North Bay to the Pacific coast, and the present scheme was foisted upon them by the government. The government took this position : if you wish to undertake a commercial enterprise in your own interest, we will not let you do it, unless you build a road to Quebec, and from Quebec to Moncton. I prophesy that the road from Quebec to Moncton will never be built with the money contemplated under the agreement. The Grand Trunk Company did not contemplate either that road or the road from North Bay to Quebec. They do not contemplate any such thing under their agreement. If they had contemplated it under their agreement why do they make the statement to the shareholders of the Grand Trunk Railway that the only subsidiary lines they will build are connections with Lake Superior and with North Bay. They carefully guard themselves with a provision that if the government of the country at any time takes over the eastern section they will have to take it over at a valuation taking into consideration the subsidy given by the Dominion government. Under these circumstances I am fully in accord with my leader. I am not here pledging myself to the support of government railways, but I say this, that the money of the country could be expended as proposed by the leader of the opposition in a more economical and better way and in a way that will do more for the betterment of this country than by the scheme which the hon. gentleman proposed to this House.

Mr. E. B. OSLER (West Toronto). Mr. Speaker, it strikes one as being rather an extraordinary position that when a body of business men, as we will assume that the men who govern this country are, present to the country a scheme involving an amount almost equal to the present national debt, the Prime Minister introduces this measure in a speech of less than an hour's duration and that the Minister of Railways, who is mainly interested and should be mainly responsible for this Act is afraid to speak or is not put up by the government. The Minister of the Interior (Mr. Sifton) is put up to make a speech in answer to that of the hon. leader of the opposition (Mr. R. L. Borden), and I am bound to say that no member on either side of this House will venture to assert that the Minister of the Interior answered one single point made by the leader of the opposition. The Minister of the Interior spoke at fair length ; on him had fallen the mantle of the Prime Minister. The Prime Minister last year ascended to airy flights that carried away his followers so that they enthusiastically endorsed a scheme which should have been endorsed not from airy flight of imagination but from business facts which were wanting. On this occasion the Prime Minister was evidently not equal to the task of sustaining the airy flights of last year. He laboured most painfully in trying to put his case before this House and he assumed, Sir, that the changes and the alterations submitted to this House were so trifling that it was almost unnecessary for the Prime Minister of this country or for any of his colleagues to explain them ; they were so plainly set forth that he who ran might read. I have no doubt that the Prime Minister was quite honest in his statement of the view he took, because I venture to say that he did not at all understand the meaning of the alter-

ations in this contract. The Minister of the Interior spoke at fair length ; he found that his platitudes in connection with the wonderful good that was to result to Canada from extending this line through an unknown country did not invoke enthusiasm from the back benches. He found, Sir, that he had to raise his voice, and the louder he raised his voice and the more vigorously he declaimed, with no refutation of the remarks of my leader, the greater became the applause on the benches behind him. No one can endorse this contract from a business point of view ; it can be endorsed only if the minister brings to it a sort of enthusiastic patriotism which sometimes leads people away into unknown regions, into quagmires and bogs, as the will-o-the-wisp leads those who follow it. My hon. friend the member for South Lanark (Mr. Haggart) apparently did not think it was worth while to answer some of the statements made by the Minister of the Interior. Perhaps he was right in ignoring them, but as I took notes of a few of the minister's statements I think I should not waste the energy I expended at that time. First he endeavoured to minimize the importance of the guarantee of the bonds by this government. He said that the Dominion bonds guaranteed to Mackenzie & Mann were sold at 90 cents on the dollar in London. I venture to dispute that statement, and to say it is not so. The bonds were not sold at 90 cents and cannot be sold at 90 cents to-day. I do not speak with authority but I have every reason to believe that it is a fact that a syndicate of bankers have advanced money on these bonds at 80 or 83 cents on the dollar and have a call on them for three years at 90 cents. Thus you see what idea the financial world has of the probable cheapening of money rates during the next three or four or five years during which Canada has committed herself to an obligation of fifty or sixty or seventy million dollars. Could Canada borrow $160,000,000 in five years in addition to the enormous borrowings that are going on in the world to-day. I venture to say that the rate of money in London and the money centres of the world will not fall below 4 per cent in the next five years. There is no indication of cheaper money. Mr. Speaker, if you had read the report of the commission which took over the great Water and Gas Works in the city of London which came in two or three months ago, you would have found that the money market was so bad that it would have caused a panic if that arrangement had been carried out, and that money had been raised by the corporation of the city of London whose credit I think even the Prime Minister will admit is equal to that of Canada. If the city of London had gone into the market to raise the money which they would have been obliged to do under the terms of the arbitration it would have demoralized the money markets of the world.

I say, therefore, we cannot, much as I regret it, look forward to having cheap money rates for the next five years, perhaps for a much longer period, and this government cannot look forward to financing a large transaction such as this at the rates that prevailed one, two or three years ago. The Minister of the Interior, seeking an excuse for the Grand Trunk Railway Company in backing out of this arrangement made the statement, if I understood him aright, that the Grand Trunk Pacific contract was a contract by a private company with this government, and, naturally they were not able to implement their contract because it depended upon the consent of the Grand Trunk Railway Company, thus intimating that the Grand Trunk Railway Company was not a party to the original transaction. If we turn to the speech of the president of the Grand Trunk Railway Company, what did we find ? Let me quote to you what that gentleman said to his shareholders at the meeting last month :

> Having arrived, then, at the conclusion that the best interests of the company necessitated some early measure in the direction that I have intimated,——

That is, getting into the Northwest.

> —we caused a Bill to be introduced into the Canadian parliament for securing a charter of incorporation for the creation of a company with an independent organization, but in close connection with and under the control of the Grand Trunk Company for the purpose of building a line of railway from a point of junction on the Grand Trunk line, passing through the most fertile districts of the Northwest and terminating at a port on the Pacific coast.

So, the president of the Grand Trunk Railway Company tells his shareholders that his company caused the Grand Trunk Pacific Bill to be introduced into this House. He said he was in negotiation with the government for it eighteen months ago. The Grand Trunk were at the back of the Bill. Through a dummy, the Grand Trunk Pacific Railway Company, they carried on negotiations with this government. That is the statement of the president of the Grand Trunk Railway Company to his shareholders, and I presume that it is correct. He says also :

> When I addressed them——

The shareholders,

> —in the month of April last year, it might reasonably be expected that such a scheme might be carried through without engaging in any way the credit of the shareholders of the Grand Trunk Company.

Now, Sir, I appeal to the Prime Minister, to the Minister of Finance and to every member of the government, if they did not, in the House last year, state that this scheme was backed by the Grand Trunk,

and that this country was to be committed to it because the Grand Trunk Railway Company was behind it, a company that was so wealthy and of such excellent credit that it could get any money it wanted in the markets of the world. Did they not insist upon it that the government incurred no responsibility, because it was not dealing with ordinary railway promoters, but was dealing with the old, substantial Grand Trunk corporation? To-day we have the Minister of the Interior telling us that when the government last year closed this bargain with the Grand Trunk Pacific Railway Company, they were negotiating with and closed a bargain with a company that had no backing, with a lot of fakirs who proposed to get the Grand Trunk Railway Company to endorse their scheme if it was in the interest of that company to do so. And now we have the Grand Trunk Railway Company saying that they will not endorse it. And we have the melancholy spectacle of the president of the Grand Trunk Railway Company telling his shareholders that he has caused to be called a special session of the Dominion parliament to ratify an agreement made, not by the government with a private company, but by a private company with the government of this Dominion. Is it not humiliating, Sir? And yet, the Prime Minister, in a speech of less than an hour, tells this House that the modifications in the agreement are so slight that it is hardly worth his while to make an explanation of them, and that the opposition must feel that these modifications are so much to the advantage of the country that he is quite sure no member of the opposition will object to them. But the Minister of the Interior made the most extraordinary statement, a statement that, I hope, will not be endorsed by his colleagues or by any section of the representatives of Canada. In dealing with the common stock of this company, which the government have now handed over to the tender mercies of the Grand Trunk Railway Company, to speculate in and to manipulate as they like, he stated that that had nothing to do with the obligations of this parliament. He said that if the government authorized a certain bond issue on a railway—and I suppose he means that the same would apply to any other company—the government are, in a measure, morally bound, in so far as in them lies, to see to it that that obligation is respected by the laws of the country. But, as regards the common stock of any company, though authorized by the government, and in this case forced upon the company that is going to control the road, as regards that common stock the government has no interest at all. The men who own it may hold it, and if things go wrong, why, the devil take the hindmost—this government will not help them. If the government authorizes the issue of $25,000,000 common stock, that common stock is an obligation on the undertaking. If it is honestly managed, if the company carries out its obligations properly, if it does not attempt to defraud the people, then, Sir, the common stock authorized to be issued by this parliament—in this case, I say, authorized wrongly without any value—but if the government authorizes this to be issued as water, then, I say, the government are responsible. And, when it comes to the point of controlling rates on the railway on which this government has authorized the issue of $25,000,000 of stock—water or gas—the people of this country are morally responsible to see that the men who buy that stock, so authorized to be issued by the government, are allowed to have a proper dividend in return. If that is not the case, let us have it published so that all the financial world may know it. Do not let us fake and fool people into investing in wild-cat securities. Let the government not make use of these people as a means of getting a capital from outside, but with the mental reservation that they will allow them to be wiped out if it suits the purposes of the manipulators. Don't do it, Mr. Speaker, it is going to discredit us. The speech of the Minister of the Interior on that point may do more to discredit Canadian enterprise than anything that has been done in this House for years.

The Minister of the Interior very skilfully avoided the eastern section of this road. That is the white elephant, that is the bogey that is to be suppressed. The Grand Trunk Railway Company have repudiated any obligation whatever in connection with the eastern section, they say they have nothing to do with it, and that they will have nothing to do with it. The president of the Grand Trunk, the general manager and all who spoke, avoided altogether any reference to the eastern section, barring a general reference to it in the president's speech. The Minister of the Interior very wisely said that after a road is built—and I am very glad he said it, because it simply backs up the statement I made last year, and which was jeered at by members of the government—that is only half the cost of it, that the next ten years afterwards it will require an expenditure equal to the original cost of the road. He applied that to the western section, and assumes that the Grand Trunk Railway Company will be obliged to spend a large sum of money on the western section after they acquire the road. That is right. But he did not apparently think at all of the eastern section, apparently that has gone out of the minds of all the ministers, because the same thing applies to the eastern section, and when the government have built the eastern section—if they ever do build it, and pray heaven they do not—if they ever build it, the original cost will be duplicated within ten years, and the government will undoubtedly have to pay interest on it. I say, there-

fore, that the Grand Trunk have no obligation in connection with the eastern section, and their president, in his speech, said directly that they have not.

Assuming that the eastern section is not built from North Bay to Quebec and Moncton, there is not a single clause or obligation in this agreement as to the Grand Trunk carrying freight except as they please. The original scheme of the Grand Trunk was to build their road from North Bay westward to Winnipeg, in order to get the business of the west—a good, sound business proposition. That was the scheme which they outlined, the president says it was their original scheme, and it was in a measure put aside by the government. Suppose the eastern section is not built for ten years, what will happen ? The whole of the trade of the Grand Trunk accumulated west of Winnipeg goes either to Port Arthur or to Duluth, goes across the lakes and comes down to Portland to increase and to enrich the harbour of our friends in the United States. I have read the reply of the Grand Trunk president made to Mr. Allen, one of the directors who resigned from the board because he said that the agreement appeared to him to force the Grand Trunk Company to send their freight over Canadian routes and to destroy the Portland terminals, upon which the Grand Trunk had spent so much money, which he thought would be a detriment to the Grand Trunk shareholders. The president, in reply to the letter of Mr. Allen, his late director, says in effect : I regret that Mr. Alllen is not here, because his letter was written in reference to the first agreement, but if he knew what the second agreement is that we have now got out of the government, he would know that his fears are vain, and that the Grand Trunk system, with all its expenditure in Portland, will not be affected by this agreement at all. Now, I do not believe, Mr. Speaker, that the Prime Minister or any of his colleagues are aware of what the Grand Trunk directors, their president and general manager, said at that meeting. The Minister of Finance, in reply to a quotation made by the leader of the opposition, wanted to know whether the quotation he made from a speech at that meeting had been printed. Well, I thought the Minister of Finance was not so simple as to suppose that everything printed was good and everything that was not printed was not good. Now, the Grand Trunk Company caused to be printed in the financial papers in London, in the 'Times,' and every other paper reporting their meeting, exactly what they wanted to be reported and what they thought would suit this country. They cut out every speech and every word that could be used against this contract, and the speeches which we have in the financial papers are garbled reports which do not give the true meaning of what was said there, and do not convey any correct impression of the results of that meeting.

The Minister of the Interior made a great point by saying that if this road was a success the government would be paid the interest. We are agreed on that point. Assume it will be a success, and let us all hope it will be. The government have gone into partnership with this company, and they are supplying the money. If there is a loss they pay for it, if it is a success they pay for that also, to a large extent. As the leader of the opposition said truly, if the government of this country are to put $150,000,000 or $160,000,000 into this enterprise, and it is a success, why should they hand it over to the partner, who only puts in $14,500,000, and let him get the whole profit, while, on the other hand, if it proves to be a failure, we bear all the loss. That is the position that has been taken.

The parliament of this country was summoned at the behest of the Grand Trunk Railway directorate, it was called at a date that would suit them, two days after it suited the Grand Trunk shareholders to have their meeting. The president and directors say in their speeches that the only serious business before the parliament of Canada at this session is the confirmation of the agreement which the Grand Trunk Railway Company has condescended to submit to the Canadian parliament for ratification. This country, represented as it is now, is no doubt going to confirm and ratify that agreement. The country is in the position of having put its destiny to this extent into the hands of—what shall we say ? I am afraid to say it, because the illustration that comes into my mind is one of those registering concerns in the bar-room. I do not like to use that illustration here, but this is simply a ratification which is to be registered by a certain number of ticks and keys which are to be applied on the board by the gentlemen behind at the instance of the hon. gentlemen in front.

Mr. BENNETT. No mouth organs.

Mr. OSLER. That is evident, because, as my hon. friend from East Simcoe (Mr. Bennett), says, there are no mouth organs in this business. I commend and highly compliment the government upon the decision they have arrived at, that none of their supporters are to get up and attempt to justify this bargain.

Some hon. members. Oh, oh.

Mr. OSLER. We hope they will change their minds, because the more this contract is attempted to be justified, the more its hideous colour will be disclosed. Let us take the contrast between the speech delivered by the right hon. Prime Minister this session and the speech which he delivered last year. Why his speech last year carried us all off our feet ! There was

one statement that the right hon gentleman made which was absolutely true. I would not like to say that there were any more that have so turned out in the light of subsequent events, but the right hon. Prime Minister stated with all the enthusiasm, fire and patriotism possible that time could not wait. Mr. Speaker, time has not waited, but this scheme has waited. It has waited six months, whereas, last year we were told that the whole fate of this nation hung upon whether we got, without any delay and without any regard to cost, this railway, to save us from the danger of bonding privileges being abrogated. To-day we have a statement from the hon. Prime Minister showing that from that day to this the only information which the government have as to the character of the road from North Bay to Quebec is a missionary report of 200 odd years ago. Could you get any contractor in this world to take a contract on the estimate of an enthusiastic explorer 200 years ago as to the character of the country? The hon. gentleman said that we have roses growing on the twenty something of June. We have roses growing almost to the Arctic circle the moment the sun comes out. You can go 400 miles north of where this railway is projected, and on the 21st of June, or the 1st of July, you will find roses growing. But, this is no argument to commit the country to an expenditure of $150,000,000 for a railway. I have a report which was given to me to-day by Professor Macoun on a part of the district which this railway is to run through. I am sorry as a Canadian that that report has to be what it is. I have also a report given to me by a man whom I sent up to that country twelve years ago, a man in whose judgment every hon. member who comes from the Northwest will repose the greatest confidence, whose opinion will be endorsed and whose conclusions will be accepted without hesitation. I refer to Mr. R. F. Dodds. He reported as Professor Macoun has reported in regard to that country. I do not want to belittle the country. We have a rich enough country to make us one of the greatest nations on the earth, but we do not want to throw away money experimenting with sections of the country about which we know nothing.

What is the history of the change in this contract? Last year the government fell in love with it. I wish I could describe the scene in the 'Midsummer Night's Dream' which aptly illustrates the course of the right hon. Prime Minister. The mischief Puck gets the distillation from the flower that is called 'Love lies bleeding' and he puts it into the eyes of the sleeping, romantic beauty, the effect of the drug being that she must fall desperately in love with the first creature, man or beast, which meets her gaze upon opening her eyes. We know what happened. By a mischance Bottom, the weaver, with his donkey's ears, lies down beside her to rest, and she, opening her eyes in the morning, falls desperately in love with Bottom the weaver. I have thought, that, Mr. Hays, in the guise of Puck, found our Canadian representative sleeping, dropped this distilled liquor from 'Love lies bleeding' into his eyes and put the Grand Trunk scheme beside him so that it should be the first thing he should see when waking; he awoke, saw this scheme and fell in love with it desperately. Let us pray heaven that before it is too late the antidote that Puck applied to the eyes of the love-sick maiden may be applied to the eyes of the right hon. Prime Minister before he dowers with the good gold money of this country this Grand Trunk Pacific scheme to the extent of $150,000,000.

It is interesting to see with what sympathetic words the president of the Grand Trunk Railway sent his greetings to the right hon. Prime Minister as to the cruel position that the opposition took against this pet scheme of his. He also had his troubles with his board of shareholders and could not get them into line. But, he got them into line, not on the old contract, bad as it was for this country and good as it was for the Grand Trunk Railway Company, but he got them into line by obliterating from the contract every obligation on the part of the Grand Trunk Railway Company. I can well understand with what pleasant cheerful little chuckles he sent his sympathy to the right hon. Prime Minister in his trouble with the opposition. I have referred to the fact that the government have made no attempt to get surveys of this line, no matter how important it is. It is important. The government are going to commit themselves to this enterprise. They are to be censured because for six months after parliament has confirmed this agreement they have taken no steps to obtain any information as to the character of the land from North Bay to the eastward. Let us give a little explanation of that. The hon. Minister of the Interior produced with great gusto, as if he were producing something that was absolutely convincing, a report from Mr. James White—I suppose an engineer—

Mr. BARKER. A geographer.

Mr. OSLER. A geographer is a poor man to send on a railway surveying expedition. I do not think it is worth referring to if it comes from a geographer. But anyway, that report refers to the country from North Bay to Winnipeg only. There is not a word in that report as to the country from North Bay to Quebec, and the section from North Bay to Quebec is the section that the Grand Trunk Railway Company repudiates absolutely. The section from North Bay to Winnipeg is the section that the Grand Trunk Railway Company had decided to build themselves under the

ordinary subsidy which they would get from the government.

Now, I do not think that the government have any idea of what was done at the recent meeting of the Grand Trunk shareholders in London. We have had very strong statements made by the Minister of the Interior, to the effect that it is not what the Grand Trunk people said, but it is what the agreement will be that will govern. Let me tell the House what the president of the Grand Trunk Railway Company stated to a meeting of his shareholders, and let me point out also that what the president and directors state to the meeting of their shareholders, is what the Grand Trunk Railway Company is committed to. If the directors should commit the shareholders of the Grand Trunk Railway Company to a single obligation other than is laid before the shareholders, they are liable not only civilly but criminally as well. Let me remind hon. gentlemen that the criminal law of England has lately been enforced in that respect in the Whitaker Wright case and in other cases in which company directors have been called to account. It is not a question of an ordinary action but it is a criminal action as well. If Sir Rivers-Wilson made a misleading statement to the shareholders of his company, as to the extent of the liability they assumed by this contract, then Sir Rivers-Wilson and every director of them is liable to criminal prosecution, and they would be prosecuted criminally and justice would be done. Therefore, it does not lie with the Minister of the Interior or any other minister, to say that the statement made officially at the Grand Trunk meeting is not to be accepted as the meaning which the Grand Trunk directors place on this contract. I do not believe that the government thought it worth while to obtain a verbatim report of the proceedings of the recent meeting of the Grand Trunk Company; if they did I do not think the Minister of the Interior would make the speech he made to-day. At that meeting Sir Rivers-Wilson said:

> This has occupied the continuous and most anxious attention of your directors for the last eighteen months.

And yet the Minister of the Interior told us to-day, that the Grand Trunk Company had nothing to do with the Grand Trunk Pacific Railway charter; that that was obtained as an independent charter. But we see here that the terms and the conditions of it could not be carried out until it was submitted to the Grand Trunk Company. Contrast the speeches made last year by hon. gentlemen opposite, with the statement of Sir Rivers-Wilson, and look at what a humiliating position these gentlemen are in now. Sir Rivers-Wilson said:

> No time is to be lost if we are to avail ourselves of the present opportunity. We caused a Bill to be introduced——

That is the Grand Trunk Railway caused a Bill to be introduced.

> We caused a Bill to be introduced into the Canadian parliament for securing a charter of incorporation for the creation of a company with an independent organization, but in close connection with and under the control of the Grand Trunk Railway Company, for the purpose of building a line of railway from a point of junction at or on the Grand Trunk line, passing through the most fertile districts of the Northwest and terminating at a port on the Pacific coast. Under the natural impression that a scheme of this nature would commend itself to the approval, and would obtain the support and encouragement of the government and parliament of Canada, so liberally accorded to other railway enterprises. I ventured to suggest to the shareholders, when I addressed them in the month of April last year, that it might reasonably be expected that such a scheme must be carried through without in any way engaging the credit of the Grand Trunk Company shareholders.

Now, Mr. Prime Minister, what have you to say to the statement that I think was made by yourself and by every member of the government, that the Grand Trunk was behind your scheme body and bones.

Mr. BENNETT. Of it and in it.

Mr. OSLER. Yes, of it and in it. The president of the Grand Trunk Company in addressing the shareholders last month states, that that scheme which he negotiated with this government, according to his idea, did not commit the credit of the Grand Trunk shareholders to one dollar.

Sir WILLIAM MULOCK. That is not what the hon. gentleman (Mr. Osler) read. Sir Rivers-Wilson says that when he introduced it it was of that character.

Mr. OSLER. Exactly; he refers to the scheme that was carried through last year.

Sir WILLIAM MULOCK. No.

Mr. OSLER. Yes, I will read it again.

> When I addressed them in the month of April last year it must reasonably be expected that such a scheme must be carried through without engaging in any way——

Sir WILLIAM MULOCK. Yes.

Mr. OSLER. Surely 'in any way' means that it would not engage their credit to even the extent of one dollar.

Sir WILLIAM MULOCK. Does the hon. gentleman (Mr. Osler) draw any distinction between Sir Rivers-Wilson's statement of the case in the month of April, 1903, and the Act passed by this parliament towards the close of the year 1903, creating the contract?

Mr. OSLER. Let me read on.

> Such was my conviction at the time. (A voice: I hope it is so now). Such was my conviction at the time founded upon resonable data, and in view of the proceedings to which I have

alluded, I must confess that when I made that suggestion I appear to have been somewhat over sanguine.

Sir WILLIAM MULOCK. Hear, hear.

Mr. OSLER. That was after he had his negotiations with the government. He does not say that the governement objected to that at all ; he does not say that the government wanted to impose the obligation of a dollar on the Grand Trunk shareholders ; but he says :

I appear to have been somewhat sanguine, not sufficiently considering, perhaps, the weight of political opposition which the scheme was destined to encounter.

He was not considering that the opposition——

Sir WILLIAM MULOCK. Not 'the' opposition—political opposition.

Mr. OSLER. Political opposition is the opposition in this House, and if it had not been for the Conservative opposition, you might have opened the treasury doors to Mr. Hays and the president of the Grand Trunk, and every one of the ministers would have apparently gone down on their knees and said : Please gentlemen if there is anything more that you have not got, take it, and we will endorse your note for anything else you may require. But the Conservative opposition checkmated the Grand Trunk president's idea that he was going to get this big plum without one shilling of liability, and he had to go back to his shareholders and say :

It has been accordingly found impossible to carry the measure through the Canadian parliament without imposing some limited obligation on the Grand Trunk Company ; not by any means however as I think I shall satisfy you——

Mr. ALEXANDER JOHNSTON. Have you got any more of the books from which you are reading ?

Mr. OSLER. Yes, I shall be glad to supply the members of the government with a verbatim report of the meeting of the shareholders of the Grand Trunk, and I think it will do them good. They apparently are ignorant of the scheme they are endorsing and committing this country to.

Our original idea was to build from a point on the Grand Trunk Railway to the Pacific coast. The intention was that the point of junction should be at or in the neighbourhood of North Bay. It was made, however, by the government a condition of the grant of the charter of the Grand Trunk Pacific Company that the line should be extended eastward from North Bay to Quebec into the city of Moncton, in New Brunswick. . . . As a result, however, of the negotiations with the government, another Bill was introduced by the government itself for ensuring the construction of the contemplated line from New Brunswick to the Pacific in joint partnership between the government and the Grand Trunk Pacific Company.

Now, this is a fine kind of partnership The government say they are going into partnership with the Grand Trunk Company, and the Grand Trunk Company say they are going into partnership with the government. I remember when a boy being told of all sorts of people who wanted to go into partnership. A man comes to you and wants to go into partnership with you, he having the experience and you the money. In a short time you will have the experience and he the money. This is a scheme in which the man of experience has touched the man, simple as he is, with the money ; and if it is carried out, the man of experience will have the money, and God help us, the country will have the experience.

An agreement under which this line would be constructed and worked was embodied in the government Bill, and it is the first of the two agreements which are submitted to you to-day, so far as they affect the interests of the Grand Trunk Company.

Then comes the pathetic part of it :

I think it only due to Sir Wilfrid Laurier to express my appreciation of his patriotic and statesmanlike conduct of this great measure through parliament.

That was the claim put forward in this House for this scheme that it was patriotic, and it is said that it was by the right hon. gentleman's patriotism, patience and ability that he was able evxentually to carry the measure.

His leading object was to secure additional facilities for enabling the growing population of the Northwest to bring the products of the western prairies to the eastern sea-board.

By means of this partnership, supported not by the Grand Trunk, but by the Grand Trunk Pacific.

The directors had been in consultation, through their general manager——

This is rather a contradiction of the statement of the Minister of the Interior——

—with the government throughout the lengthened discussion of these measures, and we are bound to acknowledge the fairness with which we were met by Sir Wilfrid Laurier and his colleagues in their endeavour to meet the views of the board so far as they could do so conformably with their own views, of which they were very tenacious, and having regard to the great pressure brought to bear upon them by the opposition. And here, I must say, that if these negotiations reach, as I think and as I hope you will agree with me in thinking, a most successful issue, it has been mainly owing to the efforts and great ability shown by our general manager, Mr. Hays.

Now, if you will only remember the attitude of Mr. Hays in connection with the Grand Trunk Pacific Bill before the Railway Committee, you will recollect that he promised, definitely and absolutely, on behalf of the Grand Trunk Company, to carry out any scheme that was asked for by any member of the committee.

Negotiations were accordingly resumed, and the result is embodied in the second or supplemental agreement which is now in your hands, and which read together with the first agreement we now submit for your approval. Should it receive that approval—as I do not doubt will be the case—it will be brought before the parliament of Canada—which has been specially summoned to meet on the 10th March, the day after to-morrow—for consideration and, I hope, confirmation.

Now, is it not a humiliating thing, Mr. Speaker, that the president of a private corporation is able to state to his shareholders that the parliament of Canada has been specially summoned at the behest of that private corporation to approve of a Bill in its interest? Is it not humiliating that the first we heard of this Bill was from London through the directors of the Grand Trunk Railway Company?

I may here remark that the Act, in virtue of which the government construct the road as far west as Winnipeg, relieves the Grand Trunk Pacific Company from the necessity originally contemplated of building that portion of the line from North Bay to Winnipeg.

That is a nice concession. It relieves the Grand Trunk Company from the necessity of building the line which they had determined to build from North Bay to Winnipeg, a distance of 1,000 miles. With reference to the western division, the president says:

Passing as it will do through the most fertile and most promising belt of country in the whole of the Northwest Territories, there cannot be the slightest doubt that this portion of the road, built, as I have said, under such favourable and economical conditions, will immediately produce excellent results, and will by itself more than justify the adoption of the scheme in its entirety. . . . The financial conditions under which the mountain section will be constructed are that the Canadian government guarantee 3 per cent interest on the bonds to be issued to the extent of 75 per cent of the cost of construction. . . . Assuming that the western division should not be completed until the expiration of the full period of eight years allowed by the agreement, for a term of eighteen years from now, no claim will arise against the Grand Trunk Pacific Company in respect of three-fourths of the cost of construction. . . . As you will have gathered from my preceding remarks, neither in respect of the lease of the eastern division or any of the sections, nor in respect of the working of the mountain section of the western division will any charge for rent in the one case, or, in the other case, for interest on three-quarters of the cost of construction be imposed upon the Grand Trunk Pacific Company for a period of ten years after completion.

That is, eighteen years from the date of the agreement. The deposit the president thinks was a useless thing, and I think so too. He goes on to say—and this is a contradiction of the statement made by the government last year that this scheme was introduced in its entirety, full and complete, and that they had the Grand Trunk Company bound to carry it out. He says:

It must have been obvious that the Grand Trunk Pacific Company, which had not even been organized, was not in a position, within the limited period exacted, to make the deposit, and the Grand Trunk Company, of course, was unable to afford assistance without first obtaining the sanction of its shareholders, for which a certain time was required.

That can mean only one of two things, either that the government was absolutely and entirely in ignorance of what they were doing or else that they were deliberately humbugging this House. The Grand Trunk president says that it must be obvious to every one that the Grand Trunk Pacific Company having no credit, no capital, no organization, was unable to furnish the million pounds deposit required, in the time, and that the Grand Trunk would not supply it for them because they had not been authorized by the shareholders to do so. That was the position which the opposition took and is it not humiliating now to be told by the Grand Trunk president that he fooled this country through the present government. The president goes on to say:

The obligation proposed to be assumed by the Grand Trunk Company is, as I have explained, limited to a guarantee of bonds representing one fourth of the cost of constructing the western division, with the reservation that in respect to the prairie section—inasmuch as the government guarantee is limited to $13,000 per mile—the company's guarantee may somewhat exceed the one-fourth proportion. Assuming therefore the cost of construction on the prairie section, over a distance of one thousand miles, to be at the rate of $20,000 per mile, the amount to be guaranteed by the company will be of bonds at the rate of $7,000 per mile, and in the whole $7,000,000 or £1,400,000. Interest on this amount at 4 per cent during the period of construction may be taken at £168,000, making a total principal to be guaranteed of £1,568,000 representing an annual interest of £62,720. Assuming again the cost of building of 500 miles on the mountain section to be $50,000 a mile or $25,000,000, that is to say £5,000,000 in all the one-fourth amount of bonds to be guaranteed by the company will be £1,250,000 or adding interest during construction, say, £150,000, a total of £1,400,000 carrying interest at the rate of £56,000 a year. If you have followed the figures which I have just mentioned, you will find that the result shows an amount of principal bonds guaranteed in respect of both sections of £2,968,000, and of annual interest of £118,720, but even this interest liability, comparatively small as it is, need not accrue until the expiration of eight years—the period allowed for construction—the interest on cost during construction being provided for out of capital. This then constitutes the responsibility of the Grand Trunk Company.

Now, Mr. Speaker, the president of the Grand Trunk Railway Company at the meeting of the Grand Trunk shareholders has pledged himself and his colleagues that the obligations he enters into with this government in connection with this railway shall not impose on the Grand Trunk Railway an obligation exceeding £118,720 a year. The government may think that the

agreement reads differently but I tell them that if that is not what they understand and are willing to agree to, then the second agreement is waste paper and that the president of the Grand Trunk Railway Company is not authorized to sign any agreement with this government which will impose upon the Grand Trunk Railway Company, directly or indirectly for any time an obligation greater than £118,720 a year.

I quite believe that the government did not understand this, in fact I believe they did not, but if they will read the statement of the president of the Grand Trunk Railway Company, whether it is that he is wrong in his estimate and has misunderstood the contract between the company and the government or not they will find that he has not taken a full idea of his responsibilities. Having made that statement and having had the shareholders of his company approve that agreement upon his assurance—and you must recollect, Sir, that it was against an enormously strong opposition of the Grand Trunk shareholders that it was passed—that the obligation of the company should not exceed £118,720, I say that the Grand Trunk president or directors will never sign an agreement which will commit them to a sum more than the amount that has been stated until a meeting of shareholders shall have approved of it. The president goes on :

> This then constitutes the responsibility of the Grand Trunk Company and I hope that this statement will allay the apprehensions which have been already expressed by a few critics who may not have sufficiently studied or accurately understood the provisions of the agreements.

He goes on to say that he considers this agreement a measure of necessity as affording an opportunity which if neglected will never occur again. Here is the president of the company saying that an opportunity is presented which is so vital to the interests of the company that it will never occur again, and yet he comes to the government and obtains modifications to the agreement so great as to relieve him practically from all responsibility. He apologizes for calling his shareholders together, but he does it so that he may accommodate this parliament. He goes on to say :

> The government of Canada has come to a provisional arrangement, subject to your approval, with the board. If you say 'no', there is very little doubt that there are many others ready to avail themselves of the opportunity.

That does not seem to say that the bargain, easy as it was last year, was so hard that they had to modify it to the extent they have done. He goes on to say in further discussion.

> We believe that so far as the prairie section is concerned, in laying this scheme before you, we are speaking of a certainty that, from the time the line is accomplished, from the earliest time, it will produce a very considerable revenue, and that with the rapid settlement of the country, which will follow the establishment of the line within a very few years, it will be a very profitable line.

Now that prairie section has been subsidized by this government to an extent originally of $13,000 a mile in bonds at 3 per cent which has been implemented by a bond guarantee which produces that amount in cash. I wonder if it ever entered into the minds of the government when they were giving away all these concessions that when they gave to a private corporation practically consisting of two men, Messrs. Mackenzie & Mann, the same subsidy of $13,000 a mile of government bonds bearing 3 per cent interest and no more for 720 miles of railway through the prairie section, almost paralleling this line through a country neither more difficult nor more easy to build through than the route of the proposed road that they took as security from Messrs. Mackenzie & Mann, a private corporation, a first mortgage on the 720 miles, and in addition they took a second mortgage upon the whole of the Mackenzie & Mann railway running from Winnipeg to Port Arthur, the most valuable connection, as security for this $13,000 a mile. These two private individuals mark you, Mr. Speaker, have been able in the face of the difficult money market that the Finance Minister pleads as an excuse, to go to London according to the statement of the Minister of the Interior (Hon. Mr. Sifton) and have been able to finance on this $13,000 a mile, at 3 per cent, the money to build that 720 miles of road which is just as difficult to build as the Grand Trunk Pacific Railway. And they have given a first mortgage on that section of the road and a second mortgage on all their lines from Winnipeg to Georgian Bay. Yet the government are giving to this great corporation the Grand Trunk Railway Company, not $13,000 a mile guaranteed at 3 per cent, but the value of the money at $13,000 a mile to carry out a similar work. If I represented the government, I would be ashamed to negotiate with men representing a big corporation who were not able to finance such a scheme on as favourable terms as those secured by a couple of Canadians in private life. I say that words cannot be found strong enough to condemn the government for their utter want of business capacity in the transaction with regard to this section over the prairies. The cost of this prairie section of Messrs. Mackenzie & Mann, according to Mr. Blair, is to be $16,000 or $17,000 per mile. He says that the road is to be a first-class standard road in every respect, and further that Messrs. Mackenzie & Mann pay the interest on these bonds at three per cent from the date when they are endorsed by this government. The grade is to be 26 in the mile, and the quality is to be very superior in

every respect. I do not know that I quite approve 'very superior' as applied to a railway, but these are the words of the ex-minister. Now, Lord Welby, a director of the Grand Trunk Railway Company says, 'We have driven'—mark the words—'We have driven the Canadian government into becoming absolute partners with us in the expenditure on that mountain section. That means that we have made their interests one with ours. We are, therefore, sure of hearty co-operation in any reasonable proposition.'

Now, let me commend to the consideration of the Prime Minister and his followers what the leader of the opposition suggested—that if this government are going into a partnership and supplying nine-tenths of the money to build these properties, the other partner supplying one-tenth, but the government taking the whole risk if it is a failure, while the party who supplies one-tenth of the money is to get the whole profit if it is a success, will not the country say: Let the government spend the other $14,500,000 and own the whole thing? Not a doubt of it. And it is not very nice wording that the director of the Grand Trunk uses when he says: 'We have driven the Canadian government into becoming absolute partners with us.' Now, let me commend to you the statement of Mr. Allen, the retiring director of the Grand Trunk Railway Company, read by his son at the meeting of the Grand Trunk shareholders. He gives his reasons why he believes that the Grand Trunk are committing themselves too far. He assumes that the company are committing themselves to pay the interest on the eastern section, which is his bugbear. He gives certain figures, and makes this statement:

Now, what is there to pay this? In an official memorandum, I read that the 500 miles—Quebec to North Bay—'is probably premature.'

Let us take that statement in connection with the memorandum from Mr. White, read by the Minister of the Interior, eulogizing the road from North Bay to Winnipeg. We see that the Grand Trunk Railway Company are absolutely convinced, whether rightly or wrongly that the section from North Bay eastward is not to be built. I think they are right in that. I have information which I had hoped to have with me to-night from official authority, information which I believe to be correct, that the difficulties of the hundred or two hundred miles east of North Bay are so great that there is almost no amount of money that this government would put up that would build a road with the grades and curvatures that would in any way serve what the government has in view. That, I think is borne out by the fact that the Grand Trunk have had surveyors all through the country. I met one of the surveyors in Fort William in December last. One man told me that he came out, because the country was so bad, it was an almost impossible country for railway construction. I believe that these surveyors have reports on that country and that the government have said: Do not give us these reports, they are so bad.

Sir WILFRID LAURIER. I deny it.

Mr. OSLER. I appeal to the Prime Minister, if it is not so how can he inform this House that he has allowed six months to go by and now comes here and tells us that the government have no more information with regard to that country than they had when we left here six months ago?

Sir WILFRID LAURIER. I deny the statement of the hon. gentleman absolutely in every particular.

Mr. OSLER. What statement?

Sir WILFRID LAURIER. The statement just made by the hon. gentleman that the Grand Trunk had reports of surveys so bad that we would not let them put those reports in. They have not had the section east of Abitibi surveyed yet and we have no reports from them.

Mr. OSLER. Of course, I accept the statement of the hon. gentleman. But as a business man I cannot understand how he can make such a statement. Last year we were assured that this was an all-important matter, a matter that could not wait, and now the Prime Minister tells us that they have not taken the first steps to ascertain whether the country is good or bad. That is not business. I think it quite justifies the opposition and the country in drawing the inference—in fact, it is the only possible inference—that the government have no intention of building that road. There is no excuse that can be valid as coming from a government that took the position this government did six months ago in regard to this railway. Instead of coming down with any new information, they say: We give you the account of that country by an enthusiastic missionary, two hundred years ago, and we are going to build a railway on his report.

I do not often talk long, but I have a text here that I could speak on for two or three days—but I am not going to. I want now to take up a question that was so eloquently handled by the Minister of the Interior, the question of the rolling stock. He made a statement here this evening in connection with the rolling stock, and the statement he made, with all earnestness and apparently in all sincerity, gives me a key to understand the reason of this scheme. It means that the men who have gone into this scheme are totally ignorant of what it involves. Now the Grand Trunk general manager states distinctly that the $15,000,000 of rolling stock contracted for is to be supplied by a rolling stock trust. The Minister of the

Interior, and I think the Minister of Justice, scouted the idea that they could put in $15,000,000 worth of rolling stock and that it would not belong to the railway company. Now let me tell you that this Grand Trunk Pacific have arranged, or are arranging, to supply this $15,000,000 of rolling stock through a rolling stock trust company, which leases that rolling stock to the railway company. If they gave it to the railway company and it became their property, and the railway company gave their obligation for it, then the position taken by the Minister of the Interior and by the Minister of Justice would be correct. It would not be good security as against the bondholders. That rolling stock is leased, not sold but leased to the railway company, and on every car and on every engine so leased there is a plate: This car is the property of this or that rolling stock company, or of this or that trust company. The railway company as a rule pays 20 per cent down to the company that leases them that rolling stock. They buy it as a man buys property in instalments. The property remains the property of the men who built it and leased it to the company. Month by month as a rule, during periods running from five to fifteen years, the railway company pays those instalments to the owners, and at the end of the period when all is paid for, the rolling stock becomes the property of the railway company. But until that is paid the railway company does not own the stock, the bondholders of the company do not own it and have no lien upon it until it is paid, for the owners of that rolling stock—all earmarked, mind you, not to the Grand Trunk eastern division, but to the men who supply the rolling stock—lease it to the railway company, and when it is all paid, a deed is given on the last payment. Now let me tell you that the courts in the United States and the courts in England have held that the payments under a rolling stock lease, under those conditions, form a part of the working expenses of the railway, unless the railway has rolling stock in excess of the requirements of the operation of the road. That is quite right and proper, because if you take the rolling stock away from the road the road is able to earn so much less. It is like taking away the tools from a mechanic, he cannot make his living and pay his debts.

Mr. WADE. Would the hon. gentleman allow me to ask him in what case that was so decided ?

Mr. OSLER. I will leave that to my hon. friend in front of me to answer.

Mr. WADE. Just give me the case in which that decision was made.

Mr. OSLER. I have been connected with a rolling stock company for 25 years, a company that I formed in connection with the late Frederick W. Cumberland, the old manager of the Northern Railway, and some other friends. I found that he, along with those who were interested in the old Grey and Bruce Railway, borrowed money from an American rolling stock company, and from the Bristol Wagon Company, on terms which involved a payment of from 16 per cent to 20 per cent interest. Sir George Stephen, now Lord Mount Stephen, was interested in the Credit Valley Railway when it was taken over by the Grey and Bruce Railway. He looked into this business, as the clean business man that he was, and he said : This is rubbish, we are not going to pay 16 per cent. The result was that rolling stock was loaned at 6 per cent, and now it has gone down to 5 per cent. Every railway company in the States, the New York Central, the Pennsylvania Company, the Baltimore and Ohio, all of them have railway trust companies in connection with their roads, and quite properly so. A railway company that wants $5,000,000 of rolling stock to-day, may not be able to take it out of earnings, and they have no means of borrowing on their bonds, and so they issue rolling stock bonds, which have the highest credit, food for almost any security that is issued, selling at 4 per cent to-day on ordinary railways when their own bonds are worth less. I have looked into that. We have the opinion of the ablest lawyers, among them my hon. friend here who is a lawyer. The title to these bonds has been examined by almost every English insurance company in Canada. The English insurance companies are the holders of most of these rolling stock bonds issued by the rolling stock company which I represent, also those issued by the rolling stock company which the Canadian Northern Railway have organized in the same way, under which a portion of their rolling stock has been supplied, under the same terms as this Grand Trunk Pacific Railway Company are arranging for these $15,000,000 of bonds. Every car that is put on to that road will be marked as the property of some trust company, it may be a private company. The trust company lending money here 30 years ago was what was called the Bristol Wagon Company, which was represented by a young Englishman who lived in New York in the 70's when I met him. He has now retired and is living in Toronto, and happens to be a friend of mine. My introduction to him in the late 60's or early 70's was the occasion of my becoming familiar with this class of stocks. There is no big insurance company in this country, no English company having an agency here that does not own these bonds, and you will find they will tell you that the payment by the railway company on a lease of that kind is a part of the working expenses of the railway company. Now that being the case, this $15,000,000 being a security, the payments to be made out of the earnings of the road for ten years, I think, will nearly absorb 3 per cent interest

on the whole capital, postponing the interest paid to the government if it does not turn out properly. The president of the Grand Trunk Company, in answer to a charge made by one of his shareholders that the company were assuming responsibility that was very large, answered :

As regards the five millions for rolling stock, it is not five millions—it is estimated at three millions. With that the Grand Trunk has nothing to do. That rolling stock will be provided by the Grand Trunk Pacific Company, and, as the general manager will tell you, they have laid their plans for providing that rolling stock by a trust fund.

Now, Mr. Speaker, I am not going to imply that the government of this country controls that rolling stock, but I am going to say distinctly and positively, and it cannot be contradicted, that the Grand Trunk Railway Company are not in a position, under the authority of their shareholders, to come under obligation for one dollar in connection with that rolling stock. It may be that the government understanding is quite as distinct. But it may not be carried out by the Grand Trunk as the right hon. Prime Minister and his colleagues believe.

Therefore, you may wipe it out and call it four millions. And as regards the one million deposit, that deposit will not cost you one single halfpenny. Therefore, the liability comes back to the sum which I have just mentioned—namely, about three millions, and I have stated distinctly and clearly that that is what we estimate the liability of the Grand Trunk to be—eventually a possibility of three millions of capital and, under any circumstances——

These are not ambiguous words. These are absolute statements for the shareholders of the Grand Trunk and which the shareholders have approved of——

Not more than £118,000 of interest per year.

There is an absolute ignoring on the part of the Grand Trunk Railway Company of any liability, or any possibility of the road being built east of North Bay and from North Bay to Winnipeg which the Grand Trunk Railway were prepared to build off their own bat with the ordinary subsidy given by the government. Now, to show that this has not been a matter that has been sprung upon the Grand Trunk Railway, and that it has not been a matter that the government have not been in full knowledge of, he goes on to say :

The company have been in negotiations for 18 months in connection with this scheme.

He goes on to state that the grain is brought from ports on Lake Superior to ports of the Georgian Bay, such as Midland, where the Grand Trunk Railway Company have their elevator and that they got last year about 25,000,000 bushels of grain. This grain came to them in what way ?—not by railway over the north shore of Lake Superior, but by water. That is the trade they want to get delivered to them on the Port Arthur side of Lake Superior, carried across by water and then delivered to their railway in the province of Ontario. That is the object that they have in view in this scheme. Then, Mr. Hays goes on to reiterate :

The Grand Trunk Railway is not going to be called upon under its guarantees, for one cent for eight years after this enterprise is started—after the construction of the line is commenced, —the cost of the line during construction being added to capital and provided out of capital, and the securities which the Grand Trunk Railway will guarantee will not be issued for eight years, and then after that eight years have rolled by, you have seven years yet on the mountain section, a part on which there seems to be some doubt. There can not be the slightest doubt as to what the returns will be from the prairie section, but on the mountain section you have seven years without any claim at all, three years after that only a claim on what is earned, making, therefore, before the mountain section becomes anything of a burden on the railway, eighteen years.

Well, now, Mr. Speaker, eighteen years is a good long time to have a railway built free. Let us assume for the sake of argument that the government build the road as they propose from Winnipeg eastward to Quebec and Moncton. I will take the figures that are given by the president of the Grand Trunk Railway in his report to his shareholders and which are the lowest figures I have seen yet. He gives the cost of the section from Winnipeg to Moncton as $76,000,000, from Winnipeg to the mountains as $20,000,000 and from the mountains to the Pacific as $25,000,000. My hon. friend the Minister of Finance (Mr. Fielding), I think, will agree with me, that these figures are away below the actual liability of the country. Under the present agreement with the Grand Trunk Railway Company and the Grand Trunk Pacific Railway Company the interest on $76,000,000 at three and a half per cent—and that I think is a low rate to calculate upon—will be $4,245,000 a year. That is what the government would have to pay if the undertaking goes into default. If it is a success the Grand Trunk will have to pay £118,700 a year, or $577,000. That leaves the government to pay, if it is a success, $3,658,000 on interest expenses. If the bonds have to be issued at four per cent the total will be $4,840,000, of which the Grand Trunk proportion will be $577,000 and Canada's proportion $4,263,000. If it is a success for the risk of $577,000 the Grand Trunk Pacific get the whole profit of the enterprise which Canada is liable for to the extent of $4,200,000 odd a year. The partnership is a partnership all on one side, heads I win, tails you lose. Canada must pay the whole shot and never get a dollar of the profit. Let us take another point. Under the agreement the government undertake to build from Winnipeg to Quebec and to Moncton, and the lowest computation of the

cost that I have seen is $76,000,000. The Grand Trunk Railway pay what? Three per cent interest on that money only. No matter what that money costs the government. Suppose the government have to borrow that money at three and a half per cent, a very low rate looking at it from a business point of view in carrying out the transaction five years from now, and assuming that the Grand Trunk Railway pays interest at three per cent, in fifty years the difference between the three per cent which the government receive and the three and a half per cent which the Grand Trunk pay will amount to $59,324,000. You cannot get over that by any juggling you may resort to. That is the actual difference between the rate of interest which the Grand Trunk Railway pay on the capital expended of $76,000,000, and I believe it will be more like $150,000,000 and the rate of interest which the government have to pay for the money. To-day, if the government went on the market to borrow that sum of money they could not get it for under four per cent. Assuming that the government have to pay four per cent for the money the difference between four per cent which the government would pay and the three per cent which the Grand Trunk Railway would pay would amount in fifty years to $118,648,000. Yet, Mr. Speaker, we almost hear the echo of the right hon. Prime Minister's statement in this Chamber that the total commitment of this country for this huge enterprise is about $13,000,000 half the surplus revenue of a year. Bonds on the mountain section are to be issued to the extent of $50,000 a mile on the Grand Trunk's estimate of total cost which is $25,000,000. Three per cent bonds, putting it at the outside price, would require an issue of $30,000,000 to realize the $25,000,000. The government portion would be $22,500,000. The Grand Trunk are to pay no interest on that for seven years after completion, and possibly for three years more, if it does not earn interest—I quote the statement of the president of the Grand Trunk—and as they have eight years to build, then for eighteen years they will have to pay no interest. We will assume that the average time for building the road will not be eight years but four years, and so we will take fourteen years as the average time of the expenditure of the $22,000,000. On that expenditure the government pays interest and charges, and the Grand Trunk pays nothing, and it amounts to $16,672,500. And yet, according to the Prime Minister, the whole of this grand scheme is to cost the country half a year's surplus, or $13,000,000.

Let me tell you why it is, I think the Grand Trunk Company, from a business point of view, have no intention of and never will have anything to do with operating the road east of North Bay. Their interest will be, as it is the interest of all railways, to get their traffic in summer from Winnipeg to Port Arthur or Duluth. From Winnipeg to Port Arthur the present length of the Canadian Pacific Railway is 426 miles, and the present length of the Canadian Northern is 438 miles. Duluth, is as good a port as Port Arthur for the shipment of wheat, because there is no objection to Canadian bottoms taking grain from Duluth to Sarnia, or Midland, or Collingwood, and it can be taken just as cheaply from Duluth as it can from Port Arthur. Now from Winnipeg to Duluth by the Great Northern Railway—the Grand Trunk are now their allies and are interested with them in all the western business—the distance is 431 miles, or five miles longer than by the Canadian Pacific Railway to Fort William, but seven miles shorter than by the Canadian Northern to Fort William. If the Grand Trunk build their own road from Winnipeg to Duluth to connect with the Northern Pacific they have only to build 68 miles—from Winnipeg to Pembina the distance is 68 miles; from Pembina to Winnipeg Junction the distance is 189 miles; from Winnipeg Junction to Staples 82 miles; from Staples to Duluth 148 miles, or by the Northern Pacific Railway, the Grand Trunk building a part of the line, the distance is 487 miles. From Winnipeg to Duluth on the line that is now surveyed (and it is probably being built by the Grand Trunk Railway Company) the distance is 370 miles, or 380 miles according to the divergence that will be caused by the conformation of the country. If the Grand Trunk build from Winnipeg to Duluth, and I believe they will, or some other road will build, because it will be a profitable business transaction, and it will be built without a bonus; if that line is built, the Grand Trunk owning the line from Winnipeg westward, will send their freight from Winnipeg to Duluth a distance of 380 miles at most, as against the Canadian Pacific Railway line of 426 miles to Fort William, the Canadian Northern 438 miles to Port Arthur. There will be a difference in favour of the Grand Trunk line to Duluth in one case of 46 miles and in the other case of 58 miles. The profit on all the grain that comes from the Northwest; the profit in connection with the running of the boats is all made in the summer time, and it is all lost in the winter. The Grand Trunk under this agreement are not obliged in any sense or way to build one mile east of Winnipeg. It may pay them, and it will pay them to take the line connecting with North Bay for winter use, but in summer they will take their traffic by Duluth; and they will send it over their own line from Midland to Portland. Every bushel of wheat that the Grand Trunk collects under this agreement will go via Duluth and Portland. There is not one word or tittle in this agreement to restrain them or impose a penalty on them, if they send it to Portland.

I have occupied more than twice the time I expected to and I have not yet said all I would have liked to, but before I conclude I would like to read one or two extracts from the writings of an editor whose admiration for the Prime Minister is second to that of no man in the Dominion. I refer to Mr. Willison of the Toronto 'News.' As far as it is possible for any man, he has advocated the principle of this scheme right and left, but he is forced to denounce the details in the strongest language he can command. Here is what he says :

Parliament should insist upon at least two amendments to the contract. A minimum price should be named for the common stock. The rate at which the first issue of bonds is floated should be subjected to some measure of control by the government. It is intolerable that any railway corporation or any body of private capitalists should be allowed to determine what is to be the extent of the public liability in relation to a private enterprise to which the government lends its support. It is intolerable that the government should pass over to outside parties a trust which can be safely vested only in the cabinet and in parliament. It is intolerable that private capitalists should be able to force ministers to make such a surrender of their own rights and duties in contempt of the final authority of parliament, and doubly intolerable that ministers should accept so weakly and complacently the humiliating position which upon careful investigation they are shown to occupy under the amended Grand Trunk Pacific contract.

That is written by Mr. Willison of the Toronto 'News,' the greatest admirer in Canada of the Prime Minister.

Mr. CLARKE. What is the date of that ?

Mr. OSLER. The 31st of March last. Mr. Willison further says :

A syndicate must be formed, strong enough to take up the Grand Trunk Pacific bond issue. There can be no possible hazard of ultimate loss. The security is all Canada for three-fourths of the amount—all the Grand Trunk Railway for one-fourth—plus the railway itself. The price of the bonds can be made to suit the financiers who are concerned. That should prove attractive enough. In addition, the Grand Trunk may 'dispose' of $12,000,000 common stock. No price is stipulated. This amount of stock may be used to induce capitalists to put their money, on terms already profitable, into an absolutely safe investment.

The plan is remarkable in its simplicity and completeness. The only interested parties who may not share to the full in the advantages of this model piece of railway financing are the people of Canada. They are deeply interested in the enterprise, and it is in the power of the financiers in control to make the annual fixed charges of the road much heavier than they need be. Heavy fixed charges mean high freight rates. Such charges must be met for all time by the Canadian people.

The same and ardent admirer of the Prime Minister says :

The new Grand Trunk Pacific contract bristles with innocent looking provisions, all for the benefit of the Grand Trunk Pacific. An excellent example of the unobtrusive, but effective, way in which the interests of the company are guarded is to be found in the eleventh clause. That clause deals with branch lines. During the fifty years of the company's lease a number of branches may be built to tap centres of industry adjacent to the great trunk line. The ownership of these branch lines will come up for adjustment when—or if—the government takes over the trunk route.

Mark on what terms the adjustment is to be made. The government is to 'take over such branch line or lines as the company may elect not to retain.' The choice is left entirely with the company. This means simply that the Grand Trunk Pacific may require the government to take over all its lame ducks, but will be able to keep the profitable lines. It promises to be a pleasant arrangement for the Grand Trunk Pacific. It will have a lease of the trunk route for half a century. When that period has expired, it will have another half century of running rights, will be able to force the government to relieve it of all branches which it has found by experience to be unprofitable, and will retain all its money-earning feeders.

The fact that the company will have the right to use the tracks for another fifty years may weigh heavily with the government of 1960 or thereabouts when it faces the question of taking over the line. The likelihood of being burdened with worthless branches and of being kept out of the dividend payers will give added weight to the arguments in favour of allowing the Grand Trunk Pacific to keep the trunk line. Practically, the Grand Trunk Pacific will own the eastern division. The cumulative effect of these carefully-devised provisions is to thrust government ownership not fifty years back, but off the stage altogether.

Now, Mr. Speaker, it is proposed to expend an enormous amount of money on this line. The results are visionary. There is not one single argument that is solid, or that would affect a business man making a business contract, in favour of this contract as it now stands. We have not information to show us that there will be any result from this enormous commitment of the country. With what object are you doing it ? I was very much struck the other evening with the figures given by my hon. friend from Wentworth (Mr. E. D. Smith). I think they are the most interesting figures that have been presented to this House, not merely this session, but for many sessions. He showed conclusively that the extra freight rate on the shipment of four articles of the produce of Canada—on the amount shipped, mind you, not the amount that could be shipped—by the St. Lawrence route, was $800,000 more than the rate for shipping them by Boston or New York. Yet this government has appointed a commission to investigate the transportation question. That commission, so far as I can see, has done nothing except investigate how many barges the Tay canal will carry or how the Don can be straightened to let the sewage out of the city of Toronto in the best way. These are the only two things that commission has done yet, so far as I can see. Yet last year the farmers

of Canada lost $800,000 on four articles of export, and the government have taken no step, in any shape or way, to remedy that evil and to provide that men who ship Canadian produce through Canadian channels shall get rates as low as can be got in shipping through foreign ports. But they are prepared to throw away $150,000,000 of this country's money to enable a railway company to increase the shipments of Canadian products, not through our own ports, but through the foreign port of Portland.

Mr. F. B. WADE moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Sir Wilfrid Laurier, House adjourned at 10.45 p.m.

HOUSE OF COMMONS.

THURSDAY, April 7, 1904.

The SPEAKER took the Chair at Three o'clock.

LABOUR UNION LABELS.

Mr. RALPH SMITH (Vancouver) moved for leave to introduce Bill (No. 35) respecting Labour Union Labels.

Some hon. MEMBERS. Explain.

Mr. RALPH SMITH. The simple object of this Bill is to provide for the registration by the government of union labels. At the present time union labels are being used in this country by certain labour organizations, in agreement with the men who produce the article, and it has been found by experience that these labels are counterfeit. The object of this Bill is to provide for the registration of these labels and, to this extent, to protect union labour.

Motion agreed to, and Bill read the first time.

QUESTIONS.

PRINCE EDWARD ISLAND MAILS.

Mr. LEFURGEY asked :

1. How many times were Prince Edward Island mails conveyed by train to and from Sackville and Cape Tormentine, during the winter of 1904 and what were the exact dates ?
2. What amount was paid for each trip ?
3. What was the rate for carrying mails on the Intercolonial Railway in 1903, and is it the same now ?
4. What is the present rate for special trains carrying mails on the Intercolonial Railway, and was it the same in 1903 ?
5. How many trips were made by stage for carrying mails between Sackville and Cape Tormentine ? What were the dates of the several trips, and the prices paid for each, during the winter of 1904 ?
6. What is the name, or names, of the parties conveying said mails by stage ?
7. Were tenders invited for this service ?

Hon. Sir WILLIAM MULOCK (Postmaster General) :

1. Twenty-eight times, as follows :—December 18; 19, 21, 22, 23, 24, 25, 26 and 28; January 21, 22, 23, 25, 26, 28, 29 and 30; February 1, 3, 4, 5, 6, 9, 24, 26 and 27; and March 2 and 3.
2. Nothing has yet been paid.
3. $130 per track mile per annum; and no change has been made.
4. There is no payment for special trains conveying mails on the Intercolonial Railway over and above the payment per track mile for mail service.
5. Mails were conveyed February 10th, 11th, 12th, 13th, 14th, 16th, 17th, 18th, 19th, 20th, 22nd and 23rd. Nothing has as yet been paid.
6. Mr. B. C. Rayworth.
7. No; the department had no time to call for tenders, as trains on the New Brunswick and Prince Edward Island Railway were blocked by snow, and arrangements had to be made without delay to have mails forwarded by stage.

DEPARTMENT OF PUBLIC WORKS.

Mr. CASGRAIN asked :

1. Has any Order in Council been passed in virtue of the Act 3 Edward VII., chapter 53, transferring the management, charge and direction of any public work, or any power, duty or function, with respect to any work or class of works which is assigned or vested by statute in the Minister of Public Works, to any other minister or department ?
2. If in the affirmative, what work or class of works or management, charge or direction, of any public work, has so been transferred, and to what minister or department ?
3. What is the date of said Order in Council ?
4. Is it the intention of the government to lay a copy of said Order in Council on the Table of the House, and when ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). The order referred to has been passed. I have not the date of the order at hand at this moment, but it will be laid on the table of the House.

REPORT PRESENTED.

Report of the Inland Revenue Department, part III.—Hon. L. P. Brodeur (Minister of Inland Revenue).

INQUIRY FOR RETURNS.

Mr. T. CHASE CASGRAIN (Montmorency). An order of the House was passed some weeks ago, that the accounts of Mr. P. V. Savard be laid on the table of the House. I would like the Minister of Marine and Fisheries to have this order complied with as soon as possible.

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries). I will make

the necessary inquiries and have the return brought down as soon as possible.

Mr. R. L. BORDEN (Halifax). Two weeks ago I moved for two returns; one for the correspondence in connection with the dry dock at Vancouver, and the other with regard to contracts for the Atlantic mail service during the past three or four years. I should imagine that these papers would involve very little copying, and I trust they will be brought down at the earliest possible moment.

Sir WILFRID LAURIER. I will make inquiries.

GRAND TRUNK PACIFIC RAILWAY.

The House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, 'That Mr. Speaker do now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904'; and the proposed motion of Mr. Borden (Halifax) in amendment thereto.

Mr. F. B. WADE (Annapolis). Mr. Speaker, the contract between the government of Canada and the Grand Trunk Pacific Railway Company was so thoroughly discussed during the last session of parliament that I would suppose that the discussion upon the resolution now before the House would have been confined to that portion of the contract which is affected by the resolution. However, gentlemen upon the opposite side have thought fit to go far afield, to open up the whole scheme, and I am sure that we on this side have no fault to find with them for so doing. The effect of the discussion which took place here last year was to improve the position of the government from day to day as the debate went on, and the discussion which has taken place in the country from the day parliament prorogued until this moment has tended to cause this scheme to be more popular and more highly thought of by the people. I believe, therefore, that the government will be the winner in any further discussion that may take place upon the subject, and we on this side of the House may consequently feel under a measure of gratitude to these gentlemen opposite for having precipitated a debate ranging over the whole scope of this contract.

Most of the speakers from the opposition benches, both last session and this, have stated—and I believe the statement is correct—that the original scheme of the Grand Trunk Railway Company was to build a railroad from North Bay into the grain fields of the west. These gentlemen opposite say it was the government that forced upon the company the eastern section of the road. This I take to be correct, and I say that the government in doing so did their simple duty not only towards the province of Quebec and the maritime provinces, but towards the whole Dominion of Canada. They are entitled to the fullest credit for the stand they took in that respect, because I shall be able to prove from the lips of hon. gentlemen opposite themselves that had the Grand Trunk Company been able to carry out its original scheme of building from North Bay to the west, and making connections with its system to the south, the whole of the traffic which they moved from the Northwest to North Bay would have been diverted to American channels and American ports. Therefore I say that it was the duty of the government to see to it that no such arrangement should be entered into, and I believe they did not tolerate that project for a moment. The Grand Trunk Pacific Railway Company then decided that they would extend their line to the port of Quebec. That was all very well so far as it went; but it was not sufficient, and a strong contention arose that the road should be continued down to a maritime province port. I believe the members from the maritime provinces are to a certain extent responsible for supporting the hands of the government in that connection, and we are entitled to credit for it. The time has arrived, Sir, when it might as well be known that the maritime provinces are an important portion of this Dominion of Canada. We have been brought into this confederation, and we are here to stay. We have our aspirations as well as other parts of the Dominion. We hope to develop and improve; we hope to go forward in the march of progress equally with the balance of the Dominion; and no scheme having for its object the national advancement of Canada can be carried through this parliament successfully unless it takes into account the rights and interests of the maritime provinces. I do not mean this is any threat. I do not say that we of those small provinces would be able to carry that to accomplishment; but this I do say, that our influence, coupled with the sense of fair-play which exists amongst the hon. gentlemen on these benches, will always secure to us justice in the end. It is true, we of the maritime provinces did insist that this railway should be carried down to a port in those provinces. Had this been a scheme for carrying freight from the west down to Quebec in the summer season, that would have been one thing; but it is nothing of the sort. This is a grand transportation scheme, not only crossing the Dominion of Canada, but reaching from Europe across the Atlantic ocean, across the Dominion of Canada, and across the Pacific ocean to the Orient. If that be the scheme, Sir, I ask you and I ask hon. gentlemen opposite to explain to me how it would be possible to have a road terminating at Quebec or at North Bay. In order that we can complete the scheme as a whole it is necessary that it should extend to some of the magnificent seaports which we have in the maritime provinces. Do hon. gentlemen stop to con-

sider the enormous value which these great seaports on the Atlantic coast have for this country? Do they stop to consider the enormous amounts of money which have been spent by other countries to construct artificial seaports when we have them naturally? When the maritime province members put forward their first fight for the extension of this road to those provinces, I am glad to say that we had the assistance of very many of the hon. gentlemen who sit on the opposite side of the House; but afterwards these hon. gentlemen turned completely on their tracks, and they have since opposed us with all their might and main. I understand that their object in supporting us in the first instance was this. They thought that if the government compelled the Grand Trunk Pacific to have its terminal point in the maritime provinces, it would kill the whole scheme. I say we of the maritime provinces had the right to expect, and we did expect to receive the full support of the representatives of the maritime provinces who sit on the other side of the House, and we were disappointed when we found them seceding from the position which they had taken. Especially had we the right to expect the hearty co-operation of the hon. leader of the opposition, who represents the city of Halifax, a constituency which is more interested than any other in the whole Dominion in the construction of this road. I was disappointed, Sir, that we did not receive that assistance. I was disappointed when he told this House the other day that he would go down to the province of New Brunswick and would have surveys made there, and that if a line of railway could be obtained, he was willing that it should be constructed. if thereby the maritime provinces could get a better 'fighting chance.' That is not sufficient for us, Mr. Speaker. We have a right to the same chances down there that the people have in other parts of the Dominion, and I am glad to bear testimony that from all the gentlemen on this side of the House. be they from British Columbia or the great west or Ontario or Quebec or the maritime provinces, we have received the full measure of support and recognition of our rights.

Now, Sir, when this contract was first brought down during the last session, there was a measure of disappointment visible upon the countenances of my hon. friends opposite. That disappointment was occasioned by the fact that the contract was so much more favourable to the Dominion than they had anticipated, that they could scarcely believe their ears when it was read to them.

Some hon. MEMBERS. Oh.

Mr. WADE. Well, I do not want to harrow the feelings of these hon. gentlemen, but I fear I cannot help it. It always troubles them to hear the truth, and they cannot keep still when they are affected. They show their feelings too plainly. When they are depressed, we see it; when they are galvanized into a little joyfulness, it beams and radiates from their countenances. But they were disappointed when this contract came down. because it was far better than they had anticipated; there was nothing in it which they could find fault with or complain of. Well, the debate dragged on, and after the contract was adopted by the House, parliament was prorogued. We then waited for some time for the deposit of the $5,000,000, and I must admit that the waiting was a little wearisome. When we grew weary our friends on the other side of the House grew exultant, and it was not long before they said: 'Where is your great railway scheme now? It has gone up spout; you will not hear anything more about it.' They continued in this strain until they heard that the scheme was likely to be a success; and when the news was cabled across that the $5,000,000 had been deposited, blank despair settled upon them, and they have not been happy since. They have pretended to be happy, once or twice, but they have not been. They supposed that the $5,000,000 would never be put up, and that was their only hope. But it has been, and that is an evidence of the good faith of the promoters of this scheme.

The position in which this matter was when it left the House last session was this. The promoters of the scheme undertook in their contract to secure from the Grand Trunk Railway two things. One was that the Grand Trunk Railway would subscribe for and hold during the life of the lease $25,000,000 of common stock, which was the entire amount of the issue of common stock authorized by the charter of the Grand Trunk Pacific. The other was that the Grand Trunk Railway would guarantee sufficient bonds to raise the money required (over and above the amount of the government guarantee), to construct the prairie and mountain sections. That is what the promoters undertook to do. But when that proposition was submitted to the Grand Trunk, the directors found that the shareholders were not willing to carry it through. At a meeting of the directors of the Grand Trunk Railway, it was found that certain provisions of the contract, to be submitted to the general meeting, were too onerous, and the shareholders would not be likely to agree to them. Under these circumstances, the promoters came back to the government and asked for a modification of that agreement. The government was in this position. Either the whole scheme would fall through or the concessions would have to be made which have been agreed to. With regard to these concessions, I wish to place myself upon record as saying that the agreement as amended will not cost the Dominion one extra dollar. It will relieve the situation so far as the railway company is concerned, it will enable

the company to finance the project ; but will not impose an extra dollar on the people of Canada, as I propose to demonstrate.

Let me take this supplemental agreement to see what it was that was asked of the government. By the first paragraph, the government is asked to extend the time for the completion of the road until the 1st of December, 1911. In other words, we are giving the company seven full seasons in which to complete the road. Mr. Speaker, when the contract was first talked of, away in the spring of last year, if it had been agreed to at once, the company would have had the benefit of last season, but it was not agreed to until the 28th of October, so that last season was entirely lost ; and I did hear it remarked among railway men—and I believe the remark to be correct—that it was very unreasonable to expect that this road could be completed in a shorter period than seven years. There can be no objection, then, to the company having the extension proposed here, and I was a little surprised that my hon. friend the leader of the opposition should have made any point of this at all.

The next provision is a simple one. It has been perverted somewhat, though I do not believe intentionally. It is simply this. It provides that if the government should fail to complete the eastern section as soon as the company has completed the western division, the government shall not hold in its hands the $5,000,000, but shall pass the money over to the railway company, and I submit, that since the government will then be in default itself, that is right. It requires, however, that the company shall at that time have on the road $15,000,000 of rolling stock, $5,000,000 of which shall be marked for the eastern section. When that eastern section is completed, it will be necessary for the company to provide another $5,000,000 of rolling stock in order to comply with section 22 of the contract. Is there anything unfair in that ? This $5,000,000 is put up as a guarantee that the company will carry out its contract. But if it has carried out its contract, and if it is the government which is in default, why should this $5,000,000 be held by the government and not paid over to the company ? My hon. friends opposite—I think the hon. member for South Lanark (Mr. Haggart) and I think also the hon. leader of the opposition (Mr. R. L. Borden)—saw in that and in another clause to which I shall refer later—namely the clause which enables the government to rent the completed portion of the eastern section before the whole is completed—a dark deep-laid scheme on the part of the government to escape from the building of the eastern section altogether ; and upon the strength of this, my hon. friends from South Lanark (Mr. Haggart) and Toronto (Mr. Osler) both made the statement, as strongly as they could, that that eastern section would never be built. Now, Sir, what does the statement of these hon. gentlemen teach us ? It teaches us that they are anxious, that they are determined, that the eastern section shall not be built at all. It teaches us that if, through any unforeseen circumstances, they should come into power, they will put that into operation and kill the building of the eastern section. That being the case, Mr. Speaker, is it not our most imperative duty, is it not the duty of this whole Dominion, more especially of the province of Quebec and the provinces down by the sea, to take good care that these gentlemen do not get into power ? Is it not the duty of our people to take good care to keep in power these gentlemen who now occupy the treasury benches and in whom we have entire confidence ? It was not necessary for my hon. friend the Minister of the Interior (Mr. Sifton) to tell us the other day that the government was going to live up honestly to this contract. But while it was not necessary, I was glad that he made the statement. He said it would satisfy the weak-kneed. I want to assure him, and the government, and hon. gentlemen opposite that there are no weak knees over here. There is no uncertainty about our position. We stand here as one man behind our leader, and we will assist him in carrying through this scheme, and he can depend upon it we will never allow this contract to be tampered with by the gentlemen who sit on the other side of the House.

The next section I wish to refer to, and I shall be as brief as possible, is that which has regard to the operation of such portions of the eastern division as may be from time to time completed. I refer to paragraph 3. I submit that that is a wise provision. Suppose the government has that portion of the road completed from Winnipeg to North Bay, is there any reason, in the interest of the west, why that road should not be utilized pending the completion of the mountain section, and the piece down eastward ? If we were to take any different position, then I say that the hon. gentlemen who represent western constituencies should strongly condemn us. But we have never taken any other. We do not wish to play the dog in the manger. We want to give the west the earliest possible outlet they can have. We want to give the west the earliest benefit from this contract which they can receive. We will stand by the west in that regard, and I believe they will stand by us in the other. That is all there is in that provision.

The next provision spoken of was the fourth paragraph, which amends the 28th section of the contract. Well, the only difference between the fourth paragraph and the twenty-eighth section, is this, that under the contract, as it stands, the government is required to guarantee bonds to the amount of three-quarters of the cost of the prairie section, not to exceed $13,000 per mile, and three-quarters of the cost of the mountain

section, not to exceed $30,000 per mile. The limit is removed from the latter. That is, if the mountain section costs more than $40,000 per mile then the government is obliged to guarantee more than that amount. I think that this is reasonable ; I think it is fair that the government should guarantee the full three-quarters of the cost, and it was scarcely necessary that any discrimination should be made in this connection. The next clause provides that the government may implement the amount of their guarantee to offset the uncertainty of the money market at the time the bonds are placed upon it. That is to say if when the bonds are placed on the market when they are worth only 90 cents on the dollar, the government undertakes to guarantee bonds to a sufficient amount to produce three-fourths of the cost of the road. That I submit is reasonable and fair.

There is a further concession here which should not cause very much trouble to any of us, that is the provision that the government will not take action in the way of foreclosing or taking possession of the road unless and until the company is in default in the payment of their interest, which is not provided for, for the period of five years. In other words we give the company just that much further time to get fully and completely upon their feet and to get their business into working order. I do not think that is unreasonable. We must remember that this company has not only to build its line of railway from Moncton to the Pacific ocean, before it can commence to do anything like a reasonable amount of business, but that it must also reach out with branches hither and yon, must complete its steamboat service and do very many other things. I do not think the time we are allowing them in which to get fully under headway is unreasonable, and when we withhold our hands for five years after this interest becomes due it is a reasonable provision. Closely connected with this company and with its future success as the government and people of Canada are, it would not be wise on the part of the government to exact any conditions which would have the effect of injuring the company or to refuse to give any concessions which would have the effect of benefiting them. Let them give every assistance to the company that they reasonably can without loss or injury to the country ; in doing that they will strengthen the hands of the company and in strengthening the hands of the company they will enable them to go forward and accomplish a greater amount of good for the Dominion of Canada, and make it more certain that the company will carry out their obligations. The hon. member for South Lanark (Mr. Haggart) took very strong exception to the seventh paragraph of this agreement. The hon. leader of the opposition (Mr. R. L. Borden) did not refer to it in his address. The effect of this provision is that when the company is in default, when the mortgage is ripe for foreclosure, notwithstanding anything in the previous agreement, the government will not enforce the foreclosure of that mortgage, but will, instead of foreclosing. cause possession to be taken of the road by a party to be nominated or agreed upon between the government and the company, or in case of disagreement to be selected by a majority of the judges of the Supreme Court of Canada. That party will take possession of the road, will operate it, and out of the net earnings of the road will pay over 75 per cent to the government and 25 per cent to the company. What is there objectionable about this ? This is really in effect the regular English trust deed or mortgage. I have yet to learn, and I do not believe that there can be found, a solitary instance in which a railway company in the United Kingdom was ever given any greater power in the way of mortgaging than is contained in this provision. English railway companies are simply given the power to mortgage the tolls, not to mortgage the property at all. The mortgaging of the tolls simply entitles the bondholders to have appointed a receiver, and probably in many instances a manager as well, to manage the road, to pay out the working expenses, and to divide the net earnings of the road amongst the bondholders to secure whom the mortgage or trustee was given. Therefore the government has simply agreed in this instance to put themselves in exactly the same position as though this were originally an English mortgage. There is a vast difference between an American mortgage, the style of mortgage used in America and Canada, and this English mortgage, because the American mortgage enables the company to mortgage not only its property but its tolls and its franchises, and the trustee may foreclose that mortgage and may sell every particle of property that the company possesses, and the franchise as well. There is usually a provision in the mortgage by which the purchaser under it, will still go on and operate the road. I look upon this clause as one of the greatest importance to the people of Canada, and I believe it is a fortunate thing that it has been introduced into this amendment for this reason. We do not want to see the western division sold at auction and it would not be in the interests of the country that that should be done. We do not know who would become the purchaser at such a sale, and we want that road continuously operated. If the company finds itself in a position where it cannot operate the road and the government is obliged to have a party step in and operate it, then we, the people of Canada, have a guarantee and assurance that it will be well and continuously operated.

The next clause to which objection is taken by hon. gentlemen opposite—and I

am sorry that I have again to disagree with them—is that which deals with the $25,000,000 of common stock. It was strongly insisted upon, upon the part of the government during the last session, that in order to secure the full and hearty co-operation and the undivided interest of the Grand Trunk Railway Company the Grand Trunk Railway Company should be required to take and hold during the continuance of this lease the whole $25,000,000 of common stock. I submit, Sir, that that object is as fully and completely accomplished by compelling them to hold so much of it as will enable them, taking the words of the paragraph itself, to—

> Continue to hold a majority of the said stock by such title as will enable the said Grand Trunk Railway Company to control the policy of the company.

This is just as great a security, so far as that phase of the question goes, as though they were compelled to hold the entire $25,000,000. But hon. gentlemen opposite say:—But they are going to take this $25,000,000 of stock and give it away; they are going to scatter it around for nothing, and in consequence the people of the west and the people of the east will have to pay greater rates upon the goods that are carried upon this road. The first answer to this—I was going to say ridiculous proposition, but I do not like to use words of this kind—is that these people have to carry on the work. They have to acquire $20,000,000 worth of rolling stock in the first instance, and that is but a beginning of what they will require. They have to build branch lines. They have got to make harbours, they have got to spend enormous amounts of money in carrying out this contract. Now where are they going to get the money from? They have got the preferred stock and have a majority of this stock, that is all they have got to work upon. Now why should they go and give it away? It is of value, the leader of the opposition says it is of value. Now why should they go and give away a thing which is of value?

Let me speak a moment of the contention that the rates will be increased. Hon. gentlemen opposite say that if you allow the company to overcapitalize and to sell their stock, as the freight rate is fixed upon capitalization, consequently the freight rate will be greater. I dispute entirely that proposition. It has been already discussed in this House. There never has been a decision, so far as my knowledge goes, upon any such basis. There was, I believe, in some of the American states a contention of that kind made before the Railway Commission, but there has been no decision to that effect. I submit the argument is entirely fallacious. I say the freight rate is fixed, not by the amount of stock that was issued, but by the cost of the road, on the money which went actually into the construction of the road, not on the stock that was bought, not on the stock that was stolen, not on the stock that was given away. And we have the most complete machinery for ascertaining exactly what that road did cost, and we have the most complete machinery for fixing the rates with that knowledge before us.

Now, another objection is taken on the ground that the government is pledged to buy out the branches. Hon. gentlemen opposite forget to qualify their statement in accordance with the provisions of this amended contract. It has not to buy out all the branches that may be constructed, but only those to be constructed from the eastern section. They go down there under a lease to operate this road. It is necessary for them to build certain branches in order to operate the eastern section. The government comes in at the end of 50 years and it says: This property is valuable now, we are not going to allow you to keep it any longer. Is it not fair that the company should say: 'If you are going to take this road from us, here is a branch which is valuable in connection with that road, which is valuable to you, but it is of no earthly use to us, therefore we ask you to take that also. But we don't ask you to take it at our valuation, we ask that the valuation be fixed by a board of arbitrators.' Is that not the best solution? What hardship is there about that? Is there any element of injustice in it? I submit there is not.

Now I do not see anything else in the contract which is under discussion which calls upon me to delay the House a moment longer in discussing. Before starting out with the next matter, I intend to deal with, I would like to make some comments upon statements that have been made on the other side with regard to what took place at the meeting of the shareholders of the Grand Trunk Railway Company. So far as I am concerned, it is a matter of very small moment to know what was said at that meeting, the only thing that concerns me is to know what was done at that meeting. What was done at that meeting was to pass a resolution authorizing the company to enter into this contract. I am going to ask the House to bear with me while I read the records of that meeting as published in the 'Economist' of the 12th of March. It is not very long, and I am going to challenge every statement made by the other side which is inconsistent with this account of what took place at that meeting. I observe that my hon. friend from South Lanark (Hon. Mr. Haggart) is amused.

Mr. HAGGART. Would you challenge a statement issued by the Grand Trunk authorities themselves?

Mr. WADE. A statement made by the Grand Trunk authorities themselves will

certainly be accepted when I see it; when I see it I will accept it as evidence of what took place at that meeting. But it will not be accepted by me or by any other sensible member of this parliament as an interpretation of what appears before this parliament to-day in the form of this contract. It is only a few hours ago that an hon. gentleman opposite spoke of the board of directors in terms anything but flattering, he insinuated broadly that they had falsified what took place and were deserving of criminal prosecution. But these same men who are deserving of criminal prosecution are cited here by other hon. gentlemen as an authority for this House, and their statements are cited as an interpretation of a solemn Act of parliament which is now under discussion. It seems to me that these gentlemen are prepared to go to very great lengths indeed. Now here is what took place at that meeting. The chairman said:

Referring to the special report dealing with the proposed construction of a transcontinental line of railway, the chairman said that the question was of greater interest and of more far-reaching importance to the company than any which had ever been presented to the proprietors. Prosperity was flowing rapidly from the east to the west outside the boundary and beyond the territory covered by the Grand Trunk. Thus surrounded on all sides by elements of progress, the company must either continue to advance or they must recede and yield the offered advantages to more enterprising and far-seeing competitors. The board caused a Bill to be introduced into the Canadian parliament for securing a charter of incorporation for the creation of a company with an independent organization, but in close connection with and under the control of the Grand Trunk Company, for the purpose of building a railway from a point of junction at or on the Grand Trunk line, passing through the most fertile districts of the Northwest, and terminating at a port on the Pacific coast. Under the impression that such a scheme would obtain the support of the government and parliament of Canada, so liberally accorded to other railway enterprises, he ventured to suggest to the proprietors at their meeting last April, that it might reasonably be expected that such a scheme might be carried through without engaging in any way the credit of the proprietors of the Grand Trunk Company. That was his conviction at the time, but it had been found impossible to carry the measure through the Canadian parliament without imposing some limited obligations on the company. Their original idea was to build from a point on the Grand Trunk Railway to the Pacific coast, their intention being that a point of junction should be at or in the neighbourhood of North Bay. It was, however, made by the government a condition of the grant of the charter that the line should be extended eastward from North Bay to Quebec into the city of Moncton, N.B. As a result, however, of negotiations with the government, another Bill was introduced by the government itself for ensuring the construction of the contemplated line from New Brunswick to the Pacific in joint partnership between the government and the Grand Trunk Pacific Company. An agreement under which this line would be constructed and worked was embodied in the government Bill. The Bills and the agreement were discussed by parliament during the whole of an unusually prolonged session, and they met with strong opposition. He desired to express his great appreciation of Sir Wilfrid Laurier's patriotic conduct of this measure through parliament.

Our friends opposite the other day took exception to that expression. I do not see why they needed to have done so. Not only has the president of the Grand Trunk Railway expressed his appreciation and admiration of the manner in which the Premier of Canada has conducted this matter through the parliament of Canada, but the conduct of the Premier in that regard has been the subject of admiration, I may say, throughout the whole British empire. Let me continue:

A great and unfavourable change had meantime occurred in the financial position throughout the world, and the directors came to the conclusion that modifications in the agreement were imperative in order to safeguard the credit of the company, one important modificaton being that relating to the conditions imposed on the Grand Trunk Pacific Railway for making their deposit.

Negotiations were accordingly resumed, and the result was embodied in the second or supplemental agreement now in the hands of the proprietors. If the agreement were approved by the meeting, it would be brought before the parliament of Canada, which had been specially summoned to meet to-morrow for consideration, and, he hopes, confirmation. The whole distance covered by the road from Moncton to Port Simpson on the Pacific was about 3,400 miles. The directors considered the proposal alike as a measure of necessity and as affording an opportunity which, if neglected, would never occur again of assuring and improving the fortunes of the Grand Trunk Railway Company. In conclusion, the chairman moved the adoption of the report and accounts, and the payment of the dividends recommended.

This was seconded.

The chairman next moved a resolution approving the agreement dated July 29, 1903, between the government of Canada and the proprietors of the Grand Trunk Pacific Railway Company, as amended by a supplemental agreement thereto dated the 18th ult., and authorizing and empowering the directors to carry them into effect so far as they related to or affected this company; and in particular authorizing the directors to 'make such arrangements as they may think fit with the government and the Grand Trunk Pacific Company for providing or securing the deposit of $5,000,000 either in cash or securities, and are further empowered to guarantee the second mortgage bonds of the Grand Trunk Pacific Company both for principal and interest to be issued pursuant to the provisions of the agreements, and to enter into any contract or contracts relating thereto.'

Mr. Allen, the son of a former member of the board, moved an amendment to this motion. That amendment was lost and the original resolution was submitted and agreed to with a very few dissentient voices. That

is the position in regard to the Grand Trunk Railway Company. This is the record of their meeting. There is the resolution which they passed and it is on the authority of that resolution that we are doing business to-day. Although they had the power to give approved securities in place of cash, they did not ask the government to accept securities but they put down the hard cash to the amount of £1,000,000, or $5,000,000, which was deposited in the Bank of Montreal and stands there to-day to the credit of the Minister of Finance of the Dominion of Canada. It seems to me that when a body of men are prepared to come forward and back up their agreements to the extent of $5,000,000 they are entitled, at least, to a little more respect than was accorded to them by the hon. member for West Toronto (Mr. Osler). In the case of the Canadian Pacific Railway, of which the hon. member for West Toronto is, fortunately, a director, what security did they give? The security they gave was $1,000,000 instead of $5,000,000. Was it cash or was it government securities which they put up? I say it was not and an examination of the securities which were put up at that time will show that some of them were scarcely gilt edged.

We are started on a new branch of this case by the hon. leader of the opposition (Mr. R. L. Borden). He speaks to us for a matter of three and a half hours. A goodly portion of that time is consumed with the reading of extracts of the speeches of the members of this House, from the alleged speeches of members of the Grand Trunk Pacific Railway Company, from newspapers, &c. He took exception at the beginning of his speech to the fact that the right hon. Prime Minister had referred to some of his speeches as scrap-book oratory. I shall not refer to them as such. I think, if the opposition wish us to characterize an effort such as that of the hon. gentleman, we should describe it as a brilliant effort of constructive statesmanship and after this I trust that the right hon. Prime Minister when he is discussing matters of this kind will speak of them in this way. The first thing that was referred to by the hon. leader of the opposition was the opinion that was expressed by Mr. Blair. I wish to make a statement in regard to Mr. Blair. He was in this House at the time this contract was under discussion. He was before the railway committee when we were endeavouring to secure the Moncton extension. He took the strongest possible ground against that and he took the strongest possible ground against the contract itself. But, this House was not influenced by his judgment. We believe that he was wrong. We believe now that he was wrong. The right hon. Premier at that time believed that he was wrong and believed it so forcibly that it was necessary for Mr. Blair to leave his cabinet. Since then the right hon. Premier has appointed him to the position of chairman of the Railway Commission and he has expressed the opinion in this House that Mr. Blair is a gentleman eminently qualified to fill that position. Well, Sir, may he not be a gentleman eminently qualified to fill that position and yet a man whose judgment upon this contract we are not able to accept? There may be a man who is eminently qualified to be a judge and yet we would not like to take his views or judgment upon matters which are outside the purview of his duties. The administering of the Railway Act is one thing, and the carrying out of this great national project is another thing. Mr. Blair may be absolutely competent. Let us say that he is competent in every particular to fill the high and important position that he does fill; yet, this House has said that his judgment is not sound upon this question and if that is so is it not folly for hon. gentlemen opposite to talk about Mr. Blair's judgment in this matter? These hon. gentlemen did not always have such a high opinion of Mr. Blair. I have heard them say things that were not quite complimentary to him, or his judgment, or administrative ability and they know it. We saw the spectacle, when Mr. Blair had delivered his oration against this project, of the whole opposition, led by the hon. leader of the opposition, walking over, shaking hands with Mr. Blair and congratulating him. It was rather a sorry sight in view of what had taken place on the floor of this House.

Some hon. MEMBERS. No, no; take it back.

Mr. WADE. I say it was a sorry sight after what had taken place on the floor of this House. The relations did not continue long. They were quickly severed. Whose fault it was I do not know and shall not stop to inquire. Now, I hope we have heard the last of Mr. Blair. I would caution these hon. gentlemen. Three of their number have spoken already on this question and they have forgotten to mention that 'Cox won't wait.' Do not forget to mention that in the discussion. Let us have it and let us have it reiterated.

Now, the next position taken by the hon. leader of the opposition was that we have made a contract under which we cannot compel the shipping of the grain of the west through Canadian ports. I take issue with him and I take issue with every gentleman on the opposition side who makes such a statement. I say that we can compel the Grand Trunk to do this so far as it is humanly possible to do so, and I refer to paragraphs 42 and 45 of the contract. Paragraph 42 says:

It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada for the express purpose of encouraging the development of Canadian trade and the

transportation of goods through Canadian channels. The company accepts the aid on these conditions, and agrees that all freight originating on the line of the railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada be carried entirely upon 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.

Now, I make bold to say that no stronger provision could be framed by any parliament. There is only one class of freight that is not included in that, and that is the freight that is routed by the shipper. And, Sir, would any man undertake to ask this parliament to pass an Act which would say to the shipper: You must ship your products by a certain line. Why, it would be such an infringement upon the rights of the subject that it would not be tolerated for one moment, and would be execrated from one end of the Dominion to the other. This was one of the very points which was brought up in the railway committee in order to influence the western vote, and we said distinctly: We do not ask for any condition of this sort; we do not ask to put any limitations upon the right of the western shipper to ship his goods in any way he pleases; we want the company to take the goods, if they are unrouted, through Canadian ports, but the shipper in the west can do with his produce as he sees fit. And gentlemen on the other side of the House sneered because we suggested that we might trust somewhat to the patriotism of the people of the west. Well, Sir, I do not think that the people of the west are deserving of that sneer; I believe that the people of the west are as anxious to build up this Canada of ours as the people of any portion of Canada. I believe that, if anything, they are a little more patriotic than perhaps we in the older provinces are; and I ask you, Mr. Speaker, if you can imagine a Canadian so base at heart, and so inconsiderate of the interests of his country, that if he can ship his grain to Liverpool via St. John or Halifax for exactly the same cost to him that he can ship it via Portland, he will refuse to ship through a Canadian port? I have an entirely different opinion of the people of the west from the opinion which the gentlemen opposite entertain, and I believe that my opinion of them will be justified by the results.

In addition to that which I have already read, there is a clause by which the Grand Trunk agree that, so far as they possibly can influence the shipping of grain via a Canadian port, they will do so, and there is still another clause which compels the company to put on steamships, and which says:

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 line of railway, and upon the line 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.

That is what they undertake to do, and I hold that it cannot properly be suggested that further restrictions should be placed upon the railway company than are contained within the contract which we are discussing.

Another bug-a-boo which has been raised by the leader of the opposition, and by the hon. member for Toronto (Mr. Osler), a director of the Canadian Pacific Railway, is that the railway company may lease the rolling stock and put it on the road, or that they may make a conditional purchase, under which it shall not be their property until it is paid for; and that, therefore, the mortgage given on it would be inoperative until such time as the money due upon the rolling stock had been paid. I wish to take issue with these gentlemen entirely upon that point. Paragraph 22 of the contract provides that the railway company shall fully equip the road, at least to the extent of $20,000,000, and paragraph 35 of the contract says:

> 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 railway undertaking, equipment and property, tolls, rights and franchises of the company, including all equipment and property to be hereafter acquired by the company (but not including branch lines, &c.).

Now, in view of this, will any hon. gentleman undertake to say to this House that if the company offered a mortgage upon rolling stock which was not theirs, that that mortgage would be a first charge upon that rolling stock? If the rolling stock upon the road is leased, will any man say that the railway company could give a mortgage which would constitute a first charge upon that rolling stock? If the rolling stock were obtained from one of these rolling stock companies which have been spoken of, and which retain an interest in it until it is paid for, could the railway company give a mortgage upon that rolling stock which would be a first charge upon it? Surely there is no man who will undertake to say that. It does seem to me that the hon. gentlemen on the other side are driven to great

straits when they attempt to advance an argument of that kind to an intelligent House of Commons. It does not require any legal knowledge to interpret that; any lay man can see what the law means. It means that, in order to carry out their agreement with the government, they have got to put upon this road $20,000,000 worth of rolling stock free and clear, so that they can give a mortgage which will be a first lien upon it. And that security not only extends to the rolling stock which goes upon the road in the first instance, and which is to amount to $20,000,000, but to all the rolling stock that comes upon the road afterwards. I do not think that it is necessary to pursue that argument further. I say that the very moment that rolling stock touches the line of this railway it becomes by destination real estate, a part of the property of the road, and cannot be touched for any other security.

Mr. CASGRAIN. Hear, hear. That is French law.

Mr. WADE. It is not only French law, but it is English law, too, as I shall show. It is certainly French law.

Mr. CASGRAIN. Yes.

Mr. WADE. Well, that is admitted. It is not very often that we get an admission from these gentlemen opposite, and it is refreshing to have one occasionally. Now, not only is it French law, but it is English law. We are quite familiar with these rolling stock companies. I am free to admit that it is not an uncommon practice with railway companies to lease their rolling stock, or to buy it on credit and to pay for it by instalments, and to give a lien upon it to the seller. But I want to say that when that is done, the seller of that rolling stock had better see to it that he has a lawyer to draw up the papers, and a lawyer who understands the position of affairs, or else he may wake up some morning to find that his lien has entirely vanished. And his lien would vanish in this case. Why? Because when he sells or leases that rolling stock to the company, he knows that the rolling stock is destined to come under the operation of the provisions of this Act, and, knowing that, I say that by destination—under the English law as well as under the French law—that rolling stock attaches to and forms part of the real estate of the railroad. It cannot be levied upon under an execution against the goods of the railway company.

That is the true position between the trustee for these bonds and the owner of the rolling stock. But it is not necessary for us to go to that extent. All we have to do is to say to the railway company: You perform your part of this contract, and we will perform ours. Our covenant to guarantee your bonds is a mutual covenant, with power to give us a first mortgage on $20,000,000 of rolling stock; and until you have performed your covenant, you cannot compel us to perform ours, and we will not do so. This is the true position. But some hon. gentleman says: Oh, yes, but in the meantime you are going to make progress payments. Surely we are; but do these hon. gentlemen suppose that when we make progress payments, we alter the position in the slightest degree? Do they suppose that this government are going to throw away any of their rights, or that they do not know how to guard their interests in this connection? Under this clause providing for progress payments (to be secured by mortgage), the government always have it in their power to make them or not as they see fit, or on such conditions as they may determine. That is entirely in their own hands. Yet we are seriously asked to believe that men occupying the positions of members of this government, with all their officers advising them, and with the railway construction commission behind them to advise them, will allow this railway company to force on them stock which is not their own, and will accept a mortgage on it which gives them no security at all. Surely these hon. gentlemen are driven to queer straits when they undertake to make an argument of that kind to an intelligent House and before an intelligent country.

The position which has been assumed by the hon. leader of the opposition, and which has been taken up by some of his supporters, is this. He stated on the floor of this House that the government has no control over the freight rates of this railway. I must conclude that in the heat of debate and argument the hon. leader of the opposition forgot himself and forgot what this contract contains; because I know he would not have made a wilful misrepresentation of what was in the contract itself. But he made the statement, and it shows that hon. gentlemen opposite are more or less excited over this matter, and are not as cautious in the statements they make as they should be. We have this provision in the contract, and after I have read it, I am going to ask any hon. gentleman to dispute that it gives full control over the rates of this railway. I refer to paragraph 39:

> The rates and tolls to be levied and taken by the company upon any part of the said railway shall be under the control of the Governor in Council, or of such authority, commission or tribunal as is designated or constituted under any Act of the parliament of Canada for the regulation or control of the business of railways.

Will any hon. gentleman say that that does not give the government full and absolute control of rates? There does not seem to be anybody who will say so, therefore I can pass from that part of the question.

Mr. SPROULE. Would it not be very much the same as the law is now, which

provides that a railway company cannot put its schedule of rates into operation until it is approved by the government? Is it not thereby under the control of the government?

Mr. WADE. The only railway that I know of over whose rates either this parliament or the legislatures of the different provinces have not absolute and complete control, is the Canadian Pacific Railway.

Mr. SPROULE. That is not an answer to the question I put.

Mr. WADE. Does this give complete control over the rates of the company, or does it not? Let us not have any foolishness about this thing. It either means that or it does not. If it means that, let us stop talking about it. If it does not mean that, let us take up the question and settle it.

Now, I am coming to another strong point made by hon. gentlemen opposite, according to their own judgment. They say, here is this government going into partnership with this corporation, and we have the humiliating fact of parliament being called here by the government at the instigation of a private corporation: and they tell us what a one-sided partnership this is. Now, let me make a few remarks on this point. When the late government undertook to construct the Canadian Pacific Railway, there was no partnership about the matter. The government did all; the company took all. The company had all the control; the government had none. In this case the government, for the purpose of controlling this road and seeing that it is operated in the interests of the Dominion, has seen fit to provide that it shall have a certain interest. Call it a partnership if you like the term; I care not what you call it. They have provided that, and it was an act of great wisdom on their part, to make that provision. But hon. gentlemen opposite say, the Grand Trunk Pacific Company is only putting up $14,500,000, while the government is putting up $150,000,000. How the figures vary in the course of a few months; some go up and some down. The hon. leader of the opposition has put up his figures about 25 per cent, and the hon. member for West Toronto (Mr. Osler), since he has been on his knees praying that the eastern section should not be built, has brought his down. I wonder if he received any inspiration from Heaven to make him retract them. Now, I wish to state what it is that the government puts into this partnership, if partnership you call it. The government does not give, as has been stated here, three-fourths of the cost of the western division. What the government does is to guarantee a sufficient number of the bonds to produce three-fourths of the cost. The government does agree to pay seven years interest upon these bonds so far as the mountain division is concerned; that is a clean gift to the company. With regard to the eastern division, the government pays out sufficient to construct it, and gives the company seven years rental of it free. That is a clean gift to the company, if gift you call it. These are the entire amounts the government gives. On the other hand, what does the company do? It gives one-fourth of the cost of the construction of the western division; it puts upon the railroad $20,000.000 worth of rolling stock in the first instance, and it will have to supplement that immediately and from time to time. It assumes the burden of operating the western division. It undertakes to operate the eastern division and pay the rentals for the same. It undertakes to purchase and to put on the eastern division $5,000,000 worth of rolling stock, which is to be subject to the mortgage I have spoken of. It undertakes to maintain the eastern division in a state of efficiency, equal to the times, as the times advance, and the standard of railway operation and maintenance increases. According as that standard is raised, the company must keep up to it. It must carry all unrouted freight, as I have said, and the routed freight it is to take to Canadian ports for exactly the same rates as are charged to American ports. It it to provide sufficient shipping both to Atlantic and Pacific ports to transport the traffic. It is to allow the government to fix the rates and to carry out its contract with the government in the manner indicated.

But we are asked, what does the government get out of this? Hon gentlemen opposite say; You are giving up everything, what are the people getting, why do you not give the government a part of the profits? Are these gentlemen serious? Would they like the government of Canada to go into a railway operation for the purpose of making profits? They are certainly not serious.

Mr. HAGGART. A campaign fund would suit them.

Mr. WADE. I did not understand the remark which the hon. member for South Lanark has just made, but I am told he asked me whether a campaign fund would result. Well, the hon. gentleman is an older and more experienced politician than I.

Mr. HAGGART. The hon. gentleman asked what the government would get out of it, and I said, perhaps a campaign fund.

Mr. WADE. Would the hon. gentleman explain what he means? The hon. gentleman was a minister of railways in the late government, he was in parliament, I understand, when the Canadian Pacific Railway deal went through. Were the government which he then supported and himself satisfied with a campaign fund? Mark you, Sir, I am asking these questions for information. I have not been long a member of this

House, and I do not know what the tactics of these hon. gentlemen opposite were when in office, but judging from the hon. gentleman's interruption I must conclude that there was something very wily about them. To these hon. gentlemen who ask what is the government getting out of this, I ask what part of the profits did the government receive from the Canadian Pacific Railway? Might I ask the hon. member for Toronto (Mr. Osler)—a fortunate director of the Canadian Pacific Railway, who has made, I understand, thousands and tens of thousands of dollars out of that enterprise—what share of its profits did that company give the government? These are pertinent questions, which evidently hon. gentlemen opposite do not care to answer. This government, Sir, will get from this company what is asked for and what the country receives from every company subsidized and assisted. It will get the development of the country, and that is all the government is asking for, and it seems to me a waste of time for hon. gentlemen opposite to attempt to make an argument of that kind. Let me ask now, what does the company get out of it? The company cannot draw a dollar of profit, they cannot receive one dollar of the money they put into the enterprise, until their contract has been carried out. Before they can get one cent to put into their pockets, they must put the government in this position, that it will not be called on to pay more than seven years interest on the money invested on the mountain division, and more than seven years rent on the eastern section. That is a proposition which cannot be disputed, and it brings the whole matter back to where it started from when my hon. friend the Minister of Finance made his speech in this connection during last session. Let us not get away from the question. It is wisdom probably on the part of the opposition, in view of the sad mistake they made in ever opposing the project, to grasp at all these little things, to endeavour to draw a red herring across the trail and throw dust in the eyes of the electorate. But they cannot succeed. They must bear in mind that the country is to-day as completely and intelligently informed as to the condition of the contract and the amendments sought as we are. The people understand exactly what these things mean. They know that if this scheme should prove a failure, then the company will have to suffer largely for it, and the government will have to suffer proportionately, but should the scheme prove a success, then the government can never be out of pocket more than the seven years interest in respect to the mountain division and the seven years rent on the eastern section. But, Mr. Speaker, the scheme is going to be a success. Of that there can be no doubt. Men of intelligence, men who have great experience in matters of this kind, have staked huge sums on the faith of their judgment that it will be a success.

In this connection, may I be permitted to read one extract from a journal on the other side of the line, to show what opinion is there entertained concerning this project? I propose to give a citation from the 'Chicago Record and Herald,' which is reprinted in the 'Montreal Trade Review.' The article is as follows:

> For more than five hundred years British statesmen have dreamed of possessing the shortest possible route to the Orient, and the dream is now certain of realization through the efforts of Sir Charles Rivers-Wilson and C. M. Hays. The stockholders and directors of the Grand Trunk Railway have approved of the plans for constructing the Grand Trunk Pacific Railway to extend from North Bay or Gravenhurst, Ont.——

(The writer meant to say Moncton.)

> ——to either Butte Inlet or Port Simpson, a distance of 3,025 miles, and the Canadian government has agreed to construct a portion of the road and guarantee the bonds to be issued for the remaining portion. The total cost will be not less than $125,000,000, and the undertaking outranks in importance any single railway project in history, with the possible exception of the Transiberian Railway.
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> Besides having the shortest route from Liverpool, from the large centres of Canada, from New York and the manufacturing centres of the east and practically an equal route from Chicago and the middle west to the Orient, the company will have the lowest grade mountain line on the continent and over 7,200 miles of continuous railway, with steamship connections, over which rates can be made to every part of the world without consultation with friendly or unfriendly connections. The New England states are reached by the Central Vermont of the Grand Trunk system and the gateways of Chicago, Detroit and Port Huron by the Grand Trunk Western, both roads making short connections with the proposed Transcontinental Railway. Some of the distances are significant. For example, from New York to Yokohama by the way of Montreal and the new line will be 418 miles shorter than by the Canadian Pacific, 555 miles shorter than by Chicago and San Francisco and 1,800 miles shorter than by Galveston and San Francisco. From Liverpool to Yokohama by the way of Quebec and the new route will be 528 miles shorter than by the Canadian Pacific, 1,313 miles shorter than by New York and San Francisco and 130 miles shorter than by Moscow and the Transiberian Railway. From Chicago and Milwaukee to Yokohama by the Grand Trunk will be 535 miles longer than by the short route by St. Paul and the Canadian Pacific, but shorter in time, and will be 365 miles shorter than by St. Paul and Winnipeg.
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> An idea of the part this line will play in Oriental trade is gathered from the statement that the Canadian exports increased from $93,827,077 in 1890 to $211,640,286 in 1902, while from the United States the increase was from $151,100,000 to $433,850,000. Along the lines of the Grand Trunk system are located forty-five cities and towns of more than 4,000 population each

and aggregating 1,000,940, which is 18·7 per cent of Canada's population. From these towns the bulk of manufactured articles are now shipped to the Northwest and exported.

One of the most important facts in connection with the project is the existence of approximately 500,000,000 acres of fertile and unoccupied land in Northwest Canada, or five-eighths of the total farm acreage of the United States. Of the 15,400,000 acres of occupied land there only 6,000,000 acres are under cultivation, and they produced 60,000,000 bushels of wheat in 1902. It is estimated that the unoccupied lands are capable of a wheat production amounting to between 2,500,000,000 to 3,000,000,000 bushels, or five times greater than the total United States crop of 1900. There are other factors which make the Grand Trunk Pacific project one of stupendous possibilities.

This is the view of this matter taken by the people on the other side of the line.

Mr. MONK. What is the date of that extract?

Mr. WADE. It is copied in the last number of the 'Trade Review' of Montreal, of March 24. That shows the idea that the people outside of Canada have of this project. Gentlemen who have read the press of the United States and the United Kingdom for the last few months and have observed the prominence given to this transaction, must conclude that it is their duty to do something else besides sitting here and endeavouring to pick small flaws in this magnificent contract and this mangnificent scheme. We are told by the leader of the opposition (Mr. R. L. Borden) that the proper scheme for the maritime provinces is the extension of the Intercolonial to Depot Harbour. In regard to the extension of the Intercolonial to the lakes, my mind is entirely open; I am not in a position to-day to form a judgment as to whether it will be a good thing in the interests of the Dominion or not. I do say, however, that this scheme has nothing whatever to do with such an extension and does not conflict with it in the slightest degree. There are one or two thoughts which I wish to place before parliament in connection with the extension of the Intercolonial to Depot Harbour. The leader of the opposition (Mr. R. L. Borden) endeavoured to demonstrate in the House that grain had this winter been carried by the Intercolonial to the port of Halifax and the port of St. John at a profit. An attempt has been made during the past winter to induce the shipment of grain from these points which have been carried over the Intercolonial. It resulted in failure because although there was ample steamship accommodation, it was found that the Intercolonial Railway had not sufficient western connections to secure the wheat for transportation over its line. That is a fact that cannot be disputed. If that be the fact the question arises whether, if the Intercolonial is extended to the lakes, it will be able to secure the traffic that is necessary in order to make it possible to ship grain from Halifax and St. John. In this connection I wish to draw attention to one or two significant facts. One is that we find the United States to-day expending $100,000,000 in deepening and improving the Erie canal in addition to their water terminals. Another thing is that they are commencing the ferrying of their western cars down the great lakes. They had already successfully carried them from western ports to ports along the lake. I do not know if they have yet carried them to Buffalo, but they have demonstrated the feasibility of that system of transportation and this year they have been ferrying their loaded cars along the lakes. Now we have been taking the position that we are going to secure the traffic of our west to ourselves, and ship it through Canadian ports. Shall we be surprised then if our cousins south of the line take the same position with regard to their western traffic? Can we expect to find that they will sit down and allow us to consummate our scheme to carry our grain from the west to the east and ship it from our ports and at the same time allow us to carry a portion of their grain to the same destination and make no effort to stop us from doing that? What is the truth with regard to the Canada Atlantic Railway to-day? That railway is dependent on the grain brought down by their transit boats from Duluth, Chicago and Milwaukee. The success of that whole project is dependent on the possibility of their obtaining American grain to bring over their line, and in addition to that they are further dependent upon the carrying of package freight from the New England ports which is brought up to Swanton and is then taken over the lakes by the company's transit boats. We are undertaking to carry on our own business. We say to the Americans: We are not going to allow a bushel of our wheat to be shipped through your ports. Is it not natural that if we shut off the export of our wheat through their ports, they will wish to shut off the export of their wheat through ours and will endeavour to prevent us from carrying over the lakes the package freight going west, and also prevent us from evading their coasting laws by using American bottoms for that purpose? This must be taken into consideration when we talk of extending the Intercolonial Railway to the lakes. But as a representative of the maritime provinces. I want to say that we are not satisfied to be tied to the Intercolonial Railway; we will not agree to that. This is a great national work, it is not only a transcontinental scheme, but, as I said before, one which reaches from Europe to the Orient. Have we not a right to be a party to such a project? I say we have, and also a right to the benefits that will accrue from it and to the national expansion that may result from

it. It is a surprise to me that there can be found in this House one hon. gentleman representing a constituency in the lower provinces who is not ready to support the hand of the government to the fullest extent in this project. I realize that the maritime provinces are under obligations to the present government. I realize that when the present government undertook to insist upon the building of that eastern section they adopted an heroic course and took their political lives in their hands. We are grateful to them and will show our gratitude when we come to cast our votes at the next general election.

Mr. SPROULE. You did it admirably in St. John.

Mr. WADE. The hon. gentleman (Mr. Sproule) need not worry about St. John. He had better worry about something nearer home.

Mr. BENNETT. Ontario was all right.

Mr. WADE. Ontario is all right, there is no doubt about that. Toronto is a little wrong although that has always been wrong. There is a very funny situation here which I may be pardoned for bringing to the notice of the House. I want to acknowledge my debt of gratitude to the hon. member for Toronto (Mr. Osler) not only for the poetic, the beautifully poetic visions he gave us last night not only for admitting that we had brought him to his knees, not only for admitting that he had lost all faith in the power of his leader or of his party in the House to stop the building of the eastern section, and that he was compelled to go to a higher source, knowing the country would not put any stop to it when they had an opportunity to vote, but I am under a further obligation to him ; he told us the eastern section should not be built ; he told us he had prayed Heaven it should never be built. A little while afterwards when he was still under the influence of these poetic visions depicted by him, and of other things, what did he tell us ? He said if the eastern section is not constructed, all the grain in the Northwest will be sent down and shipped from American ports.

That is the ground upon which we have stood from the beginning, that is the ground the government stands upon, and in face of declarations of that sort by a director of the rival company, the Canadian Pacific Railway, the hon. member for Toronto (Mr. Osler), does it not seem idle for these gentlemen to say that we have not protected Canadian ports ? What protection did they give to Canadian ports when they were in power ? What safeguards did they throw around our Canadian ports ? Will they tell us, will they mention any of them? Why, Sir, they simply accomplished nothing. The present government shows that they have the determination to accomplish everything within their power. Do our friends opposite suppose that the people of Canada will turn out these men in whom they have confidence, and who are doing all they can for the benefit of this country, and put in their places men whose record for eighteen long, weary and dreary years shows not one effort in that direction ?

Now here is another funny situation, Mr. Speaker. My genial and hon. friend from South Lanark tells us that the building of that road from North Bay westward is all right. The hon. member for Toronto says it is all wrong. Well, Mr. Speaker, you can take your choice. There are two opinions. If you want more opinions with regard to this project, go to the leader of the opposition ; if that does not satisfy you go to a dozen other hon. gentlemen I can point out opposite, and you will get a greater variety. I wonder, Mr. Speaker, what kind of a railway policy would emanate from the other side. Now, Sir, I must refer to a little remark that was made by the member for South Toronto, a director of this Canadian Pacific Railway Company, with regard to our respected and right hon. Premier. He said the Premier did not understand the contract. He has the impertinence to say that the right hon. gentleman who has originated this scheme, who has carried it through with such consummate skill that he has commanded the admiration of the whole empire, does not understand this contract. I would not like to say that the hon. member from Toronto himself does not understand the contract, but I am safe in saying that if we are to judge from the utterances he has made in regard to it, he certainly does not understand it and never will. He made some remarks about treating with fakirs. I did not just get the trend of those remarks. I would like to know who they were, it would be well to name them. I tried to get him to name the man who told him it was impossible to run a line of railway through to Quebec, but he was unwilling to give his name. It is a very easy thing to say that you met a man, and that man told you such and such a thing, but who is the man ? When a statement of that kind is made in parliament we have a right to know who the man is, otherwise no reference should be made to what he said. If we had his name then we would be able to judge as to whether any weight should be attached to what he said.

There was another very striking circumstance that occurred. The hon. member for Toronto was very solicitous for Mackenzie & Mann. It is something new indeed that he should want to look after Mackenzie & Mann. He worried because they were only getting a subsidy of $13,000 a mile. At the very time this subsidy was being granted, in the very same session, we find that hon. gentleman on his feet denouncing in the most forcible terms the giving of any more subsidies at all. Now he worries because Mackenzie & Mann did not get enough.

Mr. FIELDING. Except the Canadian Pacific Railway subsidy.

Mr. WADE. Yes, that is always excepted. He forgets that Mackenzie & Mann's road was built across the prairie section, the rich and productive section, while this road is to be built from the Pacific to the Atlantic, and the fat section is to help out the lean. Surely he should be able to see that. Now I do not know that there is any need for me to continue much longer.

Some hon. MEMBERS. Go on.

Mr. WADE. Well, I will try and please hon. gentlemen opposite. I will conclude my remarks by saying this, that if the opposition had their way they would stop this road at North Bay, they would allow the Grand Trunk to connect at that point, the effect of which would be to divert the whole traffic of the west down to the Grand Trunk to be shipped through American ports. That is what they would do if they had their way. We have been told that by two of them who have been upon their feet. We do not propose to allow that to be accomplished if we can help it. The people of Canada do not propose to allow that to be accomplished if they can help it. I want to assure hon. gentlemen opposite, and to assure them with all earnestness, that the time is not far distant when every man who has raised his voice in this House in opposition to this scheme as a whole will have cause to regret it. The time is not far distant when it will be made plain by the voice of the people at the polls that these gentlemen opposite have made the greatest mistake of their lives when they agreed to oppose this magnificent scheme brought down by the government. Had they taken hold of it honestly and said: We will assist the government in this scheme, we will help them through with this measure,—they would have got a share of the credit which will attach to this work, they would have facilitated the completion of the work by a year or two at least. I say it was their duty under the circumstances to have done so; that they have not done so is their misfortune. Let no one talk to us about bringing in a scheme here which would be acceptable to all parties. I will undertake to say that no scheme, no matter what, that might be promulgated by the government, would be acceptable to parties opposite. Sir, had the scheme promulgated by the leader of the opposition been presented to this parliament by the government, it would have been as soundly denounced by them as the scheme that they are denouncing at present. It is impossible to suit these gentlemen. They have a right to do what they will in these matters. But I trust that the time will come when they will be able to rise above party exigencies in relation to a great enterprise such as this, that they will be able to do as the opposition in England does upon occasions, and say to the government: This is a proper scheme, this is a measure which is for the good of the country, and we will give you cordial support. If there is anything in the project which is not technically correct and which needs amendments, we will consult with you and advise with you for the common good. That would have been the wise course for hon. gentlemen opposite to pursue. But they did not choose to take that course, it was their own affair. I think it is their misfortune that they did not do so, but it is also our good fortune, because we can carry the scheme not only through this parliament but in the country, and the result will be that our hon. friends opposite will be compelled to sit in opposition for fifteen or twenty years longer at least.

Mr. F. D. MONK (Jacques Cartier). Mr. Speaker, if I had the rugged faith of my hon. friend (Mr. Wade) who has just taken his seat, I think I would become a missionary. My hon. friend needs have no fear, I think, of lion's dens or fiery furnaces. Men such as himself can face any danger. It is only in the church or on the battlefield that they can give vent properly to their deep convictions. My hon. friend stated that he had not weak knees. Is this a cabalistic expression? Last year in this House, Mr. Fraser of Guysboro' used these same words.

An hon MEMBER. Where is he now?

Mr. MONK. To-day he is on the bench—not on the treasury benches, but in a prominent position of emolument. There is another vacancy in the province of Nova Scotia, and I supposed that my hon. friend from Hants (Mr. Russell) had the refusal of the position. I think he had better look to his laurels, because, if coming events cast their shadows before them, the words used to-day by my hon. friend who has just taken his seat, lead me to believe that he is a rival of some importance to the hon. gentleman who sits beside him, but, that faith, Mr. Speaker, is not shared by everybody. It is not shared by the hon. leader of the opposition (Mr. R. L. Borden) and I observe from what I see in the House to-day, the feeling is not by any means so ardent amongst the members from the province of Quebec who represent interests analogous to those which my hon. friend has just been defending so earnestly. Where are they to-day? Last year, when the right hon. Prime Minister (Sir Wilfrid Laurier) announced the scheme which is again under discussion in this House, they were all here. They applauded the right hon. Prime Minister. They took a lively interest in the eastern extension of which I desire to say a few words. Where are they to-day? They have not the faith of my hon. friend from Annapolis. Neither have I. Without wishing to go over once more the ground which has been so ably

gone over by those who have spoken before me, and without going into all the details of the supplemental contract which is now under discussion the House will perhaps allow me, in order not to repeat what has been so well said, better said a great deal than I could say it, to lay before the House the view of one who comes from the province of Quebec and to give to the House a confirmation of the impression which I had in the first instance last year, and my impression still of the trend that this business has taken and how I view it as a man from the province of Quebec—not at all, Mr. Speaker, that I think so large a question as this should be looked at from a provincial standpoint. By no means. This is a national question, a question which must be looked at from the standpoint of the whole Dominion, and which interests the confederated provinces. It interests to a high degree the older provinces, those by whom—we must not forget it—this great enterprise is going to be carried out, because it will be carried out as projected no doubt, and I think it behooves us few from the province of Quebec, on this side of the House, considering the indifference which perhaps hides another feeling amongst my friends and colleagues from the province of Quebec, to lay before the House our views in regard to this scheme. My hon friend from Annapolis should not blame us, I think, if we go a little beyond the immediate contract. We follow the example of my right hon. friend the Prime Minister. He was the first to give a wider range to the discussion, and I think all the members of this House will agree with me when I say that it is impossible to view the important changes which this supplemental contract lays before us, without, to a certain extent, going over the whole scheme. My right hon. friend the Prime Minister went back over 200 years. He referred to the travels of Father Albanel, and this was not the first time. Let me tell my right hon. friend that that reverend gentleman had the reputation, according to history, of keeping his promises even to the Indians, and my pretension is, giving another direction to the discussion perhaps to avoid repetitions, that although my right hon. friend sets great weight upon the explorations of Father Albanel, made 200 years before the invention of steam locomotion, my right hon. friend has not that characteristic of the great missionary. In this instance it seems to me, and I will await contradiction from my right hon. friend and his colleagues from the province of Quebec, that he handed us a gold brick in place of a reality. I had no faith in my right hon. friend's glowing description of last year in respect to the eastern division. Many hon. members of this House and many people in the province of Quebec, did not at any time place great faith in the extension to the east. My right hon. friend knows it, and hon. gentlemen who represent that province in this House know it as well. But, I do consider, from what I have seen in this supplemental arrangement and bearing in mind all the facts that have come to our knowledge since last session, that that scheme has been definitely abandoned for the present. Whatever may be the effect of that abandonment in regard to the province of Ontario, and I believe the effort is analogous to what it may be in the province of Quebec. I say it has been abandoned so far as the province of Quebec is concerned. I say, Sir, that very far from having developed into a national transcontinental railway, that feature of the scheme has disappeared and the first object of the Grand Trunk Company has been absolutely realized. The Grand Trunk Railway Company of Canada have succeeded in securing their original proposition, and they will divert the traffic of the west; in which we in the older provinces have at least some interest. They will divert that traffic to the United States, as they always intended.

It was thought at one time that this Transcontinental Railway would be a very great benefit to the province of Quebec; at least the supporters of the government alleged that it would be a benefit and they sought to make capital out of it in view of the approaching elections. The fact is, however, that this scheme of the government is looked upon with indifference in the province of Quebec, and some of the gentlemen on the treasury benches know perfectly well the reasons why. One reason is that the people of the province of Quebec knew, that no matter what the Prime Minister intended, the Grand Trunk Company would have their way, and would in the end attain their original object. An attempt has been made to show that this railway would be of great advantage to colonization in our province. Every man in that province who pays any attention to the question knows, that the colonization of Quebec is in direct need of assistance; but every man knows too, that the eastern extension of the Grand Trunk Pacific will not commence to realize the needs of colonization in that province. As an all-rail transportation route, the scheme never commended itself to the people of Quebec. The Minister of the Interior, has very frankly stated that in the summer months the transportation of grain from the west would be by water, and that it was only in winter there was any probability of this traffic going over the eastern extension through the province of Quebec, across the Quebec bridge, and on to the maritime provinces. That being so, there is very little chance of any benefit from the scheme being derived by the province of Quebec. We know that the road avoids as far as possible the inhabited part of the province, the credit of which is being pledged along with the credit

of the other provinces, for its construction. It reaches up to the north into a region of which we know very little. It avoids the great cities, except the city of Quebec, and if it is only going to be a transportation route in winter, of what avail will it be to that city. I have always advocated that there should be a bridge across the St. Lawrence at Quebec. I believe that as the two shores of the St. Lawrence were joined at Montreal, so they should be joined at Quebec ; but I never did advocate that the credit of the country should be pledged to the extent of $6,000,000, for a bridge which originally was to cost only $4,000,000. And if after all this expenditure, the statement of the Minister of the Interior is correct, that the Grand Trunk Pacific Railway would only be a transportation route in winter, then the city of Quebec will not derive any extraordinary profit from it. Let me point out, that the Valley of Ottawa, the Valley of the Lièvre and the Valley of the Rouge, are not touched by this railway, although we know that they contain millions of acres of land awaiting development and settlement. And yet the hon. member for Labelle (Mr. Bourassa) is as indifferent as the other supporters of the government, to the sacrifice of the interests of his constituency involved in the fact that this railway does not develop the fertile and unsettled portions of his county. The fertile country to the north of Montreal which sadly lacks railway facilities, is not benefited by this railway, and the Valley of the St. Maurice is merely touched by it. In fact, outside of the city of Quebec, that portion of our province which is to be taxed for the construction of this railway, is not benefited by it as a transportation route, to any appreciable extent. Compare this project with a railroad connecting ocean to ocean, that would come down through the known and inhabited parts of the province of Ontario and would pass from end to end through the province of Quebec ; so that whilst it would serve the advantage which we all have in view, of a national transcontinental line, it would also serve the interests of the great centres of the province of Quebec and the inhabited districts which it would traverse.

It has been viewed also in our province as a method of colonization ; and as such, I would recall to the House the nature of the protest which I made last year, when we considered the agreement made by the government in the first place. What I stated last year is even truer this year. We in the province of Quebec at the present moment are anxious to develop the immense tracts of land which we have there, lands as to whose agricultural resources there is no doubt whatever, but which lack railway facilities. My hon. friend the Minister of Justice (Mr. Fitzpatrick) and the other members who represent the province of Quebec, know perfectly well that in the eastern part of the province, in the county of my hon. friend the Solicitor General (Mr. Lemieux) we have a country as large as England itself. My hon. friend knows that we have there immense tracts of fertile land, and the only thing that prevents the development of those lands is the lack of railway communication.

Mr. LEMIEUX. I was opposed by my hon. friend when I introduced a Bill to get a railway there.

Mr. MONK. My hon. friend is mistaken. I do not remember opposing any bill of his for that purpose. I remember favouring the passage of many Bills for the construction of railways in that part of the country, but I do not remember opposing any. I may be mistaken, but I do not think so. At any rate, my hon. friend will not deny that railway communication is required there. I was told by the captain of a steamer on which I was a passenger in the Baie de Chaleur that there was room in the district to establish fifty parishes with a population of a million. What is wanted there are facilities for reaching those lands. Then, coming west, you have the well-known valley of Lake St. John, which the proposed railway does not touch and in that valley, according to the circular of my hon. friend the Minister of the Interior, there are over twenty million acres of good arable land, of which only 500,000 acres are under cultivation. If opened up by railway facilities and properly developed, that known and rich country, which the promoters of the Trans-Canada Railway desired to develop, would furnish to the city of Quebec a back country such as probably no city in the world could boast of. Then, as you come up the valley of the St. Lawrence, there are still on both sides of the river large quantities of available lands sparsely settled, but requiring railway communication. We have a back country for the city of Montreal not beyond the height of land, where this projected railway is going to pass, but on this side of the height of land, which is surveyed, known, ready for occupation and fertile, which would be a source of immense income to the city of Montreal and to active business generally, if it had railway communication. Even in the older parts of the province, as is no doubt the case in the province of Ontario, there are large tracts of country whose productiveness would be doubled if they had railway facilities. In my own county and in the county of Two Mountains there are seven or eight parishes which have never been able to obtain railway communication with the city of Montreal, and which last year sent into that city over $1,200,000 worth of agricultural produce. That I have no hesitation in saying would be doubled if we had proper railway communication. There is great truth in what my hon. friend from South Lanark (Mr. Haggart) said in the House

yesterday, that if we are going to spend over $50,000,000 in the province of Quebec for this part of the Transcontinental railway, we could spend it in other directions with much greater advantage to the country. That is the opinion of the great majority in the province of Quebec; and if my right hon. friend will take the trouble to question the men who for the last ten or fifteen years have devoted themselves almost exclusively to colonization, not to make money, but from the patriotic motive of settling up our country, he will find that there is not one who will not tell him that the spending of $50,000,000 in this way, so far as colonization is concerned, is a waste of money, and that what we require in the province of Quebec at the present time are roads of penetration into those regions, feeders that will put them into communication with the great centres. I venture to say, Mr. Speaker, that my right hon. friend and the government have practically abandoned the eastern section. It is my belief that $10,000,000, not of money expended, but of guarantee for the construction of some of these lines, would not expose this country to one dollar of loss, and would produce, so far as colonization is concerned, infinitely better results than the expenditure of $50,000,000 in building a railway beyond the height of land through a country of which we practically know nothing. As a colonization road it cannot be of any use to the majority of us in the province of Quebec.

My hon. friend (Mr. Wade) has absolute confidence in the eastern extension. He stated that the hon. leader of the opposition would be severely called to account by the electorate of Halifax for having opposed this scheme, forgetting no doubt, as my hon. friend has done, that in the leader of the opposition's own proposition was contained, not a doubtful statement, but the certainty that we would have a national transcontinental scheme of a real character, with a railway under our absolute control, going from ocean to ocean, down through the province of Quebec and the maritime provinces. Is there anything very astonishing that we should have arrived at the position in which we are to-day? I do not think so. My hon. friend will remember that this scheme, which we are called upon now to complete, was matured during the busy session which took place last year. It was presented by my right hon. friend to the House as a very pressing matter, one which would brook no delay, and I remember very well my right hon. friend praying Heaven to grant that it should not be too late. What was the position taken by the Grand Trunk Railway at the very inception, and is it possible for any one to believe that that position had not the approval of the government? Is it possible for us to believe that the Grand Trunk Railway, beginning early in 1902 to mature this scheme, making calculations, going over the ground and finally applying to parliament for the incorporation of the Grand Trunk Pacific—is it possible to believe that that company did not have some intimation from the government that its project would receive the support of the government? It is not possible to believe that. The first notice given by the Grand Trunk Pacific was the notice that it intended applying for a charter from North Bay westerly. Sir Rivers-Wilson told the shareholders of the Grand Trunk Railway at their last meeting, that the intention of the company was to build a railway from North Bay into the west. We are familiar, however, with what took place. A few days before, or a few days after my hon. friend presented his Bill to the House, we had a very strong movement from Quebec. The promoters of the Trans-Canada Railway all came up here. Those who took an interest in the Quebec bridge came up here. The members from the province of Quebec brought the weight of their influence to bear, and the government gave way to the demands of the deputation. We know how later on the maritime province members, when the Grand Trunk Pacific Bill was passing through the committee stage, insisted against the government's own desire, that they too should have a share in this transcontinental project. What was the result of these representations and the influences brought to bear? We had, in the first instance, the tacking on to the original project of the Grand Trunk Railway this eastern extension to Quebec.

Sir WILFRID LAURIER. Hear, hear.

Mr. MONK. Then to the eastern extension, as at first projected, my right hon. friend added the extension of the Grand Trunk Pacific as far as Moncton. All this was done in a hurry. We know to-day that the ex-Minster of Railways (Mr. Blair), was not consulted with regard to these changes. He said so last session when he gave his explanation to the House. He then said that the project had been matured, that the scheme had received its final sanction, without any previous consultation with him. Under these circumstances, it is not surprising that what the Minister of Railways of that day called a hybrid scheme, concocted to satisfy both the promoters of the Grand Trunk Pacific and the demands of politicians should have received, but an indifferent approval even from the provinces supposed to be benefited. With regard to the Grand Trunk Company itself, it is evident to-day that it never at any time looked upon the eastern section as anything else but a political burden, which it was most desirous to get rid of if possible. There is no doubt that in the province of Quebec grave doubts began to exist, and were even formulated, regarding the sincerity of the government in promising to build the easten section. In a paper which

is not unfavourable to my hon. friends opposite, appeared not many months ago, an article which was significant, stating that if in spite of the arguments in favour of the eastern extension, the government should be influenced to abandon the eastern division, then those who favoured that extension of the province of Quebec would be likely to remember that abandonment.

Mr. LEMIEUX. Would my hon. friend name the paper ?

Mr. MONK. It is 'La Presse,' a paper which has a very large circulation in the province of Quebec, a paper which has always been in favour of the scheme, and which stated at the end of the article that if, as some people pretend, the government was not sincere and the eastern extension would be practically abandoned, then those who had held out this hope to the people and had favoured the project of the eastern extension would call the government to a strict account. Probably my hon. friend remembers that article.

Mr. LEMIEUX. I remember having read the article, but I would like to know the date.

Mr. MONK. I do not know the date.

Mr. CASGRAIN. Has the hon. gentleman changed his opinion since then ?

Mr. LEMIEUX. I remember the article.

Mr. MONK. Another indication, which I think throws a great deal of light upon the disposition and the policy of the government in regard to the extension of the eastern section to Quebec and the maritime provinces, is their total lack of action since the last session. That has already been insisted upon. At the beginning of this session I asked whether any surveys had been proposed and whether anything whatever had been done in regard to the eastern section, and we found out that nothing had been done. Whereas, on the one hand, the promoters of the Grand Trunk Pacific Company and the government have been busy to the last degree in bringing the agreement to its finished form in regard to the western sections, nothing whatever has been done as far as the eastern extension is concerned. Sir Rivers-Wilson, president of the company, does not even refer to it in his speech to the shareholders of the company. He makes no reference whatever to the eastern extension, does not point it out as an advantage or a disadvantage in connection with the operation of the new railway which the Grand Trunk Company is promoting. There is very great significance in what was pointed out by the leader of the opposition (Mr. R. L. Borden), that at the meeting of shareholders a memorandum, called an official memorandum, was circulated among the shareholders. Whether it came from the government or the directors of the company we do not know, but it referred to the eastern extension as a premature scheme. Members of the House must have noticed with what vivacity the Minister of Finance took up the reference to that memorandum, and desired to know from the leader of the opposition (Mr. R. L. Borden) who was the author of that memorandum, and how it had been circulated. It seemed to me that as the government has no doubt knowledge of all the proceedings at that meeting, it would be very important, and, I think, almost incumbent upon the members of the government to give us some explanation as to the character of that memorandum.

Sir WILFRID LAURIER. The government has no knowledge of such a memorandum, absolutely none.

Mr. MONK. Has my right hon. friend made any inquiries ?

Sir WILFRID LAURIER. No ; but my hon. friend (Mr. Monk) says we are bound to give explanations. We cannot give an explanation of a thing of which we have no knowledge. We never heard of such a memorandum, and I do not believe in the existence of such a memorandum either.

Mr. MONK. My right hon. friend (Sir Wilfrid Laurier) need have no doubt as to that. It is referred to in the official report of the meeting of shareholders. One speaker stated that he held in his hand, if I mistake not, an official memorandum.

Sir WILFRID LAURIER. No ; what was stated was that there had been a memorandum.

Mr. MONK. No ; the official report of this shareholder's speech says :

> In the official memorandum I read that the 500 miles from Quebec to North Bay is probably premature.

Now, as a member from Quebec, it appears to me somewhat ominous that in the new agreement the Grand Trunk Pacific Railway Company has stipulated for the right to lease portions of the road before it is entirely finished. There can be no doubt that coupling that supplementary agreement made by the Grand Trunk Pacific with the applications made by the Grand Trunk Pacific to the Ontario government for subsidies and aid in support of a branch line through the extreme western part of the province of Ontario and down to the lakes, that there is a determination on the part of the Grand Trunk Pacific Railway, which the government has fostered, to avail itself, on favourable terms, of that portion of the eastern extension, the most costly and most difficult portion to build, which the government is going to construct from Winnipeg until it reaches a point where it will be easy for the Grand Trunk Pacific to get down to North Bay and to carry out its original design. This is one of the features that alarms us in Quebec as to the seriousness, the earnestness of the government in regard to the

carrying out of this transportation route through our province.

Sir WILFRID LAURIER. My hon. friend stated a moment ago that the people of Quebec were quite indifferent to that piece of road.

Mr. MONK. My right hon. friend (Sir Wilfrid Laurier) will understand that the vast mass of the people of Quebec, whom this road does not affect, because it passes beyond the bounds of any population whatever, are not as much interested in it as they would be in a road passing through the inhabited portions of the province. It seems to me that it behooves us who represent that province in this parliament to see to it that this scheme is a serious scheme, and that we in the province of Quebec should get our share of the immense expenditure which is proposed to be made in connection with this project.

Sir WILFRID LAURIER. Hear, hear.

Mr. MONK. My right hon. friend (Sir Wilfrid Laurier) must not think that in speaking thus I have a desire to simply advocate the rights of the province. I view the Transcontinental Railway as a great national scheme, but, as far as the province of Quebec is concerned, we wish to see it carried out earnestly.

Mr. LEMIEUX. Hear, hear.

Mr. MONK. My hon. friend says 'hear, hear.'

Mr. LEMIEUX. I am with my hon. friend (Mr. Monk).

Mr. MONK. Is my hon. friend (Mr. Lemieux), as a member of the administration, prepared to give anything in the way of a guarantee that it is seriously intended to build the eastern extension?

Mr. LEMIEUX. Certainly.

Mr. MONK. I do not mean in the distant future, when we will all have been elected to another house than this one, but at the same time as the western portion of the road is to be built.

Mr. LEMIEUX. Hear, hear.

Mr. MONK. Might I ask my hon. friend if that is the case, what has been done since the last session in the way of giving us, not only in the province of Quebec, but in all of Canada, some idea of where that line is going to pass?

Mr. LEMIEUX. My hon. friend (Mr. Monk) has just described the route. He said it is beyond the inhabited centres.

Mr. MONK. Does my hon. friend (Mr. Lemieux) consider that this is a satisfactory description, coming from a member of the government, passing through uninhabited regions.

Mr. LEMIEUX. That is the description given by my hon. friend.

Mr. MONK. Does my hon. friend assent to that description? Does he agree that it passes where it can be of no use to anybody? It seems to me that we have enough before us to show us as sensible men, with what took place at the meeting of the shareholders of the Grand Trunk Railway in London, that the concessions which the promoters of this railway have demanded and have obtained, with the absolute inaction of the government since the last session, with no statement whatever from the right hon. gentleman as to what they intended to do at the present moment, when the time has arrived for tracing that line—it seems to me, I say, that we have before us enough to justify a grave suspicion as to what the real project of the government is, and what they intend to do as to that eastern extension. For my own part I entertain no doubt whatever that, apart from the extension to Winnipeg, which is over the most difficult, the most costly, the least remunerative part of that line, and which the government no doubt intend to build, the rest of the construction will be indefinitely postponed. I think we are entitled to have some authoritative declaration from the government on that point.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. MONK. Mr. Speaker, I was very thankful to you for leaving the chair a few minutes before six o'clock because I had a great desire, when I took the floor of the House, to limit my observations to the view which I think most of us in the province of Quebec would take on this important question, and not to go over the ground which has been so ably covered already by those who have spoken before me. My hon. friend from Annapolis envied my hon. friend from West Toronto (Mr. Osler) in so far as he was a director of the Canadian Pacific Railway Company, probably for the same reason that I envy my hon. friend for West Toronto myself. We would all like to be in that position, but, there is another advantage which is that it permits a man of such great experience and knowledge of financial transactions to criticise more clearly than we ordinary laymen can an agreement of this kind. My hon. friend from West Toronto has done so with such great aptness that I am very desirous of not going over the ground that he has covered already. It has taken me a great deal of time to reach the conclusions which he probably reached in one quarter of that time. What I wish particularly to show to the House is that we have just cause for alarm in the older provinces at the aspect of this

question as it is now submitted to the House, and I trust that my hon. friends from the province of Quebec on either side of the House, if not sharing that apprehension, will do something to reassure me. The advances made by the Grand Trunk in this second agreement must have struck everybody and I am bound to say, that, although I listened attentively to my hon. friend from Annapolis, I was not aware that he in any way shook the strong arguments which were put before the House last night by my hon. friend from West Toronto. To give an example, my hon. friend from Annapolis referred to the utter impossibility of the rolling stock scheme being carried out as outlined by my hon. friend from West Toronto. It seems to me beyond all doubt that the Grand Trunk Railway Company intend adopting that way of equipping the road. We have Sir Charles Rivers-Wilson's statement to that effect positively made at the meeting of the shareholders. The scheme is on foot. They intend purchasing the rolling stock in the manner which is usually adopted by all railway companies, they have begun doing so and I venture to say, without being a prophet, that they will carry out that scheme. We must not imagine that we will not be called upon again to legislate upon this question. I have no doubt that we will legislate on it every year for the next eight or ten years, and if there is any flaw in the agreement in regard to that it will be corrected at the next session. That is the way it is going to be carried out, and there is going to be no money spent by the Grand Trunk Railway Company or by the Grand Trunk Pacific Railway Company in purchasing this equipment. I do not think there is any obstacle to a scheme of that kind being put into execution under the agreement. My hon. friend must have noticed that it is stipulated in one of the clauses of the agreement that the equipment is to be provided in the ordinary way of railroads. This is the ordinary way. It is by the organization of stock companies and stock trusts that equipments are provided on all railways on this continent and probably on the other. That is the manner adopted by the Canadian Pacific Railway Company, in fact, by all railways and that the agreement itself contemplated that method of procuring the rolling stock cannot be doubted because it is specially provided in the agreement that among the working expenses defined by the agreement are precisely the amounts payable annually in extinction of the purchase price of the equipment. I see no objection, myself, as a lawyer, to a mortgage being given under these circumstances. The point I wish to make is that there will be no money spent and that the equipment will be paid out of working expenses.

There are other examples. My hon. friend from Annapolis stated that we had provided in the agreement for the control of rates. Well, it would be useless for me to say to the House, because hon. members are all aware of it, that it is impossible in an agreement of this kind to control rates. It is impossible to control the routing of freight. We cannot do it. The agreement goes as far as possible in that direction, no doubt, but, as a matter of fact, we will not be able to control the routing. We will not be able to prevent the Grand Trunk Pacific Railway Company, instead of bringing the vast commerce of the west down to one of our own national ports, sending it to the port of Portland. That is what will be done. In regard to the rates themselves there is only one way in which we will be able to control that most important element in connection with this transcontinental route and that is by owning the route ourselves. Nothing is truer than what Mr. Blair said in the House last year that all control by the government over rates must necessarily vanish when the companies come before the government and represent that with a lower rate than that which they are imposing it will be impossible for them to go ahead. So that, I do not think that this argument of my hon. friend from Annapolis has very great force. The particular points which have attracted my attention as an eastern man, and I do not speak only as a member from the province of Quebec, have obliged me to give this contract still further consideration than I did last year and I find that the changes are very important. They have been pointed out by my hon. friend from West Toronto and also by preceding speakers and will no doubt be referred to by the many who desire to express themselves on this important question. What strikes me particularly is that our liability under the old contract was strictly limited. It is now unlimited. We are obliged on the prairie section to guarantee bonds to an amount beyond the $13,000 a mile mentioned as the limit in the previous agreement. We guarantee bonds to the amount which is necessary to produce $13,000 a mile which is a very different thing. In the mountain district we have assumed 75 per cent of the liabilities whatever these liabilities might be. We are not limited to $13,000. We must guarantee bonds to a sufficient amount to cover that 75 per cent and all the company has to do in the one case as in the other is to grind out bonds, so to speak, and get the government to guarantee them in order to procure a sufficient amount. So that, our liability is unlimited. Another point of very great importance is that we do not in any way control the issue of these bonds. It seems almost incredible that the company will be the sole judge of the time, place and amount at which these bonds will be sold. That is another point of extraordinary importance. Neither do we control in any way the fixed charges upon the railway and in regard to

the balance required after we have furnished the $13,000 per mile on the prairie section and the 75 per cent of the cost, whatever that may be, of the mountain section, the company itself can issue unlimited bonds and possess under the guarantee of these bonds, equal rank pro rata with ourselves upon whatever the road will bring, if ever it comes into the hands of a receiver.

There is also a provision that no foreclosure can take place for five years, so that in reality the company is not only amply provided for during the time of construction, but for ten years afterwards, and it can go on for four years and eleven months more after that, without being in any way troubled as to the interest. There is a stipulation in regard to the rolling stock which under last year's bill was $20,000,000, and which is now brought down to $15,000,000. Under the old agreement the Grand Trunk Company was obliged to keep the $25,000,000 of stock, but no price was fixed upon that stock, or no condition as to how it should be paid for ; while under the new agreement that stock can be disposed of by the Grand Trunk Company to the extent of nearly one half of its value. There is also the right of leasing portions of the eastern division on the same conditions as to amount, as the company would have to pay for the whole of the eastern line, and there is a further significant clause in the agreement as to the right of the company at the end of the fifty years, to dispose of to the government, all the branch lines which the company does not require.

The conclusion at which I arrive, after reading this modified agreement, is, that all the modifications that have been made in it as compared with the old agreement, have been made to facilitate the carrying out of the original scheme which the Grand Trunk Company had in contemplation. It is a very significant thing, that notwithstanding all the facilities for raising the necessary money which have been afforded to the Grand Trunk Pacific Company by the new agreement, it will be possible for the Grand Trunk Railway Company to have its western extension carried out without the expenditure of any considerable sum of money on the part of the company ; because we have had it from the lips of the president of the Grand Trunk Company, that they are only liable for the sum of three million pounds, and for an annual sum of one hundred and eighteen pounds sterling. Under those circumstances, it seems to me that everything possible has been done to facilitate the carrying out of the original scheme of the Grand Trunk Company. My hon. friend from Annapolis (Mr. Wade) has laid great stress upon the deposit of $5,000,000 by the Grand Trunk Company. I do not in any way desire to reflect upon the Grand Trunk Company, but I think it would be of interest to us to know how that deposit has been made. Under the contract it should have been made in cash or approved securities with the government, and I would infer from the terms of the deposit receipt, that the receipt itself is not a satisfactory indication that this deposit has been made in cash. We are entitled to know from the government, if that deposit has been made in cash or approved securities, and if in approved securities, the government should tell us what they are.

Mr. FIELDING. I can give the answer at once—the deposit has been made in cash.

Mr. MONK. Does the receipt state that it is to be handed over to the government without interest after six months' notice ? Is the cash actually in the Bank of Montreal at Montreal ?

Mr. FIELDING. It is ; it is so certified by the manager of the Bank of Montreal.

Mr. MONK. My attention was attracted to this by what was said by the member for Annapolis, and by the fact that the deposit receipt is not in the usual form. Now, Mr. Speaker, we have been told that a national transcontinental line would pass through the province of Ontario, creating a new Ontario, and that it would create in our own province of Quebec, a new Quebec. From what has occurred since last session, I do not believe that that is going to be accomplished. I do not think that the eastern section is going to be built. It may be built in the distant future, but I do not infer that it is the intention of the government to build it simultaneously with the other section, and to make a really national transcontinental road. My hon. friend from Annapolis has spoken of the opposition which the original proposition to construct the Canadian Pacific Railway met with in this House. Well, it must be obvious to everybody that the opposition which is offered to this scheme is not the same kind of opposition in any sense. The Liberal party opposed the construction of the Canadian Pacific Railway, alleging that it was a wanton waste of money, and that the road was not necessary. At the present time none of us say that we should not open up the great west. We are agreed in principle that we must have a transcontinental road, but we differ as to the means. We are prepared to incur the expenditure, we are prepared to make every sacrifice necessary for the development of that important part of our national domain which we have in the west ; but in the province of Quebec, and in the older provinces, upon whose credit this scheme is to be carried out, we think we are entitled to say that we want a truly national road ; a national Canadian route, and not a route that will carry the vast trade of the west past our doors and down through the United States into Portland. It has been said on the other side of the House,

that the Conservatives were opposed to the extension of the Intercolonial Railway from Levis to Montreal. I have no such recollection. We were always in favour of the extension of our own national railway exactly as we are to-day, but we differed at that time as to the means by which that end should be accomplished. I disapproved of the acquisition and of the mode of acquisition of the Drummond County Railway. I believed then and I believe to-day, particularly when the railway system along the south shore of the St. Lawrence is in such a deplorable condition, that we should have adopted that shorter and far less expensive route between Levis and Montreal. But as to the prolongation of the Intercolonial to Montreal, nobody on this side of the House, so far as I am aware, offered any objection to it.

Indeed, Mr. Speaker, the Liberal-Conservative party, as I understand it to-day, is pledged to a policy of prolongation of our great national highway; and had the government last year come down to us with a proposal to extend at once the government railway to that immense country in the west for the purpose of developing it, I for one would have heartily applauded that policy. If a proposal had been submitted to us having in view the building of an entirely government road, whose direction and whose traffic we were sure to control for all time, from the extreme west down to the shores of the great lakes, I have no doubt whatever that such a policy would have had the unanimous support of this House; and I believe to-day that would be the wisest course for us to adopt. We would then control absolutely the traffic of the west as far as the great lakes; we would develop that immense country, as it is our duty to develop it, and satisfy the very legitimate wants of the people of the west and of the large immigration which at present is flowing into that country. At any time, particularly now, if necessary later, I would be in favour of extending the Intercolonial Railway to the great lakes. At the present moment that would represent an expenditure of less than $20,000,000, and the result would be far better as regards the province of Quebec, and I have no doubt as regards the province of Ontario, and surely as regards the maritime provinces—it would be a far more certain and profitable expenditure—than this glamour, if I may call it so, of sending a line beyond the Laurentian range, beyond the height of land, and spending at least a hundred millions for that purpose. I say that, because I do not believe that line will ever be built through the province of Quebec, and still less do I believe that the Moncton extension, which was insisted on in the manner we all know last year, will be ever carried out. I agree cordially with what was said last year by the ex-Minister of Railways with regard to that extension, that it is not possible to believe that this country will ever commit itself to an expenditure of some $5,000,000 for the purpose of practically duplicating the Intercolonial Railway and gaining, between Lévis and Moncton, a distance of perhaps 25 or 30 miles, if we were to carry out the route suggested last year between Trois Pistoles or Rivière du Loup and Metapedia. What strikes me in all this, as a ratepayer in the province of Quebec, and as one who believes firmly in the absolute necessity of a great railway highway, controlled and owned by ourselves from one end of this Canada of ours to the other, is less the expenditure than the mistake in the policy of the hon. gentlemen who sit on the treasury benches. With regard to the filling of the gap between the great lakes on this side and that part of the government road which we would build on the other side through the western region, I fail to see what there was of an absurd or unreasonable character in the suggestion put forward last year, and repeated this year, by the leader of the opposition. We all know perfectly well that the line of the Canadian Pacific Railway north of Lake Superior could accommodate six times the traffic which it has now. It was built in great part by ourselves, and why should we not arrive at some arrangement by which, not only our own government road would use that piece of road traversing a country with little or no resources, but four or five other railways, if necessary. That would be pre-eminently logical, reasonable and economical.

Mr. Speaker, I would regret to think that anything I have said in the course of this discussion could be interpreted as hostile to the Grand Trunk Railway Company. I am glad to think that the Grand Trunk Railway Company will derive a part of the profit of the traffic to be had in the west. But when it comes to a choice between the interests of that corporation and what I believe to the clear, unmistakable good of this country, I do not hesitate; and if we were to carry out the idea now so widespread as necessary of execution, the nationalization of the railways of this country, I do not believe the Grand Trunk Railway Company would be deprived thereby of its share of traffic in the west. It could have it over our own national line, and could bring it where it judged proper. But we would have done our duty to this country by expending our money towards assuring an entirely Canadian line, to be built as soon as possible, from one end of this Dominion to the other. After all, Mr. Speaker, it must be evident to those who have looked into these agreements with some care—and we all know what use will be made of this agreement as soon as it is adopted by this House—that with the exception of the £62,700 sterling for which the Grand Trunk Railway Company is liable yearly on the bonds, or £118,000 sterling of annual interest, it is on our credit, and our credit

alone, that this scheme is being carried out for the benefit of the Grand Trunk Railway Company. These are the facts, and, under these circumstances, it seems to me that it is a just and proper and patriotic position to take—fair, not only to the west, but also to the east—to the older provinces which are in reality the guarantors in this affair—that it would be better for ourselves to pledge our credit for ourselves and to give ourselves an entirely national line, controlling it from one end to the other, and making sure that our American neighbours will have no part whatever in the profits to be derived from that line.

After all we cannot fail to see that our American neighbours are getting a great deal of the profits which are to be had out of this country. That has been the case from the earliest days, and it is the boast of our American friends that they will eventually possess this country in its entirety. They began in 1792 by getting a slice comprising a considerable portion of territory, which everybody admits to-day really belonged to us. They have since then sliced off other portions of our territory in the east, centre and west. They have taken a very important slice of what, according to many, is our own territory in the north. They have a balance of trade against us of over $75,000,000 standing to their profit, and that balance will increase every year. They peacefully invade our country and take away vast quantities of raw material which we could with very much more profit utilize ourselves. And to-day, from a series of circumstances fresh in the minds of us all, a company, composed it is true of English capitalists, but after all under American management, is going to tap our great west, and instead of bringing the traffic of that region down to Montreal and down to the old city of Quebec, which is now ready to receive it by water or by rail, thanks to the bridge that is being constructed there,—instead of giving us the benefit of that traffic, the possibilities of which cannot be exaggerated, because it covers not only our own territory but the western states as well, it will, after obtaining everything from this government, take that traffic as quickly as it can outside the limits of Canada down to the American harbour of Portland. Is not the scheme we propose a more advantageous one from our point of view? It will not involve a greater expenditure of money of credit, and will secure to Canadian ports the Canadian traffic of the Northwest instead of bringing it to an American port. Is not such a scheme more patriotic and more advantageous in every respect to this Dominion than the one submitted to us? Our hon. friends opposite will no doubt say that the eastern extension as projected will be carried through. But why not achieve the same object by a cheaper method? The Grand Trunk Railway has already abandoned the city of Montreal for the port of Portland. Why should we play into the hands of that company and deprive our Canadian ports of the benefit of all the traffic which will accrue from the building of another transcontinental line, and not make this line pass beyond the height of land, where no people whatever in the province of Quebec can profit by it? Under the circumstances it seems to me right and fair that I should present to the House this view, which I know a very large number within the limits of my own province take of the projected scheme. It is my belief that the principle which has been so much discussed within the last ten or twenty years of the nationalization of all public utilities, and especially the nationalization of a great line like the one we are now discussing, is a principle which will ultimately triumph, but it will triumph, I believe, in this country too late for the advantages we might derive from it. It has been said, and I know is believed by some, that the construction by ourselves of this great national line would involve us in too much expense. It is said that political influences would interfere with the proper management and carrying out of this eminently national project. But after all, are we inferior to other people? Has not the government ownership of railways been a success in other countries, and why should it not be a success here? We are gradually emancipating ourselves from the evil influences which may have at one time or another interfered with the proper management of the Intercolonial Railway to a certain extent, but not to such an extent as has been stated, and there is nothing truer than what my hon. friend the leader of the opposition has said, that with a line of this magnitude and the growth and development it would give this country, surely as Canadians, as men who have the true interests of their country at stake rather than political interests, we would be able to do as well as other countries. They have nationalized railways in France and Germany. Russia has built a transcontinental railway, and political influences have not spoiled the construction of that road or interfered with its traffic. The principle has been carried out in other British dependencies than Canada with success, and at present the question is one of palpitating interest in the United States, where, no doubt under the industrial conditions which obtain there, before long it may become necessary for the people to carry into execution the principle of nationalization of their great roads. The Americans did not hesitate, nearly a century ago, when they found that the government of the mother country was too oppressive, to rebel. They founded a nation and built up a great country. We are arriving at national manhood under more favourable circumstances. We form a part of the British empire. We are satisfied

with the constitution of this country as it is carried on. We are as free as possible. We have an immense territory, as large as that of the United States, which it is our duty to develop. It is our duty to keep for ourselves with the most jealous care all our resources and all our trade, and the only way in which we can do that effectively and with certainty is to build that transcontinental line from end to end, to have it under our control from end to end, to own and operate the railway ourselves.

We have splendid waterways, but side by side with those waterways we must have railway communication to co-operate with those waterways and in order to have really effective railway communication and to have a really strong control over the rates of freight throughout this country, in order that we may secure the fruits to which we are legitimately entitled for the sacrifices of credit and of money which we are making, we must have an absolute control of the road. What happened when this government gave $500,000 to the Grand Trunk Railway Company to improve the Victoria bridge at Montreal? That grant was almost contemporaneous with the establishment by the Grand Trunk of its port at Portland, and the Grand Trunk gave as a reason for the establishment of that port that there were not sufficient facilities in the port at Montreal. There are not sufficient facilities at Montreal nor at Quebec, St. John or Halifax. If we desire to keep our trade for ourselves we must provide our ports with the facilities which the Americans have provided for themselves and we must make it a certainty that all the trade of the west for which we are making such immense sacrifices will remain with ourselves exclusively. My hon. friend from Annapolis (Mr. Wade) has said that the people of the west would be patriotic enough to route their freight entirely through Canadian territory. My hon. friend knows as well as I do that the man who is routing freight will route it in the cheapest possible way, and if he has the certainty that sending it by Portland will be of more advantage to him he will not send it by Halifax. We have proof of that every day. Last year 9,000,000 bushels of our own Canadian wheat were shipped via Buffalo and over 1,300,000 bushels of American corn was routed by our American friends not through American channels but by way of Port Arthur because that was the cheaper route. We cannot count on that degree of patriotism from people who are obliged to pay freight but we can, by owning a railway, make it a certainty that the freight will go entirely by Canadian channels and benefit the eastern provinces as well as the west, so that we in the east will derive from the immense expenditures we have made that portion of benefit to which we are entitled.

There is another consideration which I think will appeal to the House. I believe that this link, of an entirely national character between the west and the east from end to end of the Dominion will help to create between the west and the east a great national spirit such as we require in this Dominion of Canada. Personally I have become more interested in the maritime provinces and more familiar with their wants and with the advantage to Canada of the possession of the maritime provinces, not so much by the visits I have made to those provinces as by the existence of a national railway from Halifax to Montreal, and the obligation imposed upon me as a member of this parliament to, every year, examine the results obtained upon that railway, its wants and the wants of the provinces which it traverses. I have no doubt whatever that in a similar manner, if we have a purely national railway running from one end of this Dominion to the other, we will become more closely bound to the western provinces, to those provinces of the future which are designed to play such an important role in the evolution of this great Dominion. I am perfectly sure that if the Intercolonial Railway is prolonged through the great province of Ontario it will be a link, and not an unnecessary link between that province and Quebec. Under all these circumstances, Mr. Speaker, I do not by any means oppose the development of the west, but with an idea to which I would like to give further development if I had time, that Canada would benefit more by having a national line from one end of the Dominion to the other and by spending public money for the colonization and development of the older provinces, not for the development of unknown regions but for the development of regions which we now know and through which we can build feeders to this great national line, with the idea that this part of the policy of the government is a mistaken one and that it would have been more purely patriotic and national to spend our money in the creation of a great Canadian line from one end of the Dominion to the other, I find myself unable to approve of this second arrangement any more than I did of the first.

Mr. L. P. DEMERS (St. John and Iberville). (Translation.) Mr. Speaker, it was not my intention to take part in this debate, but a remark made by the hon. member for Jacques Cartier (Mr. Monk) induces me to do so. He stated that last year the Liberal members from the province of Quebec were very enthusiastic over the scheme and that several of them were anxious to express their views concerning it, while to-day these same members remain silent.

Last year the principle itself of the scheme was being considered, and we would, of

course, be expected to express an opinion regarding it. But to-day, the prinicple is no longer at stake. Mere matters of detail have to be looked into. The building of the Grand Trunk Pacific Railway is a certainty, and all we have to consider has reference altogether to slight amendments to the agreement voted last year subject to ratification by the shareholders of the Grand Trunk Railway Company of Canada. Matters, therefore, are not in the same position, and our silence is thereby explained.

The hon. member for Jacques Cartier at the outset expressed his doubts as to the building of the eastern section of the transcontinental railway. In his opinion that part of the undertaking will not be carried out, and the effect will be to divert western traffic from Canadian ports towards Portland. The hon. members of the opposition, and particularly their leader, state that the country would be benefited by the extension of the Grand Trunk Railway into the west; they are anxious, so they say, that the railway referred to be pushed through to those magnificent western plains for the purpose of carrying the numberless bushels of wheat grown in that fertile region of the Peace river and elsewhere; but they object, they say, to that immense traffic being diverted from our ports and taken to Portland. There are no grounds for such apprehensions. By referring to sections 42 and 43 of the agreement passed last year, we will be convinced that the company are bound to favour our ports, since they are not at liberty to charge a higher freight rate on goods shipped to Canadian ports than on those shipped to Portland. Is not that a direct and positive encouragement to Canadian trade? What further security could the government exact from the Grand Trunk Railway?

Would the Canadian ports be more favoured by the carrying out of the rather indefinite scheme propounded by the leader of the opposition, and which, among other features, includes the extension of the Intercolonial to the great lakes? I do not think they would. Through the building of the Grand Trunk Pacific and by means of the provision which the government have laid down in the agreement the trade from the Pacific is secured to us.

The hon. member for Jacques Cartier claimed that the province of Quebec does not care for the undertaking, knowing that she will not reap any benefit from it. My hon. friend is mistaken, I think, as to the feelings of his fellow-citizens; and he may rest assured that the necessary influence has been brought to bear on the government to safeguard the interests of the province.

The hon. member for Jacques Cartier wished to put the House under the impression that this question has not been discussed in the province of Quebec. I think it is only doing justice to the hon. member to state that he has thoroughly dealt with that question in his speeches delivered before various public meetings, and I have the proof of this in the reports which appeared in 'La Presse' on February 8th and 11th. Those reports show that the hon. member took exception to the government scheme as being of no advantage to Montreal, considering that the proposed railway was to be built hundreds of miles away from it. True, that position has since been relinquished, the hon. member being no longer a leader of the Conservative party. I think the hon. member is right. The people are in need of an ideal, of some firm belief, to direct and support them; and the Conservative party has nothing of the kind to offer, having given up its old creed and replaced it by the belief in out and out protection, and ill-fated name which is to replace that under which the party has heretofore been known.

However, Mr. Speaker, in the electoral districts of St. James, Hochelaga, St. Hyacinthe and Montmagny, the Conservative candidates stood up against the Grand Trunk Pacific scheme, and especially against the building of the eastern section; whereupon, the Conservative party was repudiated by one of its old organs, a paper which is independent to-day but is the property of a Conservative legislative councillor and edited by a former editor of 'La Minerve.' I refer to 'La Presse,' of Montreal. On February 10 last, dealing with the eastern section, that paper said:

> However, we are unable to recognize in the candidates who are so strongly opposed to the new transcontinental a single one of our old time friends. Of course, they are quite free to sacrifice themselves for their party's sake. They will be sorry for it when it will be too late.
>
> It seems to us, nevertheless, that there cannot be any doubt as to the desirability of obtaining an expenditure of forty, fifty,—opponents say one hundred millions,—to develop that further slope of the Laurentian range.
>
> There is no more room on this side of the mountains. Our settlers are struggling among rocks and roughness of all kinds, and the granting of lots is giving rise to constant wrangling. The boldest, such as those who took up lands as far as St. Michel des Saints, at all risks, went beyond the mountains, but they suffer all the same from their isolation.
>
> Great sources of wealth are awaiting us on that further slope. Its virgin forests will easily give to the province of Quebec a million dollars or more per year; for everything, there, is as untouched as when Jacques Cartier discovered Canada.
>
> An ill-inspired notion compels high-minded patriots, such as our friends Messrs. Bergeron, Bernard and Taché, to fight that scheme, possibly in spite of their own good nature; nevertheless, the fact remains. On that point we must stand aloof from them. As regards the rest, they may take their chances, if any remain.

Then, Mr. Speaker, just before the election, on February 15, that same paper published an article to which the hon. member

for Jacques Cartier has referred. He quoted the part relative to the government, but was very careful not to give that concerning his friends.

The paper stated among other things :

Politics have their exigencies ; but we are not disposed to bow to them. All these stories of lots, granted or not granted, applied for or vainly wished for, have not much practical bearing. And if they are so many difficulties, it is on account of the growing scarcity of lots available for settlement.

The province of Quebec is bounded toward the north by that terrible Laurentian range. Stalwart pioneers have been compelled to cross that appalling mountain barrier to reach fertile, though distant fields. We already mentioned the name of St. Michel des Saints, which, to all intents and purposes, is sixty miles away, or nearly so, from the nearest railway. Those stubborn settlers are on the margin of an endless plain, which practically extends to the shores of Hudson Bay ; but how difficult and wearisome to get there !

'La Presse' has no mistaken notion as to the task undertaken by the Grand Trunk Company, who, last year, agreed to open up those new territories and whose burden we have to intention to lighten. Let them carry out the work.

We deal with all alike. For some reason unknown to us, the Conservative party, through its present candidates, have repudiated that great policy of a second province of Quebec. In precise terms, Sir Wilfrid Laurier has just enunciated that policy, and his meaning seems to us very clear. We take each statement as it comes. Those who fight the scheme for the building of a new transcontinental railway appear to us to be ill-inspired. But woe, on the other hand, to those who dare forget to-morrow their promises of to-day.

Those, Sir, are patriotic sentiments, and they are those to which the electors gave their approval. The return of our candidates in the four ridings of the province of Quebec is thereby explained.

The hon. member for Jacques Cartier, last year, spoke against the building of that eastern section. He has again in his speech of this evening taken exception to it, or rather he did so at the outset of his remarks. In his opinion, the fault with the government scheme lies in the fact that the proposed railway will not tap the valleys of the Ottawa, the Lièvre, the St. Maurice, nor the regions of lake St. John and the Gaspé peninsula. The hon. member seems oblivious of one important point, and it is that the said railway is transcontinental : it will traverse Canada, and that should be enough for any good patriot.

The hon. member has approved of the building of the Quebec bridge, forgetting that the hon. leader of the opposition (Mr. Borden) in estimating the cost of building the eastern section, found that the bridge was to entail an excessive expenditure, which he included in the cost.

Well, Sir, in connection with the building of that bridge, the people of the city of Quebec are familiar with the record of the Conservative party. For how many years have they promised that bridge to the city of Quebec, without ever doing anything towards its construction ? It was only when the Liberal party came to power that energetic measures were taken to provide Quebec with a bridge which is of such necessity to its further progress. The hon. leader of the opposition would like the government to provide a number of branch railways extending northward. The hon. member for Jacques Cartier agrees with him on that point. But is it not known as a fact that those short lines of railway, even in the most densely populated districts of the province of Quebec, are not self-sustaining, on account of insufficient traffic. These short lines have to be linked to some main artery which feeds and supports them. A system of railways is somewhat like the human body. No limb can have life if it is not connected with an artery, so that the blood may circulate freely and regularly through it. Only in that way will it live. So it is with railways ; and the building of the main line, on the other hand, cannot fail to bring about the building of numerous branch railways which will greatly favour the development of the country traversed by them.

The hon. member for Jacques Cartier delivered this evening, as last year, a speech against the building of that part of the eastern section extending from Moncton to Quebec. After stating that the said section would cost $50,000,000, and that such an expenditure should not be made, he adds that what he fears above all, it is that the government should forego building that section. Here is a dilemma which the hon. member will have some difficulty in solving. If the expenditure is one that cannot be approved, how is it the hon. member is so fretful lest the government should forego making it ? If, on the other hand, that expenditure is to be of advantage to the province of Quebec, as well as to the remainder of the country, why is he opposed to it ? He blamed the government for delaying to proceed with the work along that section. The reason for the delay is easily understood : as we know, the House was prorogued on October 24 last. After the session was over, we had to wait until the Grand Trunk Company made the deposit required by the agreement. Once the deposit made, it was in order to have the agreement as voted by parliament ratified by the shareholders of the company. All this entailed negotiations and clearly explains the delay in the government's action. However, that delay does not warrant the hon. member for Jacques Cartier to state that the government will not build that section. If the hon. member is so much in favour of the building of that section, why does he remain in the company of those who are its most pronounced opponents ? His leader is against the building of the eastern section ; the hon. member for Lanark (Mr. Haggart) has declared himself

opposed to it, and the hon. member for Toronto (Mr. Osler) stated last evening that he hoped it would never be built. Does not the hon. member think that by remaining with men who are so strongly opposed to the scheme, he is helping to bring about the very result which he apprehends ?

The hon. leader of the opposition who is very positive when the provinces of Quebec and Ontario are concerned, is noticeably more dubious as regards the maritime provinces. He is not altogether opposed to the building of the railway from Moncton to Quebec. The hon. member for South Lanark (Mr. Haggart) contends that it should not be built ; but the hon. leader of the opposition is not so trenchant; he apparently has not yet made up his mind. Here is what he says :

My position as to the line from Moncton to Quebec, I adhere to as stated last year. I say survey that country, ascertain its possibilities, and if you can find a shorter line from Rivière du Loup to Moncton, I will support its construction, if it will give the maritime provinces a better fighting chance to secure their fair share of the great trade of the west.

That is quite clear. Provided the line from Moncton to Quebec offers a short cut for traffic, he will favour its construction. In that case his own province is concerned. The hon. member for Jacques Cartier should take the same stand as regards the province of Quebec. Instead of favouring the extension of the Intercolonial by means of the purchase of the Canada Atlantic and the acquisition of the Canadian Pacific Railway along the north shore of Lake Superior as far as Winnipeg, whereby the province of Quebec is in no way benefited, the hon. member should vote for the government scheme and against that of his leader, who does not grant anything to the province of Quebec.

The hon. member stated that the line which they proposed building would pass through fertile districts. We are all familiar with the features of the country on the north shore of Lake Superior ; the traveller sees only mountains above and abysses below. There is no traffic possible ; it is a very expensive line, the most expensive section. Such is the paying section which these gentlemen on the other side are anxious to purchase for the greater happiness of the people.

But, Mr. Speaker, all these points have been discussed in the course of last session. That question has been decided by the House, and has there been put forward, this year, on behalf of the opposition, a single reason of a nature to induce the hon. members on this side to alter their views ? Has it been proven that in the province, of Quebec, or in any other province, public opinion has changed ? Certainly not ; on the contrary, the press of the province of Quebec, our public men, our business men, have taken a firm stand in favour of the scheme. The Canadian Manufacturers' Association, through its president, has congratulated the government on having undertaken the building of that road. So with the Board of Trade of Winnipeg, of Toronto, with those of Quebec, Halifax and elsewhere, which had urged the construction of the road and have not since found fault with its location. Now, I would like to know what has taken place since then that will warrant hon. members on the other side to condemn the government scheme and ask that it should be overhauled ? These gentlemen state : The country has rejected your scheme, since you now call upon the House to modify it. If complaints have been made, it was on their behalf solely. When we voted the Bill, last year, it contained section 7 which provided that the shareholders of the Grand Trunk, in general assembly, should approve of the agreement. The shareholders have approved of it, barring a few slight alterations. The government convene parliament, they propose that the few alterations made to an agreement with a third party be ratified. Those alterations are not of a nature to surprise us. By reading section 7 of the Act, it will be seen that what the Grand Trunk Company were asked to do, was to, (1) give security for the second issue of debentures ; (2) take 24,900,000 dollars' worth of ordinary stock ; (3) hold that stock for the whole duration of the lease.

True, that last condition is altered ; the company will not be obliged to control the greater part of the stock.

Another question which was discussed and settled in the course of the previous debate, was that relative to the rolling stock of the Grand Trunk. The hon. member for Jacques Cartier, taking the question up once more, stated that railway companies always used rolling stock which is leased to them. Whatever the practice may be, the agreement with the government requires that the company should give a mortgage on its rolling stock. Of course, the company could not grant a mortgage without being the owner of the stock, and it will be incumbent on the government to see that this clause of the agreement is carried out.

When it is laid down in a contract that a mortgage will be given, the first thing to do is to ascertain whether the person who grants that mortgage is the owner of the mortgaged property. Is it presumable that the government would have been blind enough to take a mortgage on some object which would not be the property of the Grand Trunk ? Evidently not.

The hon. member was mistaken in stating that the value of the rolling stock had been reduced to $15,000,000 by the new contract. That provision has not been altered. The rolling stock is still put down at $20,000,000 as in the first contract. The amendments introduced provide that as soon as there will be for 15,000,000 dollars' worth of rolling stock on the road, the company

shall have the right to withdraw its deposit, but the nature and essence of the contract are in no way modified in that respect.

To include, as the supplementary agreement laid before the House does not alter materially the contract voted last year, it is our duty to adopt it. If the hon. member for Jacques Cartier had shown to the House that the securities in connection with the building of the eastern section are no longer the same, or that the nature of the contract voted last year has been radically changed, then, but only then, would we be justified in changing our minds. However, I do not think that has been shown either by the hon. member for Jacques Cartier or by his chief.

The resolution introduced by the hon. leader of the opposition is in itself a whole policy, but it has nothing to do with the question before the House. I detect in that programme many an idea which originated with the Liberal party. It makes for the extension of the Intercolonial westward by the purchase of the Canada Atlantic and the Canadian Pacific Railway along the north shore of Lake Superior, a plan which it was not thought prudent to submit to the electors of the province of Quebec and which was not taken up by the press of his party. It makes also for the development of our system of canals and waterways. But is not that also part and parcel of the policy of the Laurier government? Is there a government that has done more than the present one toward developing our waterways, building up our ports and dredging our rivers? Is it not that same government which has done away with canal tolls and provided for the western traffic that outlet to which the hon. member for Jacques Cartier referred? Is it not the present government which dredged the channel of the St. Lawrence? That is what the government have accomplished; they were not satisfied with high sounding words as is the fashion with the hon. leader of the opposition and the Conservative party; they acted.

The hon. member for Jacques Cartier stated that our country is immense, and that we should develop its resources. Indeed, we are in possession of a great extent of territory still unoccupied. The country was settled at the outset along the shores of the St. Lawrence and the great lakes. Why? because man is fond of the company of his fellowmen, and as stated by a writer, waterways are ways in motion. But waterways, which were sufficient in older times, when navigation was the only means of transportation, when life was not so active and so strenuous as it is now, and when men were not in such a hurry about doing things; waterways, I say, no longer answer the requirements of the day.

To-day we want to travel by steam, just as we want electricty to transmit instantaneously our thoughts. To-day we want railways. If we wish to open up to agriculture and civilization the vast regions of the Peace river, of northern Ontario and the tillable lands in the province of Quebec situated beyond the Laurentian range, we want a way; not a waterway, but a railway; a way along which may be carried those thousands of settlers who are coming to us just now from all parts of the world, and along which may be shipped as well the farm produce and animals required by them.

Such is the work which the government of Canada should accomplish, and when that is done, we will have a 'Greater Quebec,' a 'Greater Ontario,' and not only a 'Greater Northwest.'

In the course of the recent political contests, an endeavour was made to turn into a sectional question that really national issue. And I regret to say, the hon. member for Jacques Cartier himself complained that in the planning of that great scheme, the city of Montreal had been ignored. Well, Sir, the patriotism of the citizens of Montreal, as well as that of the electors of other divisions, is not restricted within the bounds of its territorial limits. Our patriotism is broader than that; above Montreal, there stands the country as a whole, and when the prosperity of the country is secured, Canada's metropolis will have its share of it, and will reap greater glory and profit for not having acted in a spirit of downright egotism.

Mr. W. B. NORTHRUP (East Hastings). Mr. Speaker, if I fail to attempt to reply to the eloquent speech of the hon. gentleman who has just spoken (Mr. Demers), I trust that he will not think for a moment that I am treating him with any disrespect or his argument with any contempt, or, on the other hand, that I have been converted to his views. A much more prosaic explanation I must give, and that is that in the province from which I happen to come we are unfortunately not able to speak both languages with the same facility and accuracy as hon. gentlemen who come from the province of Quebec. I hope I will not be considered as saying anything at all offensive to hon. gentlemen opposite if I say that we on this side of the House, when this measure was first brought before the House, were puzzled to understand on what conceivable grounds any gentleman representing the people of Canada could possibly support such a Bill, but after we had heard a number of the arguments advanced last year, after we had heard, not only the ministers from the head of the government, but their humblest supporters on this matter, we were compelled to come to the conclusion that hon. gentlemen opposite, even the ministers themselves, did not really understand the contract they were laying before the House. Now, Sir, it may seem preposterous, I might almost say impudent, for one standing on this side of the House to charge that hon. gentlemen oppo-

site, even the ministers of the Crown, did not understand this important contract they had brought before the House; and yet one has but to refer to the pages of 'Hansard,' and to read the statements made by these hon. gentlemen to see that it is clear that they do not comprehend the terms of the contract, and in many cases they have failed to comprehend the obvious conditions existing at the time the contract was made. Take, for example, the speech made by the premier in introducing the measure last year. He called attention to the fact that Mr. Andrew Carnegie had said that the great trouble in Canada was that they could not compete with American ports, because our ports were ice-bound all winter, and the premier of Canada, speaking on the floor of this House, page 7933 of last year's 'Hansard,' said:

> Everybody knows except Mr. Andrew Carnegie and the bulk 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 have no railways to reach them.

Now, Sir, the premier of this country, coming down with so important a measure, gives as one of the reasons for it that we were dependent on the American harbours, because we had no railways to reach our own harbours. Surely, in view of such a statement, one can hardly be surprised that extraordinary conclusions are drawn by such a gentleman or by his supporters as to the necessity of this contract. Then the premier, to show that it was not a passing slip of the tongue, the other day in introducing the Bill, page 755 of the 'Hansard' of this year, speaking of the terms of this Bill, expressed himself to this effect:

> Suffice it to say, that one of the leading features, and perhaps the leading feature of that contract was that the Grand Trunk Railway of Canada would not only be a party to this enterprise, but that they would have a controlling interest in it, and would practically take the enterprise on their own shoulders.

In so saying he was but repeating what the Minister of Finance said last year, and what has been said again and again this year, that the Grand Trunk Company was not only in this, but of it, that it was behind it, and around about it, and all through it; whereas, as a matter of fact, if the Grand Trunk Railway Company is behind it—we do not dispute that—it is not so far behind it as to be out of sight, but it is so far behind as to be wholly out of reach; and if the time ever comes that the people of this country or the creditors of the Grand Trunk Pacific, dreaming that the Grand Trunk is behind this scheme and desiring to reach that railway, take any steps to attain that end they will find that, with the exception of the guarantee, they cannot reach them, because the Grand Trunk is not in it, is not behind it, nor anywhere in the neighbourhood of it.

Then the premier, among the reasons he gave for this contract being made, pointed out that it was a national necessity that such a road should be built at this time, and he illustrated the meaning of 'national necessity' by pointing out that on two previous occasions national necessities had arisen at the time the Intercolonial and the Canadian Pacific Railway were built, and he argued that now another national necessity had arisen for the present contract. Why, Sir, one has but to stop for a moment and consider the circumstances under which both the Intercolonial and the Canadian Pacific Railway were built to see how widely they differed from this, in that, while they were national necessities, this is anything but a national necessity. At the time the Intercolonial was built everybody knows it was a national necessity, in the sense that the country had to build the road whether it would or no. Confederation had been formed, a pledge had been given, and it was not a question whether the country could afford to build it, whether it desired to build it, whether other roads might not be more advantageous; but the simple fact was that we were bound to build the road and had to build it. That, I take it, is the meaning of the phrase 'national necessity.' So, too, when the Canadian Pacific Railway was built. Whatever may be said as to the terms of that contract, looked at from the standpoint of national interest, every one knows that when British Columbia came into the confederation, and all parties desired to have this great Dominion rounded out, one of the terms of the compact was that a road should be built to connect that province with the older provinces. There again we had a national necessity, in the sense that the road required to be built and we had to build it whether we would or no. Now, taking the words 'national necessity,' in the sense in which they were applied to the Intercolonial and the Canadian Pacific Railway, is there any gentleman on the other side of the House even who would venture to say that to-day there is the same national necessity for the Grand Trunk Pacific? For, Sir, if there is the same national necessity that there was for these other railways, heaven help Canada, and heaven help this government, if they deliberately delay the completion of this national necessity for another three years.

Without pointing out all the respects in which the premier has shown that he takes views of this contract which are not borne out by the contract itself, let me refer to a statement made by the Minister of the Interior, who so far this session seems to have been the mouthpiece of the government in making their defence of the contract and of the amendments thereto. The Minister of the Interior last year made a lengthy and elaborate and, from his standpoint, an excellent speech on the subject of this Bill; and he himself, in advocating this Bill, gave

as one of the strongest reasons, see page 8954 of last year's 'Hansard,' on which he claimed the support of his followers, that the Grand Trunk Railway guaranteed to pay this country 3 per cent on the eastern division. He argued from that that the country was running no risk, that no matter what money we expended on it, it would be paid back with 3 per cent by the Grand Trunk Pacific Company. One does not require to waste time in arguing the point we have but to look at the contract to find that there is no more obligation in the contract that the Grand Trunk Railway shall pay 3 per cent on the eastern division than that it shall pay 3 per cent on the national debt.

Then the Minister of the Interior referred to the question of the equipment. I shall refer to that at greater length later on, but he and other ministers have taken occasion to point out the fact that $20,00,000, as it was originally, $15,000,000, as it will be now, is the amount of money the Grand Trunk Company will have to raise, inasmuch as the Grand Trunk Pacific has no means of raising the money. He pointed out that this $15,000,000 was not only, as it were, a guarantee of good faith, but it was an additional security which guaranteed to this country that the money to be spent on the eastern division will certainly be provided, or in default of it, we would fall back on that $15,000,000 for rolling stock and the $5,000,000 allotted to the directors. I venture to say there is no lawyer in the House, looking at this contract apart from political bias, who would give it as his opinion that the Grand Trunk Pacific is bound to spend $5,000,000, or even $5, in the purchase of equipment. I noticed last evening, when the Minister of the Interior was arguing this point, that he quoted the opinion of Mr. Shepley, of Toronto, a gentleman whose opinion must always carry weight. But it happens to be an opinion not at all touching the particular point that has been raised on this side of the House. Therefore, I conclude that when a man is found evading a fair charge, if he is found persistently answering some charge which is not made and escaping adroitly from the necessity of answering charges that are made, we must come to the conclusion that he is doing so because he cannot answer the charges that are made. Now, it is true that Mr. Shepley gave an opinion, and I am not here to question the accuracy of his opinion. He did give an opinion that if the Grand Trunk Pacific should buy, say, $20,000,000 worth of rolling stock and should give bonds on that rolling stock for interest and principal in installments as they fell due, the company would not have a right to charge up as a part of the working expenses the amount paid on those bonds for the principal. If that is so, the company could not buy their rolling stock and charge the purchase money of the stock up to the expenditure. Whether that be true or not, it is not the point that has been raised on this side of the House. But we on this side, when we find in the contract that the word 'acquired' is used again and again, but that when they come to speak of this particular equipment the word 'acquired' is not used at all, when we find that the government drops the only word that would make it clear that the company was bound to purchase this amount of stock, when we find that in the clause which provides that it can be charged back to working expenses the government and the company have agreed that the company can charge up as a part of working expenses, not merely the ordinary expenses of maintaining and operating the road, but all moneys that may be paid out in respect of hire of rolling stock to go as part of the equipment, when we do find charged to working expenses the rent paid for that equipment, the government has no right to expect, and the company do not expect to be compelled to purchase that stock. But if there was any doubt, let me call attention to the 35th clause, which is relied on, and which was quoted by the Minister of the Interior the other evening, which says that the equipment must be purchased by the company. Let us see what that clause says:

> A mortgage shall be given which shall be a first charge upon the railway undertaking equipment and property, tolls, rights and franchises of the company.

That is to say that the company, if it has acquired any rolling stock and becomes the owner of rolling stock, must put it under mortgage to the government. But, when we do not find in the contract a single word requiring the company to purchase this equipment, when we do find provision after provision in regard to purchasing this that and the other thing, when we find a clause stipulating that they can charge to working expenditure the rent to pay for this equipment, and when we come to the mortgage provisions and find that the language used is so clear as to prevent the possibility of a doubt we are surely justified in saying that there is no ground whatever for the contention of hon. gentlemen opposite that the equipment will be a security to this country. But, if there were any room for doubt let me put a witness into the box. We have one of the greatest firms in this or any other country, the firm of Wilson, Hays, Cox, Government & Co., which have entered into business to build a transcontinental line in this country and it happens that the senior member of the firm has spoken in the old country recently before those interested in the project. At page 29 of the notes of the meeting of the Grand Trunk shareholders I find reported by the shorthand reporter that this is the view which was held by the head of the firm as to the rolling stock:

As regards the five millions for rolling stock, it is not five millions—it is estimated at three millions. With that the Grand Trunk has nothing to do. The rolling stock will be provided by the Grand Trunk Pacific Company, and, as the general manager will tell you, they have laid their plans for providing that rolling stock by a trust fund.

Now, Sir, when we find the head of the firm agreeing with us as to that, surely we have the right to ask our hon. friends on the other side of the House to come over to our opinion rather than that they should have a right to ask us to accept theirs? Suppose it had been on a different point that the president of the Grand Trunk Railway Company had spoken—suppose that he had said of his own knowledge as president of the Grand Trunk Railway Company : I know we can build a road with grades of twenty feet to the mile or whatever it may be, or that he had pledged his word as to the possibility of securing satisfactory grades all over the country, would not hon. gentlemen opposite have hurled this at us and said : We have the word of the president of the Grand Trunk Railway Company? When we find the president of the Grand Trunk Railway Company making the statement I have quoted at a meeting of the shareholders where nobody would accuse him of attempting to deceive the people who placed confidence in him, when we find him, in conference with the government, entering into one contract and agreeing to the terms of a second, surely, when he says that the rolling stock is to be furnished by a trust fund we are justified in accepting his statement? If we look at the amended contract, if we look at the terms that are brought before the House which we are asked to adopt by hon. gentlemen opposite we will find a significant confirmation of the views that I have expressed. Clause 2 provides for the reduction of the amount of rolling stock to be supplied from $20,000,000 to $15,000,000 worth and it stipulates that the company shall be entitled to the return of the deposit after a certain time. Then the clause proceeds :

And if it is shown to the satisfaction of the government that the western division will be completed and rolling stock to the said amount of fifteen million dollars ($15,000,000) supplied before the construction and completion of the eastern division and that the application of the said deposit will enable the company to so complete the western division and supply rolling stock to the said amount and that the same will be supplied, the said deposit shall be released by the government in such instalments as may from time to time be agreed upon.

Could you by any possibility have used a term that more accurately expresses the view of this contract held by the opposition or that would less adequately support the contention of the government than the word 'supplied', showing that the Grand Trunk Railway Company are entitled to receive back their deposit of $5,000,000 when they have supplied the equipment for the western division ? If one were to apply this term in accordance with the illustration which I gave last year in this House the matter would be put beyond all question. The case I presented was this : If an hon. gentleman coming to Ottawa were to rent a furnished house from the right hon. Prime Minister, the Prime Minister agreeing to equip the House with all the furniture that might be required, if he had supplied the house with all the furniture that might be required and then if the hon. gentleman had occupied it for a year and on rent being demanded had said : You did not own the furniture, you leased it and therefore I will not pay the rent, would anybody imagine that any court in the land would say that the right hon. gentleman ought to have bought it ? You have only to have the illustration presented to see the absurdity of any such contention. Then, Sir, the hon. Minister of Justice (Mr. Fitzpatrick), who certainly did know the terms of the contract if any person knew them, and who argued so strenuously and with so great an effect on his supporters in regard to this contract, said again and again and again : The Grand Trunk must pay cash for the stock. No hon. gentleman who heard the debate of last year can have forgotten the fact that one of the strongest and most persuasive statements made by that hon. gentleman was that the Grand Trunk Railway Company had to pay cash for this stock and that therefore there would be so much cash paid into the treasury until the contract was carried out. Hon. gentlemen on this side of the House said that the Grand Trunk would not pay cash ; we said that all that was necessary was for the Grand Trunk to claim this stock as their reward for guaranteeing these bonds and that the Grand Trunk Pacific could hand over to the Grand Trunk the whole of this stock for simply guaranteeing the bonds. Hon. gentlemen opposite laughed at that and the hon. Minister of Justice said that this stock had to be purchased. Again I put into the witness box the head of the firm, the president of the Grand Trunk Railway Company, to show what he thought was the proper view of the matter. I shall quote the statement upon which the shareholders agreed to accept the contract and they agreed to accept it on the straight pledge of their president that they incurred no liability whatever except the guaranteeing of their bonds for which they secured the stock. At page 13 of the printed notes the president spoke to this effect :

If you have followed the figures which I have just mentioned, you will find that the result shows an amount of principal bonds guaranteed in respect of both sections of £2,968,000, and of annual interest of £118,720, but even this interest liability, comparatively small as it is, need not accrue until the expiration of eight

years—the period allowed for construction—the interest on cost during construction being provided out of capital. This, then, constitutes the responsibility of the Grand Trunk Company, and I hope this statement will allay the apprehensions which have been already expressed by a few critics, who may not have sufficiently studied or accurately understood the provisions of the agreements.

Then again on the same page he says :

I must not forget to mention that in return for the support which we ask you to accord to the Grand Trunk Pacific Company, the Grand Trunk Company will retain a controlling interest in that company, and will become the possessors of the whole of the common stock, amounting to $25,000,000 or £5,000,000.

Again, Sir, I may ask, who understood this contract last year as it was before the House ? Was it hon. gentlemen opposite, who from the Minister of Justice down, contended that the Grand Trunk was compelled to purchase and pay cash for this stock, or was it hon. gentlemen on this side of the House who said that there was no such responsibility whatever ; that the Grand Trunk Pacific could hand over their stock to the Grand Trunk without a dollar being paid, and that therefore, when hon. gentlemen opposite said that the Grand Trunk would have in the treasury the proceeds of the $25,000,000 be it more or be it less, they did not understand the contract as we did, and the proof is that the president of the Grand Trunk road agrees with us ?

When the measure was going through parliament last year it may be remembered that the Minister of Justice contended that it was really absolutely necessary that the Grand Trunk should pay cash ; that the road could not go on unless that were done because there was no other way of raising money for the equipment of terminals, and telegraph lines. (Pages 11524 and 11565 Hansard.') The Minister of Justice distinctly pledged his word to this House that the money must be raised from the stock in order to acquire the terminals, to purchase the equipment, and to supply the telegraphs. But, at that time as many members of this House will remember, I had the honour to call attention to the fact that in the contruction clause there is an expressed condition that the terminals were part of the construction, and that therefore the necessity for these moneys did not arise at all, because the terminals would be paid for the same as the road itself, with the bond mortgage of three-fourths by the government, and one-fourth by the Grand Trunk. Although these illustrations must be multiplied indefinitely ; I think I have said enough to show, that hon. gentlemen opposite really did not understand the contract that was brought before the House last year ; and, Sir, I venture to say, that hon. gentlemen opposite who, in their hearts, intend to support the amendments to the contract this year, do not understand the effect of the amendments one whit better than they understood the contract itself last year.

Coming to the amendments which are now proposed, let us first see how they came before the House. Hon. gentlemen will remember that last year we thought we had done for ever and for all with this Bill when it passed this House. It was understood then that an arrangement had been made with the responsible heads of the Grand Trunk Pacific, and the Grand Trunk ; and we were assured on that point by the government again and again. And when we on this side pointed out that the business way would have been to have the Grand Trunk agree to the contract and bring it to us for confirmation ; and that we might spend the whole summer months here discussing a contract which we had no guarantee that the Grand Trunk would accept or ratify ; hon. gentlemen opposite laughed at that and we were told that the government were dealing with men of standing, men of reliability, men who had the great and glorious Grand Trunk at their backs, and that we need have no fear whatever that what we did in parliament would be done in vain. Well, whose predictions were verified ? Again hon. gentlemen opposite find that they were entirely wrong. We discover now, that although this House had done all that it could do, although we had given the proposed railway everything in sight and everything that could be found hidden out of sight anywhere in the land, on further consideration it was found that better treatment might be asked. Let me call attention for a few minutes ; I hope not in a discourteous or improper way, to the letter from the president of the Grand Trunk Company to the premier of this country, which I venture to characterize as one of the most extraordinary documents that ever appeared in the public press of any country. If the president of the Grand Trunk were a member of this House nothing would give me greater pleasure than to characterize this document in the terms which it deserves, but it may be considered cowardly to speak of it in the terms which it deserves behind his back, and therefore I shall say nothing about the language in which it is couched. I shall merely call attention to a few observations embodied in it, and I shall leave it to the members of this House to say what opinion they have of the language used, and the statements made by the president of the Grand Trunk Railway. In the first place Sir Rivers-Wilson calls the premier's attention to this.

I have fully appreciated the difficulties with which you have had to contend in the course of your most able conduct of the measure through parliament, and have shared your anxieties.

Now, what were the difficulties which the Prime Minister had to contend with ? It so happens that Sir Rivers-Wilson tells his

shareholders what the difficulties were, and we will be able to find out from him who are to blame for their difficulties. At this meeting in London, the president of the Grand Trunk took his shareholders into his confidence, and he told them what had occurred between him and the government, and I am going to ask the House to consider the words uttered by the president of the Grand Trunk Railway himself, and to see who it was that the president blamed, when he got out of this country, when he was speaking to the shareholders and bound to tell the truth, when he was not liable to be influenced by political considerations, and when he did not imagine that shorthand reporters were taking down his words. Speaking of the inception of the Bill he described how they had spent 18 months in considering the question ; and he says :

Having arrived at the conclusion that the best interests of the company necessitated some early measure in the direction I have indicated, we caused a Bill to be introduced into the Canadian parliament.

That was the Bill which proposed to construct a line from North Bay west to the Pacific.

We caused a Bill——

That is, the Grand Trunk caused a Bill.

—we caused a Bill to be introduced into the Canadian parliament for securing a charter of incorporation for the creation of a company with an independent organization, but in close connection with, and under the control of the Grand Trunk Company, for the purpose of building a line of railway from a point of junction at or on the Grand Trunk line, passing through the most fertile districts of the North-west, and terminating at a port on the Pacific coast.

Surely, every member of this House knows that every word of that is true.

Under the natural impression that a scheme of this nature——

Which means the original proposition.

Under the natural impression that a scheme of this nature would commend itself to the approval, and would obtain the support and the encouragement of the government and parliament of Canada, so liberally accorded to other railway enterprises, I ventured to suggest to the shareholders when I addressed them in the month of April last year, that it might reasonably be expected that such a scheme might be carried through without engaging in any way the credit of the shareholders of the Grand Trunk Company.

Such was my conviction at the time founded upon reasonable data, and in view of the precedents to which I have alluded, I must confess that when I made that suggestion, I appear to have been somewhat over-sanguine, not sufficiently considering, perhaps, the weight of political and interested opposition which the scheme was destined to encounter.

And encountered from whom ? Not from His Majesty's loyal opposition, for we always to a man have been in favour of the original proposition of the Grand Trunk Railway Company. All the difficulties, all the trouble of which he complains, and to which he refers the premier, and on the successful overcoming of which he congratulates him, every one of these troubles and difficulties came from the colleagues of the Prime Minister in his government, from his supporters in the caucus, from his followers in this House, and not from the members of the opposition. We never had a chance to express our views on this point, any further than to announce that we were in favour then, as we now are, of a Grand Trunk line from North Bay to the Pacific, as the Grand Trunk itself wished. When we find this document written to the premier congratulating him on overcoming the difficulties, it is well that we should know what these difficulties were, so that they may not be laid at the doors of the opposition in this parliament, for the opposition had nothing to do with this matter ; and so that the burden of the blame shall be laid upon the shoulders which should properly bear it.

Mr. McCREARY. Do I understand the hon. gentleman (Mr. Northrup) to say, speaking for the opposition, that they would have endorsed the application of the Grand Trunk Railway Company to build a railway from North Bay to the Pacific coast north of Lake Winnipeg ? That was the original proposition of the Grand Trunk. Does the hon. gentleman speak for the Conservative party when he says he endorses that policy ?

Mr. NORTHRUP. The hon. gentleman (Mr. McCreary) has asked a fair question and I will give an answer. I do not of course profess to speak authoritatively for the opposition, but from the views I have heard expressed by dozens of members of the opposition, and speaking my own views, I have no hesitation in saying that I believe that every member of the opposition was in favour then, and is in favour now, of assisting the Grand Trunk Railway Company to build west from North Bay ; let them put their line wherever they like providing only that it is a reasonable distance from other lines.

Some hon. MEMBERS. Hear, hear.

Mr. NORTHRUP. The hon. gentleman (Mr. McCreary) will see from the expression of assent which has greeted my statement, that I have not altogether misvoiced the opinions of the gentlemen with whom I have the honour to sit. Then the president goes on in his letter to the premier :

It has always seemed to me that the government of Canada and the Grand Trunk Railway Company, being in point of fact partners in the enterprise—the former actuated by considerations of national policy, the latter by the necessity for securing its share in the growing prosperity of the Northwest—the burden of financial liability should be shared between the two in as equable proportions as possible, but

I venture to think—and this view is strongly held by my board—that too large a portion of the burden has been imposed upon the Grand Trunk Company. I think I am correct in believing that this shifting of the balance was caused by the extreme, and I must say, in some respects unfair, opposition which the Bill met with in the House.

Again I would like to call attention to the fact that the government had a solid majority. I am not going to say a word against that majority or imply that it was improperly or dishonestly obtained ; but the fact is, as every member of this House knows, that the government had a solid majority last session, which voted down every amendment which we proposed with the object of casting additional burdens on the Grand Trunk Company. Two trifling amendments, I think, were accepted by the government, and to neither of these is exception taken by Sir Charles Rivers-Wilson in this letter. So that no burden was placed on the Grand Trunk Company by this side of the House, although we tried to place a number of them upon it and regretted that we did not succeed ; and any additional burden which was cast upon that company must have been cast by the colleagues or supporters of the premier. This is what led the public to believe that we on this side had imposed additional burdens on the Grand Trunk Company while hon. gentlemen on the other side had been friendly to the enterprise in its inception, and not as it was carried through with those burdens imposed. You will notice that the gentleman considers himself to be a partner with the government of Canada, not with the people of Canada. It seems never to have entered his mind that he was in partnership with the people of Canada. In his speech before the shareholders he again spoke of being in partnership with the government of Canada ; and Lord Welby also called attention to that fact. Perhaps the fact that these gentlemen are in partnership with the government of Canada may lead hon. gentlemen opposite to see how they can support even such amendments as those we have before us. An election has been held not long since in the province of Quebec, where the senior member of the firm did his duty by the junior member. If he had not done so, a different result might have followed in that election. Are we to understand that in all elections that are to be held in this country, the senior partner in the firm of Wilson, Hays, Cox, Government and Company, will help the junior member in the interests of the firm and the government ? Then, the gentleman goes on to say :

I hope that you will understand that the chief amendments which we will propose will in no way affect the principles of the Act or curtail the rights of the government.

I think he is correct. I do not think anything that is proposed will curtail the rights of the government or affect the principle of the Act. The principle of the Act was to give the Grand Trunk Company everything in sight, and that principle has been most faithfully lived up to in these amendments. The rights of the government were to give everything possible to the senior member of the firm, and those rights are not curtailed by these amendments. But the rights of the people of Canada are seriously curtailed by these amendments ; and knowing Sir Charles Rivers-Wilson to be an educated man, we can well understand the sarcastic smile with which he wrote these words.

Just consider what these amendments are. One clause relates to the rental of the eastern division. I do not suppose this could have gone through the House last session had it not been for the wonderful financial computation made by the Finance Minister, who showed that he had only to take some money out of one pocket and put it into another, and all the obligations of the government would cease ; yet here we have the Grand Trunk Company making the cool proposition that the rent payable for the eastern division should be only a charge on the net earnings. No covenant or liability to pay rent. If they made money, well and good ; if not, then worse ; there was to be no liability on the part of the company to the government. The government were to spend six or seven millions in building the line from Quebec to Moncton and hand it over to the Grand Trunk Company to use as they saw fit, and they would not be obliged to pay a dollar for the use of it unless they made the running expenses. Surely the height of impudence was reached in that suggestion ; and when the gentleman says that this proposal does not curtail the rights of the government, can we believe that he did not smile to himself when he contrasted the difference of meaning between the government of Canada and the people of Canada—because unfortunately in these days these are not always synonymous terms?

Then, with regard to the western division the government are to pay three-fourths of the cost, no matter what it is to be ; yet it is coolly proposed here that interest shall not be paid by the company on the bonds unless interest is earned—no liability on the part of the Grand Trunk Company or on any assets which it may have, and no possible source from which the holders of the bonds or the government can get any interest except from the surplus earnings of the company. So that if the senior partner of the firm could have induced the junior partner—or perhaps it would be more correct to say that if the junior partner had dared to give the senior partner what he wanted, no rent would have been payable on the eastern division, and no interest with respect to the western division, except so much as came out of the surplus earnings of the road ; and that, as the gentleman sug-

gested, would not curtail the rights of the government, whatever effect it might have on the rights of the people of Canada.

When the gentleman spoke of a partnership and of the financial burden being shared between the partners in equable proportions, it seems to me that the junior partner might have plucked up courage for a moment and have said something on behalf of the people of Canada, who are bearing all the expense. When he suggested that the company should not pay any rental on the eastern division except out of the net earnings, would it not have been a good idea for the government to have said: We think you should pay four per cent instead of three per cent, when you are coming and asking for further concessions? Why did they not see that the same argument was applied to the eastern end that had been so successfully applied to the western end? But they did not seem to think of that. They simply assented to the amendments which we have before us.

Let us see what those amendments are. Several of them are of minor importance, and I will not occupy time in discussing them; but taking amendments 6, 7 and 8, let us see what the practical results of these is. One of the great arguments used last session to persuade members of this House to support the Bill was this: inasmuch as the government only guaranteed three-fourths of the bonds on the western end and the Grand Trunk Company guaranteed one-fourth, and the government was to have a first mortgage and the Grand Trunk a second, it was put forth forcibly by several ministers, including I think the Minister of Finance and the Minister of Justice, that the fact that the Grand Trunk Company had a second mortgage made that company in one sense a guarantor of the first mortgage, because in order to save themselves they had to see that the interest was paid on the first mortgage or the first mortgagee would step in and cut them out altogether. That, I admit, would be a very good argument in ordinary every day business. No doubt every time the first mortgagee can get a good substantial man to advance money on a second mortgage, his security is very considerably improved. But while that argument might be used last year, what is the state of affairs to-day? To-day we find these most extraordinary concessions brought down, by means of which the government mortgage practically becomes a second mortgage and the Grand Trunk mortgage practically takes priority. I do not wish to mince matters or to be misunderstood. I do not say that the government mortgage is in every sense made the second mortgage and the Grand Trunk mortgage the first, but I do say that practically the so-called first mortgage of the government ranks after the so-called second mortgage of the Grand Trunk Railway. Let me illustrate my point. Suppose any gentleman in this House were offered two mortgages—one a mortgage on a property, say for $12,000, taking first rank, and the other a mortgage for $4,000, coming second, which would correspond with the proportion existing between the government and the Grand Trunk mortgages. If the first mortgagee has his mortgage dated and registered first, everybody can see that it takes precedence, and that the other is entirely subject to it, just as last year the Grand Trunk mortgage was subject to that of the government. But suppose in the mortgage, which was first in point of time and registration, there was a clause providing that no step whatever could be taken by the mortgagee to collect principle or interest for a hundred years, can there be any doubt that, in such a case, the second mortgage practically became the first? Is there any one who would not prefer the second? Suppose that the terms of years in which the first mortgagee could not take any proceedings were 50 instead of 100 or 15 years instead of 50, would not the first mortgage take practically the second place to a corresponding extent? If the property were good for the $12,000, the amount of the first mortgage, and nothing more, the second mortgagee would undoubtedly, during the fifteen years in which the first mortgage was precluded from taking any action, take good care to collect his principle and interest before his predecessor could have any opportunity of cutting the ground from under him. Consequently, we find that although the Grand Trunk mortgage ranks second, the operation of the first is suspended for fifteen years, taking that and nothing more, the second mortgage practically becomes the first.

But that is not all. During the fifteen years the holders of the second mortgage have the exercise of all their rights. They can sue and distrain for interest, they can take all the remedies they are entitled to as mortgagees, while the first mortgagee is tied up. But even when the fifteen years come to an end and the first mortgagee is allowed to wake up from his Rip Van Winkle slumber, he cannot sue or foreclose. All he can do is, put a receiver in charge to operate the road and apply the surplus profits, after paying operating expenses, pari passu—heaven forgive us—between the two mortgagees, so that the so-called first mortgage becomes in no way superior to the second. If the receiver collect $100 net profits, $75 will go to the government and $25 to the Grand Trunk Railway. Both are in all respects on the same footing with regard to the moneys collected by the receiver. Let me consider this further. During the fifteen years, during which nothing has been paid on the first mortgage, there was of course a tremendous increase of debt. Suppose the interest were only three per cent, three per cent in fifteen years on $100,000,000 would

give $45,000,000. So that in fifteen years, by simple interest alone, the amount due the first mortgagee would almost be fifty per cent above what it was originally, and his claim would be much greater. Whereas the second mortgagee would have either exactly the same claim as originally, because he would have collected the interest during the interval, or a lesser claim or possibly would have been paid in full. Therefore when the receiver steps in, the Grand Trunk Railway will have succeeded in having its liability reduced or wiped out altogether by getting its bonds paid in the interval and in any event it is on an equal footing with the government as regards the division of the net profits. Why is it, when the head of the firm asked for a change in the financial conditions, that the government, which has no pecuniary interests in the outcome of the road, should allow its position to be lowered to that of a second mortgagee, while the Grand Trunk Railway, which has so much to take out of the enterprise, should be given the position of first mortgagee ?

What is the Grand Trunk doing ? A great deal has been said of the desirability of carrying out the contract, because it is going to secure trade for Canadian ports. I know that this question of securing trade for Canadian ports, that this is a dangerous subject, for it is one on which one is apt to be misunderstood. Perhaps there was never a truer remark, or one more thoroughly misunderstood, than the famous remark of Dr. Johnson, that patriotism is the last refuge of a scoundrel. Although everybody knew that no more patriotic man ever lived than Dr. Johnson, those opposed to him chose to apply that remark in a different way altogether to that which he intended. The idea he intended to convey was that patriotism is so great a virtue, that a scoundrel, who had none in his composition, would try to cover up his rascalities by assuming the appearance of that virtue. In like manner there is a great assumption of virtue and a great deal of nonsense spoken about bringing traffic to Canadian ports, and many attempts are made to deceive the people in connection with that question. I am as anxious as any one to see the traffic of the country carried through Canadian ports, but that question like every other must be considered in connection with its surroundings. I am not so anxious to see wheat shipped to Halifax or St. John as to make our farmers in the west pay five cents or ten cents a bushel more to obtain that privilege. I think the true patriotic Canadian spirit is to apply our best energies to the task of so cheapening transportation that we can ship our western products through our Canadian ports at lower rates than, or at least at rates equally as low as those at which they can be shipped through foreign ports. But if it turns out that we cannot do either, our products will seek those other ports. But do not let us abandon the idea. Let us do all in our power to secure the transportation of the products of the northwest to Canadian ports in preference to foreign ports. The government has urged, as the great justification for its scheme, that that is the end it is seeking to attain. But, with all due respect to the government, we are compelled to say that the head of the firm has a good deal more to say on that point than the junior. On that subject Sir Charles Rivers-Wilson has put himself on record as to what the Grand Trunk propose to do. He has stated clearly that the reason the Grand Trunk Railway want to go into the northwest is that for years they have been carrying their west bound traffic—and they claim to carry many manufactured articles from the east to the west—200 miles, and then delivered it over to the Canadian Pacific Railway and never received in return any freight from the Canadian Pacific Railway. Here are Mr. Hays' words, to be found on pages 30 and 31 of the report of the general meeting of the Grand Trunk Railway shareholders :

> We are to-day handling from 15,000,000 to 20,000,000—last year it reached 24,000,000—bushels of grain, which came across the lake from Lake Superior down to our ports, feeding the whole Grand Trunk system locally throughout Ontario, and this gives us the whole of the way from Montreal, thus contributing a very large portion of our earnings. We cannot hold that system if we do not take some means of fastening it to us.

On page 31 he says :

> That traffic will be lost to us if we do not tie it up, so that to-day the question is not what your position is going to be if you do not embark on this enterprise, but what it will be if you do. That is the question that this meeting must decide to-day ; that is the question to which you must give serious consideration.

And so the whole argument to the Grand Trunk shareholders was that if they were willing to do all that was asked of them, that is, to guarantee the second mortgage bonds, then, instead of handing goods over to the Canadian Pacific Railway which would give them nothing in return, they would hand them over to a friendly line which would give them in return the traffic of the west which they would carry over their own system down to the east. Now if the real design of the government is to enable the farmers of the west to transport their products to the sea as cheaply as possible, can anybody believe that the farmers of the Northwest are going to be aided to this end by the expenditure of some fifty or seventy-five or one hundred million dollars, whatever the enormous sum may be, in building a road from Winnipeg to Quebec, when we find that last season, wheat was shipped from Port Arthur to Montreal or Quebec for about three cents

a bushel, that the Grand Trunk and the Parry Sound roads are carrying grain from the lakes to Quebec at this very small cost? Surely it must be obvious to every one that if we really wish to assist the farmers of the west, it can be done much better along the line suggested by the hon. the leader of the opposition (Mr. R. L. Borden). I am not going to advocate that particular scheme, because I think this is a matter which ought to be threshed out before a transportation committee composed of experts, but I venture to say that if the matter were left to a transportation committee and they were to evolve the best possible scheme, no one would suggest the present as even a passably good scheme to secure transportation of the products of the west to the east more cheaply than they have been carried in the past.

Then, Sir, there is another provision, section 9, by which the Grand Trunk Railway is allowed to dispose of a portion of the $25,000,000 of stock. Here again if hon. gentlemen opposite would only bear in mind the arguments they and their leaders used last year, they would find that almost every argument, if not every argument, which they employed to justify their own consciences in voting for this agreement has been swept away by these amendments. I remember the hon. Minister of Finance (Mr. Fielding) with his usual eloquence and ability, but as I thought with less than his usual force, arguing that the Grand Trunk Railway having to keep this $25,000,000 of stock in their possession, the people of this country need not have the slightest anxiety that freight rates would be increased by the issue of that stock. He said that the Grand Trunk Railway could not have that stock unless they paid for it, and having paid for it would have to hold it, and if the day came when rates had to be fixed, the commissioners would only have to ascertain what was paid for that stock which would still be in the company's possession, as they could not sell it, and from that as a basis the rates might be fixed. Now all of that argument is swept away. If there is any force in that argument, and it is an argument that helped hon. gentlemen opposite to a conclusion last year, it is swept away now, because the Grand Trunk Railway, it is admitted, is allowed to obtain the $25,000,000 without paying a dollar, and having the stock, can sell as much of it as it likes providing it has a controlling voice in the policy of the Grand Trunk Pacific. I confess I do not know what these words mean. I understand that they mean that the Grand Trunk Railway can sell every dollars of their stock to Sir Rivers-Wilson or Mr. Hays or some one else in their interest who would secure to them the management of the road. It is a peculiarly worded contract and I am not sure if the Grand Trunk Railway chose to make a present of that stock to the various gentlemen who have been so successful in persuading the right hon. the premier (Sir Wilfrid Laurier) to agree to the contract, there is nothing in the contract to prevent them selling it, or holding it and drawing dividends when the time comes. As to this clause I think we are fairly entitled to turn on the hon. gentlemen opposite the arguments they used last year, and instead of using our time and wasting our ability in debating the matter, we can simply say: If hon. gentlemen opposite were sincere last year and really believed that the ultimate advantages which they predicted would result from the Grand Trunk Railway holding the stock, they should leave the original contract as it is and not amend it.

The last clause to which I shall refer is the clause providing for the disposition of the road after the termination of the lease. Although this is dealing with a time fifty years from now, and although they may think what is done then is of little present importance, still it is a grave question in the case of a country which, unlike any individual, is sure to be here fifty years hence. It is a serious question whether we have the right to tie up this railway and the adjoining lines of railway fifty years hence, when we do not know what the conditions of the country will be then. Section 11 reads:

> In case, during the currency of the lease of the eastern division, the company shall have constructed a branch line or lines running from a point or points in the said eastern division, the government shall, if at the expiration of the said lease, it shall determine to undertake the operation of the said eastern division——

Do what?

> —take over such branch line or lines as the company may elect not to retain, at such value as may be agreed upon, or as may, in case of failure so to agree, be determined in the manner provided by paragraph 24 (2) of the said contract, which is hereby made applicable to cases arising under this paragraph.

That is to say, by arbitration. Just see the one-sidedness again! Where was the junior partner at that time, when the interests of the country were at stake? Here the Grand Trunk Railway is allowed, through the Grand Trunk Pacific, to operate the road for fifty years, and at the end of that time the partnership is dissolved and the senior partner is allowed to take what he likes, while the junior partner must buy the rest whether he likes it or not. Is it not quite conceivable that line after line of utterly unprofitable road may be constructed, built like some recently constructed, lines which have been authorized here for political reasons and for considerations which should not have induced their construction? Yet this unfortunate country, fifty years hence, will have to take them over, because the Grand Trunk will not want them. Why is it in regard to all of these lines, the leased line or the west line, wherever anything is to be done at the end of fifty years, the

people are ignored and all the rights are given to the Grand Trunk Pacific Railway ? Surely it is enough to make one feel, as I said before, that Sir Rivers-Wilson well understood with whom he was dealing, when he said it was a partnership between the company and the government of Canada.

And now, I shall only say one word in conclusion. The hon. the Minister of the Interior (Mr. Sifton), speaking a day or two ago, wound up his speech very eloquently by explaining the position of the Liberal party. These, Sir, are his closing words :

> I have to give my hon. friend (Mr. R. L. Borden) his answer upon that point, and I have to say that, so far from drawing back, so far from hesitating in connection with this enterprise, this government desires it to be understood that the Liberal party of Canada pledges its political existence on the carrying out of this enterprise.

That is as true as a great many statements that have been made. Is there a gentleman here who does not remember that last session we challenged the hon. gentlemen opposite to stake their political existence, and go to the people who supply the money for the construction of the railway, who will pay the freights upon it and who, of all people, have a right to be heard ? We challenged hon. gentlemen opposite to go before them, we submitted an amendment to the effect that no action should be taken until the people had an opportunity of speaking, and the solid majority voted us down, the contract of which they were so proud, and which was so absolutely final, was passed, but afterwards fell through, and the other party to it comes back with demands even more extraordinary than could have been dreamed of a year ago. Where was the government then, and where was the Liberal party ? The Liberal party could not make up its mind for some time whether it would dare to face the people or whether it would creep back to the House. Finally it decided not to face the people and crept back to the House. To-night I again challenge the government to dissolve this House as soon as they see fit ; not to pass this iniquitous measure, but to go to the people, who have never given a mandate for the passage of such legislation. The people of Canada were appealed to on a dozen different grounds. In voting they were influenced by free trade or protectionist sentiment, by religious or racial or other reasons. We again ask the government to appeal to the people of this country, who have never given them a mandate to pass such legislation. We challenge them to appeal to the people, and on behalf of the people we say that we are prepared to meet them before the electors, and if the people of Canada decide to pass such legislation, we will humbly bow and assist in the passage of that legislation and in making it as perfect as possible. But we will never consent to the passage of such legislation until the people whom we represent and who are so vitally interested in this legislation have a chance to speak.

Mr. BENJAMIN RUSSELL moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Mr. Fielding, House adjourned at 10.25 p.m.

HOUSE OF COMMONS.

FRIDAY, April 8, 1904.

The SPEAKER took the Chair at Three o'clock.

GRAND TRUNK PACIFIC RAILWAY.

The House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, 'That Mr. Speaker do now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904' ; and the proposed motion of Mr. Borden (Halifax) in amendment thereto.

Mr. BENJAMIN RUSSELL (Hants). Mr. Speaker, I occupied such an "unconscionable time" last session in discussing the main contract which is the subject of modification by the amendments now before the House, that I shall do all in my power to atone for the past by compressing what I have to say to-day within as narrow limits as possible ; and that will be partly my reason for not following my hon. friend from East Hastings (Mr. Northrup) in his microscopic analysis to which he subjected this modified contract in his remarks of last evening. The points which he brought forward were in the main not new. They were points which had been fully dealt with, over and over again, during the seven or eight months of the last session of this House; and if they have not been conclusively answered by the hon. Minister of Justice and the hon. Minister of the Interior and by the learned counsel whose opinions have been given to this House, I am afraid that even if one should rise from the dead, the hon. members on the other side of the House would not be convinced. I may be permitted, however, to refer to some fallacies in the hon. gentleman's method of dealing with those points. He holds up the modifications of the contract which have been introduced, and asks you to point out what is in them for the benefit of this country. Everything he discovers in them, he says, is for the benefit of the company ; there is nothing in them for the benefit of the country. Of course, that is precisely what we should expect ; because everybody knows

that when the original contract was proposed to the company, they asked for concessions, and the very purpose of the modifications which have been presented to this House is to meet the difficulties and objections that have been raised by the company to the contract in its original form. You would not expect to find in these concessions anything in favour of the country, but you would expect to find in them various modifications in favour of the company. So that it is an extremely ingenious and plausible, but utterly fallacious and unfair mode of presenting the matter to the House, to hold up this modified contract and challenge us to find in it any points for the benefit of the country. The fair and proper method would be to take the main contract as adopted by this House last session and read into it these modified provisions, and then to say whether this contract in its entirety is or is not a fair contract for the acceptance of the people of this country. That is one of the fallacies which characterized my hon. friend's method of presenting this case to the House. It was ingenious and plausible, but it savored more of the 'sophistical rhetorician' than of the fair and honest critic.

Another fallacy which my hon. friend presented was this. He took Sir Rivers-Wilson's speech to the directors of the Grand Trunk Railway, in which Sir Rivers-Wilson said that the Grand Trunk Railway was a partner with the government in this great project, and then he exclaimed: You are therefore responsible, as a partner, for what Sir Rivers-Wilson presents to his company. My hon. friend picks out one statement from the many made by Sir Rivers-Wilson, and asks us to accept that as a fair interpretation of this modified contract. Of course, any one will see that that statement of Sir Rivers-Wilson was merely a rhetorical flourish. In the exuberance of his fancy, he used what every one will recognize as a metaphor, when he said: We are partners in this matter with the government of Canada. And, in a metaphorical sense, I suppose we might concede that they are partners with the government, but surely it is not fair to take a rhetorical flourish and gravely found upon a figure of speech a legal argument. Yet that is the method followed by the hon. member for Hastings. I will not say that my hon. friend was quite so strong in this direction as the hon. member for West Toronto (Mr. Osler). He did not go so far. He did not say that because of some recent change in the law of England governing companies, what had been said by Sir Rivers-Wilson and Mr. Hays, in presenting their case to the shareholders of the Grand Trunk Railway, was of such a character that it absolutely bound the government and prevented the government from insisting upon the rights which it might otherwise have insisted upon as contained in the terms of the contract between it and the Grand Trunk Pacific. Surely that is the most absurd contention ever offered to any parliament under heaven. If it were so easy as that to get rid of the obligations of a contract, nothing would be simpler than for the company to put up a director—and the more stupid the director they could find the better—to give his interpretation of the contract, and by that interpretation bind the other party, and discharge themselves from their obligations and liabilities under the contract. Surely the hon. gentleman could not have been serious in presenting such an argument, and I acquit him of any such imputation. Of course, when the hon. member for Hastings (Mr. Northrup) quoted the statement of Sir Charles Rivers-Wilson and suggested that the government was bound by it, he was only speaking in a facetious way, and did not seriously mean to present that as a legal argument. It was only the hon. member for West Toronto (Mr. Osler) who ever dreamed of presenting that statement as an argument to control the action of this House with reference to this contract.

There was one important admission made by the hon. member for Hastings (Mr. Northrup) with reference to an argument which had been made by my hon. friend the Minister of Justice. Referring to the argument of the Minister of Justice last session, that the mortgage of the Grand Trunk Railway came after that of the government and was an additional guarantee therefore for the payment of the government mortgage, he admitted that that was a perfectly good and sound argument at the time, but that it had since been swept away by the provisions of this modified contract. Of course, it has to a certain extent, but what I want to call attention to is the fact that my hon. friend made the admission that the argument of the Minister of Justice last session was in this respect a sound one, and I would ask why did not the hon. gentleman make that admission last session? He was very careful not to do so then, nor would he make it now did he not think that the admission now could not hurt his case. I am reminded by the course taken by our hon. friends opposite of an incident said to have occurred when the commission was sitting in England to revise the new testament. One of the dignitaries was asked whether a certain disputed text should be retained or whether it was not spurious. He was so anxious about the matter that he sent a despatch to higher authorities asking for an opinion, and received the reply: Probably spurious, but it is not to be surrendered without a fight. That aptly represents the attitude taken by our hon. friends on the other side. They admit to each other that their contentions are probably spurious, but none the less they are not to be surrendered without a fight. And while the contentions of the

Minister of Justice were probably correct, still they should be careful not to recognize their correctness until such recognition could do them no harm. I have no doubt that if it were conceivable that we should come back to this House next year with another modification of this contract——

Some hon. MEMBERS. Hear, hear.

Mr. RUSSELL. Which is not conceivable, certainly there can be no further modifications, we would find our hon. friend from Hastings and his friends admitting that the arguments pressed by this side in favour of the modified contract were good, but that the changes since made had entirely altered the case and made these arguments no longer serviceable. We would have them admitting that the argument of my hon. friend from Annapolis (Mr. Wade) with regard to the substituted arrangement was perfectly correct, and that what is put into the contract now is simply the English method in lieu of the foreclosure of railway mortgages, and that the English method is the proper and most advantageous way of dealing with cases of that kind, and they would make that admission, as they have done in the case of the argument of the Minister of Justice, with perfect willingness, because another change had been made and it could do them no harm. At present, however, these hon. gentlemen contest the position taken by my hon. friend from Annapolis, and will make no admissions or concessions of any sort until it is too late for such admissions to do them any harm. But why not admit now what are the facts? Why not have admitted in 1903 that the argument of my hon. friend the Minister of Justice was perfectly fair with regard to the contract as it then stood? That would be a fair and candid way of dealing with the question, but I am sorry it is not the way in which we can expect it will be met by our hon. friends opposite.

There was one remark, perhaps the most important which the hon. gentleman made in the course of his speech, and one to which I wish to call special attention, because I think we are indebted to the hon. member for Hastings and the hon. member for West Toronto for having given us, in bold and salient outline, the strong point of distinction between the policy of the government and that of the opposition on this great question. I have no doubt that the hon. member for East Hastings agrees with his colleague from West Toronto regarding what would be the effect, if we had conceded to the Grand Trunk Pacific that which they asked, namely, the power to construct from North Bay to the Pacific coast. No doubt they would agree that the effect would be to send all the mighty commerce of that western and northwestern country through the United States and to United States seaports. The hon. member for Hastings told us last night most distinctly that there was no dispute, no controversy, no difference of opinion among the opposition regarding the original proposition of the Grand Trunk Railway, and that the opposition were prepared to accept it in its entirety and integrity, and, I might add, its nudity. 'From whom,' he asked, 'did Sir Rivers-Wilson encounter opposition in his first proposal?' And he replied: 'Not from His Majesty's loyal opposition, for they have always to a man been in favour of the original proposition of the Grand Trunk Railway.' My hon. friend from Selkirk (Mr. McCreary) could hardly trust his ears, but just after what I have read my hon. friend from Hastings had said still more emphatically:

> We never had a chance to express our views on this point any further than to announce that we were in favour then, as we are now, of a Grand Trunk line from North Bay to the Pacific coast just as much as the Grand Trunk itself was.

They were unanimously in favour, then, of a proposal which, according to the evidence, and according to the opinion of the hon. member for West Toronto, must have had the effect of carrying the traffic of this country through American channels and to United States ports. Was the hon. leader of the opposition, I wonder, in that frame of mind? Was he in favour of the original policy of the Grand Trunk Railway, which policy was to carry the traffic of all that great country through American territory and to United States ports? Because, if he was ready to accept that policy, I think it is time that his friends in the maritime provinces should know the sort of company he keeps when he gets away from the breezes of the sea. I do not wonder that the hon. member for East Hastings felt that he was on dangerous ground. He admitted he was on thin ice and had to skate warily over it. Speaking of patriotism, he said he had faith in this country and believed in the patriotism of the people. He gave us some fanciful interpretation of Dr. Johnson's well known aphorism to the effect that patriotism is the last refuge of a scoundrel—an absolutely correct interpretation, no doubt, but one not applicable to every case. But he said: I want to go only a certain distance in that direction. He told us that it was all very well to talk of the maritime ports and of the necessity of building up such ports at Halifax and St. John and of encouraging our own shipping and other industries; but he was not willing that the farmers of the Northwest should be taxed, in the form of an extra charge on the carriage of their grain, in order to build up the maritime ports of Canada. Well, Sir, neither would we wish to tax the farmers in order to build up our ports. No maritime province representative has ever asked that the farmers be required to pay a single cent more per bushel for the transportation of their grain to the old

country because of our desire that our maritime ports should be built up. We entirely agree with the hon. gentleman up to that point; but at that point the accord absolutely ceases and determines. In order to avoid having the farmer pay too much for the transportation of his grain, the hon. gentleman would have that grain sent through American territory and out by American ports. We, on the other hand, would build up a company which, by an iron-clad agreement, would be called upon to carry the farmers' grain over Canadian territory and through Canadian ports at the same rates at which it would be carried by the American route. That is where our policy differs from his; that is where our patriotism differs from his; that is how the way by which we would remedy the condition of things contrasts with the hon. gentleman's way of dealing with the conditions of the Northwest farmer. The hon. leader of the opposition asked the Minister of Finance (Mr. Fielding) how he was going to carry out this idea. The Minister of Finance said last year that we could rely, and must rely, upon the patriotism of the people of Canada to send the traffic by the Canadian route. The hon. leader of the opposition says: 'I admire the patriotism of the people of this country as much as the Minister of Finance admires it; no man could admire it more than I do.' That is perhaps perfectly true, I have no doubt; but, at the same time, no hon. gentleman in this House seems to trust the patriotism of the people of this country less than the leader of the opposition does. He has no faith whatever in what that patriotism can accomplish. He professes to want an agreement under which the Grand Trunk Pacific Railway Company will be obliged to carry grain, no matter whether routed or un-routed, over Canadian territory and through Canadian ports into the markets of the world. Did anybody ever hear a proposition like that seriously propounded? Did anybody ever hear of a proposition by which a party having grain to sell should be compelled to route that grain by any particular way, send it through any particular port or deal with it in any other way than his own business judgment told him would be desirable in his own interest? Surely not. That would be paternalism run mad. It would be worse than anything proposed in the empire of Germany. That was all admitted by the leader of the opposition last year, I think. It was admitted that we could not bring about a desirable condition of things in this country by mere legislative enactment, that we could not legislate that grain should be delivered at St. John or at Halifax, or that, it should be carried over any special route. It was conceded by everybody that the only thing we could do was so to legislate as to make it to the interest of the persons who had the conduct of the business in hand to send that business by a particular route, and through certain ports. We have endeavoured to make it to their interest to do so. The Bill before the House seeks, by every way in which it is conceivable that legislation can be made to operate, to make it to the interest of the Grand Trunk Pacific Railway Company to have grain, if possible, routed over its own route, and to bring traffic to the line which it is to operate from Winnipeg to Moncton. But this was all elaborately argued last year, and I will not detain the House with an argument upon it now. Let me pass to what the hon. member for West Toronto (Mr. Osler) has said with regard to the particular contract now before the House.

The hon. member for West Toronto described this contract as a contract by which, if the company fails, the government must lose, but if the company succeeds and is prosperous, the government does not win. As to the government gaining directly, of course, that is absolutely true. We do not look for dividends from this Grand Trunk Pacific Company. No government looks for dividends from the operation of any company that it incorporates. The government, the country, looks for its advantage in an entirely different direction. Every company we subsidize, or guarantee, or assist with a land grant, is to the advantage of the country by opening up facilities for trade and developing the country. Every such contract that has ever been made by this country, or any other country that I know of, has been of the character that the hon. member for West Toronto describes—a contract under which, if the company is prosperous, the government wins nothing, and, if the company becomes bankrupt, the government is called upon to implement its guarantee. If then, all our bargains for the assistance of companies are of such a character, where is the sense in singling out this particular case and finding fault with it on that account? I have said that every bargain made is of this character. Perhaps I should have said that there are exceptions. There have been companies incorporated by the parliament of this country and heavily subsidized in which the risk has all been against the government; it did not make any difference whether the company won or lost, the government was bound to lose and did lose in any event. One of these companies, the most conspicious of them all, the most prominent of them all, was one with which the hon. member for West Toronto is very familiar. The ex-member for Lisgar in this House (Mr. R. L. Richardson) presented in the form of very readable but not very profound articles, in the 'Canadian Magazine,' the cost to this country of that great railway. He estimated the cost as follows:—

$35,000,000 of value in constructed railroad.

$25,000,000 of cash subsidy.

25,000,000 acres of land of an estimated value of $3 an acre, making $75,000,000.

This gives a total of $135,000,000 given to the Canadian Pacific Railway for the building of a road the estimated cost of which he tells us was $91,500,000. That is a case where the government stood to lose and has lost all that money, no matter whether the company is brilliantly successful or hopelessly a failure. They have that money and we have no right of controlling the rates of that company; we have given concessions to it which we have given to no other company, and yet we stand to lose in any event no matter what might happen, all the magnificent sums given to that company by the government. Of course the heart of my hon. friend (Mr. Osler) was bleeding when that transaction was put through, but it bled in silence and in secrecy. He gave no vocal expression to the grief he experienced when that iniquitous transaction took place. We in this parliament have subsidized and guaranteed one enterprise after another, all parties agreeing, and the proposal to subsidize this railway from North Bay to the Pacific ocean would have been adopted unanimously in this House if the government had agreed to it. The opposition we are told by the hon. member for East Hastings (Mr. Northrup) was prepared to unanimously support such a subsidy if the government had made such a proposition. But the government said: No, we do not propose to accept your proposal in its nakedness; we do not propose to accept it and guarantee your bonds out and out without any conditions being attached for the construction of that road from North Bay to the Pacific coast; it is true that the old Grand Trunk Railway has done much for the development of Canada, but it has also received much from this country and is an old and established concern with power and connections in this country, with an established business here and you can well afford to undertake somewhat heavier responsibilities than those undertaken by other companies which we have guaranteed. We have here a great country to develop, we have a vast northern country which needs railway facilities, we have forest regions to be opened up and utilized, we have mines which must be exploited and developed, we have industries of all kinds that must be promoted. We have maritime ports struggling to secure some share in the prosperity that has come to the Dominion of Canada, especially in recent years. We will not allow you to take the guarantee and continue to send your freight by American ports. We will charge you and burden you with the operation of a road from Winnipeg to the Atlantic coast, for the benefit of Canadian ports. We will impose that burden on you in return for the large concessions we are making in the guarantees we are giving for the construction of the road from North Bay to the Pacific coast, although these concessions, it is true, are not larger than those which we have given to other similar companies. Therefore the company was loaded down with the operation of this road from Winnipeg to Moncton. We all remember the fallacious and trival argument, accepted for a considerable period by the hon. gentlemen opposite, which was presented to this House by the ex-Minister of Railways and Canals, the present chairman of the Railway Commission (Hon. A. G. Blair) when he said the country was keeping the lean end of this road for itself and handing over the fat end to the Grand Trunk Pacific. It was stated that the government had reserved for itself the road from Winnipeg to Moncton and given the fat road, from Winnipeg west, over the prairie and through the mountains to Port Simpson, to the Grand Trunk Pacific. The moment it was pointed out by the ex-Minister of Railways and Canals (Mr. Haggart) that this road from Winnipeg to Moncton was not likely to be a paying section for some considerable time and was really a burden that was being imposed on this company in consideration of the large concessions we were making to the company we heard no more of that argument about the country reserving to itself the lean section and giving to the company the fat section, nor have we heard anything about that argument since the hon. member for South Lanark (Mr. Haggart) accidentally exposed its fallacy in his speech last year. But they still said that we had made an improvident contract with this company.

An hon. MEMBER. And still say so.

Mr. RUSSELL. They adhere to that still. They say this country has been gold-bricked by these fakirs of the Grand Trunk Company. They say: You have made a contract so improvident, unwise and unprofitable that it is going to make millionaires out of the promoters of the Grand Trunk Pacific; we are going to have a new crop of millionaires. This contract is so advantageous to the company, so entirely one-sided, leaves so little to the people of Canada and gives so much to the Grand Trunk Company that you are going to make millionaires out of the directors, perhaps even out of the stockholders, of the Grand Trunk Company. Well, if it was such a gold-brick for the government as that and such a bonanza for the company, how does it happen that when it was presented to the Grand Trunk shareholders they did not grasp it, and welcome it with open arms? Instead of accepting it as they would have done if it was such a bonanza as hon. gentlemen opposite profess to consider it was for these shrewd people—or rather I might say for these people who are not so very shrewd, and are ready to grab at anything in the nature of an investment and have invested their money on this side of the water, and at the far ends of the earth in all manner of wild-cat schemes—

they fought shy of this Grand Trunk Pacific contract. Behold a mystery! Why is it, what is the explanation if the contract were such a contract as these hon. gentlemen have professed to believe it was? Surely this is something that needs to be explained, and surely the real truth is that when they saw it loaded down as it was, and saw how onerous upon the shareholders of the Grand Trunk Pacific and the Grand Trunk Railway the contract was, it was not grabbed at or snatched at; there was no zeal in regard to it at all. On the contrary there was the strongest and the most penetrating criticism of its various provisions. There can be no doubt that, onerous as it was, severe as it was upon the Grand Trunk Pacific and one-sided in favour of this country as its main provisions were, it would nevertheless have been accepted and ratified by the stockholders of the Grand Trunk Railway Company if it had not been for the change which took place in the money market after the main lines of the agreement were settled by the promoters of the Grand Trunk Pacific and by the parliament of this country. The hon. leader of the opposition (Mr. R. L. Borden) argued like a lawyer——

Some hon. MEMBERS. Hear, hear.

Mr. RUSSELL. Yes, like a lawyer, he always argues like a lawyer; I would rather that occasionally he would assume the attitude of a statesman in this House. The hon. gentleman argued that it could not have been the change in the financial conditions of the world that affected the conduct of the Grand Trunk Railway Company in England, because there was no change whatever, or no substantial change from the time this contract was finally passed at the end of last session to the time when it was submitted to the shareholders of the Grand Trunk for ratification. But he read a statement made by Sir Rivers-Wilson to the effect that there had been a very serious change in the financial conditions of the world between the time that this contract was first placed before the parliament of Canada and the time when it came to be acted upon by the stockholders of the Grand Trunk Railway Company. What is the real truth? Do not let us quibble about things like this. Possibly it may be entirely true that between the time that this House was prorogued last year and the time that the contract went for ratification before the stockholders of the Grand Trunk there was no considerable change in the financial condition of the world, but what Sir Rivers-Wilson meant and what is the real truth, is, that between the time when the main features of the contract were settled early in the season and the time that it came up for ratification before the stockholders of the Grand Trunk Railway Company there was a very serious change in the financial conditions of the world, a very great change in the conditions of the money market, and I say that there is no doubt whatever that that is the cause and the sole cause why this contract was not ratified. Onerous as it was in many respects and unfair as it was said to be to the stockholders of the Grand Trunk Railway Company and of the Grand Trunk Pacific Railway Company it nevertheless would have been ratified but for the change that had taken place in the money market of the world.

Mr. CLANCY. I would like to ask the hon. gentleman (Mr. Russell) if that was the single reason for rejecting the original contract?

Mr. RUSSELL. I am sure that was the principal reason. I have no doubt whatever it was the principal reason for any change being made in the contract. In consequence of these conditions and in consequence of that change in the condition of affairs there have been modifications presented to this House for its ratification here to-day. One of these modifications goes to a question which I might as well refer to just now as at any other time, in respect to the compulsion originally laid upon the Grand Trunk Railway Company to retain the $25,000,000 of stock which it was to have under the terms of the original contract. I must confess that the hon. leader of the opposition (Mr. R. L. Borden) was entirely successful in destroying the very strong and powerful argument which was made by my hon. friend the Minister of Finance (Mr. Fielding) in respect to that feature of the contract as originally introduced. He was entirely successful, I judge and agree, in destroying the effect of the argument which had been made by my hon. friend the Minister of Finance in respect to the stock which was to be held by the Grand Trunk Railway Company. But, let us just go back a stage and ask ourselves to what point it was that the argument was addressed. That argument, absolutely conclusive and convincing as it was, and entirely apposite to the terms of the contract as they then stood, was an argument addressed by my hon. friend the Minister of Finance, to meet an absolutely fallacious and unfounded contention that was made from the other side of the House. Let me explain. What is the significance of the question in regard to the stock to be held by the company? As far as the public are concerned, as far as the people of this country have any interest in the matter at all, it is wholly connected with the question of the possible over-capitalization of the company and the effect which the possible over-capitalization of the company may be considered to have upon the rates which are charged on traffic carried over the road. Now, the importance of that question depends upon this further question: What relation is there between freight rates over the road and the capitalization of the company. My hon. friend from Annapolis (Mr.

Wade) has argued very strenuously, and I most entirely agree with him, that they have practically no relation one with the other at all, that the rates which a company can charge for the traffic which it carries are practically independent of its capitalization charges, and I might go so far as to say absolutely independent of the question of capitalization — prudent capitalization, or over-capitalization. In one sense it is just as absurd to speak of a railway charging excessive freight rates over its road because it has been over-capitalized as it is to say that a cabman could double his tariff because he has been swindled by the coachmaker in the furnishing of his cab. Where that analogy fails to be true, why is it? Under certain circumstances a railway company may have an actual or practical monopoly. It may be that the railway company has a monopoly of the traffic in a particular place and that because of that monopoly it can charge what it pleases to the people who are unfortunate enough to be dependent upon it. If it does enjoy a monopoly I do not think that it is going to stop at any charge that it can make upon its customers whether it has or has not over-capitalized its undertaking. I think, if a railway has been prudently capitalized and finds itself in the position of a monopolist where it can charge exactly what it pleases for the traffic that it carries, it will charge exactly as much as if it had been capitalized at two or three times the figures at which it has been capitalized. Railway companies, like all companies, are entities without souls. A railway company is an absolutely soulless corporation and charges the people who are compelled to avail themselves of its services exactly what the traffic will bear, save and except in so far as this factor is modified by the competition which it has to encounter from other carriers. I have quoted the expressions of a high authority in this House before in reference to this matter, and I take the opportunity of quoting them again to-day, because they are so entirely applicable to the question I am discussing. President Hadley, of Yale University, who is professor of political economy at this very moment in Yale, who has been commissioner of labour statistics of the State of Connecticut, and who is a man who has given more philosophic study to this particular subject than almost any other man in the world I know of, commenting upon this very question some twenty years ago, and by recent correspondence I ascertained that his views are practically the same to-day as then, says:

> In so far as stock-watering makes railroads pursue a short sighted policy, it tends to prevent general reductions of charge. It is only in this indirect way that it has very much effect upon rates. Its influence in this matter is very much exaggerated in the popular belief. A railroad, as we shall see when we come to consider the attempts to base rates on cost of service, does not take its fixed charges into account in making its rates.

That is to say it does not take its capitalization into account in making up its rates.

> It tries to arrange matters so that on each class of business it shall make as much money as it can above operating expenses. If it makes a mistake in one place it is so much loss to the stockholders. It is not a thing which it can try to make up at some other place; because, by supposition it would in any event try to make all it could at that other place, and to raise rates there would do more harm than good. To make the most at all points put together, it tries to make the most at each point.

No matter whether its capitalization has been normal, or whether it has been abnormal and excessive.

> They thus try to get all they can above operating expenses. If their fixed charges are but small, it leaves them a good profit. If the nominal amount of stock is small they can pay a good percentage in dividends. If the fixed charges are large, or the stock watered, the profit or the percentage will not seem so good. But if they attempt to raise their charges (or refuse to reduce them) on this account, the general effect would be to lower profits rather than increase them. The only thing is, that if a company is trying to pay a dividend which it has not really earned, it is more likely to pursue a short-sighted policy in regard to rates.

That is in the text, and then in the foot note he adds this, which is very important indeed and very significant.

> The railroads which have large capitalization on the whole do business at lower rates than the cheaply built ones. During the last twenty years, while rates have been falling so rapidly, the average capital account of railroads per mile has been increasing. The railroad men often try to make their capital correspond to their profits——

I suppose he means that when they have large profits, they very often try to water their stock.

> —but they do not try to make their rates correspond to their capital.

Now, Sir, that would be the condition of things in respect to this matter of over capitalization, and in respect to this question of stock, even if there had been no special legislation in this country applicable to this subject, even if it were dependent upon the unaided and uncontrolled laws of commerce, railroad operation. But we have legislation and laws of railroad finance, and laws of on this matter which controls the natural condition of things; we have made this company absolutely dependent upon this legislature for the rates it can charge. The section of the Act has been read so often that it would be wearisome to read it again. The Minister of the Interior read it the other night, and nobody on the other side of the House has made any answer to his conten-

tion on that point, and no answer can be made because it is an absolutely unanswerable contention.

The hon. leader of the opposition, and the hon. member for West Toronto (Mr. Osler) and the hon. member for Hastings (Mr. Northrup), have referred to the remarks made by the directors of the Grand Trunk Company at the meeting of their shareholders, and they have presented these remarks as if they were a fair means of coming at the facts and the truth, and the right of this question as between the government of this country and the opposition in this House of Commons. I submit to this House that that is a manifestly unfair proceeding. The directors of the company had their case to make out; they had their stockholders to persuade; they found it necessary to use whatever kind of legitimate argument would carry their case; their argument was a one sided argument; they presented this contract to their constituents in the most plausible light in favour of the company; they disguised every feature so far as they reasonably and plausibly could of that contract from their stockholders which told against them, and they undoubtedly gave this contract such a reading as would make it out to be as severe a contract as it possibly could be made to appear as against the people of Canada, and as favourable a contract as they could possibly make it appear to be, for the stockholders of the Grand Trunk Company. I say, that it is a manifestly unfair thing to take the statements of these directors, and hold them up to the people of this country as a fair and unbiased representation of the true condition of things, by which the people of this country should govern themselves in passing judgment. But if it be fair to consider the matter in the light presented by the directors of the company, it is equally fair for us to take the statement of some of the dissatisfied shareholders in reference to this matter. One of these criticisms I shall present to the House. It was partially read by the hon. member for Annapolis (Mr. Wade), but it will bear repetition.

In the statement submitted on July 24, Mr. Hays estimated that the amount to be guaranteed by the Grand Trunk Company to complete the western division would be £3,400,000, to which had to be added $25,000,000 for rolling stock, or £5,000,000, and a deposit with the Canadian government of $5,000,000, or £1,000,000, making a minimum total of £9,400,000. This sum would, he continued, have to be raised before the line could be opened, on a second mortgage of the western division. It could only be raised on a Grand Trunk guarantee on a high rate of interest. But even at 4 per cent the annual interest would be £376,000. He had not added anything for the very large expenses of carrying out the conditions of clause 45 of the agreement as to providing, by purchase, charter or otherwise, shipping connections upon both the Atlantic and Pacific oceans sufficient in tonnage for all purposes of the line. The line would be held by a most uncertain tenure, a lease for fifty years, without a proviso for reentry in case of breach as to part and subject to a heavy mortgage with a right of foreclosure on the remainder. What was almost worse than anything else, the line, which was to be built to a standard not inferior to the main line of the Grand Trunk, was to take all the traffic over the line entirely through Canadian territory to Halifax, leaving the Grand Trunk section to Portland, with its expensive lifts and miles of sidings, out in the cold. Added to this was the right of the government to allow running powers over the line to any company it pleased, to fix rate, and the fact to do practically what it liked.

This was the view taken by Mr. Allen, one of the shareholders, a very competent and astute lawyer, and the son of one of the directors of the company; this was the view he took of the obligations that were being placed upon the company. The hon. member for Toronto (Mr. Osler) told us—

Mr. CLANCY. Will the hon. gentleman (Mr. Russell) permit me?

Mr. RUSSELL. Certainly.

Mr. CLANCY. The hon. gentleman (Mr. Russell) knows that the president of the Grand Trunk Railway and all the others declared that Mr. Allen had based his criticism entirely on the old contract and not on the new one.

Mr. RUSSELL. I am entirely aware of that, and I had partially referred to it before the hon. gentleman (Mr. Clancy) opened his mouth.

Sir Rivers-Wilson or Mr. Hays pointed out that Mr. Allen had based his criticisms upon the contract of last year, without having reference to the modifications. I was proceeding to say, when I was interrupted, that the hon. member for Toronto (Mr. Osler) told us that Sir Rivers-Wilson had pointed out that Mr. Allen's criticisms were based upon the original contract, and not upon the contract in its modified form. The hon. gentleman (Mr. Osler), in the exuberance of his feelings, and in the excitement of the moment, when he was speaking, offered to give us the draft of the shorthand notes of this meeting which he had in his possession. I was very anxious indeed to have a copy, but I have not yet succeeded in getting a copy, and so I do not know all that took place at that meeting except what I find in the 'London Times' and the 'Economist.' In the 'London Times' I do find a reference to the circumstance that Sir Rivers-Wilson called attention to the fact that the figures which had been given by Mr. Allen had been changed in the modified contract, but Sir Rivers-Wilson did not say—and if he did he would not have spoken the truth—that there was any change whatever made in that modified contract, in respect to these larger and more serious and exacting provisions of that contract, as Mr. Allen presented them to the meeting of the shareholders. I would be

very much surprised indeed to learn that Sir Rivers-Wilson or Mr. Hays was able to give any answer at all to the criticism made by Mr. Allen, with reference to these very exacting conditions which have been imposed upon this company in respect to the operation of the eastern section; the providing of proper shipping facilities for carrying the goods to Canadian ports ; the regulation of the rates by the government ; the running powers that are to be given to other companies, and all the other onerous conditions which Mr. Allen refers to in this memorandum which I have just read.

Mr. Hays could not possibly have said anything in regard to these onerous conditions being modified, because they have not been modified. They are there in their integrity and entirety, just as they were in the contract which Mr. Allen was criticising before its terms were modified. It would have been a very fine thing, no doubt, if Mr. Hays had been enabled to say to the stockholders of the Grand Trunk Railway Company : That is all moonshine ; there is nothing in it. The eastern section is not going to be built, and all that talk about Halifax and St. John is pure rubbish. Just listen to what the speakers of the opposition in the House of Commons say, and you will see that there is nothing in it. Pin your faith to them, stockholders ; do not be in the least alarmed by these onerous conditions about which Mr. Allen seeks to terrify you, because they are purely mythical and are only put in for effect, to gull the electorate of Canada and to hoodwink the people of that silly country. How delighted Mr. Hays would have been if he had been able to present anything of that sort to that meeting of stockholders. But he presented nothing of the kind, nothing of the kind has been read here to-day, and nothing of the kind, I undertake to say, will be read here ; because if anything of the kind had been in existence, our hon. friends on the other side of the House would have enjoyed only too much the luxury of reading it to the House amid such a pounding of desks and uplifting of hearts and exaltation of feelings as we did not see even during the triumphant acclaims that accompanied the speech of the hon. leader of the opposition.

Mr. SPROULE. Might I ask the hon. member one question ? If the Grand Trunk Pacific Company is responsible for putting on these steamship lines, would he be good enough to point where that is provided for, and what the penalty is if it does not choose to do so ?

Mr. RUSSELL. My hon. friend is trying to take me three or four miles away from the question I am discussing.

Mr. SPROULE. You are dealing with that part of the contract.

Mr. RUSSELL. The next point that has been alluded to in connection with this contract is the provision with reference to branch lines. The hon. member for East Hastings referred to it, and the hon. leader of the opposition also referred to it. Both of them, I suppose, have had the good fortune to read the articles of Mr. Willison in the Toronto 'News.' I have a very high admiration indeed for the editor of the Toronto 'News,' and a very considerable confidence in his ability as a journalist ; but when it comes to a question of the interpretation of a railroad contract and the operation of a railroad contract, I really think there are authorities which I would prefer to accept even before the very high authority of that gentleman.

Mr. OSLER. In reference to the hon. gentleman's remark about my promising to give him a copy of the report of the meeting of the shareholders of the Grand Trunk Railway Company, I would like to say that when I came to the House this morning I arranged to have a copy sent to the hon. gentleman and a copy to each of the ministers, and I have just been out of the chamber to see if that had been done.

Mr. RUSSELL. I am exceedingly obliged. I would like my hon. friend to understand that I was not making the slightest complaint or reflection.

Mr. OSLER. I am sorry the report did not reach the hon. gentleman in time for him to read it, because I quite intended that it should.

Mr. RUSSELL. What I would like the hon. gentleman to do, if he can, is to tell me if there are any such remarks as those which I have imagined as made by Mr. Hays contained in that report.

Mr. OSLER. I think the hon. gentleman will find, if he reads the report, that no statements have been made on this side of the House which have not been borne out.

Mr. RUSSELL. This provision, placing upon the government the obligation to take over such branch lines as the company may not be willing to retain, is, of course, to begin with, a provision which will not and cannot by any possibility come into operation inside of fifty years, if I am aright in my reading of the contract ; and the supposition that there could be anything of a detrimental character in regard to these branch lines, which the microscopic inspection of the editor of the Toronto 'News,' has discovered in this contract, pre-supposes two things. It pre-supposes that the Grand Trunk Pacific Company will want to build a lot of unprofitable and unremunerative branches, and it pre-supposes also that the government of the country at the end of fifty years will want to take over the operation of the road. Well, to begin with, it seems to me that both of these suppositions are exceedingly unlikely to be realized. I do not think the Grand Trunk Pacific Com-

pany is likely to build unremunerative branch lines. It certainly will not do so if it can help itself. Nor is it likely that the government of the country will be any more anxious to take over the operation of that road at the end of fifty years than it is to-day, unless the conditions of public sentiment are materially different at that time from what they are to-day, and unless democratic institutions work out to far more desirable issues fifty years hence than those to which they seem to be working at the present time. Assuming that fifty years hence there will be people as wise as the ex-Minister of Railways (Hon. Mr. Haggart) and the hon. member for West Toronto (Mr. Osler), with the horse sense of the one and the good business common sense of the other, I say it is not at all likely that we shall be any more anxious at that time to operate that road than we are to-day. But suppose that after fifty years' operation of this road by the Grand Trunk Pacific Company, after the sacrifices, the industry and the capacity of that company in making it a paying road, the government should be desirous of taking it over, then, surely, as my hon. friend from Annapolis (Mr. Wade) very admirably put it, it would be the most unfair thing in the world for the government—when, like the cuckoo, it was about to step into the nest which the other bird had made—to say that this very provision should not exist, and that we should not be obliged to take over whatever branch roads had been built in connection with the main road, and which the company did not want to retain. Surely it would be equally fair to say that if the company had built extensive and lucrative branches which they wished to operate, notwithstanding the taking over of that road by the government, they should be allowed to hold the property they themselves had created.

Now, my hon. friend the leader of the opposition made what seems to me a very fanciful suggestion as to what would happen in connection with this contract. He said, we cannot foreclose that mortgage, we cannot exercise our rights under it for five years from all delays previously provided for by the first contract, which is perfectly true. Well, he proceeded to argue, supposing there should be a series of unprosperous years, during which it did not pay to operate the road, what is there to hinder the company from saying; 'We will let the government take it over and handle it; we will not pay our interest or perform any of the duties devolving upon us under the agreement, but will let the government handle the road throughout this period of depression.' He says that the company will do that and compel the government to actually operate the road in spite of the obligation laid upon the company by the contract. Let me propose this dilemma to my hon. friend. The company either will or will not want to resume the possession of the road when times change and business is looking up and the traffic becomes more promising. If they desire to resume possession of the road in the good times, does anybody with any sense suppose that they will ever allow it to pass into the hands of the government and be operated by the government as receivers and managers, and be subjected to all the drawbacks of government management, resulting in all probability in the road being loaded down with charges and heavy expenditure? Heaven knows what government may be in power in those times to come. Even stranger things have happened than the advent of our hon. friends opposite to office. Does anybody suppose that a commercial corporation like the Grand Trunk Pacific, will allow the government to operate the road during a series of years and then take it back from the government, loaded down with a lot of unwise expenditures, burdened with all the extravagance which always accompanies government work in all countries, and all the heavy costs of law fees and everything of that kind which invariably have to be paid by a road in difficulties? Such a supposition is utterly preposterous. It is inconceivable that any business men could ever be induced to do anything of the kind. The only other assumption is this, that the company would want to abandon the railway altogether and say, as the hon. member for Dorchester told us the Yukon Railway people would say; 'To hell with the road'; throw it into the hands of the government altogether. If we accept that assumption, if that should take place, what would result? That would mean government ownership, and government ownership can have no terrors for my hon. friend the leader of the opposition (Mr. R. L. Borden). Whatever it may have for the hon. member for West Toronto (Mr. Osler), and other hon. gentlemen in the House, it certainly should have no terrors for any hon. member who believes that the government should not only own, but operate all the railways in this country.

Mr. CLANCY. We would not own it.

Mr. RUSSELL. We would have all that government ownership can give. We would have the fixing of the rates and the running and management of the road and everything in the wide world which government ownership could give. What is there about the road that we would not own?

Mr. CLANCY. We would have to return it after the debts of the Grand Trunk Railway were paid.

Mr. RUSSELL. My hon. friend is proceeding on the assumption that the Grand Trunk Railway would desire to resume possession of the road. But I have dealt with that and have pointed out that in such a case they would never, under any circum-

stances, consent to part with it. And I am now arguing on the assumption that the company would desire to abandon the road.

There was another suggestion made, which provoked considerable cheering on the other side. My hon. friend the leader of the opposition said: if the government are going to build and own this eastern section from Winnipeg to Moncton, why not build, own and operate the section from Winnipeg west to the Pacific ocean, why not build, own and operate the whole thing? Well, Mr. Speaker, that would absolutely destroy the whole scheme, under which we expect to secure the operation of the eastern end of this road by the Grand Trunk Pacific in consideration for the benefits we are giving them. If the government were to own the whole road and the Grand Trunk Pacific were not in it at all what would become of the covenant of the Grand Trunk Pacific to continuously and effectively operate the road from Winnipeg to Moncton, which enures to the benefit of Halifax and St. John and the maritime provinces and the whole Dominion in general? The question of government ownership out and out is one which I do not now propose to discuss, as a few months ago I said all that I could possibly be expected to say on that question. That is a question no doubt of the highest importance, but I do not propose to discuss it over again. All I wish to do in that connection, is to refer simply to some observations that have been made on the subject of government ownership in reply to the considerations which I presented to this House a few months ago on that subject. My hon. friend the leader of the opposition said it was too late to raise now any question about government ownership, because we have already a government owned road and have consequently adopted the principle. True, Sir, we have the Intercolonial, which is owned and operated by the government. But the Intercolonial Railway is a political road pure and simple. It is a matter of history that it was built as a political and national necessity, in fulfilment of a political compact and for the furtherance of political purposes. But the question is, do hon. gentlemen opposite want that experiment repeated? Does the ex-Minister of Railways (Mr. Haggart), want that experiment repeated and worked out on a larger scale? Does my hon. friend from West Toronto (Mr. Osler) want it worked out to a still larger extent? Does the ex-member for Westmoreland (Mr. Powell) want that experiment again undertaken? We have kept that road because it was one of the conditions of confederation, because it was a political term in the union of the provinces, and in order to make that road pay, we tried the experiment, which has been so far very successful and promising, of endeavouring to equalize expenditure with receipts by extending it to Montreal. And if it be necessary to still further extend it to Georgian Bay, perhaps the country would be willing to continue the experiment in that direction. But when you are talking not merely with reference to the Intercolonial, but of extending the principle of government ownership and operation practically to all the railways of this country, that is a proposition upon which it would be well to pause before coming to a conclusion.

That is a policy, certainly, to which the hon. leader of the opposition was not prepared to commit himself twelve months ago, or even at the time the railway contract was brought down last year, which I think, was on the 18th of last August. On that occasion the hon. gentleman was careful to say that he did not declare himself absolutely in favour of government ownership of railways, although he darkly said, 'I know there is a strong sentiment in this country in favour of that idea.' I do think these words are significant. There is a considerable, misty, unformed popular sentiment in this country in favour of the government ownership of railways; that I believe. But, having that condition of public sentiment in mind, one would have thought that the hon. gentleman would sit down and soberly and seriously consider the question, using such help as he could gain from the authority of wise men who had spoken on the subject, and would come to a conclusion, if he could, upon this question of such vast importance to the people. But I am afraid that, instead of that, instead of sailing—

> By stars the elder seamen knew,

—instead of considering what had been the policy of both parties in this country, instead of considering the opinion of great men who have had this country's affairs in charge, instead of carefully reading what even his own predecessors in the leadership of his party, such men as Sir John A. Macdonald and Sir Charles Tupper had said, he put his ear to the ground to hear if he could, some murmur of opinion from various parts of the country out of which political capital could be made and political influence acquired. I am afraid that this was the source from which he got his direction and not from those permanent lights in the firmament that remain for all times for the guidance of wise mariners upon this political sea. There was a man once before who gained his political ideas by keeping his ear to the ground. There was a misty, wild, half-formed belief in the country to the south of us in favour of free silver. And there was a man, W. J. Bryan, who put his ear to the ground to learn what he could of the opinions of the people on that subject. He embraced these doctrines, these financial heresies. He became a demagogue, and preached these doctrines all over the country. Sober-minded statesmen, like Grover Cleveland and the late William E. Russell

contested his position and destroyed the doctrine of free silver in the United States, probably for ever. Which of these two types of statesmen are we to hold in admiration? There is a right way and a wrong way to meet these questions of popular opinion when they emerge. My hon. friend the leader of the opposition well knows the dangers of the civium ardor prava jubentium. He knows that there is a right and a wrong way in which to meet these clamors. He knows that there is the statesman's way and there is the demagogue's way. He knows that the statesman's way was Mr. Cleveland's and the demagogue's way was Mr. Bryan's. And he knows what was the fate of these two men. I do not wish to make too close an application, for the analogy would be unfair, it would be unjust to the hon. gentleman. But it is not unfair that I should point to the facts. The contract was introduced on the 18th of August last. Three weeks afterwards the hon. gentleman propounded his views. He had had no opportunity to consider the question in all its bearings, and yet he gave his encouragement to the wild theory of government ownership and operation of the railways all over this country. Surely, that was the politician's way of meeting the question. The statesman's way was the way in which the question was met by the hon. Minister of the Interior on the floor of this House the other day.

All that can be said in reference to this matter—all that I desire to say at least—has been said by other speakers. I have occupied longer time than I intended, perhaps longer than I should. I have but an observation or two to make in closing. I say as my hon. friend from Annapolis (Mr. Wade) and the Minister of the Interior have already said—we are ready for this issue. We are certainly ready for it in the province of Nova Scotia. My hon. friend from Jacques Cartier (Mr. Monk) referred to the retirement of a member of this House who sat on this side and who now has taken an elevated position in the administration of justice in the province of Nova Scotia. We have lost him from this arena, but I am happy to say we have in his place—and elected by a larger majority—a gentleman who is certain to take a strong position in this House before many months are past. The province of New Brunswick, I believe, is equally ready for this issue.

An hon. MEMBER. Sure pop.

Mr. RUSSELL. I am surprised that some hon. members do not make reference to the city of St. John. I was in hopes that some would do so. The hon. member for the city of St. John (Mr. Daniel) has told us that the Grand Trunk Pacific issue was the great issue in determining the result of the appeal to the people in that city. I do not wish to say that the hon. gentleman is the enfant terrible of the other side of the House, but he certainly did give away a fact which it would have been better for his part to have kept as one of the party secrets, if such a thing were possible. But it had already become a matter of notoriety. That fact is that the people of St. John were in such a panic in reference to the position of their city in relation to this project; they were so terrified by the sectional and selfish appeals made to them as citizens, so terrified lest some of the advantages they now enjoy exclusively might be enjoyed by other cities in the maritime provinces, that they thought it better to return the hon. gentleman as their representative in this House. But, Mr. Speaker, they will recover from their panic; they will realize that they are not going to suffer through this measure. They will understand that we do not propose, by the operation of this measure to take anything away from them, that not only will they be left in the enjoyment of their present advantages through the Canadian Pacific Railway, but we shall double their advantages by giving them connection with another railway. They will see that what we desire to do is to give other cities in the maritime provinces the same advantages and opportunities for extension, and the same effective railway connections, that the city of St. John now enjoys. They will come to their reason and will fall in line with all the rest of the province of New Brunswick in support of this great measure. The same sectional appeals, I believe, were made to the city of Montreal, but they were rejected by that great city. And these same sectional appeals which were made with such entire absence of effect to the people of Montreal, if tried again in the case of the citizens of St. John will be met as they were met by Montreal. The people of Ontario are surely ready to support this measure. With the network of railroads they have in that great province of Ontario, with the enormous railway facilities they enjoy in every part of the province of Ontario I know they are not going to deny to the people of the maritime provinces the boon which the construction of this railway will accord to them. Therefore I say from the west and from the east, from Nova Scotia, from New Brunswick, from Quebec, from Ontario and from the provinces and territories of the west we shall have recorded, whenever the time comes for testing public opinion, the strongest expression of approval that has ever been given to any great measure that has been brought forward in this country.

Mr. T. S. SPROULE (East Grey). Mr. Speaker, the closing remarks of the hon. member for Hants (Mr. Russell) reminded me of what I once read in the good book. When he endeavoured to indulge in prophecy I thought of the words that there would come a time in the history of the world when many false prophets would be

present. I have no doubt that my hon. friend (Mr. Russell) fulfilled that statement to the letter in making the prophecy which he did in his closing remarks. The hon. member was good enough, at the outset, to tell us that there were times in the lives of members when it was desirable to rise to the dignity of statesmen, and to abandon the attitude of the pleading lawyer. He applied that to the leader of the opposition (Mr. R. L. Borden) and expressed regret that that gentleman had not, for once in his life, risen to the dignity of a statesman, and then the hon. member for Hants (Mr. Russell) drew himself up with an air of no doubt honest pride and ambition, inflated his lungs and gave us for the next hour and a half what he was pleased to call an example of the dignity of a statesman. I am content to leave it to this House and the country to make a comparison between the two gentlemen and draw their own conclusions. Dealing with the meeting of shareholders of the Grand Trunk in the old country, he said, with reference to a statement that was made by the president, Sir Rivers-Wilson : Would it be supposed for a moment that any company would be held down by what an insignificant member of their corporation said ? Is that the position which he assigns to the president of that great company, Sir Rivers-Wilson, 'an insignificant member of a corporation,' it seems to me that Sir Rivers-Wilson did not prove himself to be a very insignificant member when he was brought in contact with the friends of the hon. member for Hants (Mr. Russell) in the negotiations which he carried on so successfully during the eighteen months he said he was dealing with them. He went on to make some comparison about the opposition regarding their position as spurious but not to be given up without a fight. I may tell him that if I can judge public opinion, far from being spurious that position has taken a strong hold on the public sentiment of this country, neither to the advantage nor to the credit of hon. gentlemen opposite. I need not refer to the elections we have had recently which are unmistakeable evidence of the sentiments of the great province of Ontario. The hon. member for Hants (Mr. Russell) closing remarks were that last year he had spoken at great length on this subject and that he never expected to occupy that position in this House again. He intimated then that he was giving us his valedictory address. I have no doubt he performed his part of the contract all right but unfortunately his friends did not deliver the goods and the Chief Justiceship of the Supreme Court is awaiting him for the future. Now he has given us another valedictory.

Mr. RUSSELL. I am afraid my hon. friend (Mr. Sproule) is drawing entirely on his imagination for his facts.

An hon. MEMBER. Take your medicine.

Mr. RUSSELL. Medicine is very good sometimes. I think my hon. friend (Mr. Sproule) is drawing entirely on his imagination for his facts. I made no such observations at any time.

Mr. SPROULE. I certainly drew that inference from the address of the hon. gentleman that it would be the last one he would ever give on that subject, but he is here again and was again obliged to come to the defence of the government. When he said : Those of us who will be so fortunate as to come back, he certainly intimated that he did not expect to return to this House again.

Mr. RUSSELL. I made no such observation. It is not at all right for a Christian gentleman to be making such statements altogether out of his own fancy, and presenting them to the House as facts. I made no such remark as the hon. gentleman attributes to me.

Mr. SPROULE. I am afraid I have touched a ticklish subject.

Mr. RUSSELL. Not at all.

Mr. SPROULE. The hon. gentleman (Mr. Russell) also said that the ponderous member for Guysborough (Mr. Fraser) dealt with the subject, and that although Mr. Fraser did not come back, Guysborough sent back a man with a larger majority. Did the hon. member intend to convey the idea that the hon. the ex-member for Guysborough had been more fortunate than himself when he gave his valedictory address last year, but that his own preferment was only postponed for a short time, and that after a little while he would realize the reward to which he was looking forward so anxiously last year ? He said that the leader of the opposition (Mr. R. L. Borden) talked very much like a lawyer, but that he would advise him to rise to the occasion and talk like a statesman. I have sometimes heard lawyers doing special pleading, pleading as lawyers, not as statesmen. I thought in listening to the hon. gentleman when he spoke that if I ever heard a case of special pleading it was from the hon. member for Hants. There seemed to be a total absence of the statesman in the argument or of any effort on his part to rise to the occasion and to speak as a statesman : it was special pleading from first to last. He went on to tell us, and he read from an authority to substantiate the statement, that the higher the capitalization of a road, the cheaper it could carry freight. When I ask him, if that be the case, why the government insisted on reducing the capital of this road from $75,000,000 to $45,000,000. Why did they do that ? If it would enable the company to carry freight cheaper, why did they not leave the capitalization at $75,000,000 ? Did he rise to the dignity of a statesman or

was he arguing rather as a lawyer doing some special pleading.

Mr. R. L. BORDEN. He was not arguing as a lawyer.

Mr. SPROULE. My hon. friend the leader of the opposition (Mr. R. L. Borden) says he was not arguing as a lawyer. I know that he was not arguing as a common-sense man. Did I correctly understand the hon. gentleman to say that the obligation rested upon the company of taking all the traffic over the line to a Canadian ocean port ?

Mr. RUSSELL. I have lost track of the hon. gentleman's remarks. He has been saying so much that I could not follow him.

Mr. SPROULE. What does the hon. gentleman say ?

Mr. RUSSELL. The hon. gentleman has been making so many statements that I have entirely lost the trend of his remarks.

Mr. SPROULE. I am asking the hon. gentleman whether I am correct in stating that the hon. gentleman argued that an obligation compelled the company to take all the traffic they were enabled to secure to an ocean port on Canadian soil ?

Mr. RUSSELL. I merely stated what the contract said. I read the contract, and the hon. gentleman knows what the contract states. Surely he does not require any information upon that subject.

Mr. SPROULE. Am I right in contending that the hon. gentleman said that the contract contained that provision ?

Mr. RUSSELL. No.

Mr. SPROULE. It does not ?

Mr. RUSSELL. No.

Mr. SPROULE. I think the hon. gentleman argued upon that line, contending that there was an obligation compelling the company to take the traffic to a Canadian port and that therefore the maritime provinces would benefit by the policy of the government in contra-distinction to that of my hon. friend the leader of the opposition which would bring the trade to North Bay and prevent it from reaching the maritime provinces. That was the argument, and he endeavoured to convey the idea to the people of the maritime provinces that they would gain great and substantial advantages from this contract in comparison with what they would obtain by the adoption of the policy of my hon. friend the leader of the opposition. His argument was that the trade would go through the maritime provinces to an ocean port, and that St. John, Halifax and Moncton would receive the benefit, whereas, if the policy laid down by my hon. friend the leader of the opposition were adopted, the trade would go by way of Portland. Now, I referred to another item of the contract, and I asked the hon. gentleman for an explanation, which he did not deign to give. Perhaps he regarded the question as insignificant. That was for himself to judge. He contended that Mr. Allen's argument in reference to the provision regarding steamships applied to the old contract, but that in reality the subjects to which Mr. Allen directed his attention were not changed by the new contract, and that one of the conditions of the contract was that which compelled the company to provide steamships to carry the produce out of the country. I asked the hon. gentleman if there was any binding obligation upon the company to provide these steamships. If there was a binding obligation on the Grand Trunk Pacific Company, I asked the hon. gentleman what penalty was to be imposed in the event of their neglecting or refusing to carry it out. The hon. gentleman did not deign to reply. That was a part of the contract that Mr. Allen was directing his attention to. I have read the contract over and over again, and I still think there is nothing binding on the Grand Trunk Pacific Railway Company to provide steamships.

Mr. RUSSELL. I would suggest to the hon. gentleman that he take a copy of a speech which was made last year home with him and read it. There are ten pages which he can profitably read, and in which he can find that matter elaborately discussed.

Mr. WILSON. By whom ?

Mr. RUSSELL. My modesty prevents me from saying.

Mr. SPROULE. If such an obligation is contained in the contract, there are no penalties to enforce it, and a contract without penalties is no good. Where are the penalties ? The hon. gentleman, as a prominent lawyer, ought to be able to point out where the penalties are. I have not yet been able to find out where they are in the contract, and I have not heard a word either from Mr. Hays or Sir Rivers-Wilson regarding that obligation. It was incumbent upon them to explain that obligation when they gave to their shareholders a statement of the obligations which they were called upon to fulfil. I am therefore justified in assuming that there is no binding obligation resting upon them. In his closing remarks, the hon. gentleman said : We are ready for this issue. Yes, when he is leaving, of course, he is ready for the issue. But why did the government not submit this issue to the country before the die was cast ? They dared not do it. They were afraid to do it ; but when the country is bound hand and foot they may submit the question, after it is too late for the electorate to express their opinion, to tell the government what the public sentiment is regarding this important question.

Mr. Speaker, I was very much amused at and interested in the difference of tone and manner which characterized the introduc-

tory speech delivered by the right hon. Prime Minister last year and that which characterized his speech of this year. In his introductory speech of last year there was a tone of confidence, a volume that bespoke his opinion that this enterprise would be a great success; there was assurance, flowery eloquence and an air of statesmanship. Everything was going to turn out just as he predicted. We were told that it was one of the ablest speeches that had ever been delivered in this chamber, that it would inspire confidence, not only in his followers in this House, but in the country and amongst the electorate generally. Every thing was then rosy; everything was going to turn out all right. He went on to tell us what an admirable bargain they had made and how small the cost was which was going to be incurred to carry out this gigantic undertaking—$12,000,000 or $13,000,000, not as much as one year's surplus under this government. He went on to say that the opposition would be agreeably surprised that the government were able to accomplish so much with such a small outlay, that they were able to make such an admirable bargain, one so valuable for the country and one so creditable to business men. He said the opposition would be surprised, as no doubt they were. He drew himself up with an air of importance, as if the commonwealth owed him a pension, and he told the country what an admirable thing they had done. But in his speech this year he displayed a great deal of modesty and diffidence, but he went on to say that the opposition would be surprised that the amendments were so few and insignificant. In fact, he said, he had no doubt that they wished they had been very much greater than they were. He declared that the country would be surprised at the insignificance of these amendments, and that, in any event, notwithstanding the amendments, it was going to turn out a grand success as he told us last year it would. But he was very much quieter. He did not display the same confidence in his scheme this year as last. His speech was not characterized by the same bravado as that of last year. It reminded me of a story I once heard of a Scotchman. A Scotchman, of whom it was said that he sometimes travelled by devious paths, was found by his spiritual adviser reclining in a ditch with his head on his hand. The minister said: 'What is wrong with you Saundy? Where have you been, man?' 'Och, meenister, I'm no sure whether it was a weddin' or a funeral that I was attendin', but I'm sure it was a grand success.' When the right hon. gentleman made his last speech I thought that he felt like the poor Scotchman; he did not know whether it was a wedding or his political funeral, but it was to be a grand success. I am afraid it will be the latter.

Sir WILFRID LAURIER. My hon. friend will be rejoiced if it be the latter.

Mr. SPROULE. I have no doubt. Now, we have before us to-day the second edition of the government's policy and contract. It is an undisputed fact that whatever changes have been made in the contract, are in the direction of making it worse for the country, and more beneficial for the Grand Trunk Company. The hon. member for Hants (Mr. Russell) was candid enough to admit that every change made was for the benefit of the Grand Trunk Company. The thought has occurred to me that the government have been giving away everything, without getting anything in return. Last session hon. gentlemen of this side of the House pointed out the defects that existed in the then contract, but the government declared then that it was impossible to re-open it or change its provisions. Since then, however, they have opened up the contract anew, to give further concessions to the railway company, and let me ask: why were there no amendments made in the contract for the benefit of the people of Canada.

Last session the Prime Minister assigned as a justification for this huge undertaking, in the first place, the urgent and immediate necessity of a road to carry out the products of the fast growing number of settlers in the west. He told us that the western grain would be carried by rail on this road instead as at present, partly by water and partly by rail. We know how he declared, that we could not wait, that we could not say, to-morrow, and to-morrow, and to-morrow, that the necessity for the railway was urgent, and we remember the right hon. gentleman's pathetic exclamation. Heaven grant, that it is not too late now. We know that this measure was sprung upon the House suddenly, and yet the president of the Grand Trunk tells us, that they had been hatching this egg for eighteen months and now we find that it turned out an addled egg after all. Under the old contract, the company had eight years to build this road, but under the new contract, the time has been extended to eleven. What about the Prime Minister's fears, that it would be too late? If last year there was urgent need of the immediate construction of the road, why has the government extended the time for three years longer? We remember that last year the Prime Minister told us, that this railway was absolutely necessary to carry out the grain from the west, and the member for North Norfolk (Mr. Charlton) backed up that statement by his eloquence and logic, and he declared that the road would be so constructed as to grades, that grain could be carried as cheap or cheaper than by the present route. But here is what the

President of the Grand Trunk Railway Company declared to his shareholders :

It is provided that the western division from Winnipeg to the Pacific coast shall be completed within eight years. No special time is provided for the completion of the eastern division, but the work of construction on both divisions will, of course, be prosecuted with good judgment hastening or retarding its progress as financial conditions, price of material, labour conditions, and so forth, may make it desirable.

The president of the Grand Trunk declares that they will build this road gradually and slowly, just as they find the conditions favourable or unfavourable. Is that in conformity with the declaration of the Prime Minister that it was necessary to complete this gigantic contract immediately in the interest of the people of the west. Sir Rivers-Wilson dispels that delusion, and he verifies what we have all along believed, that there is no binding contract to build that road in the near future. Sir Rivers-Wilson says :

I may here remark that the Act, in virtue of which the government construct the road as far west as Winnipeg, relieves the Grand Trunk Pacific Company from the necessity originally contemplated of building that portion of the line from North Bay to Winnipeg.

Here we have a declaration from the president of the Grand Trunk that his company had been contemplating this project for eighteen months previous and they would build the road from Winnipeg to North Bay, even if the government did not spend a dollar to aid them. There is therefore no justification for this government undertaking to expend what will in the end amount to $150,000,000 of the money of the people to provide a railroad, most of which would have been provided without the expenditure of a dollar on the part of the government. The hon. member for North Norfolk (Mr. Charlton) has told us that this road would be so constructed, that they could haul from 40 to 60 cars with one engine, and that grain would be carried as cheaply as by the waterways. But the other night, the Minister of the Interior flatly contradicted that statement, for he said (p. 854, Hansard') :

What I say is, that when the wheat goes to Port Arthur and Fort William it does not make any difference what the Grand Trunk Railway will or will not do. In the summer time the wheat will go out by water to Montreal or Quebec, or by the Erie canal to New York, so that the question of what the contract with the Grand Trunk is, in respect of summer traffic in wheat, is absolutely immaterial ; it has nothing to do with what will happen to the traffic.

Now, what was the whole contention last session ? That we wanted a short route for carrying grain, for the benefit of the farmer of the west. Yet now the Minister of the Interior tells us that the grain will not be carried by that route, except in the winter, when the railway will have a surplus of cars, and when navigation is closed. Three-fourths of the grain to-day goes down by the water route, or part water and part rail ; and three-fourths of it will continue to go by that route in the future, because even with the increased population which we expect in the west, I have no doubt that the same relative proportion of grain will be shipped then as now by water. Therefore there was not the urgent need of this road for the reasons given by the First Minister last year ; and if it were built to-morrow, it would not carry any considerable quantity of grain. Consequently the western farmer who was told that this government was doing so much to enable him to send his grain to market, will understand that that is only a myth, and that the grain will go out in the future in the same way as it has done in the past.

The next urgent reason given for this road was that it was necessary owing to the danger of the American government abrogating the bonding privilege ; and in support of that contention the First Minister quoted the sayings of men who had written and spoken fifteen or sixteen years ago, but he did not give us any recent utterance except a single letter from Carnegie in England about what the Americans could do. But we do not hear a word about that to-day, because there was not any danger then and there is not any danger now.

The right hon. First Minister also said we needed the road for colonization purposes in the great clay belt extending through northern Quebec and northern Ontario. I tell him in reply that we have to-day four or five colonization railways extending northward in his own province of Quebec, which have been subsidized both by us and by the local government as colonization roads ; and we have five or six more in the province of Ontario. As fast as settlement goes on, these railroads are carried northward, and they are sufficient for all the colonization needs of that country. Therefore there was no need of this road for that purpose. Was there any need of it for colonization purposes in the west ? I do not think so, I saw in a paper a few days ago the statement that the Canadian Pacific Railway and the Canadian Northern Railway contemplate building about 1,400 miles of railway in Manitoba, the Northwest Territories and British Columbia, during the next two years. Surely that will be sufficient to supply all the railway requirements of that country, in addition to all the roads being built by the Northern Pacific and other companies. What would it mean ? It would mean, with four families on every square mile, that these railways would accommodate 1,120,000 people. Are more than that number likely to go into that country in the next two years ? I do not think so.

Why, it means that all of these people would be within five miles of a railway. But if we consider the population of the towns and villages that will spring up along the lines of these railways, I am within reasonable bounds when I say that they would accommodate twice the number I have given. Consequently there was no urgent need for this railway in the west for colonization purposes.

The favourable nature of the contract and the insignificant cost to the country were other reasons given as a justification for it. The right hon. First Minister told us that it would cost the country only $13,000,000 or $14,000,000. But able men, who figured it carefully, including the hon. ex-Minister of Railways (Hon. Mr. Blair), declare that it will cost over $139,000,000. I think we are near the mark if we say it will cost $150,000,000, and very likely it will extend to $175,000,000 before the contract is completed. I need not go into the calculation, because it has been gone into over and over again.

Now, what does the burden of this debt mean to Canada? It means more than the combined debts of all the provinces when they came into confederation, put upon the people of Canada at one stroke of what the government are pleased to call statesmanship, but what I am afraid the people outside of the House will characterize by another name. Will that debt ever be repaid? Not within the lifetime of the youngest member of this House or the youngest citizen of this country to-day. It will hang around the neck of the people of Canada like a millstone. Will it ever be paid by the Grand Trunk Company? The Grand Trunk borrowed money from us before to-day. They owe us $58,000,000 on which they have never paid one cent of either principal or interest. Add this to what they have received from the provinces and the municipalities; and it is about $78,000,000, and they have never paid back one cent to this day. Are they likely, then, to pay back this money? From our own experience of the past, I do not think we have a right to expect that they will. They know too much about managing governments and railways ever to pay back a dollar of this debt.

The manager of the Grand Trunk says this is a partnership transaction into which they have forced the government. If it is the country would like to know what the nature of the partnership is. The president in his address said: We have driven the Canadian government into becoming absolute partners with us in the construction of that mountain section; that is, we have joined their interest with ours, and are assured of their hearty co-operation and assent to any reasonable proposition. The interest of the government is such that they cannot back out; so that the company can demand more and more onerous conditions, and the government cannot refuse them.

Are we not justified in coming to that conclusion by the very amendments made? The bargain was not over three months old before the company demanded concessions and the government had to yield. These concessions we are considering now. In the future the company will make still further demands and the government will again have to grant what they ask. The fact is the government have bound themselves hand and foot, and that is why the president of the Grand Trunk Railway speaks of the government as a partner in the scheme. He has got them in such a position that they must support the Grand Trunk Railway even if they have to abandon every other railway in the country. Neither the Canadian Pacific Railway nor the Canadian Northern nor the Trans-Canada nor any other railway company will be of any interest to the government in the future, because the Grand Trunk Railway will have a monopoly of all its support. Whenever the interests of any of these corporations may happen to clash with those of the Grand Trunk Railway, these other companies will have to stand to one side, because the government is bound by its partnership. And what are the conditions of this partnership? The government is to put $150,000,000 into the undertaking while all the Grand Trunk Railway is bound to invest is $15,000,000. And what is to be the division of profits? All the profits are to go to the partner who has put in the $15,000,000, but should there be any loss, it will have to be borne by the country. I want the farmers of Canada and the business men of Canada to know what sort of a bargain has been consummated and to what a one-sided agreement the government has committed itself.

But there is another feature which must not be lost sight of. By this agreement the government is bound body and soul to this corporation. It has always been the conviction of the people that governments have ever been too susceptible to the influence of the great corporations, and to-day that condition of things becomes intensified to an unheard of degree. Whenever the interests of the Grand Trunk Railway will clash, as they are bound to do, with the interests of the farmers, the government will be bound to stand by the partnership they have made with this railway. And what will the people get out of this partnership, supposing the enterprise be successful? They will not get one cent because all the profits must go to the company. As the hon. member for West Toronto (Mr. Osler) said last night, we shall have a repetition of that well known combination, in which one partner invested the capital and the other the experience, and out of which the man with the capital gained nothing but the experience.

whereas the man with the experience acquired all the capital. We will have this railway company getting all the profits and the country the experience.

It should not be forgotten that the government should stand as the medium between what the hon. member for South Oxford (Sir Richard Cartwright) was always pleased to call the grasping corporations and the public. But the government in allying itself to this grasping corporation, has practically given up the people to its tender mercies, because it will be bound by its partnership to consult the interests of the company in preference to those of the general public. The corporation will compel the government to work for it. How can the government be expected to look after the interests of the farmers, the mechanics and the labouring men when all its interests are allied with those of the Grand Trunk Pacific ?

According to this contract, there are 3,400 miles of railway to build, of which the government must build 3,000 and the other partner only 400. We put in $10 for every one the other party invests. We build 3,000 miles of railway and the other partner builds 400 ; but when it comes to sharing the profits the company gets them all. Is not this government, therefore, a government in the interests of this particular corporation ? I do not see how the people can fail to come to any other conclusion. Oh, but we control the rates, says the hon. Minister of the Interior (Mr. Sifton). Well, Mr. Speaker, I have the contract here, and here is what it says with regard to the rates :

The rates and tolls to be levied and taken by the company upon any part of the said railway shall be under the control of the Governor General in Council.

But to what extent ? What position will the Grand Trunk Pacific take should the government want the rates lowered ? They will say : If you compel us to lower the freight rates, we will not be able to pay your interest. If you compel us to lower the rates you must forego the interest. But if you want to enforce our obligation to pay interest, you must allow us to charge such freight rates as will enable us to do so. We all know that under the old law it was provided that the control of freight rates should be in the hands of the Governor General in Council. But did the Governor General in Council ever compel any company to reduce its rates ? Although a company could not legally charge a dollar unless the rates were assented to by the Governor General in Council, that control was practically of no benefit to the people, and that will be the case in this instance. The hon. Minister of Justice argued that it was an effective control of the rates. If so, why was it that when the government wanted to control the rates of the Crow's Nest Pass Railway, they were obliged to put in these words :

The local rates and tolls on the railway and on any other railway used in connection therewith and now or hereafter owned or leased by or operated on account of the company south of the company's main line in British Columbia, as well the rates and tolls between any point or any such line or lines of railway and any point on the main line of the company throughout Canada, or by any other railway owned or leased by or operated on account of the company, including its lines of steamers in British Columbia, shall be first approved by the Governor in Council or by a railway commission, if and when such commission is established by law, and shall at all times thereafter and from time to time be subject to revision and control in the manner aforesaid.

That is the provision that was put in the Crow's Nest Pass Act, and that the government declared to be ample and sufficient. It was put there so that they could not evade it. Then, why is not such a provision put in this Act ? This contract does not say anything about local freight rates or about compelling the road to reduce their freight rates. It provides that the government can control the rates, but cannot revise them, as I understand it, or compel the company to lower rates once established. If the government were to attempt to do it, I am satisfied they would be met by the railway company with the plea that if the freight rates were lowered, the interest could not be paid. If the western farmer is deluded by this, he will realize some day that it is only a delusion—that this provision is one of no practical value.

By this Act, the government have welded another link in the chain which binds the millstone of corporation monopoly around their neck. There is a strong sentiment in this country and growing stronger, in favour of government ownership and operation of railways. But we are practically prevented by this contract, from giving effect to that opinion, not only for the next twenty-five or thirty years, but even for the next hundred years—and by that time the question will be but of little interest to people who are living to-day. This millstone is bound round the necks of the people and they must bend their necks to the burden whether they like it or not. In the classic language of the hon. member for South Oxford (Sir Richard Cartwright) they will be bled white to carry out the terms of this contract. This lease is given for fifty years, with the option of renewal under certain conditions, and for a hundred years the people will be deprived of the opportunity of free action in this matter. There will be no opportunity for the Intercolonial to be extended to the west. To do so would be to make the people competitors with themselves. We put a railway through there in which the country is a partner, and the Intercolonial cannot be extended along side of it. The people of this country had hoped that the day would come when the Intercolonial would be extended to the west. But the government

have put their veto upon that and have made it impossible for that policy to be carried out in the future. I observe, by a return laid before us the other day, that the Intercolonial Railway, last season, carried grain 828 miles for the same money that the Canada Atlantic carried it for 346 miles—that is, the Intercolonial carried grain for less than half the money charged by the Canada Atlantic, or by the Grand Trunk, this company to which we are paying so much money to extend to the west. The Minister of the Interior says he is not discussing the question of the Intercolonial being extended to the west. He says; 'Understand me, I am not discussing here the abstract question of extending the Intercolonial Railway up to the lakes.' It certainly would be a waste of time to discuss it, for this contract which he and his colleagues have made, and which they desire parliament to accept, makes such an extension of the Intercolonial impossible. By the words I have just quoted, the hon. gentleman seeks to make it appear that he is in favour of extending the Intercolonial, but that that is not the question before us. It might be the question before us were it not for this contract which he has made. We were told last year that it was proposed to carry grain from Brandon to Fort William, a distance of about 600 miles, for 12 cents per 100 pounds, or something over 6 cents a bushel. But the Intercolonial is carrying grain more than 800 miles for 5 cents per bushel. If the Intercolonial were extended to the west what a lever it would be to compel the railways to come down to moderate freight rates. But it may be said that the Intercolonial carried this grain at a loss. On the contrary, the very report I refer to says that, having regard to the return cargoes, it was carried at a slight profit. If the Intercolonial can carry grain at a slight profit 800 miles for more than a cent a bushel less than other roads can carry it for 600 miles, surely it should be advantageous to have the Intercolonial extended to the west. But, as I have said, that extension is prevented for all time by the policy that the government is pressing upon the House.

Now, we are told that the amendments that have been made to the contract are all insignificant. Let us look at that statement for a moment. We were told last year that the contract was surrounded with safeguards of all kinds—a large deposit of money to be held; the power to take over the road if default occurred in the payment of interest; the power to seize the rolling stock; the $25,000,000 of common stock which the Grand Trunk Railway was to take and to hold;—all these were dwelt upon and extolled as safeguards to this contract. But every one of these is done away with—every safeguard is abandoned. The government cannot seize the road; they can only take it over and run it for the benefit of the Grand Trunk Railway Company. The deposit that is to be put up is to be given back in a little while, making this provision practically of no value.

Then we were going to have rolling stock on the road costing $20,000,000 of which $5,000,000 would be set aside as a guarantee that the eastern division of the road would be run permanently and continuously. What about that to-day? There is a dispute as to whether the mortgage would cover that or not. The government say it will cover it. If they had no doubt about that, why did they submit it to those two eminent lawyers in Toronto? These lawyers said that perhaps it would but they were not sure. The government either wanted to give these two lawyers a fee or they were not very sure of their position, but I believe that it will turn out that the mortgagee will not hold that rolling stock, but that the first claim will be that of the parties furnishing the stock and the earnings of the road will be taken to pay them. I believe that will be the position in the future, and that the government will wake up to find this to be the case notwithstanding the eminent opinion which they have obtained.

The time for building the western division from Winnipeg to the Pacific coast, is extended three years. But last year everything was in a hurry; it must be done immediately; we could not wait a day or an hour or a minute. If we did not take time at the flood tide it would not lead us on to fortune. The hon. gentleman took it at the flood, but it led on to misfortune and his contract has fallen through. Why the great urgency? They were going to put surveyors on the road at once, the work being under the superintendence of the Grand Trunk Railway. Nine months have elapsed but the other day they told us there was not a surveyor in the field. We find that the Grand Trunk Railway have put some surveyors on the road but the government have made no move whatever. They have done practically nothing but come back to parliament to amend the contract and remove the safe-guards which were the virtue of the contract last year. The construction of the eastern section may now be postponed indefinitely. The president of the road says: We will build it according to the condition of the money and labour markets. We will build fast or slow according as we find the conditions favourable or unfavourable. That is not what the government said last year and the government seems to have no power to prevent delay while there is no provision whatever that the eastern division will be built at any time one year hence or one hundred years hence, and many people believe it will never be built. It is true that the government will build the portion from Winnipeg to North

Bay because the Grand Trunk Railway want that section, but the eastern part of the section, according to the president of the Grand Trunk Railway will be something for the future. He says it will be a little premature to discuss that, because it will not be built now.

The government have no power to foreclose the mortgage although that was the great safe-guard last year. The money which has been deposited is to be given up after a while and all that the Grand Trunk puts up is credit for $15,000,000 of money. For this they get all of these concessions and these important considerations.

Pending the completion of the eastern division the company may lease from the commissioners any portions of the road that are built. That is to enable the Grand Trunk to rent the portion of the road from North Bay to Winnipeg, and then they do not care about the building of the balance of the eastern section. They want this amendment because the old contract did not give them that advantage. Now they have it and have everything they want. As soon as that section from Winnipeg to North Bay is built with the people's money the Grand Trunk Pacific can lease it and can carry trade to the Grand Trunk who will take it over their old system to Portland or anywhere else they like. That is the interpretation I place on the amended contract.

The amount of money to be guaranteed by the government for the building of the mountain section is increased. Under the old contract it was to be three-quarters of $30,000 per mile. Now it is to be three-quarters of the whole expenditure, whether it be $60,000 or $80,000 or $100,000 per mile. Therefore they have increased the government's guarantee and put another obligation upon the country that will probably mean ten or twelve millions more. There is no doubt whatever that if the government take over the eastern division after the expiration of fifty years they must take over the branches that the Grand Trunk do not want. And how must they take them over? It is true that the government, in estimating the value of these branches can deduct the subsidy that has been given by the Dominion of Canada, but not the subsidies that are given by the provinces. The subsidies which the Grand Trunk say they expect from both Ontario and Quebec will inure to the benefit of the Grand Trunk because if the road is taken over for the benefit of Canada we will have to pay to the Grand Trunk Pacific Company these subsidies given by the provinces. That is the interpretation I place upon the contract and I think I am right. If the company constructs branch lines and the government takes over the road at the end of fifty years, it must take over such of those branch lines as the company desires to give up, and they will certainly give up the unprofitable ones, while they retain the profitable ones.

What does all this mean to Canada? I say it is an improvident, unwise and unbusinesslike bargain and was entered into unnecessarily, and is to-day unnecessary. It was an unwise and onerous bargain for the country and is placing an onerous burden of debt on the people of Canada which will hang like a millstone around their neck until the youngest resident of Canada to-day has passed away. The people must bear it and a part of their earnings in the future from year to year must go to pay off that mortgage. Not a farmer, a labourer, a mechanic or a professional man can avoid paying his share. It is going to destroy the chances of government ownership of railways in Canada for all time to come. There is no doubt about that whatever, although there is a growing feeling that government ownership would be the best solution of our transportation problems. This is a death stroke at our high standing credit to-day in the money markets of the world.

For my own satisfaction I looked over the public records to ascertain how much of our debt would fall due before the road would be completed, and I find that up to the end of the year 1911 or 1910, the year in which this must be arranged, there will fall due of our debts, $160,346,000. One hundred and sixty millions of our debt must be borrowed again and provided for. Add to that $150,000,000 and where will the credit of Canada stand? We must borrow that money to retire our obligations and must go into the money market of the world to do it, as we will not have surpluses that will enable us to discharge these liabilities. The following table shows the various items of the debt for which we must provide within the time I have mentioned. The first two items have been met by temporary loans but have not been discharged and therefore are in the same position as the loans which have not yet fallen due. The table is as follows:

October 1, 1903	$ 7,300,000
October 1, 1903	3,433,333
April 1, 1904	1,460,000
May 1, 1904	19,466,000
November 1, 1905	8,866,000
November 1, 1906	12,166,666
April 1, 1908	7,300,000
May 1, 1908	21,900,000
May 1, 1909	24,333,000
January 1, 1910	19,466,000
January 1, 1910	31,356,000
January 1, 1910	7,300,000
Total	$160,346,999

We must borrow money to provide for the payment of this debt as it falls due. Add to that $150,000,000 and where will the hon. Finance Minister be? Why, he is peddling our credit in England and he cannot get money, I am told, under 4 per cent, whereas, a few years ago we could get it at 2-½ per cent. What will be the percentage of interest that we will be obliged to pay in the

future when these obligations fall due? This is going to strike a serious blow at our credit. There is no doubt in my mind whatever of this fact and hon. gentlemen will realize it at some time in the future, but it may be that they will not be obliged to trouble themselves with the question as to where the money will come from. This is placing a mortgage upon every farm in this country to the amount of $125. This has to be paid off by our farmers. The province of Ontario will have about one-third of the money to raise. I want the people to know where the burden will fall the heaviest. What benefit is the province of Ontario going to get from it? She will be side-tracked if this road is a success. Her cities and towns will be on the branch lines and sidings while the main line which is carrying the trade between the orient and Europe will go hundreds of miles to the north and east. The populous province of Ontario that will raise the largest share of the money will be side-tracked. I want the Ontario farmer to know that he has to raise this money. Every family consisting of five must pay $125 and the interest on that money until the indebtedness is liquidated. This comes out of their earnings, either directly or indirectly and they cannot evade that obligation in any way. The province of Ontario will feel the burden as it raises the largest amount of the money and I want the people of Ontario to know it. If built and successful as a grain and produce carrier, as indicated, it will dwarf and destroy our Georgian Bay ports and lake port towns and cities and our merchant marine on the lakes and thereby minimize the value of those western markets for our farmers, mechanics and labourers. It is side-tracking the populous and thickly settled portions of Ontario. It is putting us upon the branch lines and sidings. I would like to ask the people who are on the branch lines of the Grand Trunk Railway and who suffered great inconvenience last winter what they think of this proposition. I might ask Mr. Deputy Speaker (Mr. Macdonald) and the hon. Minister of Customs (Mr. Paterson) who had to make a special effort owing to the imperfect service of the Grand Trunk Railway to get down to attend this session what they think of this proposition. Why do the government not dare to trust the people by inviting them to give their verdict on this question? We were told that they were going to appeal to the people last year but the water was so cold looking, the invitation was so chilly, that they backed out. They said: We will first cast the die, we will conclude the contract, we will bind the people so that they cannot help themselves and then we will appeal to them. They dare not risk an appeal to the people. When their offices of emolument are at stake they have no confidence in the people and they dare not risk an appeal to them. If they had believed that appealing to the people would give them a renewal of their places for five years more they would not have hesitated to have gone last fall. Rather than submit to the evils which I have enumerated I decidedly prefer to accept the wise, statesmanlike and business policy propounded by the hon. leader of the opposition. I am satisfied that it will commend itself to the people of Ontario as it will to the people of the west and the maritime provinces as well. I am decidedly in favour of the resolution moved by the hon. leader of the opposition and therefore I am bound to support it because I believe that in doing so I shall be carrying out the wish and desire of the electorate of Ontario and of the electorate of Canada from the Pacific to the Atlantic ocean.

Mr. ARCH. CAMPBELL (West York) moved the adjournment of the debate.

Rt. Hon. Sir WILFRID LAURIER. It is not usual to adjourn the House at six o'clock, but I am sorry to say that the attendance is so slim and that even the eloquence of my hon. friend from East Grey (Mr. Sproule) has not succeeded in filling the benches; therefore, I think we may consent to adjourn.

Mr. R. L. BORDEN. Before the motion is adopted I would like to say that I do not wonder that my right hon. friend, after the onslaught of my hon. friend from Grey (Mr. Sproule) finds it necessary to adjourn the House so as to enable him to carefully consider what he will be able to say about this on Monday.

Motion agreed to, and debate adjourned.

On motion of Sir Wilfrid Laurier, House adjourned at 6 p.m.

HOUSE OF COMMONS.

MONDAY, April 11, 1904.

The SPEAKER took the Chair at Three o'clock.

OFFICIAL REPORT OF DEBATES.

Mr. CHAMPAGNE moved:

That the second report of the Select Committee appointed to supervise the official report of the debates, which recommends that the amanuenses of the official reporters be paid $3.50 per day for their services during this and future sessions, be adopted.

Motion agreed to.

FIRST READING.

Bill (No. 36) respecting the Tobique Valley Railway Company.—Mr. Costigan.

EXCHEQUER COURT ACT—AMENDMENT.

Hon. CHAS. FITZPATRICK (Minister of Justice) moved for leave to introduce Bill (No. 37) to amend the Exchequer Court Act. He said: This is merely to grant the right of appeal in all cases of the Exchequer Court to which the Crown is a party. At present the appeal is limited to cases in which the amount involved exceeds $500.

Motion agreed to, and Bill read the first time.

PETITION OF RIGHT ACT—AMENDMENT.

Mr. FITZPATRICK moved for leave to introduce Bill (No. 38) to amend the Petition of Right Act. He said: This is to provide that when the fiat is granted, the petition, instead of being handed back to the solicitor of the suppliant, shall be filed by the Secretary of State himself in the Exchequer Court. This will prevent its remaining in the hands of a solicitor weeks and months without being filed.

Motion agreed to, and Bill read the first time.

YUKON TERRITORY ACT—AMENDMENT.

Mr. FITZPATRICK moved for leave to introduce Bill (No. 39) to amend the Yukon Territory Act. He said: This is for the purpose of conferring upon the commissioners authority to make ordinances providing for the division of the Territory with respect to elections to the council, and also to determine the qualification of voters.

Motion agreed to, and Bill read the first time.

REPORT PRESENTED.

Report of the Minister of Justice for the year ending June 30th, 1903.—Hon. Charles Fitzpatrick (Minister of Justice).

PRIVATE BILLS—FORM OF ORDER PAPER.

House went into Committee on Bill (No. 12) respecting the Montreal, Ottawa and Georgian Bay Canal Company.—Mr. Mackie.

Mr. SPROULE. I see there has been a change in the form of our order paper with respect to the note intimating that bills are reported from the Select Standing Committees to which they have been referred. It appears that some Bills are noted as 'reported,' while others are noted as 'amended.' I suppose this is to distinguish between those Bills that are reported with amendments and those that are reported without amendment. If that is the object, I think it would be better because clearer to adopt the form 'reported with amendments,' and 'reported without amendments.' All Bills must be reported from the committee to which they are referred, so that the note in the order paper, 'reported' is really unnecessary. I think it would be better to adopt the form that I suggest.

Mr. R. L. BORDEN. The practice has been that when a private Bill is reported with amendments, that fact is noted on the order paper. That practice should not be departed from.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). The hon. gentleman (Mr. Borden) will find it so on the order paper. Take, for instance, item 6 and also item 7. They are both noted on the order paper as 'amended.' That means that they have been approved by the committee with amendments.

Mr. SPROULE. But the question I raise is whether it is well simply to use the word 'reported,' because all Bills must be reported. If the object is to distinguish between those that are reported with amendments, and those that are reported without amendments, it would be better to make that plain.

Sir WILFRID LAURIER. I suppose it is understood that when a Bill is noted as 'amended,' that means that it has been amended by the committee and is reported with those amendments. And that 'reported' means that it is reported without amendments.

Mr. SPROULE. Yes, but they must be reported in any case, so the word 'reported' is unnecessary.

Bill reported, read the third time, and passed.

C. P. R.—NEW WESTMINSTER AND VANCOUVER—SHAWINIGAN FALLS AND GRAND MERE.

House went into Committee on Bill (No. 13) respecting the Canadian Pacific Railway.—Mr. A. T. Thompson.

On section 1,

Mr. SPROULE. It seems to me that in this case we are establishing a new precedent, which may be found an inconvenient one in some respects in the future. We propose here to amend two statutes within the compass of one small Bill, one of these statutes relating to a railway in the province of Quebec and the other to a railway in British Columbia. One desiring in future to ascertain whether an amendment has been made in either of these cases would naturally look for it in the index under the name of the railway. But when two are covered by one short Bill and the name of

only one is given in the title, it may be a little difficult to find either in the future.

Bill reported, read the third time, and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill (No. 9) to revive and amend the Acts respecting the St. Clair and Erie Ship Canal Company.—Mr. Tisdale.

Bill (No. 11) respecting the British Columbia Southern Railway Company.—Mr. Galliher, by Mr. Macpherson.

Bill (No. 14) respecting the Atlantic and Northwest Railway Company.—Mr. A. T. Thompson.

Bill (No. 15) respecting the Ottawa, Northern and Western Railway Company.—Mr. Champagne.

Bill (No. 19) respecting the Atlantic, Quebec and Western Railway Company.—Mr. C. Marcil.

Bill (No. 21) to incorporate the Pontiac and Interprovincial Railway Company.—Mr. McCool.

SECOND READINGS.

Bill (No. 28) respecting the Temiscouata Railway Company.—Mr. Malouin.

Bill (No. 29) to incorporate the Canadian Credit Indemnity and Guaranty Company.—Mr. Guthrie.

Bill (No. 30) respecting the Guelph Junction Railway Company.—Mr. Guthrie.

Bill (No. 31) to incorporate the Guelph and Goderich Railway Company.—Mr. Holmes.

Bill (No. 32) to incorporate the Walkerton and Lucknow Railway Company.—Mr. Henderson.

Bill (No. 33) respecting the Vancouver, Victoria and Eastern Railway and Navigation Company.—Mr. Morrison.

Bill (No. 34) respecting the Grand Trunk Pacific Railway Company.—Mr. McCarthy.

QUESTIONS.

DONCASTER INDIAN RESERVE.

Mr. LEONARD—by Mr. Sproule—asked :

Is it the intention of the government to abolish the Indian reserve of Ste. Lucie or Doncaster, and to indemnify the said Indians ?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

No Indian reserve can be sold, alienated or leased until it has been released or surrendered to the Crown.

The question of the surrender of the Doncaster reserve was submitted to the Indian owners but they decided to retain the lands for their own use.

Mr. LEONARD—by Mr. Taylor—asked :

1. Has the government spent the sums voted last session for the squatters settled on the reserve of the Iroquois Indians of Sault St. Louis and of the Lake of Two Mountains—a reserve established by the statute 14-15 Victoria, chapter 106 ?

2. If so, in favour of whom ?

3. Who paid out those sums ?

Hon. CLIFFORD SIFTON (Minister of the Interior). The sum voted by parliament to indemnify the squatters on the Doncaster reserve for their improvements has not been spent as the department is awaiting report of a survey made to define the southwest boundary of the reserve.

MESSRS. MACOUN.

Mr. DAVIS—by Mr. Calvert—asked :

By what department of the government is Mr. Macoun employed. What are his duties ; when was he appointed ; and what salary does he draw ?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

There are two Messrs. Macoun, senior and junior, employed in the Geological Survey Department.

John Macoun.—Duties. Naturalist and botanist. Appointed to temporary staff 1st January, 1882, to parmanent staff 1st July, 1883. Present salary, $2,400.

James M. Macoun.—Duties. Assistant naturalist and botanist. Appointed to temporary staff May, 1882, to permanent staff 1st July, 1898. Present salary, $1,750.

BRITISH COLUMBIA IMMIGRATION ACT.

Mr. RALPH SMITH asked :

1. Has the Act entitled ' an Act to regulate immigration into British Columbia,' chapter 12, in the statutes of 1903, been disallowed ?

2. What were the reasons for such disallowance ?

Hon. CHAS. FITZPATRICK (Minister of Justice).

1. Yes.

2. The same as those which led to the disallowance of the same Act upon a former occasion. They appear upon the correspondence and papers.

BRITISH COLUMBIA MINES REGULATIONS.

Mr. RALPH SMITH asked :

1. Has the Bill, chapter 17, entitled ' an Act to amend the Coal Mines Regulations,' passed in the British Columbia Legislature, in 1903, been disallowed ?

2. What were the reasons for such disallowance, if the Act was disallowed ?

3. Was any discrimination against Japanese mentioned in the Bill ?

Hon. CHAS. FITZPATRICK (Minister of Justice).

1. Yes.

2. The same as those which led to the disallowance of the same Act upon a former occasion. They appear upon the correspondence and papers.

3. The answer to this question depends upon the construction of the disallowance Act.

CHINESE ACT, 1903.

Mr. RALPH SMITH asked :

1. Has the Act passed by the Dominion parliament in 1903, increasing the head tax on Chinese immigrants from $100 to $500 been literally enforced ?

2. Have any Chinese, restricted by such Act, entered Canada since the coming into force of such Act ?

Right Hon. Sir RICHARD CARTWRIGHT (Minister of Trade and Commence).

1. Yes.

2. No.

BRITISH COLUMBIA ACTS DISALLOWED.

Mr. RALPH SMITH asked :

What is the total number of Acts disallowed passed at the session of British Columbia Legislature, 1903 ?

Hon. CHAS. FITZPATRICK (Minister of Justice).

1. Three.

I.C.R.—SIDING AT PICTOU.

Mr. BELL asked :

1. What work has been done at Copper Crown Mining Company's Siding at Pictou, Nova Scotia, since 1900 ?

2. What is the total cost of that work to date ?

3. What revenue has been derived from the siding for each year since 1900 ?

Hon. H. R. EMMERSON (Minister of Railways and Canals).

1. No work has been done at this siding since year 1900.

2. $20,234.51.

3. The following is the revenue derived from the siding :—

Year.	
1901	$547 93
1902	274 86
1903	29 50

G.T.P. RY.—ALIENS AS SURVEYORS.

Mr. CLARKE asked :

1. Has the Minister of Labour received any communication from Mr. George L. Griffith, of Winnipeg, Provincial Secretary for Manitoba of the Dominion of Canada Institute of Amalgamated Engineers, calling attention to the number of aliens employed on the surveys of the Grand Trunk Pacific Railway, and giving the names of aliens employed in connection with such work at Winnipeg and Edmonton ?

2. When was such communication received ?

3. Is it the intention of the government to take action upon Mr. Griffith's communication, and to order the deportation of the aliens complained of ?

Hon. Sir WILLIAM MULOCK (Postmaster General).

1. Yes.

2. One received on April 6th, and two to-day.

3. The Alien Labour Act, as amended, contains provisions entitling any private citizen to bring an action for alleged violation of the Act, and on a conviction being secured, the government would be prepared to direct deportation. The law does not authorize the government to bring such action.

P.E.I. RY.—CAPE WOLFE BRANCH.

Mr. HACKETT asked :

1. Is it the intention of the government to construct a branch line of railway from, at or near O'Leary station, on the Prince Edward Island Railway, to the west shore of the Island, at or near Cape Wolfe, in compliance with the request of the petitioners in that behalf ?

2. Has the government received any communication from certain parties, residents of Kent county, New Brunswick, asking that this branch be constructed ?

3. Is the government aware that the proposed branch railway would bring the western part of Prince Edward Island in close touch with the other provinces of Canada, the distance across the Straits of Northumberland being only about 15 miles at this place ?

4. Will the government have a sum of money voted to build this branch at the present session ?

Hon. H. R. EMMERSON (Minister of Railways and Canals).

1. The matter is still under consideration.

2. No.

3. The government is aware that the distance between the proposed terminus on Prince Edward Island and the mainland in Kent county, New Brunswick, is about 15 miles.

4. Nothing has yet been decided on.

P.E.I. RY.—MURRAY HARBOUR BRANCH.

Mr. LEFURGEY asked :

1. Is it the intention of the government to extend the Murray Harbour Railway beyond its present terminus at Murray river ?

2. If so, at what place will the terminus be located ?

3. Has a survey been made and a report handed in on the section between Murray river and Guernsey point ?

4. Who made such survey, if any ?

5. Has the contract for the construction of such extension been let ?

6. If so, who is the contractor ?

7. What is the contract price per mile, and the conditions of same ?

8. What kind of terminals are contemplated, and cost of same ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. Such is the intention.
2. Murray harbour.
3. Yes.
4. Under the direction of Mr. McKenzie.
5. Tenders have not been asked.
6. Answered by No. 5.
7. Answered by No. 5.
8. A station house, round-house, wharf and warehouse with necessary tracks. Estimated cost of same is $75,000.

P.E.I. RY.—MURRAY HARBOUR BRANCH EXPENDITURE.

Mr. LEFURGEY asked :

1. Has the Department of Railways a report of the progress made and the moneys so far expended on the Murray Harbour branch of the Prince Edward Island Railway ?
2. What are the names of the parties to whom such payments were made, and the amounts paid each respectively ?
3. What is the basis on which payments were made ?
4. How many engines and how much other rolling stock, necessary for the operation of the main line of the Prince Edward Island Railway, has been tied up on this branch during the present winter ?
5. What remuneration have Kitchen Brothers made to the Prince Edward Island Railway for the use of the rolling stock and employees ?
6. How many stations are going to be built along the Murray Harbour branch, the names attached to each, their distance from Hillsborough Bridge, and between each respectively?
7. Have the contractors, Kitchen Brothers, made any claim on the department for the delays occasioned in furnishing them with the old rails, for track-laying, transported from the Intercolonial Railway to the island ?
8. At what rate are such rails charged to the Prince Edward Island Railway ?
9. What are the principal gradients and curvatures on the new branch and percentage of same ?
10. What is the cost of the construction per mile ?
11. Have tenders been invited for this work ; and if not, why not ?

Hon. H. R. EMMERSON (Minister of Railways and Canals). This information is too voluminous to bring down in the form of an answer to a question. The information can be obtained by motion for an order of the House.

"SOCIETE DE CREDIT."

Mr. L. P. DEMERS asked :

1. Has the government been informed that since the 13th May, 1903, several companies, bearing the name of "Société de crédit," have obtained letters patent at Ottawa ?
2. Has the government been informed that these companies promise to pay to the depositors from 250 to 700 per cent interest per year ?
3. Have these companies given any guarantee to the Department of Finance ?
4. Is it the government's intention to stop these speculations ?

Mr. LEFURGEY.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) :

1. The government are aware of the fact.
2. No.
3. No.
4. The charters granted under the above designation do not authorize speculation of the character referred to. If the holders use them as a cover for illegitimate operations they render themselves liable to prosecution in the courts.

LABOUR COMMISSION—BRITISH COLUMBIA.

Mr. RALPH SMITH asked :

1. Has the evidence taken by the labour commission appointed last session, to investigate the cause of industrial troubles in British Columbia, been printed ?
2. If not, is it the intention of the government to print the same ?
3. If so, will the members of the House be able to get the same this session ?

Hon. Sir WILLIAM MULOCK (Postmaster General). The evidence is being printed and it is expected that it will be available for distribution during the present session.

P. E. I. RY.—BRANCH LINES.

Mr. LEFURGEY asked :

1. Has the government in view the construction of any branch lines in Prince Edward Island ? And if so, between what points ?
2. Have any petitions or recommendations, during the years 1903 and 1904, been pressed upon the government for the construction of any branch lines ; and if so, between what points ?
3. What surveys were made in King's and Queen's counties, Prince Edward Island, during the years 1903 and 1904 ; and between what points ; and what was the intention of such surveys, and which, if any, will be used ?
4. (a) Has a survey of a line of railway been made from Cardigan to Montague, and thence to the main line of the Murray Harbour branch ; (b) who made such survey, when was it made, and for what purpose ; (c) has the department any recommendation with regard to it from the superintendent of Prince Edward Island Railway ?

Hon. H. R. EMMERSON (Minister of Railways and Canals.) I would ask the hon. gentleman to let the question stand until I get the information.

APPOINTMENTS OF MEMBERS OF HOUSE OF COMMONS.

Mr. CASGRAIN asked :

1. Have the following persons been appointed to positions, at the salaries named, since July, 1896, as follows :—Francis G. Forbes, sub-collector of customs, $120 ; Joseph Lavergne, judge, Superior Court, Quebec, $5,000 ; C. R. Devlin, emigration agent to Ireland, $2,000 ; François Langelier, judge, Superior Court, Quebec, $5,000; M. C. Cameron, lieutenant governor, $7,000 ; J. F. Lister, judge, Court of Appeals, Ontario, $5,000 ; P. A. Choquette, judge, Superior Court,

Quebec, $4,000 ; C. I. Rinfret, district inspector of inland revenue, Quebec, $2,500 ; C. A. Beausoleil, postmaster, Montreal, $4,000 ; M. E. Bernier, member of the board of railway commissioners, $8,000 ; A. G. Blair, chairman of the board of railway commissioners, $10,000 ; B. M. Britton, judge of the High Court of Judicature, Ontario, $5,000 ; H. G. Carroll, judge of the Superior Court, Quebec, $3,500 ; Sir Louis Davies, judge, Supreme Court, Canada, $7,000 ; O. Desmarais, judge, Superior Court, Quebec, $4,000 ; T. B. Flint, Clerk of the House of Commons, $3,400 ; T. Fortin, judge of the Superior Court, Quebec, $4,000 ; D. C. Fraser, judge of the Supreme Court, Nova Scotia, $4,000; J. A. C. Madore, judge of the Superior Court, Quebec, $4,000 ; E. C. King, Senate ; B. R. Fiset, Senate ; John Yeo, Senate ; A. M. Dechêne, Senate ; W. C. Edwards, Senate ; J. Godbout, Senate ; J. H. Legris, Senate ?

2. Were the said persons, at the time they were appointed, members of the House of Commons of Canada ?

3. If the foregoing list is not correct, in what particular is it incorrect ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister.) All the information sought for in this question is already to be found in public documents.

FEES TO McCARTHY, OSLER, HOSKIN AND HARCOURT.

Mr. BENNETT asked :

Is the Mr. Osler referred to on page 679, 'Hansard,' by the premier, as having received a fee of $3,000 from the Dominion, a member of the firm of McCarthy, Osler, Hoskin and Harcourt, barristers, of Toronto ?

Hon. CHARLES FITZPATRICK (Minister of Justice.) The answer to this question is : Yes.

MURRAY HARBOUR BRANCH RAILWAY.

Mr. LEFURGEY asked :

1. What is the total cost of the Belfast and Murray Harbour Railway, Prince Edward Island, from Southport to Murray river ; and what was the estimated cost of same ?

2. What is the total cost, and cost per mile, of the first eleven miles of said railway from Southport, going east ?

3. Were estimates made by competent engineers of the cost of construction of said eleven miles, and what was the amount estimated ?

4. How many miles of this railway are completed and taken over by the department ; and how many miles remain to be completed ?

5. What kind of ballast was to be used on this road, and under whose supervision was the work done ?

6. Has any of the ballasting or gravelling been condemned ?

7. Is it the intention of the government to investigate charges made, that ballasting, fencing, gates and culverts are of inferior construction ?

8. What was the amount paid in lawyer's fees to secure right of way ? What were the names of same, and the sums paid each ?

9. If the cost of construction for the first eleven miles exceeded the government estimates, why were tenders not invited for the remainder of the work ?

Hon. H. R. EMMERSON (Minister of Railways and Canals.) I think my hon. friend will have to move for a return. The information is quite voluminous.

CHINESE EXCLUSION ACT.

Mr. RALPH SMITH asked :

1. Is the government aware of the following article, which appeared in the Nanaimo 'Free Press' some days ago ?

EXCLUSION ACT HAS FLAWS.

'The astute Chinaman seems to have discovered a way to get into Canada without paying the $500 tax. A considerable party passed through Sydney, N.S., in charge of a secret service man. They were on their way to St. John's Newfoundland. After a short stay there they can easily become British citizens, and can enter Canada free. A large number are expected by way of Vancouver during the summer.'

2. Is the above article correct in saying that, through flaws in the Act, Chianmen get into Canada without paying the $500 tax ?

3. If Chinamen pass through Canada in bond, must not the person in charge of them pay the tax ?

4. Can Chinamen, by becoming British citizens outside of Canada, enter free on that account, as the 'Free Press' assumes ?

5. Has the government any knowledge of any number of Chinamen having arranged for coming via Vancouver to Canada during the coming summer ?

Rt. Hon. Sir R. CARTWRIGHT (Minister of Trade and Commerce) :

1. No.
2. No.
3. Yes.
4. No.
5. No.

MECHANICAL VENTILATION ON STEAMERS.

Mr. E. D. SMITH asked :

1. Referring to answer to question, on April 6th, the Minister of Agriculture said : 'The system of mechanical ventilation upon the steamers Pretorian, Kensington, Southwark, Canada, Ontarian and Montcalm is cool air.'

2. Were the compartments referred to the only ones on these vessels carrying perishable cargo ?

3. If not, how were the other compartments ventilated in which such cargo was carried, if ventilated at all ?

Hon. SYDNEY FISHER (Minister of Agriculture) :

2. No.

3. The ss. 'Ontarian' carried apples in No. 4 hold and in No. 5 'tween decks, which were ventilated as follows :—

No. 4 hold : Four 12-inch ventilators, and two 22-inch wooden trunks built up through the hatches to the main deck. (This extra ventilation was provided specially for the apple shipments.)

No. 5 'tween decks : 2 sirocco fans.

The ss. 'Kensington' carried apples in her 'tween decks, each of which was fitted with two 30-inch ventilators.

The ss. 'Pretorian' carried apples in holds numbers 1, 4, 5 and 6, and in number 2 'tween decks, which were ventilated as follows :—

No. 2 'tween decks, two 18-inch ventilators; No. 1 hold, two 15-inch ventilators ; No. 4 hold, four 15-inch ventilators ; No. 5 hold two 15-inch ventilators ; No. 6 hold, two 15-inch ventilators.

The ss. 'Canada' carried apples in 'tween decks numbers 1, 2 and 3, each of which had two 18-inch ventilators. She also carried apples in holds numbers 1, 2, 3 and 5, none of which had any apparent ventilation.

The ss. 'Southwark' carried apples in 'tween decks numbers 1, 2 and 6, and in number 1 hold, which were ventilated as follows :—

No. 1 'tween decks, two 18-inch ventilators ; No. 2 'tween decks, one 24-inch ventilator ; No. 6 'tween decks, two 20-inch ventilators ; No. 1 hold, two 29-inch ventilators.

The ss. 'Montcalm' carried apples in numbers 1 and 2 'tween decks, each of which had four ventilators.

IMMIGRANTS DEPORTED.

Mr. WILSON asked :

1. How many immigrants were deported from Canada from the 30th June, 1902, to 15th March, 1904 ?
2. For what reason were they deported ?
3. How many diseased persons were deported, and what were the diseases ?
4. How many were deported because they were paupers, or likely to become paupers ?
5. From what countries did the diseased and pauper immigrants come to Canada ?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

1. 405.
2. Because afflicted with some loathsome, dangerous or infectious disease or malady, or physically or mentally incapable, or otherwise undesirable as immigrants.
3. 399. Insanity, tuberculosis, cardiac disease, septicœmeia, epilepsy, pulmonary disorder, heart affection, chronic dysentry, convulsions and vertigo, sarconia, general debility, varicose veins, losing sight, insomnia, senility, cataract, pleurisy, paralysis, syphilis, hernia, rheumatism, idiocy, piles, sciatica, trachoma, favus.
4. 6.
5. Great Britain, Sweden, Iceland, Italy, Norway, Austria, Denmark, Roumania, Russia, Armenia, Finland.

GRAND TRUNK PACIFIC RAILWAY.

The House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, 'That Mr. Speaker do now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904'; and the proposed motion of Mr. Borden (Halifax) in amendment thereto,

Mr. FISHER.

Mr. ARCH. CAMPBELL (West York). Mr. Speaker, I have listened with attention and considerable interest to the discussion which has been engaging the attention of the House for some days ; and, although much that has been said on both sides has been a repetition of what was said last year, yet considering the great importance of this question and of its bearing upon the future welfare of this Dominion, I do not think that the discussion has been unprofitable or that the time occupied in it has been wasted. Indeed, I think it is our duty to discuss these great questions very carefully, and to examine them critically from every point of view, with the object, if there be any omissions, of supplying them, or, if there be any weak points, of remedying them. The more carefully we consider the contract which has been submitted to the House, I believe the more we shall be pleased with the course which the government have pursued in connection with it, and the more convinced we shall be that it has been framed in the best interests of the people of this country.

On Friday last the hon. member for East Grey (Mr. Sproule), in a very eloquent and instructive address, discussed this question, going over the ground which the opposition traversed pretty fully, and stating the objections which he had to this measure. I gather from the hon. gentleman's remarks that he has very little faith in this contract ; he evidently thinks it is a very bad one for the government to make ; but I do not think the hon. member for East Grey is a very impartial witness. During the last seven years, since this government have been in power, I do not know that one measure that they have brought down has met with his approval. He judges all measures, I think, too much from a party standpoint. I do not think the hon. member was as fair in his criticism of this contract as he might have been. He pronounces it a very improvident one ; he charges the government with placing a mortgage of $125 on every farm in the province of Ontario, and vastly increasing the public debt ; and yet in the same speech he commends the scheme advocated by his leader last year and again this year which would involve double the amount of expenditure that is likely to be incurred under the measure of the government. He also contends that, as no surveys and no locations have been made, we are proceeding with too much haste in pressing this measure upon the attention of the House ; and at the same time he turns round and blames the government for granting three years longer for the completion of the western division of the proposed railway. The hon. member also contends that the contract has not been properly drawn to protect the rights of the people of Canada. He holds that it does not give the government control of the rates of freight, that it does not bind them to provide steamships

at both ends of the line, and that the security which they have taken does not cover the rolling stock to be placed on the road. I disagree very much with the hon. member in these respects. I think all these points have been carefully safeguarded by the government, and they have been explained so clearly and so fully by the members who have preceded me, that it is not necessary for me to go over them again.

The first question to which I would ask your attention is whether another transcontinental railway is required. I do not think there is very much difference of opinion on that point. The fact that the hon. leader of the opposition last session propounded a scheme for providing the country with another transcontinental line shows that in his opinion such a line is required. The great boards of trade and the leading public men throughout this Dominion have all pronounced in favour of another transcontinental line; and when we consider the present state of affairs in the Northwest—the congestion of freight which has existed during the last two or three years, the mighty stream of immigrants going in, the fact that 120,000 went in last year, and took up 30,000 homesteads and the fact that out of 250,000,000 or 300,000,000 acres of land in that vast country, only the small fraction of 3,250,000 acres are yet under cultivation—we can readily come to the conclusion that as the country improves other railways will be required.

It is therefore our bounden duty to remedy this state of things, and I commend the government for having brought forward this scheme. We have in our Northwest a great country, rich in agricultural wealth, into which immigrants are going by the thousand, and in which the acreage under cultivation is increasing by leaps and bounds. Last year the crop averaged 100,000,000 bushels of grain and yet only a fraction of that vast territory was under cultivation. In fact, it is difficult to exaggerate the stream of commerce which is bound to flow from that great Northwest in a few years. Our American neighbours are alive to the situation, and are endeavouring by every means to get access to that country and tap its bountiful resources, and the question with us to decide is whether we are going to stand still or take part in the race. If we stand still and allow the Americans to get their railways in there and divert that stream of commerce south to American ports, it will be almost impossible for us ever to bring that stream back again to our own country. The time, therefore, has come when we should proceed vigorously with the construction of another transcontinental line, and in my opinion the line proposed by the government is one that will meet all the demands of the situation.

Another reason why we should proceed with that line is the great demand which exists to-day for lower rates of freight. Our manufacturers all over the Dominion are complaining about the rates they have to pay. I have here a list of some forty articles, which are being shipped from the east to the Northwest, and I find that on every shipment from Toronto or Montreal to Vancouver or Victoria, the rate is from 15 to 20 cents higher per hundred pounds more than the rate from Boston and New York to these Pacific ports. More than that, if the same articles are shipped from Boston or New York to Seattle or Tacoma the railway companies charge a rate of freight 25 cents per hundred pounds less than the rates at which these goods can be shipped over our own Canadian railway to Vancouver or Victoria. And, Mr. Speaker, we can never expect to remove this anomaly so long as we are confined to the Canadian Pacific Railway, because, under the arrangement made with that company when its charter was granted, we have no control whatever over the rates of freight. The moment, however, that this Grand Trunk Pacific is built, we will be able to regulate the freights, and our merchants will be able to ship to the Northwest as cheaply as can the Americans.

Mr. TARTE. Will my hon. friend be good enough to give us a list of the articles and the points of shipment?

Mr. CAMPBELL. Take agricultural implements, the present rate from Montreal or Toronto to Vancouver or Victoria, is $1.38 per hundred pounds. From Boston and New York it is only $1.30, and from Buffalo, Pittsburg or Chicago it is also $1.30. Then take pianos and organs, the present rate is $2.43 per 100 pounds from Montreal or Toronto to Victoria or Vancouver, and from Boston and New York to these same ports it is only $2.25. And from Boston and New York to Seattle or Tacoma, the rate is still lower, $2.20 per 100 pounds, against $2.43 over our own Canadian road. On rubber boots and shoes, scales, sewing machines, stoves, furnaces, radiators, wagons, windmills, woodenware, &c., the freight is from 15 cents to 20 cents per 100 pounds more to Victoria and Vancouver from Montreal or Toronto than if they were shipped from Boston or New York over American roads. It is in fact a scandal and an outrage that railways built by Canadian money should be in a position to charge so much for carrying these goods. Take 20 cents per 100 pounds on 40,000 pounds, and that amounts to $80 per carload, which would go a long way towards paying the duty the Americans are charged on their goods. This state of things we cannot hope to remedy until we have our own transcontinental line. We will then be able to place our manufactures on the same plane as the Americans, which is an additional reason why we should proceed without delay in building this new line.

Having shown that this new line is a necessity, I wish to say a word or two on the route selected.

Mr. TARTE. Before the hon. gentleman passes from this point, would he be kind enough to give us the lines on which he says these cheaper rates are charged ?

Mr. CAMPBELL. The American lines running out to the coast and thence by water to Vancouver and Victoria.

Mr. TARTE. What lines are those ?

Mr. CAMPBELL. There are only two or three.

Mr. TARTE. We are discussing a very important point, and my information in the past was to the contrary. I therefore would like my hon. friend to name the lines and the points from which they start and to where they go.

Mr. CAMPBELL. The Northern Pacific Railroad is one, the Union Pacific and the Southern Pacific are two others. These roads carry the freight to the coast, whence it is carried by water to Vancouver and Victoria. I am not sure but that the Canadian Pacific Railway also carries from Boston and New York to these points at less rates than from Montreal and Toronto. I have it from a manufacturer of pianos that it is actually cheaper for him—if he wants to send his pianos to Calgary, for instance—to send them right to the coast and then bring them back 500 miles through the Rockies to Calgary.

Mr. BARKER. Will the hon. gentleman allow me to put him a question ? From what points in the east to what points in the west are the rates that he has just spoken of quoted ?

Mr. CAMPBELL. The rates I quoted were from Montreal and Toronto.

Mr. BARKER. I mean the low rates.

Mr. CAMPBELL. From Boston and New York.

Mr. BARKER. Yes, from one sea point to another. That, of course, affects the rate.

Mr. CAMPBELL. As against that, I may say that the rates from Buffalo, Pittsburg and Chicago, which are not sea points are the same as from Boston and New York. The route selected to my mind, is a very proper one. It is the shortest line from Winnipeg to Quebec. It runs entirely through Canadian territory, traversing the northern part of Ontario and Quebec, and thus opening up a new country and enormously enhancing the value of the mineral, agricultural and timber wealth of that region. A few months ago we had a sale of timber limits in the province of Ontario, at which one limit sold for the enormous sum of $32,500 a mile. That was the price paid merely for the right to cut the timber. Why did that privilege bring such a large amount of money ? Because the Ontario government was building the Temiscamingue Railway into that country and because the Grand Trunk Pacific was proposed, and the purchasers knew that in a short time the railway would be built through this territory. Had it not been for these projected railways no such price would have been paid. So, I venture to say that the enhanced value of the timber. mineral and agricultural resources of the country opened up by this railway will pay for the road ten times over.

Mr. SAM. HUGHES. May I ask the hon. gentleman (Mr. Campbell) a question ? Are we to infer from his remarks that the timber limit he refers to was anywhere near this proposed Grand Trunk Pacific Railway? Was it within a hundred miles of it ? I venture to say it was not within a hundred and fifty miles of it.

Mr. CAMPBELL. I understand that it was within much less than one hundred miles of the Temiscamingue Railway and also of the Grand Trunk Pacific. Lumbermen will not go into that country and undertake manufacture of timber unless they can get some convenient way of taking in supplies and bringing out the timber. But the moment a road is projected there, the moment there is a prospect of getting access to that country, lumbering companies are ready to step in, and the value of timber limits goes up accordingly. The highest price ever paid in Ontario previous to this I believe, was $17,500 a mile. It is evident that in selecting a route that will open up and develop this new country, which, from all the reports we have of it is rich in agriculture and timber wealth, while its mineral wealth is unbounded, the government have taken a wise step. As I have said, that the enhanced value of that country's resources will pay for the road ten times over.

Having selected the route, the question naturally arises how the road is to be built. Shall this government do as the old Tory government did—build the road and hand it over to a company ? No, Sir ; the government decided that this road from Winnipeg to Moncton should be built, owned and controlled by the people of this Dominion. But they wisely provided that it should be built under the joint action of the government and of the Grand Trunk Railway Company. The contracts are to be approved by the Grand Trunk. This ensures the construction of the road at the lowest possible price. there will be no chance of fictitious values to be placed on the work. The Grand Trunk having to pay interest on the cost of the road, will naturally take every pains to provide that the contracts let for the construction work shall be let on such terms as to ensure full value for the money paid. And so I approve, highly approve, of the

government building this road which will be the gateway to the great Northwest.

Then, the government having built the road, what are they to do with it? Are they to run the road themselves, or are they to lease it to the Grand Trunk? I believe the government were right in making a bargain with the Grand Trunk Railway Company to operate that road for a term of years. The Grand Trunk has three or four thousand miles of railway, penetrating every portion of the province of Ontario and covering also a great deal of the province of Quebec. They will be able to operate this new road to advantage, having the necessary connections and other facilities. They are, perhaps, better able to operate the road than any other company that could be selected. Certainly, the government, not having the feeders for the road, having no connections with the west, would not be able to operate that road as well as the Grand Trunk Railway Company can. And so the road is to be leased to the Grand Trunk on the payment of three per cent interest. Every dollar that the road costs will be figured up—and, as I have said, the company will see to it that no unnecessary expense is incurred in construction—and then the company will pay three per cent interest on the cost. The government have been careful to guard in every way the interest of the people. Though they lease the road to the Grand Trunk for fifty years, they reserve running power over it for our own Intercolonial or any other road that may be designated. Also the government reserve the control of rates for all time to come, not only freight rates but passenger rates as well. And not only that, but they make it certain that the traffic shall be sent over this road to Canadian ports. The railway company must provide shipping facilities on the Pacific and also on the Atlantic to handle all the freight that is received at the terminal ports. Therefore the Grand Trunk Railway will not be able to offer the excuse that there is no shipping and that it is therefore necessary for them to send the freight to American ports. At the end of the fifty years, when this bargain has been carried out, what shall we have? We shall have, not a road running through a wilderness or through an unknown country, but a road 1,825 miles long running from the city of Moncton to the city of Winnipeg through a country settled in every part with cities, towns and villages springing up everywhere and with feeders and branches to the main line,—a road that, I venture to say, the Grand Trunk or any other company will be glad to get at two or three times the price they pay at the present time. We shall have in this road one of the most valuable assets that the government of this country can possibly possess.

Now a word or two as to the estimated cost of this road. My hon. friend from East Grey (Mr. Sproule) and other gentlemen who have spoken on this subject have put a very extravagant estimate on the cost, figuring it out at from $125,000,000 to $150,000,000. The hon. member for West Toronto (Mr. Osler) in his speech last year, went up, I think, as high as $500,000,000 or $600,000,000 before he was done with it. But I notice that this year he considered the absurdity of his position of last year, and was much more moderate this year.

Now what would be the cost of this road? The length from Moncton to Winnipeg, 1,825 miles, I put at $30,000 a mile. We put no rolling stock whatever upon this road, and I think it would be a fair estimate to say that the road will cost about $54,750,000. If we reckon that it will take six years to construct that road, and reckoning the average rate of interest for three years at 3 per cent, that would make $4,927,500 more. So if we complete the road, counting interest during the construction, the cost will be, in round numbers, $60,000,000. But for that money we own the road, it is our road, and will remain the people's road for all time to come. We have a completed road that is going to open up and develop a vast stretch of country, and will be one of the best assets that this country ever had. Then we have leased it to the Grand Trunk Railway for seven years. Bear in mind that this road is running entirely through a new country, without a single settler, almost, along that line from Quebec to Winnipeg. It is only natural to suppose that for a number of years that road would hardly pay, and the government have agreed that for the seven years following construction, they will give a subsidy as it were, to the Grand Trunk Company, that is, they will pay the interest on the cost of construction for seven years, which will amount in round numbers to $12,500,000. Now then, we shall have 1,825 miles of constructed road, built in the very best possible manner, running through a country that we believe, from all the reports we have, will sustain millions of settlers, a country rich in agricultural and mineral wealth, upon which towns and cities and villages will spring up and greatly augment the wealth and resources of Canada. So I say that the cost of this road will not be such a burden upon the people as to make us shudder at it. In fact, as I said before, I believe that every single dollar this road will cost, will be paid back to the country ten times over in the added wealth along this line.

Then on the prairie section of about 1,000 miles, we guarantee three-fourths of the cost, not exceeding $13,000 per mile. If the road costs less than $17,000 a mile or thereabouts, we will have to pay less. But this is simply endorsing their notes, it will not cost the people of this country a dollar, we will never be called upon to pay a cent of that endorsement. Everybody admits that that portion of the road will pay well, and we simply endorse their notes,

therefore we do not run any risk there. On the western or mountain section, for 450 miles, we guarantee three-quarters of the cost of the road, no matter what it may be. It may be $40,000 a mile, it may be more. I think $40,000 a mile would be a fair estimate of the cost. No doubt there are many miles on that road that will cost a great deal more, that will cost $50,000 or $60,000 a mile. But take the road as a whole, I venture to say that $40,000 a mile, without any rolling stock, would be a fair estimate of the cost. On that basis we guarantee $30,000 a mile. Our guarantee therefore would amount to $13,500,000; we endorse their notes to that extent, we assume a liability which we will never have to pay. We only have to pay interest on it for seven years, which would amount to $2,835,000. So that instead of its being a grievous burden, instead of its being an enormous mortgage that is going to be placed upon the farms of this country, instead of its being a weight hanging around our necks like a millstone, dragging us down to perdition and so forth, instead of its being the dreadful thing that was pictured to us by the hon. member for East Grey (Mr Sproule), it only amounts to a guarantee of $14,000,000 or $15,000,000 at the most. On the eastern section of the road that we build ourselves, that we own and control, we will receive a rental sufficient to pay interest on the cost of construction, and when the time is up we will be able to re-lease it at two or three times as much rent as we get from it at first. Now therefore, we have secured not only a road that we have constructed, but we have a first mortgage, as I take it upon the rolling stock, as I think no one can dispute that our mortgage will be a first mortgage, not only upon the road but upon the $20,000,000 of rolling stock. The clause in the original contract reads as follows:

> For the purpose 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 railway undertaking, equipment and property, tolls, rights and franchises of the company, including all equipment and property to be hereafter acquired by the company.

To my mind, that makes it clear as a ray of light that our mortgage will not only cover the railway but the rolling stock as well. So that for the guarantee we give we have got the most ample security that can be desired. I have no hesitation in saying that so far as that guarantee is given on the prairie section and on the mountain section, this Dominion will never be called upon to pay one farthing. It surprises me Mr. Speaker, to hear the opposition that is offered by hon. gentlemen opposite to this proposition. Why, Sir, last year we guaranteed the bonds of the Canadian Northern for some 600 miles over the prairie section for $13,000 a mile, and there was not a word said about it, no objection was raised to it; but when a similar aid is proposed to the Grand Trunk Company, we see them higgling and haggling, twisting and turning, and condemning it in every way possible.

Mr. SAM. HUGHES. What was the length of that prairie section that the hon. gentleman stated?

Mr. CAMPBELL. About 1,000 miles from Winnipeg to the Rocky Mountains, or pretty nearly that. Now, Sir, in giving these concessions to the Grand Trunk Company, what do we obtain? We obtain a railway running entirely through Canadian territory from ocean to ocean, we obtain this road completed and constructed from Winnipeg to the coast on the one side, and from Winnipeg to Moncton on the other, entirely through Canadian territory. We have control of the freight rates over this road. There are no exemptions to their property, there are no subsidies in land grants to be given them. One condition is that they must buy all material that is required in the construction of this road from Canadians, it must be made by Canadians and must be shipped over Canadian roads for this new line. Why, Sir, what did our friends opposite do? When they made a contract with the Canadian Pacific Railway, they did not stipulate that one dollar's worth of goods should be purchased from Canadians; on the contrary, they gave that company an inducement to buy from the Yankees, allowed them to bring in everything they wanted free of duty in the construction of that road. We do not relieve the Grand Trunk Company from one farthing of duty. If they buy in the United States or anywhere else, they must pay the full rate of duty, only they agree that the preference must be given to Canadians rather than to foreigners.

So I say I think the bargain is a splendid one for the people of this Dominion and one that will commend itself to them. We have some basis of comparison for this bargain. I wish first to compare it for a moment with the scheme brought forward by the hon. the leader of the opposition (Mr. R. L. Borden) last year. He propounded a patch-work scheme. He was going to extend the Intercolonial Railway from Moncton to Coteau Junction; then he was going to buy the Canada Atlantic road; then he was going to build from the end of the Canada Atlantic Railway to Sudbury; then he was going to buy the Canada Pacific Railway from Sudbury to Port Arthur and then to buy or control the Canadian Pacific Railway and the Canadian Northern Railway from Port Arthur to Winnipeg. That was his scheme, a scheme that would cost at the very least twice as much as the plan propounded by the government which is now before the House. It would lengthen the line by some three or four hundred

miles, but it would not increase the outlet for the products of the great Northwest at all. The Canada Atlantic Railway can run their road and carry the produce of the west over it just as well as it could be carried if the government owned it; the Canadian Pacific Railway control and manage their road from Sudbury to Port Arthur as well as the government of Canada could do, and so, if we had simply bought up these roads and carried out the scheme proposed by the hon. the leader of the opposition (Mr. R. L. Borden)—of which by the way I think he is rather ashamed—then we would have had a road three or four hundred miles longer than that which the government proposes to build, a road that would not open up any new territory and as I said would not increase the outlet from the Northwest a particle. Thus comparing the two proposals there is no question as to which one should be built.

My hon. friend from East Grey (Mr. Sproule) in his address on Friday last objected to this road because he said it side-tracked the great cities of the province of Ontario and put them on a branch line. I was figuring out what kind of a road the hon. member for East Grey (Mr. Sproule) desired, and it occurred to me that in order to secure a road that would not side-track the cities of Ontario he would first have to bring the line from Port Arthur, skirting the shores of Georgian Bay to London and then bring it back through Paris, Brantford, Hamilton, Toronto, Belleville and so on to Montreal.

Mr. COWAN. How about Windsor?

Mr. CAMPBELL. You might go to Windsor; that would make it several hundred miles longer still. What kind of a road would it be then? It would be perfectly useless for the transportation of grain from the west to the sea-board. It would be useless on account of its length and its enormous cost. And so I say that the scheme propounded by the leader of the opposition (Mr. R. L. Borden) although it was not so absurd as that proposed by the hon. member for East Grey (Mr. Sproule) is a scheme that should not and will not commend itself to any intelligent man in this country. A road such as that would deviate from the straight line; it would be, as I said, 400 miles longer and would cost a good deal more; it would not open up any new territory; it would not afford facilities for our manufacturers or our merchants who supply that new country. It would be a road built with the money of the people of Canada. That money would simply come out of the people into the hands of these great corporations. It would not afford any new outlet and would not be practicable as a transcontinental line. But the worst feature of it all is that when it had brought grain down it would go to Portland. We could not control it after it reached the east, but by the scheme proposed by the government every bushel of grain shipped over the new road in the summer time will go to Quebec and the great city of Quebec will resume its old proportions. That ancient city, situated as it is, on the great highway of this Dominion, will again become the great shipping port of this Dominion. For eighteen years the old government sat like bumps on a log doing nothing to facilitate transportation in this country. See what the Americans have done in that time. The great city of Buffalo has spent $50,000,000 in improving its harbour, erecting elevators and improving its facilities for receiving grain, and as a consequence no less than 240,000,000 bushels of grain per year have come down the great lakes to Buffalo and thence to New York or other seaports, while the old government were sitting here without moving a hand or finger, doing nothing for eighteen long years, allowing this mighty stream of commerce to go away from us when it should have come down the great St. Lawrence river. The present government since coming into power have done a great deal to remedy that state of affairs. They have deepened the river St. Lawrence and the Welland canal; they have improved the harbour at Montreal; they have deepened the St. Lawrence between Montreal and Quebec; they have erected a great elevator at Montreal, they are now deepening the harbour at Port Colborne, so that this mighty stream of commerce will be diverted down the great St. Lawrence river to the coast. Besides opening up and developing this great northern country in Ontario and Quebec, we will have by the governments proposal, a road that will be able to carry the produce out from the great Northwest and deliver it at Quebec in the summer and St. John or Halifax in the winter. Thus I contend that this is a bargain that well may receive the commendation and support of the people of this country. I referred a short time ago—and it is the only fair way to arrive at a comparison—to the difference between what was done by this government and what was done by the late government. I referred to the contract made by the late government with the Canadian Pacific Railway for a transcontinental line. What did the old government do then? They gave the Canadian Pacific Railway some 643 miles of completed track. They built the railway from Lake Superior to Selkirk, 405 miles in length, and they also built the line from Port Moody to Kamloops, 248 miles, a total of 653 miles built by the government of Canada at a cost of $35,000,000. This they handed over to the Canadian Pacific Railway. They gave the Canadian Pacific Railway a cash bonus of $25,000,000, they gave them 25,000,000 acres of land which, at $3 an acre, means $75,000,000 more. In all they gave them $135,000,000, of property for building 1,906 miles of railway. In other words they gave a bonus of nearly $70,000 per mile. But that was not all. They pro-

vided that the railway stations, station grounds, workshops, buildings, yards and other property, rolling stock and capital stock, shall be free from taxes for ever. As long as the rain falls and the sun shines, that road will pay not one single cent of taxes on its rolling stock, station houses or workshops towards the support or building up of the great Northwest.

Not only that, but the twenty-five million acres of land was to be free from taxation for twenty long years, from the time they were sold or occupied. Not only that, but there was to be no control over the freight rates, so we see that to-day the Canadian Pacific Railway is charging, with the other roads, twenty cents per hundred pounds more to Canadian than to American points. We are powerless to regulate the freight rates on the Canadian Pacific Railway thanks to the contract the Conservatives made with them. This government, in the Grand Trunk contract, have stipulated that all the material necessary for its construction, all the bolts and nuts, and screws and fish plates, and all the structural material required for the railway and its telegraph lines, shall be bought from Canadians, if they can be bought in Canada at the same prices as elsewhere. But when the Conservatives were giving the syndicate power to construct the Canadian Pacific Railway, they made no such terms, and after giving them a bonus they allowed every single dollars' worth of the material to be bought in the United States, and brought in here free of duty. Therefore it is, that there is no comparison between what was done by this government in connection with the Grand Trunk Pacific and what was done by the Conservative government in connection with the Canadian Pacific Railway. The contract made by this government has carefully and wisely safeguarded the rights of the people of Canada, whereas the Canadian Pacific Railway contract disregarded the rights of the people in every respect.

This Grand Trunk Pacific road will be of enormous benefit to the people of Ontario. I marvel that the members from the city of Toronto, and the Conservative members from Ontario, can raise their voices against this scheme. Why, Sir, the manufacturers of Toronto and Montreal as well, and the manufacturers all over the provinces of Ontario and Quebec, will be able to supply the material required for the construction of this road, and when the road is completed, then by the aid of the Grand Trunk through North Bay, and the Temiscaming Railway connecting with the Grand Trunk Pacific, we will have immediate access to the great Northwest; the manufacturers and farmers of Ontario will be able to send their goods there, and the products which they require in their business will be brought over this road through the heart of the province of Ontario. Why you cannot speak to a single business man in the great city of Toronto, who will not hold up both hands in favour of the scheme. Let me remind hon. gentlemen, that last year 25,000 head of cattle were shipped from Ontario to the west. Can any one estimate the enormous number that will be required when that country develops, with settlers going in now at the rate of 140,000 a year, and from 35,000 to 40,000 homesteads being taken up annually. When we have this railway giving access to that country, that mighty stream of immigration will grow greater and greater as the resources of that country will be developed, and the Dominion of Canada will have breadth as well as length. That great northern part of Ontario which is to-day unknown; the great northern part of Quebec which is almost unknown; these vast territories will be developed by a multitude of settlers from all lands in the wide world. Then, Sir, when this comes to pass, our country will be built up, its resources developed, and Canada will be one of the most prosperous, the most contented and the best countries on the face of the globe.

Mr. JABEL ROBINSON (West Elgin). Mr. Speaker, I suppose it is only proper that I should folllow the member for West York (Mr. Campbell) because he poses as a representative of the farmers, and of the market gardeners also, I understand. I am not sure, however, that the farmers of Ontario will endorse the latter part of his speech. He is very anxious that the manufacturers should have an outlet from the city of Toronto over the Grand Trunk Pacific, but he has said nothing about what advantage the farmers will derive from it. I have an idea that the farmers in his constituency, and the market gardeners too, will want to know from him next election, why he did not say something in their interests, while he was discussing this question. Well, Mr. Speaker, there are two men in this House who ought to be proud of the latest phase of the discussion of this question, and these two men are the hon. member for Winnipeg (Mr. Puttee) and myself, because last year we were the only two members of this House who dared to advocate government ownership. To-day, we find that nearly half the members of this House are in favour of such a policy. Indeed, I might say more than half of them are in favour of it, because members supporting the government have told me today that they are strongly in favour of government ownership. However, they are strong supporters of the government as well, and consequently they will do as the government tells them. Now, I do not profess to judge whether these gentlemen are right or wrong, I suppose they do what their constituents advise them to do, as I feel it is my duty to do as my constituents advise me. This is the third occasion on which I have spoken in this House in favour of

government ownership, and I hesitated to speak on the subject to-day, because it is only a repetition of what I have said before. But, Sir, I feel that if what the hon. member for West York (Mr. Campbell) says in his glowing description of that great country, be true; if thousands of immigrants are going in there; and if the railways are charging exorbitant rates to carry in their supplies, then it is time that the government had a railway in that country to carry in the immigrants, and their effects. It is time, Sir, I repeat, that there should be a government-owned railway through that great western country, to afford competition, and to reduce rates to a reasonable sum. Let me point out, that everything which the hon. member (Mr. Campbell) said in the first part of his speech was in favour of government ownership, and as to that I commend him. Every argument he used and every conclusion he arrived at, tended to prove that the government should at once continue the Intercolonial Railway into the prairies, and thus make valuable the twelve hundred miles of road which we own in eastern Canada. The Intercolonial Railway cost us $70,000,000, and there is a deficit on it every year. Why is there a deficit on the Intercolonial Railway? It is because it has no branches, and because it has no feeders running through the Northwest. If it were extended to where it could get traffic, it would become a valuable asset to the Dominion, and would pay interest on the money we have expended on it.

Why, Sir, the Canadian Pacific Railway and the Grand Trunk Railway are our competitors; they tout for freight and passengers, and they beat us every time. We get nothing but a little government traffic, and we only run four trains a day on that road when we ought to be running a train every hour. All we require is a little more rolling stock and a little more energy to continue that road to the Pacific Ocean. We ought to do it, and do it at once. I have no quarrel with the government on this matter. No doubt they have acted according to their best light, but some people think the light was not very brilliant. Be that as it may, I am here to tell the government just what I think, I think they should abandon this scheme of theirs. They should instruct their secretary to write at once to Sir Charles Rivers-Wilson telling him that inasmuch as he refused to carry out his part of the contract, the people of Canada have been discussing this matter, and we will also refuse to carry out the contract. The government should at once put into the estimates $100,000 and appoint a staff of engineers to survey that road. Let those engineers be Canadians and Britishers—no Yankees among them, although I have nothing against the Yankees, only I want to treat them as they treat us. We have the road to Quebec, and the bridge there is partially built. Let them start at the bridge and take a bee-line to Port Simpson, deviating possibly to Winnipeg to get the trade there. That amount of money would pay for the surveying of the line. Let them come down with their plans next session and tell us what the road will cost. Then let the government extend the Intercolonial Railway to the Pacific coast, and I tell you the people of this country will heap blessings on their heads. But what will the people of Canada do if the government continue on their present course? They will cry anathema on them, as they have done to former governments for having given away the heritage of this country. It is time we turned right about face and started right in this railway business. We have never started right. In Australia, New Zealand, Switzerland and Germany, the people own the railroads; and in France, I am told, the people own them and lease them to corporations. Russia also, I am told, owns a road crossing nearly half the hemisphere, and reaching right up to Japan. If all these countries own their railroads, some of them young countries, surely an advanced country like Canada can do the same. Let the government accept my plan; they will lose no dignity by doing so. The country can wait a little longer for the road if necessary. You have given the Grand Trunk Pacific Company seven years in which to build it, and if it took the government ten years I think the country would be willing to wait. We are told a good deal about the condition of the money market. We have a surplus of $15,000,000 this year, and if we continue to have the same for the next ten years, you can build the road out of the surplusses without having to go abroad to borrow any money for the purpose; you can raise it out of our own people. Nearly one-half of the speech of the hon. member for West York was devoted to the mistakes that had been made by a former government. Well, we know that former governments did not perhaps do what was right. That is all the more reason why we should take care that this government does not do wrong. I do not believe in abusing governments, especially dead governments. These men who belong to the Conservative party to-day are not responsible for what governments did twenty or twenty-five years ago. They repudiate many things that happened then. You might as well accuse these men of having burned down the parliament buildings in Montreal. You might as well accuse the men on the other side of the House of having opposed the construction of the Canadian Pacific Railway. What is this government going to do for the good of this country? That is what we want to know. When they try to do something in earnest, there is not a man on this side of the House or on the cross benches, like me, but will be willing to support them to the bitter end.

Now, Mr. Speaker, I am not opposed to this road. I think it is right that a road

should be built through there, a colonization road, and that we should develop all the resources we have in that country. We have heard a good deal about there being nothing there except jack pine. There must be something there, at any rate, and it is worth while to ascertain what is in it, and to get a straight road from Port Simpson to Quebec. We are told that the government are going into partnership with the Grand Trunk Pacific Company. I have always had an aversion to partnerships all my life-time. They are very necessary sometimes, and perhaps do a great deal of good; but a partnership, as a general thing, is a poor ship to sail in. I have heard of two men who went into a partnership on a hunting expedition, and when they got through at night the game bag contained only two birds. The one was a big fat turkey and the other was a crow. So when they came to divide the spoil they found it difficult to arrange it, but one sharp fellow said: 'I will tell you how we will do it; I will take the turkey and you take the crow, or else you take the crow and I will take the turkey.' That is just the way this railway contract is arranged between the Grand Trunk Pacific Company and our Canadian government; we are going to get the crow. It seems to me that we should see that we do not get the crow, but get the turkey, or have it fairly divided. As it is, we are going to give the Grand Trunk Pacific Company nine-tenths of what it costs to build the road, and they will give one-tenth. I do not think that is a fair division.

Mr. TAYLOR. And they get all the profits.

Mr. JABEL ROBINSON. They get all the profits for fifty years. Most of us will not be here to discuss what they will do after that time.

You will remember, Mr. Speaker, that early in the session I put a question on the order paper. That question was answered, no doubt to the best of the ability of the officials of the department concerned, but the answer did not come up to my expectations. I asked where the coal-measures of Canada were situated, and how much the government owned, and if any coal was being discovered along the route of the new transcontinental railway, and the reply was very unsatisfactory. That coal question I consider one of the burning questions to come before this country, because fuel is just as much an essential as food and clothing. If you give away the people's heritage of fuel and lock it up in the hands of speculators, you will be committing a most serious crime against posterity. We know that there are men who spend a good deal of their time in these lobbies looking after these things which the government have to give away, and the government, of course, cannot always resist very well some of the appeals made by these men, and so they grant them coal concessions and almost everything else. I am told that the larger portion of the coal-measures of the Crow's Nest Pass are in the hands of syndicates and rich corporations. If that be the case, it will prove a curse to the country. I want these coal-measures to be kept by the government for the coming generations. They have been placed where they are by a wise Providence for the use of the people, and I think that our government should see that they are kept for the people and not given away to a privileged few. Is not that right?

An hon. MEMBER. No.

Mr. JABEL ROBINSON. I guess you must be all speculators, as you do not cheer. The hon. member for West York (Mr. Campbell) took some trouble to tell us about this Canadian Pacific Railway, but he did not tell half. Had the opposition in those days, when that company was granted its charter, been as watchful and careful of the resources of the country as they appear to be to-day, they would have taken good care to prevent the carrying out of such a bargain. I am told on good authority that the stock of the company cost most of its owners only 30 cents on the dollar, and I see by the newspaper quotations to-day that a dollar's worth of that stock is now selling for $1.17. Should not that be a warning to us against placing any other body of men in the position to reap a similar benefit at the expense of the people? I for my part am opposed to it. What I would like to see is the people of the country become stockholders of that new road and have the management of it, and manage it so that it will carry our farmers' produce for just what that carriage is worth, and not charge two prices as we are charged now. You will not then see the stock of the road enhanced in value from $30 to $117 per share. Of course, this kind of thing creates millionaires, and we are going to duplicate our millionaires. Not content with what we have, we are going to have another set. I am not in favour of millionaires. Perhaps if I were one, I might look on the question somewhat differently, but what I now believe in is a policy which will benefit the whole people and not a select few. I believe in giving every man the opportunity of getting some of the wealth of the country. I believe in every man getting what he works for and earns, and not in men getting money by scheming, by coming to the government and using a pull, as some of them boast they are able to do. You will remember, Mr. Speaker, that when the great Norman, styled William the Conqueror, came over to England and defeated Harold at the battle of Hastings, he took away from the English people their lands and divided them among his followers. You will say that that was not right, that the people who did this were uncivilized, and living in bar-

barous times, but we see the same thing done in the present day, only done in much less risky and more cunning fashion. Do we not see the different governments of the day—I care not whether Liberal or Conservative—dividing up the public domain amongst their followers and creating millionaires and all that the rank and file get out of it is a five dollar bill when they vote straight.

What is this Grand Trunk Pacific scheme likely to result in? The chances are a hundred to one that at the next elections we will have another Pacific scandal. Some of you know what a Pacific scandal means. For Heaven's sake do not let us have another.

An hon. MEMBER. Turn to your own side.

Mr. JABEL ROBINSON. I have no side. I have no sins to answer for, and so far as I am concerned, I am not saying that the government have any sins to answer for except sins of omission. Hon. gentlemen opposite should, when they were in opposition, have seen that these things did not happen or let the country know it. What are these railway magnates doing? They are not in this business for fun. They are not asking a charter to build a transcontinental road simply for the good of their health. They are there to make millions out of it; and when this road is built, they will get into their palace car, starting at Quebec, and go through the country, looking out of the car windows to see what kind of crops the farmers are raising and how much they can take out of these crops, and they will charge their freight rates just as high as they think the farmers can be made to pay. So far no government has controlled what rates shall be paid, but that has been left entirely in the hands of the railway magnates. These men will not put the rates on too high, because in that case the farmers could not live and it would not pay them to raise produce, but they will do the next thing to it, and take as much as they can out of what the farmers grow, so that the children of the soil will have scarcely enough left to keep bodies and souls together. Of course, the present government has a fair precedent for taking this course, because former governments have done the same thing.

And in the summer, after the bees have been out gathering honey from the blossoms, the old farmer goes and looks in to see how much he can take from them. And he steals from them all they have except enough to keep them over the winter. And that is just what the magnates are doing with us. Are you going to allow them to do it? You are, if you do not own and control the railroads. I speak on behalf of the farmers, on behalf of the consumers and producers of that country. I hope the government will not take it amiss if I tell them, and tell them plainly, that it is time for them to see to it that we get justice. It is twenty years last winter since I had the honour of leading a deputation to wait upon the then Prime Minister of this country asking him to appoint a commission to control the railways so as to do away with the grievances from which the farmers suffered. We waited upon the Prime Minister and his colleagues in the tower room, if I remember well. The Prime Minister told us that they were aware of the facts of the case, and that they would appoint a commission. Sir, that government went out of power, without appointing that commission. But, something less than a year ago we had a commission appointed, and I am beginning to hope that that commission will remove some of the burdens and difficulties under which we labour.

We desire to build up this Dominion into a great and glorious part of the British empire, to bind the several provinces and territories together not with a rope of sand, but with bonds that can never be broken. In that work we can be greatly helped by a real national railway. We have such a railway running through two of the provinces and part of a third. But all the other provinces have no government railway but are obliged to submit to the roads that exist and pay whatever rates are demanded. If there was no other argument but this, there would be sufficient reason why we should extend the Intercolonial into the other provinces. I do not think there is a constituent of mine who will benefit to the amount of ten dollars if the transcontinental railway is built as proposed. At the same time we are willing and anxious to see this country developed. We want to make Canada something more than a fringe along the American border. There is not a man in my county who would say anything against the building of a national transcontinental railway; but they all want the government to own and control it. It is not too late yet. It may be too late in a week or two. But there is time now for the government to take a sound position in this matter. It won't cost them anything to do so. We have been told, by the way, that this road will not cost us anything, that all we have to do is to endorse the notes of the Grand Trunk. I would like the government, if it is going into the endorsing business, to endorse my notes. I do not think they will do it, because they know they would have to pay them. But if you endorse the notes of this company, you will have to pay them. And, if you are going to build the road you should own it. That is a plain proposition, and I do not ask any credit for advocating it.

Mr. A. T. THOMPSON (Haldimand). Mr. Speaker, after the very strong indictment which the hon. member for West Elgin (Mr. Robinson) has made against the policy of the opposition with regard to this transcon-

tinental road, it seems almost unkind for me to follow in the same vein. But so strong is my sincere conviction of the efficacy of the government scheme, and so sincerely do I believe that the opposition scheme is entirely what we do not want, that that must be my excuse for continuing the debate in the same strain.

When, during the recess, news reached us that the contract which we had ratified during the last session as between the government of Canada and the Grand Trunk Pacific Railway Company was not to be carried out in its entirety, I think, there was a feeling of disappointment in the hearts of every one of us. We felt that a bargain which was very much indeed in the interests of Canada was falling to the ground. It may be too, that we had a feeling that, after spending the longest session on record here in Ottawa and devoting a very large part of that session to the discussion of that question, the idea of having to embark once more on the same discussion was to be dreaded, and dreaded all the more because we could not but see that the debate last session covered the case and that new ideas would necessarily be few and far between. That, however, was merely a feeling of private disappointment. From the public standpoint, I for one was much gratified and much relieved when I found the very moderate nature indeed of the proposed changes. There were certain features of the scheme which, to us, seemed vital. I am glad to say that, from my reading of the proposed changes, all these essentials are still retained. We are still to have a railway from ocean to ocean every foot of which shall be upon Canadian territory. I for one regard that as of paramount importance. In spite of the assaults of the opposition, that section of the road from Quebec to Moncton is still a part of our scheme ; in spite of the assaults of the opposition, we are to build from Quebec to Winnipeg ; in spite of their opposition, and in spite of the new negotiations, we are not asked to alter the route of this proposed road one jot or one tittle. Then, as to the control of rates we find that still uninterfered with ; and as to the running rights for other companies, the clauses remain the same. Further, the guarantee of the shipment of freight to Canadian ports we find to be still in the contract, and we find what is to my mind a very important feature, the lease of the eastern section, still the same as when parliament rose last fall.

We do find, certainly, that changes have been made. And I would be the last to minimize their importance. But I do think the changes have not been unfair. First is the extension of time within which the company may complete its enterprise. What harm is there in that ? We know that it will be in the interest of the company to complete its line of railway as speedily as possible so that it may get a return from the capital invested and it may the sooner enter upon the exploitation of the new and rich regions which it is to serve. There are special terms in the agreement as to the rights of the company in case the government is in default in finishing its portion of the road. In other words, if the western section is completed before the eastern, the Grand Trunk Pacific is to have the right to withdraw its deposit on fair terms. Why should not this be the case? If we are behind in the construction of our part of the road, why should we hold on to the deposit of the company when our default is not caused by the company ? There is a clause which gives the right to lease portions of the road as they are built before the completion of the whole eastern section. That is exactly what we want. As soon as we have a section completed we want the company to take it over and operate it so that we may the sooner have a return upon our money and the sooner develop the portion of the country through which the completed line runs. Surely, that is a wise provision. We give an extension as to the guarantee on the mountain section, and this may possibly involve the expenditure of a larger amount of money by way of interest for the seven years during which we are to pay interest on the bonds for the mountain section which we guarantee. I say, 'may.' But, should it turn out that owing to easy grades and curves of the line, the railway through the Pine or Peace River Pass can be built for $40,000 a mile—and we must always remember that when we are speaking of the cost per mile we speak of it without an allowance for rolling stock—our share, seventy-five per cent, will be $30,000 a mile, which is exactly what we calculated last session ; and so, we shall not have to pay a cent more for interest. But, if the cost is more, if it runs to $50,000 per mile—even suppose that we accept the figures of the leader of the opposition and assume that it will cost so much—this change will mean that the expense to the country will be $600,000 or $700,000 more than was calculated on. This is not a certainty, but a possibility. We are to implement the bonds in order that the company may raise the full amount of money which it requires. We may have to do that or we may not. That will entirely depend upon the state of the money market when these bonds are offered to the public.

We grant further five years extension of time before we can take over that road from the Grand Trunk Pacific in case of default. Sir, this is a huge enterprise, it is an enterprise that may take many years to complete. Is there anything unreasonable in the proposition that we should give the company a longer period by five years in which to put their enterprise upon a paying basis ? And if they succeed in doing so in this further five years, as in all probability they will

succeed, owing to the further development of the country, then I submit we are much further ahead than if we were going on under the old contract, when we entered into possession five years sooner and thereby had the management of this road upon our hands. I believe this amendment is in the interest of the country.

The English method of foreclosing, I understand, is introduced instead of the American method. The benefit of the change is a matter of argument between hon. gentlemen on your left and on your right. It has been carefully considered by eminent legal gentlemen on both sides of the House, by the hon. member for Hants (Mr. Russell), by the hon. member for Annapolis (Mr. Wade), by the Minister of the Interior (Hon. Mr. Sifton), and by the leader of the opposition (Mr. R. L. Borden). All these lawyers have dealt with that point, and it would be presumptious on my part to take it up. I am content to let the people read what they may find in 'Hansard,' on that subject, and if they do so intelligently and with unbiased minds, I am satisfied they will come to the conclusion that the eminent legal gentlemen who I see facing me now on the government benches are entirely in the right in this matter.

Then we give them permission to sell part of the common stock. This is a new company, and it must have some means of raising money. They will probably have to supply ships on both the Atlantic and Pacific sea-boards, they may have to supply navies for us in each case. They will have to supply rolling stock, they will have to supply betterments. We are merely giving them the means for procuring the money, and it will still be in the power of the government to say what dividends that stock should bear, and in deciding that point I have no doubt the government will be governed by the amount that that stock brought in the open market when it was first placed thereupon. Then the terms as to the purchase of branches. There is nothing very unreasonable in that. If, by taking over the main line at the end of fifty years, we render unprofitable some of the branch lines which this company has built, if by our own act we render those lines unprofitable, why should we not take them over? Lastly, we find there is a clause for continuity of traffic by the G. T. P. in case the government does undertake the operation of this road at the end of fifty years.

So I repeat that the essence of the scheme has been retained, and that the new provisions, while undoutedly of importance to the Grand Trunk Pacific Railway, are not seriously detrimental to the best interests of Canada. It is true that these changes are not very serious, but the man on the street—we must consider him—the man on the street is putting the question: Why is it that, having made a bargain which they thought was a good one last summer, the company has come to parliament and asked for changes in that bargain? I think the explanation is a very simple one indeed. To implement that bargain we had to have a deposit of $5,000,000, and they had to get that $5,000,000 from somebody who had it, and the parties who had it were the Grand Trunk Railway Company. The Grand Trunk Pacific Company contracted with us to get this money from the Grand Trunk Railway Company. Has anybody in this House impeached the sincerity of Mr. Hays or of Sir Charles Rivers-Wilson when they made that promise? Not at all. They went to their shareholders and they said everything in their power to induce them to meet their views; they had to put up this money in order that that contract might be carried out as it was originally framed. But the shareholders point blank refused to do so. And why? Can you blame them? These shareholders of the Grand Trunk live thousands of miles away from our country, unacquainted with the actual conditions here. For years and years they had not had the pleasure of drawing a single dividend from certain classes of their shares, and but recently had enjoyed that privilege for the first time. Is it any wonder then, that these men should be more or less timid, especially when they read day after day in the newspapers, the talk coming from prominent gentlemen opposite, declaiming about the sub-Arctic regions, the muskegs, the jackpine, the granite ridges and the stunted poplar? Is it any wonder, I say, that these shareholders should have shown their timidity by refusing to follow their leaders, though these leaders were the eminent gentlemen who manage that great corporation, the president and the general manager?

Mr. R. L. BORDEN. Might I ask the hon. gentleman when this meeting of the shareholders took place to which he has referred?

Mr. A. T. THOMPSON. I have not got the exact date, but I can supply the hon. gentleman with it after I have finished my speech. Very well, then, the shareholders did not say: We will have none of this transcontinental project. They simply said. We will not sanction this contract under the terms of the original agreement, but we will sanction it if you will allow us to supplement it by these new terms, the new terms which I have briefly touched upon. Three courses then were open to the government—in the first place, to accept the new terms, in the second place, to build the road themselves, and in the third place, to give up the project of a national transcontinental railway. To accept the new terms—I have already shown very briefly what they are, I have shown the innocuous character of these new terms. As to building it ourselves, I for one am not prepared

to see this government undertake the construction of a transcontinental railway by itself, or under its own supervision. This is a busy government. This project is not the only project with which our public men will have to deal in the near future. We have still to deal with the great question of immigration, we have still to deal with the great question of developing our agricultural resources and how to improve them, we have still to improve our waterways, we have public works from ocean to ocean to look after, and besides all that we have to attend to the usual functions of a government. There is not a single member of the cabinet to-day who is not worked to the limit of his endurance, and many of them far beyond it, and are we going to put upon these gentlemen the supervision of the building of another great transcontinental railway? I tell you that, great as their powers are, it would not be possible for them to build this railway as economically, yes and as free from corruption, as it would be for a private corporation to build it. As economically, I say. Why? Because I tell you the government is so busy, it could not look after the details as they will have to be looked after in the construction of a work of this magnitude. In this work, the Grand Trunk engineer takes part with the government engineer to keep the cost down as much as possible. As to freedom from corruption—I believe, Sir, that we have a pure government. I believe it and I think the facts prove it. For seven long years hon. gentlemen opposite have been unable to bring home to this government one single scandal or one single corrupt act. Let me say this of the hon. gentlemen opposite, that they are able men, there are able lawyers among them, and I believe if they could bring home any act of misdoing to this government, they would gladly do so, and I do not say that offensively, because any opposition would do so. They have the machinery ready to their hands that the Liberals had when in opposition, and when the Liberals brought home to the old government acts of misdoing which shook its popularity in the country, and which caused it eventually to totter to its fall. They have all that machinery ready to their hands, well oiled, but they have never found anything irregular with which to charge this government. I say therefore that their inability to do so is proof that we have an incorrupt government. No doubt if they were to undertake the building of this great railway some corruption might steal in on account of the inability of the government to supervise so enormous an undertaking in all its details as it should be supervised.

Well, now, there is still another course open to us—we could abandon the project of constructing this national transcontinental railway. That brings me to the question: Is it needed? There were three sets of opinions, it seems to me, as to whether this railway was needed; on second thought perhaps there was but one, and that was that it is needed, though opinions differed as to the methods of construction. Mr. Blair, from British Columbia to the maritime provinces, as reported in the press of Canada from coast to coast, said and said emphatically that a new road was needed, and the sooner we had it the better. The government by this present scheme has said that a new transcontinental road is necessary. The opposition, by their remarkable alternative scheme, a scheme to build a bit and then buy a bit, and then build a bit, and then buy a bit, then to improve two bits, then to aid a bit, then to aid still another bit, have propounded a scheme for which no adequate name has been found, but which might very well be called, in contradistinction to the G.T.P., the G.P.U., the Grand Patchwork Unlimited, and by this have pronounced it necessary. There can be no doubt that the people of Canada as a whole have said: Yes. After all then there is no hysteria, there is merely close attention and the application of cold logic to the facts, and what are some of these facts? We have had already serious difficulty in moving the harvest of the west to the east and in moving the merchandise of the eastern manufacturers to the west. If that be the case with the present sparse population of Manitoba and the Northwest Territories, how much will these difficulties be accentuated in the near future when we consider that from 100,000 to 150,000 men and women are going up each year to make their homes in that country and to increase its exports and imports. This brings me to political conditions in the broadest sense of the term. Who are the men who are going into that northwestern country? In the first place we have thousands of Americans, excellent settlers, but for all that men in whose hearts the love of Old Glory still is strong. We have thousands of men of European origin, each of whom is either hostile, or at the best indifferent to the British empire, and we have as against these men, excluding those who are moving from the older parts of Canada to the west, but one citizen of British origin against two of alien origin. It is necesssary, if we are to make these men staunch Canadian citizens that we should make them happy in their new homes. We must give them every facility and chief among these we must give them cheap and easy access for their products to the markets of the world. This is a most important political condition to face and I say that we cannot too rapidly give to these men the facilities they require. There are already a large number there who are producing grain, and that grain will find an outlet, if not through Canadian channels to the east, then through American channels to the south. We are told that trade follows

the flag; we must have a care lest the converse of that be true and the flag follow trade to its effacement. These are matters of serious importance which we are bound to consider. We believe that these men will become as good Canadians, as good British citizens, as we are ourselves, but we must see that they become so by contentment, and by the happiness of their lot. That is the only way we shall ever bring them to good Canadian citizenship.

Another political condition—and I am surprised to think so little has been said by the leading public men of Canada on both sides in reference to it—is this. When the Intercolonial Railway and the Canadian Pacific Railway were built, great attention was paid to the important aspect of these projects from the standpoint of military usefulness and to the immense benefits they would be to Canada in case of trouble. I take the risk of being called a jingo, I take the risk of being held up to ridicule, if for five minutes I discuss this aspect of the case. We all think that war with the United States is extremely improbable. I sincerely hope that this is so, but what has been may be. If, unfortunately at some future time we should find ourselves embroiled with our neighbours of what use would this new road be? I do not speak so much of the portion from Moncton to Quebec; part of that passes very close to the American boundary although even there the part of the state of Maine which it passes is a barren wilderness, an uninhabited waste, and therefore not the same menace it would be if it were a part of New York or Pennsylvania with thickly settled communities right up to the boundary line. But what position would we be in from Quebec to Fort Simpson? At Quebec we would have an impregnable fortress guarded by the warships of the British navy and at Fort Simpson, a terminus, also guarded by the British navy. Between the two we would have a line striking rapidly north and then west through inaccessible territory which I will guarantee the riflemen of Canada could defend against any power on earth. And what use would that be to us in the case of hostilities with our great neighbour to the south. Not only would we have a line of defence on which to fall back, a means of internal communication of inestimable benefit, but we would also have in it the means of shipping from the granary of the west to Great Britain those food supplies on which her safety would depend if she should be deprived of her supplies from the United States. On the other hand the policy of the opposition still leaves us open to attack from the south.

In addition to the view which I have tried to present to the House of what use from an imperial standpoint would this line be in case of conflict in the Orient, a very much more likely case? Would this not be the shortest line for the transportation of British men and British goods to the Orient? Undoubtedly it would, and the line is of great imperial importance from that standpoint. I for one feel that the open door in the Orient is of more importance to us in Canada than it is even to the people of Great Britain.

Sir WILFRID LAURIER. Hear, hear.

Mr. A. T. THOMPSON. We are the people who will in future enjoy and control in the largest measure the trade of the Orient. We shall enjoy it because we are on the direct line between the Occident and the Orient. We shall enjoy it because we raise the commodities which they purchase in the Orient and will buy their products in return. So if we in Canada, by a great public work of this kind, can sustain the hands of Great Britain in demanding reasonable freedom of trade in the east we are doing nothing more than we should do in our own selfish interests, apart altogether from what we owe to the motherland for the protection of her army and navy and the use of her consular service. We are doing nothing more than we should do in our own selfish interests when we implement a power that will be used for our own good and our benefit in the east. It has struck me as passing strange that the party which for so many years proclaimed itself to be the custodian of Canadian loyalty to Britain, should have been so silent on this point; that the party which claimed to be the custodian of British loyalty should have been so short-sighted as to have opposed this scheme with all its great benefits to the empire, and to have suggested in lieu thereof a scheme which is almost useless, from a British standpoint. How have the mighty fallen. I was almost tempted to say: O tempora; O mores. The great old Conservative party, blind opponents to imperial interests and leaving to the Liberals, so long held up to suspicion from the standpoint of loyalty, the development of imperial interests! So much for the political aspect of this question. I may be pardoned for dealing, at the expense of a few moments, with the financial aspect of the case. The hon. leader of the opposition (Mr. R. L. Borden) has spoken of the obligations about to be incurred by this country in the building of this new transcontinental line according to the government's plans. And here, Sir, it is well to note the difference between 'obligation' and 'cost.' I suppose that if a man backs the note of a millionaire for $100 he is assuming an obligation, but the chances are that the cost to him will be nothing at all. We must carefully distinguish between obligation and cost. I believe the hon. leader of the opposition (Mr. R. L. Borden) did not wish in the slightest degree to confuse, although he succeeded to some extent in doing so as one can easily see by reading the subsequent part of his speech. He puts the total obliga-

tion to be assumed by the people at $171,000,000. I am going to see if I cannot whittle that down rapidly to something not quite so terrific in point of size.

First of all, I would suggest taking off $15,250,000 for the reason that the hon. gentleman suggested, the addition of that amount to our obligations, because he said that the chances were that our bonds will sell at 90 instead of 100. That is a just supposition. I am free to confess that if we went on the money market to-day, that no doubt would be the case. But what of the money market a year and a-half ago? That would not have been the case then. We do not want all this money right away; we will borrow as we go along, in three years, or in four years, or in five years, or in six years, or in seven years. I venture to say that the money market will be up and down two or three times during that period. We are asked to assume that we will lose $15,000,000, because at present the money market is bad; why not assume that the money market will get so good in the future that instead of borrowing at 3 per cent we will borrow at 2¾ per cent, and that the railway will cost us less than even the Minister of Finance estimated. I shall not attempt any argument so extravagant as that, but I have the right to ask my hon. friend (Mr. R. L. Borden) not to force the other contention.

And so we will have to deduct this $15,250,000 and that leaves us $155,750,000. Let us take $25,000,000 more off, because of the guarantee of the mountain section. That is simply a guarantee. We will never be called upon to pay it if this project is a success, and if we did not think it were going to be a success, do you think we would present it as our greatest public work? We do think that it is going to be a success, and so, for the purpose of argument, since this is a possible obligation, but not a likely expenditure, let us deduct this sum of $25,000,000, and we then have left $130,750,000. For the same reason, let us take another $13,000,000 off, which is the amount of our guarantee on the prairie section, and then we have left $117,750,000. Then let us take off $15,739,000 for the difference in the cost of the construction of the eastern section, as estimated by the hon. the leader of the opposition and the cost as estimated by the Minister of Finance. I shall give my reasons presently for thinking we are right in taking that amount off, but for the present I shall merely deduct it and pass on. That leaves $102,011,000. We will take $3,304,960 off for the difference in interest for seven years between the cost of the eastern section as stated by the leader of the opposition and the cost of the eastern section as estimated by the Minister of Finance. Now we are down to $98,706,040. Take off $4,978,200, because the leader of the opposition charged the whole cost of the Quebec bridge to this enterprise. And why did he do so? Were we not committed to the building of that Quebec bridge? Would we not go on with it whether this scheme went through or not? Undoubtedly we would. The Grand Trunk Pacific is not the only road that will use that bridge; three or four other very important roads will use it. Why try to make this project more serious in the matter of expense; why should we not charge up a reasonable proportion against the Quebec bridge; why not charge up, as the Minister of Finance did, the sum of $2,000,000 to the Quebec bridge, instead of $6,978,200, as the leader of the opposition did? That, Sir, makes a reduction of nearly $5,000,000, and now we are getting to much more comfortable figures; we are well under the $100,000,000 mark now; we are down to $93,727,840. Then let us take off, for the possible three years additional, during which we will have to pay the interest on the eastern section at the expiration of the seven years; let us take off for that $9,147,600. Let us take that off, because, in the first place, we do not expect to have to pay it, and, in the second place, even if we did have to pay it, it is that much more in the road itself; it is added in the cost of the road; it itself will bear interest in the end, and when the time of the lease is up I have no doubt that road will bring far more money than ever we will put into it. Let us take off that $9,000,000, and then we are down to the very comfortable total of $84,580,240.

But the hon. the leader of the opposition makes a further suggestion. He says: Mr. Blair said that we would probably be called upon to pay $18,850,000 more, because we would likely have to pay the difference between the 3 per cent we are getting by way of rental from the Grand Trunk Pacific on the eastern section and the 3½ per cent, which he thought, for forty years we would have to pay on the money we borrowed. Mr. Speaker, do you not see that the leader of the opposition is cutting us at both ends? First of all, he charges us $15,000,000 odd because our 3 per cent bonds will only bring us 90, and then he throws into the other side $18,850,000 more because we will have to pay 3½ per cent on our bonds. That is a very poor financial argument, and I should perhaps apologize for calling the attention of the House to anything so obvious; but, Sir, for all that, it is my duty to call attention to it, for it cannot be altogether a slip on the part of the hon. gentleman, inasmuch as I find reference made twice more to it during the continuance of his remarks.

Why, Sir, there is still this point to be considered, too. If we only get 90 per cent on our bonds, how much more will the leader of the opposition get for his bonds when he goes to the market to finance his rail road that he has proposed to us? The money market does not care whether it be a Liberal or a Conservative government that goes to borrow on it. Politics has nothing

to do with the rate on interest on the British money market. Even if we did have to sell under 100 at 3 per cent, the leader of the opposition, in that very expensive scheme of his—and which I believe in my heart will cost one-half as much again as ours—he would have to borrow for his scheme on the same unfavourable conditions.

But, Sir, there is still another point in connection with that $18,850,000 which I would like to draw the attention of the House to. The distinction which I have pointed out is very obvious, and it seems to me that the leader of the opposition has two choices. Either he must stand before this House as being a very bad financial critic, in which case we must treat lightly all his other financial calculations; or he must stand before this House convicted of having thrown out a suggestion for which there is no foundation—convicted of being an Israelite with very considerable quantities of quill.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. A. T. THOMPSON. Mr. Speaker, when the House rose at six o'clock, I was just finishing my discussion of the financial statement of the hon. leader of the opposition with regard to the expense of building the eastern section according to the government plan, and in order to finish that particular portion of my remarks at six o'clock, I had somewhat to hurry my argument. I would, therefore, like to repeat very briefly the last point I was endeavouring to make. I had pointed out that the hon. leader of the opposition had charged the government plan with the sum of $15,250,000 on the supposition that the bonds bearing 3 per cent which the government would have to sell, would bring but 90 per cent on the market. I went on to point out that after he had completed his total, which he had brought to the amount of $171,000,000, he threw out the suggestion that this was quite exclusive of the $18.850,000 which Mr. Blair had said would be the additional cost by reason of the difference between the 3 per cent which we would receive by way of rental on the cost of the eastern division, and the 3½ per cent which we would in all probability be forced to pay on the money market. I drew the attention of the House to the fact that in so doing the hon. gentleman was charging us at both ends of the contract, so to speak; he was charging us with $15,000,000 odd because our bonds, as he supposed, would sell only at 90, and he was also charging us with $18,250,000 because our bonds at 3½ per cent would not be made up by the 3 per cent that we would receive by way of rental. I pointed out that that placed the hon. leader of the opposition in a very embarrassing position indeed, because his mistake was so egregious, so palpable, so evident to any man who would read it carefully, that we are bound to find the hon. gentleman placed in one of two positions: Either he is a very bad financial critic, in which case his financial criticism throughout his whole speech must be read with the greatest possible reserve, or else he is an uncandid debater. I have always had great respect for the hon. leader of the opposition; I do not think he is an uncandid debater; and therefore I am forced to the conclusion that the leader of the great Conservative party in the House of Commons is quite unable to deal with a large financial question. So that it is no wonder that he brought the total cost up to $171,000,000.

Now, Sir, I am about to pass on to the consideration of the cost of the railway, according to the estimate of the hon. Minister of Finance. I will pass over these figures as rapidly as possible; but it is necessary to deal with them in order to make our comparison with the figures of the leader of the opposition. The hon. Minister of Finance estimated the cost of the 400 miles from Moncton to Quebec at $31,250 per mile, or a total of $12,500,000; and these figures are given on the basis of a grade of 4-10 of 1 per cent, which is the grade the hon. member for North Norfolk (Mr. Charlton) convinced this House pretty thoroughly was necessary to the effectual management of this road. The hon. Minister of Finance quoted a lower figure, but after having quoted it he added 25 per cent in order to allow for the procuring of the grade which according to the hon. member for North Norfolk was necessary. According to his estimate, the cost of the 1,475 miles from Quebec to Winnipeg, at $35,000 per mile, would be $51,625,000. Add interest on the money expended during construction, $4,137,095, and you have a total of $68,262,095 as the cost of the road from Moncton to Winnipeg.

What we have to ask is: Is this a reasonable estimate, and is the Minister of Finance likely to be right in making it? Great as is his reputation in the House and in the country, we must take no man's statement without question. We must know the foundation on which it rests. Therefore, I propose to consider whether or not the hon. Minister of Finance was right in making that statement. In a recent speech, delivered with force and eloquence by the hon. Minister of the Interior, that hon. gentleman gives the estimate of Mr. Stephens, the chief engineer of the Grand Trunk Railway so far as their survey went of the cost of the first 530 miles of the line running eastward from Winnipeg, divided into three parts; and it made the average estimate $31,415 per mile. The estimate of the Minister of Finance was $35,000 per mile for this section, a very much larger sum. More than that, the hon. Minister of Finance's estimate on the basis of

$35,000 per mile was for the whole distance from Quebec to Winnipeg, whereas Mr. Stephens' was for a portion running from Winnipeg eastward, where he said the cost of building would be greatly enhanced because of the great distance materials and supplies would have to be carried, and he went on to say that the cost of construction further east would very probably be less. Therefore I come to the conclusion that the Minister of Finance was not only reasonable in his estimate, but that as usual he was basing it on the worst phase of the situation. He is a man of such caution, as we know from our experience of his budget speeches, that rather than over-state his case, he is disposed to err on the other side, and we are always glad to find that his figures are not only borne out but more than borne out.

Now, what does the hon. leader of the opposition figure the cost to be? You remember that I said that there was a difference of $15,739,000 between his estimate of the cost of the eastern division and the estimate of the Minister of Finance. Why did the hon. leader of the opposition put the cost at $40,000 per mile if he wished to make a candid and reasonable estimate, unless his idea was so to inflate the figures as to produce a total that would frighten the electorate of Canada and make them unwilling to embark in this enterprise? Why did the hon. gentleman put the total cost at $40,000 a mile when Mr. Blair, who was making the strongest case possible against the government, estimated the cost at $35,000 a mile for the same distance? Nay, more: why does he put the cost at $40,000 a mile all the way from Moncton to Winnipeg when he accepts as the cost of construction in the mountain section the estimate of $50,000 a mile? Have we a sea of mountains extending from Moncton to Winnipeg? Is that the argument of the hon. gentleman? He must at least think something of that kind, or he never would have put his estimate of the cost throughout the entire length within $10,000 a mile of what it is going to cost to build the railway across the Rocky Mountains. Therefore, I maintain that his estimate was not a fair one, while that of the Minister of Finance was eminently fair and just.

But the cost of the road depends on the kind of grades we are to get. No doubt we can construct it for Mr. Stephens' estimate of $31,415 per mile; but would we have the grades which the hon. member for North Norfolk insisted were necessary to the success of the enterprise—grades not exceeding 4-10 of 1 per cent, which is equivalent to about 20 4-5 feet to the mile? The estimate of the hon. Minister of Finance was based on these excellent grades. What does Mr. Stephens say with regard to these very grades? He says the grade will be not more than 4-10 of 1 per cent; but he goes on to say that in his opinion for a considerable portion of the distance the grade may be reduced to 3-10 of 1 per cent, which is under 16 feet to the mile. We have a railway in my part of the country, running past the town in which I live, the Michigan Central, which from Buffalo to Detroit has a maximum grade of 19 feet to the mile; and that railway is accustomed to haul trains of from 60 to 70 loaded freight cars, and to haul them with ease. It is no unusual thing to see a train half a mile long being operated on that section. And yet in this northern land, which is described by one of the hon. gentlemen opposite as broken into granite ridges, we find an engineer of the Grand Trunk Railway, who has no interest except to serve his employers and do his duty, expressing his belief that we can improve on the easy grades of that flat part of Ontario by four feet to the mile. If we succeed in obtaining that, I think we may feel assured of the success of the enterprise.

The hon. Minister of Finance estimated the cost of the eastern division at $68,262,095. To that we have to add $2,000,000 as a fair estimate of the cost of the construction of the Quebec bridge. That brings his total up to $70,262,095. The calculation of the hon. Minister of Finance will be exactly the same this year as it was last year, with the one possible exception of the interest which we shall have to pay upon the bonds that we guarantee for the construction of the mountain section. Last year we were to guarantee three-quarters of the cost of the mountain section, not to exceed $30,000 a mile. This year we are to guarantee three-quarters of the cost whatever that cost may be. Let us, for the sake of argument, and because I do not wish to be cheese-paring, accept the figures of my hon. friend the leader of the opposition, who put the cost of that construction at $50,000 a mile. That would increase the estimate of the hon. the Minister of Finance for the cost of interest to $3,780,000, as compared with a trifle over $3,000,000 estimated by him last year. This brings the total interest charge to $18,535,040. But, as my hon. friend the Minister of Finance pointed out last year, this money will not be all required at once. We can put a certain sum in the hands of a trustee to meet the interest as it falls due, and, of course, the amount to be invested will be smaller than the total amount of interest to be paid in the aggregate. And making due allowance for the increased expense of the mountain section, we still need invest but $14,325,706 to-day to meet the interest charge as it falls due; and as our surplus last year amounted to $14,345,166, we are still within the limit of last year's surplus, after allowing for the change we have made in the contract.

The hon. the leader of the opposition accused the right hon. the First Minister of trying to raise a bogey to frighten the electors when he spoke of the possible abrogation of the bonding privilege. Well, without entering into any particulars, it seems to me

self-evident that when the congress of the United States passed legislation enabling the President to abrogate that privilege, as they call it, at any moment, you can hardly describe the possibility of that abrogation as a bogey. Surely, when a legislative body representing 80,000,000 people takes action on a certain question, you can hardly dismiss that question by treating it as a bogey.

But I am bound to accuse my hon. friend the leader of the opposition of conjuring up a great financial bogey with which to frighten the electors of Canada. After all, what is the use of going into these abstruse financial calculations? How many men in Canada are going to follow the sinuosities of a financial argument? You will find that the man on the street has a rough and ready way of putting things. And what will he say under the circumstances? He will say: The whole thing comes to this, is the project going to be a success? Should it prove a success, we will have nothing to pay for the guarantee, because we will then never be called on to implement our guarantee, as the thing itself will be able to meet all the charges on it. He will say further: If this should be a success, there will be nothing to pay on the eastern section, because the Grand Trunk Pacific will retain it and operate it for fifty years from the date of completion, and during forty-three of these years it will give sufficient return to meet the interest on the money borrowed to pay for its construction. Then, at the end of the fifty years, it is certain that the road will fall back into our hands if we choose to resume it, and it will then have a greatly enhanced value. But he will ask: What evidence have we that it will be a success? You may say there is the faith of the government and the pledge of the government, but, of course. what else could the government say of the greatest scheme it has ever yet launched in Canada? Of course, the government is bound to declare that it will prove a success. On the other hand, the opposition say that the issue is very doubtful, that the country is running a fearful risk, that it is unwise to commit ourselves to so great an undertaking without further knowledge, and that there is every reason to fear that the enterprise will not prove successful. But again with a shrug of his shoulders, he will say What else could the opposition say of a scheme which is the main plank in the platform of the government it is seeking to displace? Their very hunger for office would compel the opposition to condemn it. Is there no man, he will ask, outside the political arena on whose judgment I can place reliance? In reply, I would point to the expert witnesses, Sir Charles Rivers-Wilson and Mr. Hays He will probably reply: While I have every confidence in the judgment of these men. what evidence have we of their sincerity? To that, it seems to me, there is the unanswerable retort: When these men are backing their opinion by the money of the Grand Trunk Railway, of which they are respectively president and general manager, when they are putting the money of the Grand Trunk Railway to the extent of $15,000,000 into the enterprise, they are giving about as good evidence of their sincerity as one could desire. They are 'proving their right to their heritage, by more than the word of mouth.' And I have no doubt that the man in the street will accept such action as the best proof of their sincerity. I am speaking of the average man who is neither a hide-bound Grit, bound to vote for the government scheme, whether right or wrong. simply because his ancestors for three or four generations were Liberals, nor an inveterate Tory, bound to vote against the scheme because he comes from a Tory line for generations back, but of the man who is anxious to get at the facts of the case and to cast his vote according to the facts, and I say that when such a man finds that two of the greatest railway authorities in the British empire, who for months and months, from the initiation of the scheme up to the present, have been giving their time and their money and other resources in having the whole thing gone into with the aid of all the expert assistance they could get, have come to the conclusion that the scheme is bound to be a success, and are willing to risk in it $15,000,000 and far more than that, if we take into consideration the $20,000,000 they have to put into rolling stock and the other millions into betterments—when he sees all that, he will say: I am not going to lie awake at night worrying over the obligation which the leader of the opposition says the country is burdening itself with, but am quite prepared to put my faith in the predictions of these non-political railway experts who have shown their confidence in the enterprise by investing their multi-millions in it.

Somebody has asked: What do we get for all this heavy expenditure? Let us see. In the first place, we get 1,875 miles of road, the property in which we retain, and which at the end of the lease will be worth all we put into it and considerably more. That is what we get for the principal invested, but what do we get for the $14,325,706 which, invested now, would be needed to pay the interest charges we have assumed? What do we get for that outside of the development of the country? My hon. friend the Minister of the Interior (Mr. Sifton), a man accustomed to say what he means and to speak sensibly, told us last session that, owing to the building of that road through the Territories, there would come into the financial market 20,000,000 acres of land which at present are absolutely valueless, because of their inaccessibility, apart altogether from what the government will reserve for homesteads. At the end of ten years from the completion of the road, the hon. gentleman was satisfied—and the his-

tory of the Northwest bears out his prediction—that this land would bring in $3 an acre, so that there you would have $60,000,000 hard cash which you would get back for the $14,000,000 paid in interest. And that is not all. My hon. friend the Minister of Customs (Mr. Paterson) said that no doubt we would be unable to manufacture in this country all the rolling stock required, $20,000,000 in round numbers. Suppose we were to import one-half of that amount, or $10,000,000 worth, that would give us in duties $3,500,000 more. I might carry the argument further, and show that, not only will we import this rolling stock, but also large quantities of other material for the construction of the road, and the thousands who will be employed in its construction will no doubt use a large quantity of imported goods. Taking $1,500,000 as a modest estimate of the amount of duties to be paid into the treasury on these imports, you would have altogether, from the sales of land and customs revenue, an amount of $65,000,000 hard cash in return for an expenditure of $14,325,706. What else do we get? Is there any reason to doubt that in twenty years we will have a million immigrants living in parts now a wilderness? Last year we received $8 per head of the population in duties and excise.

We will have a million more people to pay that $8 each and so help to bear the expense of this railway. And what else? We will get the employment of thousands of men in actual construction, and the employment of tens of thousands more in the workshops turning out supplies for the men on the line and for the line itself. And we will get increased markets for our farmers of the country, the men whose interests I am always glad to consider, representing, as I do, an agricultural community. These men will have a greater market for their farm products during construction, not only because of the men on the road itself, but because of the increased consumption of the men employed in larger numbers in the factories turning out materials and supplies for the road. And so we see that this is a scheme that benefits every class in the community.

I was astonished to hear my hon. friend from West Elgin say that the people in his county would not benefit from the road. Why? Because it does not pass through his county? It does not go within hundreds of miles of my county. But there are manufacturers there who will be obliged to increase their plants to meet the demand that will be created by the road, and farmers who will have larger markets for their products. Directly and indirectly my own county of Haldimand will be a great financial gainer by the building of the road. And so we might go on.

But we get something greatly more than all this. Owing to the expenditure of all this money, owing to the increased employment of labour and the facility with which the products of labour will be sold, we shall have a flood of prosperity, as a result of the building of this road, that will keep hard times away from Canada in spite of the commercial conditions in any other part of the civilized world. We shall get in addition to that, fleets on the Atlantic and on the Pacific, for this company has contracted to take care of the hugh commerce which it is bound to have on either ocean. And what more is to flow from this national horn of plenty? There will be something for every province. There will be something for Prince Edward Island, because the supplies grown in that garden will be sold in the improved markets which Canada will then have and to the steamships that will seek the ports of Canada as never before. In Nova Scotia and New Brunswick, we shall have an increase in manufacturers, as well as fleets for their magnificent harbours, now so much neglected. For New Brunswick we shall get something more—the development of the middle section of that province, which will give it breadth and depth and make it such a province as one so splendidly endowed ought to be, and will be, if it long continues under the rule of the Liberal party. And for Quebec, what? We shall get the development of five counties on the south shore. Further than that, the grand old city of Quebec will become the great harbour which nature intended it to be, a seaport, I hope, unsurpassed on this continent. They have the facilities there, and I do not see why they should not have the commerce when this road is completed. And for Manitoba and the Northwest Territories we get a lowering of freight rates, an end put to blockades and monopoly and the development of their unused areas. For British Columbia we get not only railway facilities, but the development of new country rich in mine, forest and agriculture. And more than that we get the establishment of a Pacific port that is bound, in time, to take the premier place of all ports on that ocean, bar none. There can be no doubt about that, because of its proximity to the Orient, for the immense trade of which it will become the leading American city.

And now, Sir, we turn to Ontario, purposely left to the last. What is Ontario to get? My hon. friend from East Grey (Mr. Sproule) put that very pertinent question to the House—what will Ontario get? And some hon. gentleman said that was a narrow-minded question to ask. I believe that it was no such thing. I believe that it is a proper question for a man from Ontario to put. We have in Ontario not merely a province but an empire in extent, an area as great as Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York and Pennsylvania and twenty million acres over. And of that, less than 20,000,000 acres is under the plough—under assessment even. The trouble may be that my hon. friend from East Grey has such a restricted vision that Ontario means to him

only Grey, or East Grey—and, I hope, the county of Haldimand, for I hate to leave it out in any consideration of Ontario. The hon. gentleman asks what Ontario will get. Ontario will get this magnificent line of railway, and that through its middle stretches. Now, I would once more come to the rescue of my hon. friend from East Grey when he is attacked for narrow views, and I would say, speaking for the people of Ontario—and say in all sincerity—that I believe that Ontarians are good, broad-minded Canadians, every single man of them. We have made what we think are sacrifices for the rest of Canada, and are ready and willing to do the same again. Still, we recognize Ontario as part of Canada, and we feel that in the progress of Ontario, Canada progresses also, and that, dear as every bit of Canadian soil from the Atlantic to the Pacific is to all who live in Ontario, our own province is of necessity the dearest. We, Sir, are willing to develop your wheat fields in the Northwest, but we also want developed our spruce fields in the north. We are willing to develop your mines in British Columbia but we want also to develop our mines in the north. We are willing to develop your country for homes in the middle reaches of New Brunswick and in Quebec south and north, but we also want opportunities for the people to make homes in our northern land. We are willing to develop your fisheries on the Atlantic and on the Pacific, but we want our own fisheries developed on that great inland sea which Ontario touches on its northern boundary. It is a pertinent question to ask, what will this road do for Ontario.

Well, Sir, we get in the first place, from the governments scheme not less than 800 miles of railway through this north land of promise to develop the riches of which I have spoken. This is for new Ontario. What for the older parts of the province? We get direct connection by a shorter route for the vast majority of our towns and hamlets to what is bound to be, for years, our great market in the Northwest. What does that mean? In Ontario we have large manufacturing interests. We expect them to continue and develop indefinitely. We have in Ontario one serious drawback to manufacturing—the expense of fuel. But, in the onward march of science, electricity has been found and developed, and we are now engaged in harnessing our immense water powers for the production of electrical energy. At Niagara, where, Lord Kelvin said, it was possible to develop 7,000,000 horse-power—an almost unthinkable amount—there are three large companies at work. The most recent of them, the Ontario Electrical Development Company, will develop 125,000 horse-power. They are sending some of the power to the city of Toronto, and, in that great manufacturing centre it is found that it will require only 35,000 horse-power to turn every wheel in the city, including the tramway and the electric light, which may not be classed as manufacturing industry. Already in Quebec they are sending electrical energy from Shawinigan Falls to Montreal. The loss in transmission is becoming less and less. We know that companies at the Falls are developing great power; and we know that they can transmit it indefinitely. And so, we in my part of Ontario, look forward to the time when we shall have power in every village and hamlet throughout the Niagara peninsula and for over fifty miles beyond it, and power so cheaply developed that we shall run our factories as cheaply as they can with coal in other provinces, even though those factories stand at the pit's mouth. We are going to have immense developments in Ontario. Do you think we want to lose the direct connection which this scheme will give us to the markets in which our manufactures are to be sold? No; I say the scheme is vitally necessary to Ontario, and in its present form at that.

Well, the member for East Grey went so far as to say that this scheme would side-track Ontario. I wonder if he has ever taken a look at the map where he will find roughly sketched the proposed route of this great railway. If he has done so, he will find nearly half of Ontario lying to the north of the proposed line, and though the timber north of that line may extend for only a few hundred miles, we have there deposits of ore as rich as those of the Klondike though not perhaps in the same precious metal. But the hon. member for East Grey would still have but one transcontinental line running along side the lakes. It is the scheme of the opposition that would side-track Ontario, whereas our scheme will main-track Ontario. It will put us on the track of the line of communication between the Orient and the great centres of commerce in Europe. It will give us a line of railway nearer to Liverpool, making the distance from Liverpool to Yokohama over 100 miles shorter than by the Trans-Siberian Railway. It will put us on the front street of commercial development so far as the carrying trade goes, besides giving us all the enormous development to which I have referred.

Now, Sir, it is all very well to talk of our scheme, but somebody might say: Is not the opposition scheme just as good for the province of Ontario? In my opinion, very far from it. What is the opposition scheme? In the first place to extend the Intercolonial to Georgian Bay. By what? By the purchase of the Canada Atlantic Railway. It is true, they say, they might build another line, but since they are so opposed to paralleling lines already existing, we cannot believe they would do anything like that. We must imagine that they would buy the Canada Atlantic Railway to reach the Georgian Bay ports. But we have that already. What improvement is there going to be for Ontario by that

scheme? Millions of money poured out, $15,000,000 or $20,000,000, and not a spade put into the ground, no labour for our people, no increased markets for our farmers, no increased markets for our manufacturers who have to supply that line, nothing so far, but some millions spent. They will perhaps build a spur line up to Sudbury, 100 miles or so, but what is that going to do to open up the country? A mere bagatelle. What expenditure are they going to make in the way of employing labour? A mere bagatelle. Then they proposed to buy last year—I have heard less of that scheme this session, I fear it is on its way to that scrap heap of which the leader of the opposition has spoken so frequently—they proposed to buy the very worst section of the Canadian Pacific Railway at an expenditure of millions upon millions of dollars. Not one bit of labour in that for Ontario, not one bit of extra money in that scheme for our people. What a grand thing for Ontario! Not another acre of land opened up, not a single tree more available for the use of commerce, not a mine a single mile nearer to the centres of commerce. That is their scheme so far as Fort William. Then they proposed to improve the grades on one or both the existing railways, the Canadian Pacific Railway and the Canadian Northern. Well, that will scatter a little bit of money, but what further development is it going to make? How is it going to broaden that link between the fertile west of Canada and the fertile east? These gentlemen wish to condemn Canada for ever to retain the attenuated waist of a wasp. Sir, I will be no party to any such proposition as that. As the Minister of Customs said last year, we have a line there now, a steel belt which is almost dropping over the cliffs of Lake Superior.

I might also consider this railway from the military point of view. The scheme of the opposition would leave us with a line easily pierced and broken at many places, whereas our line will be well into the interior and not open to attack. So, Mr. Speaker, the opposition are offering us—well, I had almost said, to use a slang phrase, a gold brick. This is what they are offering to the great province of Ontario with its 126,000,000 acres of land and its two and a quarter millions of people. Sir, I can well forgive the leader of the opposition for making a proposition of that kind. He is a new comer to this part of the country. But it is a wonder to me he can control gentlemen sitting at his back, strong in number but weak in heart, who decline to rise and say a word for their province. They must see the point I am making, for my intelligence is not greater than theirs, perhaps not as great. Yet because of party exigencies they sit there dumb as oysters, never raising their voice against the scheme of the leader of the opposition which means little or nothing at all to the province of Ontario as compared with the scheme that we propose.

But, Mr. Speaker, there is after all some little hope for the province of Ontario—I would not be unfair with hon. gentlemen opposite—there is some hope for us. The leader of the opposition says: After I have spent all these other millions, after I have bought a fleet on the great lakes, after I have fixed up the terminals, after I have built elevators for the farmers in the Northwest, after I have done all this at the expense of perhaps $200,000,000, then I will send out some exploring parties, and if they find that there is a lot of good territory there I will give you a colonization road by which you can bring tan bark down to the older settled sections of the province. Mr. Speaker, no tan bark line for me. We do not believe a line of that character could be a success standing by itself. We want to add local traffic to the through traffic to make a success of the line. Divorce the one from the other and the chances are that you will fall between the two stools, and make a success of neither one project or the other. We are not content to accept that offer, speaking for the province of Ontario. After our treasury is depleted, after our debt has grown mountains high, when the people are frightened at the obligations Canada has incurred because of his scheme, why, then we will spend a few millions he says. But when? To-morrow, to-morrow, to-morrow, not at present but in the dim future, years and years hence. It would take years to complete this transcontinental scheme, and at the end of that time we will get this cheap road running through the north part of Ontario. My remarks with regard to the province of Ontario have just the same application with regard to the province of Quebec. So much for that.

I have just a few words more to say, and they will be in criticism of that delightful omnibus proposition yclept resolution with which the leader of the opposition wound up, what I freely admit was a very able speech. It reminds me of a placard in a restaurant: 'If there is anything you want which you do not see, ask for it.' I really believe that the hon. gentleman intended to leave nothing out, and so he has made a general invitation to the boys, and says to them, 'If there is anything in your section of the country that you want, why, read my resolution and you will find it. It will help you through the elections. Now what are some of these resolutions? They are very amusing. Here is subsection (a):

To develop and extend the government system of railways, and to free the management thereof from party political control or interference.

The Minister of the Interior dealt ably with that clause. We can point out that these gentlemen opposed tooth and nail

the extension of the Intercolonial to Montreal which was the first step towards the extension of the government railway. I do think that their demand for freedom from political control is one of the richest things that I have heard of. Why, Sir, when we call to mind the way in which the hon. gentlemen opposite handled the Intercolonial in the days when they had political control of it, when we remember the extreme earnestness with which they hauled the Conservative voters to the polls for nothing, and the laxity which they displayed in hauling the commerce of the country for something, when we remember these things, we cannot but believe that this resolution is a Tory wolf masquerading in sheep's clothing. We are irresistibly reminded of the old saying :

'When the Devil was sick the Devil a Saint would be
When the Devil was well, the Devil a Saint was he.'

To secure absolute and thorough control of rates and traffic facilities in return for reasonable public aid to railway construction or improvement.

We are securing that control of rates in our plan and I shall not discuss that further.

To improve and extend our canal system, to develop our lake and river routes, and to equip thoroughly our national ports on the great lakes, the St. Lawrence and the sea-boards.

This is an extension of the language that was used last year. Then it was to be a development of our ports on the Atlantic but there are several more constituencies on the Pacific coast now and this is extended to both our sea-boards. We have been developing the ports of Canada, both coast and inland, we have been developing the lake and river system in this country of late years. The government has spent $40,000,000 for the extension of our system of water transportation. There is nothing new in this plank of the resolution at all. Then we are—

To perfect a system of elevator warehousing and terminal facilities.

Are we not spending large sums of money on terminal facilities and improving the harbours on both the inland and coast waters ? If you look at the public accounts you will see whether we are or are not developing the waterways and when we do try to develop and improve the avenues of commerce we are met with cries of : Behold the Ottawa prodigals, spending the people's money in millions. That is the kind of talk we hear from hon. gentlemen opposite, but they say that when they get a chance they are going to develop our national avenues of trade. We are—

To secure under government control and direction, or where expedient under government ownership, common haulage or running facilities where one railway can usefully accommodate several systems, and thus to ensure to the public service more economical carriage and efficient service.

'Where one railway can usefully accommodate several systems ?' We were the very men who initiated that policy during the last session ; we were going to make a common avenue of commerce over the eastern section and hon. gentlemen opposite and the hon. the ex-Minister of Railways and Canals (Mr. A. G. Blair) laughed about the whole thing and said : 'How impossible that is,' until the ex-Minister of Railways and Canals (Mr. Blair) and the ex-Minister of Railways and Canals who represents South Lanark (Mr. Haggart) were informed by two different members of this House that that system was already in operation in one portion of Ontario over 200 miles, with a terminal point and change of engines at St. Thomas, and also in the maritime provinces between St. John and Halifax. The hon. gentlemen are quite too late to introduce a system that would give haulage rights over one of our railways; the introduction of that system to this country has already taken place.

Then we find four resolutions just towards the end.

1. The immediate construction and control by the Dominion of such lines of railway in the west to the Pacific as the enormous importance and increasing development of the great western country require.

The hon. Minister of the Interior (Mr. Sifton), dealt ably with that, and more than ably, he dealt with it honestly as well. He nailed his colours to the mast and said : I am not going to be a party to any provision that binds us to build practically untold railways in this country. He said in effect : This is extremely good political bait, but I have never yet been elected by cajoling the people and I shall not attempt to do so now. That clause about the construction of such lines of railway in the west as the increasing development of the western country requires is very sweeping. We know what a man thinks who lives a few miles from a railway, as to the necessity of railway construction in his neighbourhood. Imagine the political wire pulling that will produce and also its extremely good service for election purposes. Then we are to have—

2. The extension of the Intercolonial Railway to the Georgian Bay and thence to Winnipeg, and the extension and improvement in the province of Quebec and in the maritime provinces of the government system of railways.

These provinces must be compensated for the change in our plan by the opposition. A great deal has been taken away from them and so it is, as in the case of the new road in Ontario, that there is to be an extension down there of everything they may require

Then there is to be—

3. The development and improvement of our canals and inland waterways, and the thorough and efficient equipment of our national ports and terminals on the Atlantic and Pacific as well as on the St. Lawrence and on the great lakes.

We are also to have—

4. The thorough examination, exploration and survey of the country between Quebec and Winnipeg, with a view to the future construction of such lines of railway as may be found in the public interest.

With that I have already dealt. I have laid particular stress in my remarks on what this scheme means to Ontario, speaking as a representative of that province. I have also tried to lay particular stress on what the alternative system of the opposition means to this great province of Ontario. I have expressed surprise, which is honest surprise, that Ontario is to get so little under the scheme proposed by hon. gentlemen opposite, and so much under ours. I wish, in conclusion, to say in all sincerity, that I thank Heaven that hon. gentlemen opposite have not that political control which would enable them to implement their folly.

Mr. M. K. RICHARDSON (South Grey). Mr. Speaker, I shall not be able to take the same flights of fancy as the hon. gentleman who has just resumed his seat (Mr. A. T. Thompson) has taken. My imagination does not lend me wings for such high flights as those in which he has indulged to-night. Listening to him we might imagine that all the great works that have been initiated and carried on in this country have been the work of the party to which he belongs. But when we come to look into them, the hon, gentleman cannot name any one great policy or great national work that has been initiated and carried into effect by his party. It is true that they have to some extent carried out some of the works initiated by the late government. They point to the deepening of the canals, the building of other canals and other large works and then they come and tell us: See what we have done; see the wonders we have achieved in this country. It was only the other day that the right hon. leader of the government (Sir Wilfrid Laurier) expressed himself as being somewhat ashamed of some of the pessimists among our public men who talked about the future of the great west, when our party projected the great national work of building the Canadian Pacific Railway. They denounced it and said everything they could to discredit the enterprise, but now to-day they would like to claim it as one of their own great works. I shall not then be able to take such airy flights of eloquence as the late speaker has done. We might suppose in listening to him that he had discovered the great and wonderful secret of national success. It only means the we should plunge recklessly into debt, into a great enterprise involving $150,000,000 or $170,000,000, without any hope of return, possibly in a lifetime, in order to secure ten years of prosperity to this country. If this is to bring such untold prosperity to every part of this country and to the people in every rank of life, why should we not initiate half a dozen such enterprises and be as wealthy as we possibly can. The hon. gentleman (Mr. A. T. Thompson) in opening his speech, claimed that the preceding speaker, (Mr. Jabel Robinson) had denounced the policy of the leader of the opposition (Mr. R. L. Borden). This was an injustice to the hon. gentleman (Mr. Jabel Robinson). The hon. member for West Elgin, when speaking, certainly did not denounce the policy advocated by the leader of the opposition, but the policy of the government which he denounced as being discreditable to them, and one which placed them in a position that was very unenviable.

I would remark that the general tone of the present discussion on the other side of the House is very different to what it was when this matter was before the House a few months ago. There was in the speech of the hon. gentleman who has just resumed his seat (Mr. A. T. Thompson) a somewhat happy and optimistic spirit. He has brought to his service that martial spirit that would make him do and dare everything. No other speaker has dared to drag out the old bugaboo, the removal of the bonding privileges except himself.

The Prime Minister presented his amended Bill this session, in a very different tone from that which characterized him when he introduced the Bill last session. Last session he was buoyant, hopeful and jaunty; we could almost fancy that he believed himself that we were going to have a great transcontinental railroad running from tidal water to tidal water, and from dizzy heights we could almost see a wonderful transformation coming over Canada as a result of the building of this railway. Then, he told us that the great redeeming feature of it was, that it would be so cheap; it was only to cost us $13,000,000 according to his statement (Hansard 1903, p. 7695). How does that agree with the statement of the hon. member from Haldimand to-night, when after clipping off all he possibly could, and allowing his imagination to take flight in this respect as in others, his lowest possible estimate was that this railroad would cost the country $84,944,000. Imagine that, as compared with the Prime Minister's estimate of $13,000,000. But the Minister of Finance is determined to go the Prime Minister one better, and by some legerdemain of figures, he found that the cost would be reduced to $8,000,000 or $9,000,000. I should not go into any estimate to-night on my own account, as to what that railroad will cost us. I shall simply take the calculation of a man who is accredited by the Prime Min-

ister himself as one supposed to speak authoritatively on a question of that sort: a man whom the Prime Minister has placed at the head of the railway commission of Canada. But first, let me point out when the Prime Minister introduced this amendment the other day, there was a tone of sadness in his speech; the buoyancy which marked him last session was absent. The countenances of the ministers surrounding him were an interesting study, as the Prime Minister made his great apology for the wonderful back down which his government were forced to confess. The face of his lieutenant, the Minister of Finance, was a picture of dejection and sorrow; the expression on the countenance of the Minister of Customs seemed more befitting a funeral than anything else; the always smiling features of the Minister of Justice, who seems always ready for a joke, were invisible, because they were hidden under his hat. The benign face of the Minister of Agriculture lost its usual expression of benignity and was sicklied oer with the pale cast of thought. You would expect to find in the faces of men like my friend Colonel Thompson and the Minister of Militia, an expression of bravery, but they looked like military men who were surrendering their colours in a capitulation. And Mr. Speaker, the government might have had a very different presentation of their case to make, had they conducted their negotiations with the Grand Trunk Company in the interests of the country. Had the Prime Minister made a statement something to this effect: Last year we made an agreement with the accredited representatives of the Grand Trunk Company for the building of a transcontinental railroad, and we stood by our agreement and we refused to accept any amendments whether good or bad, because that agreement was final; we passed a Bill through parliament and sent it to the Grand Trunk Company to finally close the deal, but they deliberately opened up the question, and they were ready to reject our contract, or such portions of it as did not suit them; they said that they wanted this change and that change made in it, but we rejected all these changes and told them they must accept it as it is, or not at all; we were not dependent upon the Grand Trunk or any other company to build a transcontinental road for Canada; we were able to build that road ourselves, and if the road has to be financed upon Canadian cash and Canadian credit, there is no reason why we should not build and own and operate the road, and we were prepared to do so; we told the Grand Trunk that we had made them an excellent proposition, and if they did not agree to it they need not, for we could easily find another company to take the contract, or if necessary we could build and operate the road ourselves—had the Prime Minister made such a statement to this House; hed he been able to stand upon such a pedestal of dignity, one which the personality of the Prime Minister would certainly have graced, the applause from both sides of this House would have raised the rafters, and be re-echoed in every hut and hall throughout the country. But unfortunately the Prime Minister appeared before us this session in a decidedly apologetic manner which produced the sad feelings in the ministers and their supporters, which I have referred to. I believe that the government lost a great opportunity; an opportunity greater than which rarely presents itself to any political party. Had the Prime Minister and his government conducted their negotiations in the true spirit of Canadian national sentiment, it would have evoked the feelings in our young people, that we have the ability and power and force to carry out any enterprise of this kind ourselves.

The Prime Minister opened his speech with some remarks about the great importance of the transportation problem.

We are all agreed as to its importance and in acknowledging the difficulties and complexities of this work. We agree that it is one of the most important problems which can be brought under the consideration of this House. The statement that the construction of a transcontinental railroad is one of the most paramount importance is open to question. But there are other matters connected with the transportation question which perhaps more urgently demand the immediate action of the government than the building of a transcontinental railway. Among these is the improvement of our harbours and outlets to the ocean, thus reducing the dangers of navigation to the lowest possible limits, and in that way bringing about a reduction in the cost of insurance to our shippers. This is a matter to which I presume the government are giving some attention; and then, if we cannot get better rates of insurance in Great Britain, we would be warranted in divising some means of carrying our own insurance—if necessary, establishing a Canadian Lloyds—and thus ensuring to the shippers and producers of this country of a fair competitive rate with that given to vessels sailing from ports in the United States. Then, there is the question of enlarging and deepening our canals, which is another important element in the transportation problem.

The idea of a transcontinental railway, if there is any merit in it, is not one which the government can claim the credit of initiating. The building of this railway was proposed to the government by the Grand Trunk Railway Company themselves. The idea is not one that sprang out of our necessities. It did not arise from the lack of railroad communications either east or west. Neither was it a political and national necessity, like the construction of the Intercolonial or the Canadian Pacific Railway. A comparison of the Grand Trunk Pacific with either of these

railroads would be altogether unfair, in the light of the conditions as they exist to-day. The building of the Canadian Pacific Railway was a magnificent enterprise, caused by the necessity of bringing into the confederation the province of British Columbia. In that case we had to face some comparatively unknown difficulties, and we were perhaps warranted in doing so. But, we had some courageous men who were willing to risk all they had to carry that project through, and everything the government did in that direction has been fully warranted by the results. The building of the Intercolonial Railway, too, was one of the political necessities which arose out of confederation. So that the construction of neither of these roads is at all on a parity with the construction of a transcontinental railroad to-day.

The danger of the abrogation of the bonding privilege, of which so much was made last year, is not mentioned to-day. No one has dared to bring it out of the dark except the gallant colonel from Haldimand, in the speech which he has just delivered. There was never any real danger in that direction; it was not a real factor in the problem, but was merely a bugaboo which we thought had disappeared, and disappeared for ever. It was generally expected that the Grand Trunk Railway Company would want access to our great west. The development of the great wheat-growing belt in our western territory has been a revelation, not only to ourselves but to the world. We have one of the grandest and richest territories of that character which is perhaps to be found in the known world to-day. But it is not being neglected in the matter of railroad accommodation. The complaints of congestion last year were not due to any lack in that respect. Only last session we subsidized over 700 miles of railroad in the great Northwest, and there are at present under construction or under contract, I believe, double that extent of railway in the west. The trouble was not the lack of railroad accommodation, but the lack of sufficient equipment of the railways that do exist for an abnormally large harvest. But these difficulties are being got over every day, the large demand for rolling stock increased the facilities for supply.

But let us look for a moment at the proposition of the Grand Trunk Railway Company. They asked for a charter to build a railway from their own system at North Bay into the west, and possibly through the Rocky Mountains to the coast. What would that have involved in cost under ordinary circumstances if a charter had been granted ? For a distance of say 2,400 miles, with the usual grant of $6,400 per mile which is given to railroads, it would have involved a cost to this country of possibly $15,000,000. But with the provision which has been made for the Grand Trunk or other railroads wanting access to the west to obtain it over the railroads that already exist or have been chartered, there would have been no need of subsidizing that railroad into prairie country to the extent of one dollar ; because railroads are so easily and cheaply built there, that they at once become remunerative from the traffic which they themselves create. It would have been necessary only to provide a subsidy for that portion of the railway through the mountains of the coast. That subsidy would only have amounted to something less than $10,000,000—between $9,000,000 and $10,000,000—so that we would have practically another transcontinental line for less than one-tenth, perhaps only one-fifteenth, of what the present system is likely to cost if carried through on the present basis.

We were told that there was another proposition made by Sir Charles Rivers-Wilson, but that the government would not entertain it. We were told that the government positively refused to give a charter, unless the Grand Trunk Railway would agree to build from tidal water to tidal water. But where was the need for an expensive enterprise of that character. It would appear as if the government had got into a maelstrom of opposing influences, and that, strong as it may be in its numerical majority in this House, it was unable to grapple with the conflicting influences brought to bear upon it. Of that there is abundant evidence, and the result is this scheme, which becomes more monstrous in the public opinion the more it comes under the appreciation of thinking men. The government have allowed a scheme to be forced upon them, which is likely to load the country up with obligations amounting to from $150,000,000 to $170,000,000, when they might have brought down a scheme which would not have cost the country more than nine and a half millions dollars. Perhaps not the least embarrassing feature in the position of the government is the defection of some of its leading members, particularly the hon. Mr. Blair, whom the right hon. leader of the House considers the best railway authority in the country and whom he has placed at the head of the Railway Commission. As I shall have to quote the opinions of Mr. Blair, I should like first to cite what the right hon. leader of the House has said with regard to him, so that we may know what weight we should attach to his opinions. The right hon. gentleman said :

> There is no man in Canada better qualified and more competent to discharge the duties of the office to which we have called him. I recognize him as a man of great ability, of great talent, and I have no hesitation in saying that you cannot find in Canada any one better endowed than Mr. Blair to be the chairman of the Railway Commission.

Let us now see what is Mr. Blair's opinion on this scheme as submitted last session and which has not been at all improved

by the changes submitted to us. Speaking of the construction of the eastern portion of this railway, Mr. Blair said :

So far as the construction of the Quebec portion is concerned, I would heartily favour its construction by the government, I would heartily favour its operation by the government, provided they had taken these proper precautionary steps, which, however, they have not taken. My quarrel with the government so far as this portion of the undertaking is concerned, rests almost entirely upon the consideration that they are plunging headlong into this thing, in a most unwise, injudicious, and unbusinesslike way, when by a little pause, by a year or two of delay to get information, we might be put in possession of facts which would justify us in proceeding.

When last year the absence of accurate knowledge of the country, through which it is proposed to build the eastern section, was pointed out, the right hon. gentleman said that he had mountains of information on the matter. Well, not a fraction of all this information has been brought to the notice of the House. The only thing we have had is an opinion cited by the right hon. gentleman the other day, given 200 years ago by a Jesuit missionary, who travelled through a small portion of the country, and gave a somewhat highly coloured picture of it. In using the expression 'highly coloured,' I do not mean to imply that the missionary stated anything which he did not believe to be absolutely correct, but it is evident that he did not go through that country with the critical eye of an engineer, and with the view of ascertaining whether it was suitable for railway construction. In fact, no one can seriously say that it is not practically an unknown country to-day, and it certainly would have been the part of common sense for the government, in the first place, before submitting their proposition, to have had accurate surveys made, so that they could lay something before the House on which we could reasonably rely. But instead of this, they are asking us to go blindly into this scheme, which will involve the country in an enormous expenditure and possibly turn out an utter failure. I shall ask permission of the House to quote again from Mr. Blair. On page 8425 of last year's 'Hansard,' I find him reported as having said :

But as you are going now, as you are plunging into it, you may possibly plunge into what is going to be a disaster. I cannot say ; no man can say that that country is not of abounding fertility. No man can say that that country will not afford the amplest amount of traffic. No man can say that it is not rich in all the varied resources which distinguish other portions of Canada. No man can say that there would not be a mint of money made by any company that would operate a railway through that country. But the fact of the matter is, that we know nothing about it. We have no information about it. The government is not in possession of any information about it, or at all events if they are I have never known of it and they have not put this House in possession of it. And if it be that this country is not a fertile country. If it be that there is no local support for a railway ; if it be that settlement cannot be successfully invited into the country ; if it be that the rest of Canada will fill up with settlement before settlement will go into it ; if there is nothing but pulp wood in that country which will not be hauled out until after all the pulp wood which is handier to the market is taken away from the other vast areas of Canada in which it is to be found ; if there is no lumber there except the lumber that would enter into competition with the lumber of British Columbia which is much handier to get and better in quality ; if that is all the business that a railway can take out of that country, what a calamitous plunge this government and this parliament would be taking in lending support to this scheme.

This is the opinion of a gentleman whom the right hon. the First Minister describes as the greatest railway expert in the country. Let us see further Mr. Blair's opinion on the government scheme. At page 8431 of last year's 'Hansard,' I find he spoke as follows :

Therefore, I feel as though I am bound to say that it is perfect moonshine, it is misleading the people of this country, to try to make them suppose that they are to have a grand transcontinental highway at their disposal, to be used in common in the way this Bill declares and this contract contemplates.

This is in criticism of the government's proposition for a great transcontinental highway, the running of which is based upon the theory that a railway train can start its journey at Halifax and continue right across the continent until it reaches the tidal waters of the Pacific, manned by the same crew, hauled by the same engine and under the same management and control. Mr. Blair pricks that bubble when he asks : Where are they to stop at night ? Where are they to find provisions ? Where are they to find supplies for their engines and to have repairs made, if necessary. He said the proposition was simply moonshine. Yet this government comes before us—and it is heralded as a business government—and makes a proposition involving such manifest blunders that even a tyro in railroad management would not fall into them. I shall quote a little further from Mr. Blair, because he is the accredited expert of the government, and no man in Canada, according to the Prime Minister, is better qualified to give an opinion on matters of this kind :

I want to ask is there any dark cloud overshadowing us that the ratification of this contract will immediately lift. If there is, I do not know it. Is there a well-grounded fear that the Grand Trunk Railway Company will not allow us, two or three years hence, to build and make them a present of this line, that they will not accept it ? Is there any well-grounded justification for that fear ? I think not. I think we will find them in just as receptive a frame of mind two or three years hence as that in which they are to-day. Is

there any congestion away up in this country which requires a railway to be built ? Is there any depression in business ? We hear about the employment of the toiling thousands in the workshops and fields of Canada. They are, happily, now all employed, but is that a reason why we should start now to build another railway ? I think not.

Mr. Blair makes it clear that there is no well-grounded justification for any such fear as there seems to have been an attempt to impress upon the country. It has been said that this road will only cost a small amount of money. But as the discussion has gone on the amount has grown from $8,000,000 to $9,000,000, to $10,000,000 to $13,000,000—the premier's estimate—and so on until we have the estimate by the last speaker at $84,900,000. There is a great difference between the estimate put upon the cost of this enterprise by previous speakers, including the Prime Minister and that of the government's accredited railway expert, the man best qualified, as they say, to give an opinion on matters of this kind. We all remember that Mr. Blair estimated the cost of the road at over $139,000,000. Compare that with the estimate of the Prime Minister, which was $13,000,000. And, with the changes that are now proposed, made at the instance of the Grand Trunk Railway, it is quite clear that the cost will not be less to the country, but greater. So that we may reasonably infer that if Mr. Blair were to estimate the cost to the country of this road under the contract now proposed, he would place it at not less than $150,000,000 to $155,000,000. When we consider this in contrast with the $8,000,000 or $9,000,000 first spoken of, we see that these former estimates are simply absurd and ridiculous. Now, at page 8441 of 'Hansard' Mr. Blair says :

> My hon. friend the leader of the opposition said the other night that we were reversing the policy which we had pursued during all these years. I go further ; I say we are doing more ; we are condemning that policy. We are not only condemning it, but we are writing our own condemnation in letters which will never be obliterated. We are saying that we did not know what we were doing—that we did not care what we were doing. It suits our purpose now to destroy entirely what we have done, and to belittle all that has been the result of our past policy. That is what is being proposed in this policy to-day. I protest against it. I think I can show this House that a little thought and consideration would have led to the staying of the hands of my colleagues who were determined that this thing should be carried out.

Mark his words, 'we are writing our own condemnation.' Is it not plain that the government to-day, in endorsing Mr. Blair and accrediting him as being better fitted than any other man in Canada to express a judgment in matters of this kind, condemns its own policy on this question. And if the scheme was to be condemned last year, much more is it to be condemned this year with the changes that have been made, which make it far worse for the country. I have only another quotation from the Hon. Mr. Blair. At page 8445 of 'Hansard' we find the following :

> This proposal is absolutely unjustifiable, and the people of this country will not stand it. Not all the influence which the Grand Trunk Pacific Railway can bring to bear upon the electorate will justify the outrage proposed to be perpetrated. The new line will have heavy grades and besides will go through an unsettled country and we know how important an element local traffic is to a railway.

Mr. Blair has not expressed any different opinion on this subject up to the present. It is true that he has accepted a lucrative position from the government, and his mouth is shut ; but so far as we know he has not gone back on his record of last year. In his judgment this scheme was foolish and vicious last year, and it must be so still. I notice that last year there was a marked tone of confidence on the part of the ministers when discussing this question, which is absent to-day. I recollect that when a proposition was made on this side of the House in the way of an amendment, which should have obtained fair consideration from the government side, the Minister of Finance, referring to the agreement, said :

> We are not much concerned as to what price the Grand Trunk Railway pays for the stock. That has been a subject of discussion, but I do not attach great importance to it. If the Grand Trunk Railway acquired that stock at a comparatively small sum and afterwards floated it on the market at a higher sum, that would be a proceeding which might be open to objection. But the Grand Trunk Company must not only take this stock, but hold it for all time ; they cannot put a dollar of it in the market. It is absolutely impossible to buy a share of that stock ; it must be held by the Grand Trunk Railway Company itself and no person can buy or sell a share.

What is their position on that subject to-day ? They have abandoned that ground entirely. The Grand Trunk can take that stock which has been allotted to them some $25,000,000, and dispose of the whole of it so long as they retain the voting power upon the shares sold. They only have to hold enough to guarantee them a controlling interest, a voting interest in the road. So long as it had no market value as a purchaseable commodity which they can turn into money, there was no danger of holding it. But now the government proposes absolutely to release $12,000,000 to the railway company to do what they like with it, to release the whole of it except that the Grand Trunk shall hold the voting power on at least $13,000,000 of that stock. By this means they can convert it all into money, they can sell $25,000,000 of stock and use the proceeds as they like. The government wishes to create a few more millionaires, and to widen the gulf that exists in Canada to-day between the privileged few and

the toiling many. The few become wealthy not by their own labour, but out of the advantages which they get from the government grafts of this kind. Another point they have abandoned. Let me quote again from the Finance Minister. Speaking of the western end of this road he said :

We do not guarantee the cost of that road. We do not pay for that road, as some seem to imply ; we do not guarantee the cost of that road. We do not even guarantee a portion without limit. With respect to the western division, we guarantee three-quarters of the cost, not exceeding a certain sum. Our guarantee, not the cost of the road but our guarantee—is limited to $13,000 per mile on the prairie section and $30,000 per mile on the mountain section.

How does that agreement stand to-day ? All gone to the winds, no limitation to the cost at all in the mountain section. They may spend $30,000, $40,000 or $50,000 per mile, and the country has to pay three-quarters of the cost, whatever it may be. He goes on to say :

If the road costs less than the figures on which these guarantees are based, we only guarantee three-quarters of that cost, but if the road cost more—and some hon. gentlemen argue that it will be very expensive—we do not increase our proportion, but the company must provide the increased cost without limit so that the road may be finished. The Grand Trunk Pacific agrees to do these things.

The question was raised last year, What if the Grand Trunk should not carry out this provision ? The Finance Minister says in so many words : We have them bound hard and fast, and we will find means to compel them to carry out their agreement. That is not their position to-day. When amendments were proposed from this side of the House, the Finance Minister assumed the attitude of a great financier pictured by Shakespeare, in the Merchant of Venice, who asked : 'Is it so nominated in the bond ? I cannot find it.' Not being in the bond, there can be no alteration, we cannot admit the amendment, whether it has any merit or not. That was the position taken last year. They come before this parliament to-day, forced by a company of British capitalists, because we find that the president of that company, in discussing this matter, said that they had 'driven the government of Canada. There may be nothing in that expression, or their may be much in it. If any member of Congress of the United States had made use of that expression, that they had driven the Canadian government into any position, why this country would resent the language, and we would hear it throughout the length and breadth of the land. But here is a small company of British capitalists whose presidents says that they have forced the government of Canada Fortunately, Mr. Speaker, they have not forced the people of Canada into any position of this kind. I think it is not a very dignified position for the government to take. The needs of the western territory are being well and generously met. Over 700 miles of railway were subsidized by this parliament last year, and I believe double that length of road is under contract or under construction. The plea, therefore that this road was necessary to relieve existing congestion, which was put forward last year, falls to the ground.

Now, we may note, in passing, that there is such a thing as going too fast in building railroads, even in good territory, if that territory is unsettled and is liable to remain so for years. We have railroads subsidized by this country throughout that Northwest Territory, in districts which are so far unsettled, but which are capable of maintaining four or five millions of people. I do not think it is wise to plant scattered settlements hundreds of miles apart. It is a wasteful policy, it is one which does not innure to the well-being of the people who are so settled. They are at a disadvantage in their municipal government, in the construction of roads, in building schools and churches, and in providing for social requirements. I think it would be far wiser to build railroads only in regions which are already at least partially settled.

But whatever objection there may be to building more railroads in the west, we may fairly say that there is no need of subsidizing railroads into the most fertile wheat belt in the world.

Another Pacific port may be necessary in the future, but it is not an immediate necessity. We are now building up one or two ports on the Pacific ; Vancouver is but a city of yesterday, rapidly building up and there is no immediate need for another Pacific port. Ten, fifteen, twenty, or twenty-five years hence will be time enough to enter upon the consideration of that question so far as the necessity is concerned. Looking for a moment at the construction of the eastern end of the road, there are many objections, but the chief is the undertaking to build a railway through a territory that is entirely unexplored, without the necessary surveys, and without the knowledge which is so absolutely necessary regarding the climate, temperature and productions of the country, or the knowledge of weather, in the case of the railway being built, there will ever be any local traffic to support it. The mountains of information about which we heard last session apparently do not apply to this section and we know very little about it beyond the little item of information to which I have referred, given in the memoirs of a missionary who was there some 200 years ago. It would seem that the Grand Trunk Railway Company have found the government of Canada a very easy combination to work, that having met them in the first place the government wished to have their say as to the character of the road, but that the Grand Trunk undertook to demand everything and ap-

parently got everything they wanted. The Grand Trunk would seem to be very much in the position of the disappointed Jew trader who having got all he asked for an article, soliloquized: I was a big fool; I got all I asked, I might just as well have got more. So they ask for more and this blind government, having given them all they asked, apparently came to them and said: Is there anything more you want? Apparently they were ready to give the country away. How is it that a company has got such influence over the government? It is humiliating to this country. I have nothing against the Grand Trunk as a company, I know it has been said that they have not done a great deal for this country and have made some very great losses in Canada in connection with the expenditure of their money, but Canada is not responsible for the losses which they have made in the early building of their road. There are men living to-day who can testify that more extravagant methods were never employed in the building of a railway in any country in the world than by the Grand Trunk Railway Company. It was no wonder they lost money; it was no wonder that they did not for years pay any dividend, and it may be that even up to the present they would not have been able to pay any more dividends than they did in their earlier years if it had not been that they were compelled to abandon their old methods to get over their old insular belief that they knew everything about railways, and to adopt western methods and employ the skill of western men. They are now in a better position, but they have attained it only by abandoning the old methods by which they lost money in this country.

We hear a whisper going through this country; it is more than a whisper now, in favour of the government ownership of the great franchises of this country, of government ownership of our railways, telegraph system, telephone system and of municipal ownership of the various franchises under the control of the municipal governments. It is more than a murmur, it is now loud enough to be heard by every ear, and is growing so continuously that it may soon speak to the people of this country in tones of thunder. We have already had enough of government by corporations and trusts, which minister to the aggregation of wealth in the hands of a few and tend to widen the great gulf between the privileged few and the struggling toiling many. We want these franchises operated for the benefit of the people. We want every cent of profit above the cost of operating to go to the cheapening of transportation. Why should we allow our country to be exploited in order to swell the coffers of either British or American millionaires or of the wealthy few in our own country? More than that, by bringing in foreign companies to operate these franchises we put out of reach of the young men of this country positions of trust and responsibility which they might fill. We find that Canada has produced men and women who have forged their way into the foremost rank in other countries in science, in art, in enterprises of every kind. When a British general wanted to overcome the difficulties incident to ascending the Nile where did he apply for men who would be able to overcome these difficulties, but to Canada? And he got the kind of men required and they overcame the obstacles. When Lord Kitchener wanted a railway to carry his army into the Soudan, where did he find an engineer able to handle an enterprise of that kind so that it would be carried on coincidently with the march of his army? It was a Canadian whom he employed. We find Canadians in every walk of life, in every civilized country to-day, who are forging their way to the front rank of progress and of enterprise. Why should we, in placing our great franchises in the hands of foreign capitalists, throw obstacles in the way of the ambition and hopes of the enterprise of the youth of this country. Why should we not have Canadians filling those positions which they can fill with credit to themselves? There is nothing to prevent Mr. Hays, capable manager as he is, from bringing every trusted employee he wants on this great transcontinental railway from the United States and leaving our own capable men, in the background. This is what we would expect from a man who has some love for his country, that he would give his countrymen a preference. We should give opening for the ambitions and aspirations of the young men of our country.

Let me say in conclusion that I favour the government ownership of the great franchises of this country. It is coming, it is in the air, it is something that we hear every week. Only the other day the great city of Chicago undertook municipal ownership of the great franchises of that city believing that whatever it may cost in the meantime, it will be in the ultimate interest of the city to own their own franchises. I believe that the sooner we take a forward step the better for the progress and happiness of the country at large. Whatever may be the outcome of this enterprise, whether the government will still persist in carrying it through, whether in this humiliating position they will still be determined to carry out the enterprise, let it cost what it may to Canada, I believe that if it is carried out, the cost will be greater than any of those the estimates which have been made. The maximum cost has not yet been reached; it may be and is likely to be not less than $200,000,000 and possibly more than that.

I referred just now to the funeral aspect of the countenances of the ministers when

the Prime Minister introduced the measure this session. The face of the Postmaster General (Sir William Mulock) seemed to bear a more puzzled expression than that of the others. He appeared to be in a soliloquy as to whether it would not be necessary to issue a new postage stamp to commemorate this great event in the history of Canada. If he should decide to do so I would suggest to him that he should print a map of Canada on the stamp with a blue stroke across it indicating the line of railway and the motto: The greatest debt there has been. Or, perhaps a more appropriate motto would be: A vaster blunder than has ever been.

Mr. GEORGE TAYLOR. I wish to say a few words on this question, but I was up nearly all night getting here, and I beg to move the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Mr. Fielding, House adjourned at 10 p.m.

HOUSE OF COMMONS.

TUESDAY, April 12, 1904.

The SPEAKER took the Chair at Three o'clock.

REPORT PRESENTED.

Annual Report of the Department of Railways and Canals for the year ended 30th of June, 1903.—Hon. H. R. Emmerson (Minister of Railways and Canals).

FIRST READINGS.

Bill (No. 40) respecting the Canada Southern Railway Company.—Mr. Ingram.

Bill (No. 41) to incorporate the Lièvre and Ottawa Railway Company.—Mr. C. Marcil.

Bill (No. 42) respecting the Sprague's Falls Manufacturing Company, Limited.—Mr. Gahong.

Bill (No. 43) respecting the Quebec and Lake Huron Railway Company.—Mr. Malouin—by Mr. Talbot.

Bill (No. 44) respecting the Berlin, Waterloo, Wellesley and Lake Huron Railway Company.—Mr. Clare—by Mr. Taylor.

Bill (No. 45) respecting the Home Bank of Canada.—Mr. Osler—by Mr. Taylor.

Bill (No. 46) to incorporate the Boundary, Kamloops and Cariboo Central Railway Company.—Mr. Galliher—by Mr. Calvert.

Bill (No. 47) respecting the Kootenay Central Railway Company.—Mr. Galliher—by Mr. Calvert.

Bill (No. 48) respecting the Nicola, Kamloops and Similkameen Coal and Railway Company.—Mr. Galliher—by Mr. Logan.

Bill (No. 49) respecting the James Bay Railway.—Mr. Davis—by Mr. Stewart.

Bill (No. 50) to incorporate the St. Maurice Valley Railway Company.—Mr. Bureau.

Bill (No. 51) to incorporate the Okotoks and High River Lumbering and Development Company.—Mr. Oliver—by Mr. Stewart.

REPORT ON THE YUKON CONCESSIONS.

Mr. R. L. BORDEN (Halifax). Before the Orders of the Day are called, I would like to ask the government whether any report has been received from the commissioners who were appointed to investigate certain concessions in the Yukon. If the report has not been received and is not likely to be received in the near future, I would suggest that the government might at least print the evidence that has been taken and submit it to the House, as that is something upon which the House will probably like to pass judgment, and possibly express an opinion, even in the absence of a report.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I will be able to answer my hon. friend to-morrow.

REPORT ON LABOUR TROUBLES IN BRITISH COLUMBIA.

Mr. R. L. BORDEN (Halifax). I would like to inquire at what date the report of the commission and the evidence taken before the commission appointed last session to inquire into certain labour difficulties in British Columbia, will be printed and placed before the House. I understand that this report and the accompanying evidence were received during the past session, and I would suppose that they might have been printed and placed upon the table of the House at the commencement of the present session. My hon. friend the Postmaster General said that they would be placed before the House some time during the present session. That is not a very satisfactory statement. They should have been placed on the table of the House and been in the possession of members from the beginning of the present session, certainly they should not be delayed any further. I do not know any possible reason why they have not been placed on the table or why they have not been printed.

Hon. Sir WILLIAM MULOCK (Postmaster General). The leader of the opposition misunderstood my answer yesterday. There was a question upon the order paper inquiring when the evidence would be laid upon the table. The report itself was printed and distributed last session. The evidence was very voluminous and could not

be printed during last session, but it was forwarded to the Printing Bureau many months ago, and we have not yet received it from the Printing Bureau. The delay is at the Printing Bureau. We have pressed for it, and the answer that I gave yesterday was given after the Department of Labour had made inquiry at the Printing Bureau.

COASTING TRADE ON THE PACIFIC.

Mr. R. L. BORDEN (Halifax). I would also inquire from the government whether it has, during the past few months, rescinded an Order in Council issued some time ago with respect to the free entry of Canadian goods carried by foreign vessels from ports in British Columbia to the Yukon, and whether, since the 1st of March, the original Order in Council has been restored. I am led to make this inquiry by reason of a report which I have seen in the 'Colonist' newspaper, under date of April 1st, 1904. If there has been any such Order in Council issued as I have referred to, may I ask that the government place both the rescinding Order in Council and that which restores the original order, upon the table of the House at the earliest convenient moment. If there has been any correspondence with regard to the rescinding of the original Order in Council or with regard to its restoration, I would think that also ought to be placed upon the table of the House, along with the two orders to which I have referrred.

Hon. WILLIAM PATERSON (Minister of Customs). I may say with reference to that matter that there was an Order in Council passed a few years ago which waived in a measure on the Pacific coast, our coasting arrangements, and American vessels were allowed to convey goods from one British port to another. Concessions were granted to us by the United States, and for that reason a concession was made to them. The port of Skagway was opened as a sub-port by the United States at our request. That arrangement has been in force, and there has been no question with reference to the right of American vessels to carry goods from a Canadian port via Skagway designed for Dawson. That arrangement also applied to goods carried by Skagway to Dawson by way of St. Michael. The practice has been, so far as the route by St. Michael is concerned, that the Department of Customs have renewed by instructions to officers from year to year the privilege granted to American vessels to carry freight between say, Vancouver or Victoria and Dawson by that route. These instructions were not issued until applied for in previous years, and when brought to the attention of the government, and a request made. The instructions renewing the privilege had not been issued, but when a request was made and the subject was considered, the privilege has been renewed, for the time being, by St. Michael as well as by Skagway. The privilege by way of Skagway has always been permitted and has not been interfered with in any way.

Mr. R. L. BORDEN. I am not at all familiar with the details or the merits of the question. All I would desire is that the recent Order in Council that has been issued should be laid upon the table of the House, along with any correspondence relating to it. I presume the Minister of Customs would have no objection to do that at an early date.

Mr. PATERSON. I have no objection.

FLOODS AT VERDUN.

Mr. F. D. MONK (Jacques Cartier). Mr. Speaker before we proceed with the government orders I would like to call the attention of the government to the disastrous floods which recently ruined a portion of the district around Montreal, more particularly the town of Verdun, in the county of Jacques Cartier, which I represent. The House is no doubt aware of the extensive floods which have taken place in the Montreal district but the inundation of the town of Verdun has taken place under peculiar circumstances. Ordinarily the town would not have been flooded at all, but the inundation was caused by the overflowing of the tail-race of the Montreal waterworks which flows to the north of the town of Verdun into the St. Lawrence over a territory which is under the control of the Montreal Harbour Board. No doubt at the time of the construction of this tail-race the harbour board, having complete control of that territory, permitted the city of Montreal to construct the tail-race and that construction was no doubt subject to certain conditions. In reality the tail-race was ill-constructed and the embankment on the Montreal side was nearly three feet higher than that on the south or Verdun side. The consequence was that when the river rose it backed up into the tail-race constructed over the territory of the Montreal Harbour Board and flowed entirely over the lower embankment inundating the town of Verdun to a depth of from six to twelve feet. Even at the present moment the water has receded very slightly on account of that embankment. It seems to me that under these circumstances the harbour board, which is under the control of the Dominion government, must to a certain extent be at fault. It was the duty, I deem it, of the harbour board, permission having been granted the city of Montreal to construct this tail-race to see that it was constructed with embankments suitable to protect the surrounding territory from floods. In this instance the damage has been very considerable; it is impossible to estimate it as the district is

still flooded, but I venture to say that it will considerably exceed the sum of $200,000. Under these circumstances I appeal to the government. It seems to me to be their duty to see to it that the harbour board, which is under its control so far as its works and its finances are concerned, insists upon the complete fulfilment of the terms and conditions upon which the city of Montreal was permitted to construct this tail-race, and that if these conditions have not been carried out they should be. If the accident is due to failure, on the part of those who constructed that tail-race, to construct it in a manner, which would have prevented the dreadful accident that has happened to the town of Verdun, then, by bringing pressure to bear on the harbour board it is possible for the government even now to remedy to a large extent the evil which has been done, because attention given to-day to this embankment by the proper authorities would cause the water to flow back into the river and the town of Verdun to be relieved from the present inundation.

One word more. The calamity is a very considerable one as the right hon. the Premier (Sir Wilfrid Laurier) is probably aware. Verdun is a suburb of Montreal which has been built up largely by the labouring classes, who have bought small pieces of land and built residences. The damage done to their small residences is very great indeed, and I think it would be the duty of the government if that inundation is not the result of purely natural causes, but is due to defective carrying out of works in the harbour of Montreal for which to a certain extent the harbour commissioners may be held responsible, that damage being so extensive, to consider the propriety of giving some assistance to the town of Verdun. We are told that the government had a very large surplus last year and will probably have one this year. A small proportion of that surplus might very well be applied to the relief of the people who have suffered from this sudden and great calamity.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister. I do not think my hon. friend (Mr. Monk) has rightly apprehended the position of the harbour commissioners of Montreal. It is not exactly in accordance with the facts to state that they are under the control of the government. The harbour commissioners of the city of Montreal are an absolutely independent body, composed, it is true, of certain nominees of the government but also of members elected by certain public bodies in that city. We have control over the harbour commissioners to this extent, that if we advance them money for public works we then retain the right of approving the plans. I do not think that the public works to which my hon. friend (Mr. Monk) referred, particularly to the embankment built some years ago, by the city of Montreal I believe, not by the harbour commissioners, but with their permission, are in that category. If I am correctly informed, this embankment was built before the time of the present government, some twelve or fifteen years ago. If I correctly apprehended what my hon. friend (Mr. Monk) said, the embankment was constructed by the city of Montreal with the approval of the harbour commissioners in order to protect the city of Montreal from the floods. I have always understood up to this year that this embankment had been very effective in securing this result, because for many years the city of Montreal has been free from the inundations which had been of almost annual occurrence before the construction of this embankment. This year, however, the inundation unfortunately seems to have been of a more heavy character than previously and the flood has overstepped the top of the bank and the embankment has prevented the water flowing back into the river, so that instead of being a protection, the embankment has become an obstacle to the natural flow of the water. I do not think that any liability rests upon the government in this matter. I do not think either that there is any liability upon the harbour commissioners, but as to that I will not express an opinion. If there is any liability at all it must be against the city of Montreal. But my hon. friend put the matter before us on another consideration. He has represented, and represented very truly, that the village of Verdun is composed of poor people, labourers and mechanics, chiefly, who have put all their savings in their houses. The damage which to a man in other circumstances would not be very material, is no doubt oppressive to them, and my hon. friend (Mr. Monk) rather appealed to the sympathy of the House for assistance. My hon. friend (Mr. Monk) knows that in doing this he raises a question which is not free from difficulties. Time and again we have been appealed to in this House to contribute to the assistance of men who had lost property not by water but by fire. Only in exceptional circumstances has parliament seen fit to come to the relief of sufferers in such cases. It was done when the disastrous fire took place in Ottawa in 1900. Although there was another fire later on and serious fires in different places last year, the government did not think it desirable to ask parliament for contributions because it was thought and rightly thought I believe, that the immediate help and relief which the parties needed could be secured from their own neighbourhood. However, my hon. friend (Mr. Monk) may rest assured that the government will give this matter the best consideration they can. More than this I do not think they would be justified in saying at this moment.

GRAND TRUNK PACIFIC RAILWAY.

The House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, 'That Mr. Speaker no now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904;' and the proposed motion of Mr. Borden (Halifax) in amendment thereto.

Mr. GEO. TAYLOR (South Leeds). Mr. Speaker; representing as I do one of the largest tax paying constituencies in the province of Ontario, I feel it my duty to protest, both by voice and vote, against the iniquitous proposition to build a transcontinental railway in partnership with the Grand Trunk Railway Company. This is a measure which if carried out—and I believe it will not be carried out, because before the government proceed very far they will be forced by the electorate of Canada to call a halt—but if it be carried out, it will increase the liability of the people of Canada to an amount equal to more than half the present national debt. The net debt of Canada is to-day about $268,000,000, and according to the most reliable figures that could be given to this House both by the late Minister of Railways (Mr. Blair) and by the leader of the opposition—and no one has attempted to controvert these figures—the building of this railway will impose upon Canada a liability amounting to somewhere between $150,000,000 and $170,000,000. Let me point out to the people of this country that this will involve a liability of $25 taxation upon every man, woman and child in the Dominion to-day; it will involve a tax of abount $125 on every family of five in the Dominion; it will involve a tax of about $150 on every voter in the Dominion; it will involve a liability of $800,000 for every rural constituency in the Dominion; it will involve a liability equal to about $100,000 on every township in the province of Ontario and the other provinces of the Dominion. I feel, Mr. Speaker, that I would not be fit to represent the taxpayers of the county of Leeds, if I allow this measure to pass without raising a protest on their behalf; a protest against this government placing such a liability of taxation on every inhabitant in this Dominion.

Let me ask each elector in Canada: how he would like to be called upon by this government to endorse the Grand Trunk Railway Company's note for $150, and that is practically what this measure means to every voter in the Dominion. Let me ask the head of every family in the Dominion how he would like to be called upon to endorse the Grand Trunk Railway Company's note for $125; let me ask the people of every township in Ontario, how they would like to have this government mortgage their municipality for $100,000 for the purpose of carrying out this scheme? And yet, Sir, that is what it means. It is true that the electors of these municipalities may never be called upon to pay this money. It is like the national debt, the principal will never be paid off, but every man in Canada will in future years have to reckon that he will pay a pretty stiff sum annually to meet the interest. The Prime Minister and his followers have stated that this measure was fully threshed out last session, and that there was no need to discuss it again. Why, Sir, the Bill that we discussed last session became law, and if it has not been carried out it is the fault of the Grand Trunk, and if the government did their duty, the fact that the Grand Trunk Company broke the agreement would impel them to relieve the country from the grievous burden which this contract casts upon it. The resolution now in your hands, Mr. Speaker, is a different matter entirely from the Bill we discussed here last year. This resolution not only revives the Act that was passed last session, but it modifies it, and modifies it very materially. The right hon. the Prime Minister has told us that the modifications are so trivial that they are hardly worth discussing. But what do the people representing the Grand Trunk say as to that? Let us look at what was said by the directors of the Grand Trunk Company to their shareholders in London, England, a few days ago. When the first agreement was entered into between the government and the Grand Trunk Railway, one of the directors, a Mr. Allen, tendered his resignation, and his action was discussed at the recent meeting of the Grand Trunk shareholders. It is true that we have seen in the newspapers, report of that meeting, but I hold in my hand a verbatim report of every word that was said there by the president of the Grand Trunk Railway, and by his directors. Some extracts have been read to the House already, but I feel it necessary to again quote from this lengthy report. Mr. Smithers, one of the directors, speaking in the presence of Sir Charles Rivers-Wilson, said:

> I wish to say, with all respect to Mr. Allen, that the statement which he puts forward to-day really relates to the agreement, or what he thought was the agreement when he left the board; but it does not relate to that agreement which we present to you to-day; that which we present to you to-day is a much more modified and a much more favourable agreement.

Here is the statement of the Grand Trunk authorities, that the present agreement is not the agreement of a year ago, but that it is a much more favourable one for the company, and a greatly modified agreement, and yet, the Prime Minister says that the modifications are so trivial that we should not waste time discussing them. Which do you think the people of Canada will believe—the statement of the Prime Min-

ister, or the statement of the directors of the Grand Trunk Railway to their shareholders.

I do not propose to discuss the legal or the financial questions involved in this measure. The leader of the opposition has ably discussed this phase of the case, and not one man on the other side of the House has yet attempted to reply to a single argument that our leader has made in that connection. But, Sir, while I shall not discuss the legal or the financial aspect of the measure, I purpose discussing features of the Bill for a few moments from the point of view of a practical common sense business man. The right hon. the Prime Minister says that this is a business government. Well, look at what this business government has done right out here in front of the parliament buildings. The ministers cannot shift responsibility for the matter to which I am about to refer, because it has been done right under the eyes of every member of the Cabinet.

We have a number of walks around these buildings, and we have had a heavy fall of snow this winter. Would any business man, in order to move the snow from these walks, do as this government has done—hire an army of men with teams and sleds, to haul it on the grounds and pile it mountains high? The right hon. Prime Minister promised to furnish us with mountains of information. He had to furnish mountains of some kind, and therefore he hired an army of men and teams to haul the snow and pile it up in mountains twenty or thirty feet high; and then we had photographers coming and taking photographs of it. Now he has to hire more men to come with pick-axes and shovels to cut down the mountains of snow and scatter it over the lawn. If the snow had to be hauled away from the walks, why was it not hauled to the hillside and thrown down into the river, as any business man would have done? This is an illustration of the way in which this businesslike government manages everything it touches. Where did the business capacity of this government come in when it granted the Crow's Nest Pass Railway Company an increased subsidy? We know they had a troublesome question to deal with at that time. They had to remove Joe Martin from the city of Winnipeg, where he was a disturbing element, and they went to the Canadian Pacific Railway Company and said: 'We want to move Joe Martin; give him $10,000 for five or six years, and take him away.' They said: 'Yes, but we have to be recouped; you increase the Crow's Nest Pass Railway subsidy, and we will.' Martin was removed, and the subsidy was increased to more than half as much again as the Conservative government had offered. How is the business capacity of this government illustrated in the case of the Yukon Railway? When the government introduced the Yukon Railway Bill, we heard an apppeal on its behalf as strong as the one the Prime Minister made last session on behalf of the Grand Trunk Pacific. We were told that if the Yukon Railway were not built, we would lose that country. The government entered into a contract, and their supporters helped to carry it through the House; but as soon as they did that, they ran over to the Senate and asked them for God's sake to kill the Bill. The Senate did kill the Bill; for, thank God, we had a Senate then that would not allow such an iniquitous Bill to pass. Let me ask where the business capacity of this government came in when they were dealing with the Grand Trunk Railway Company for terminal facilities in connection with the extension of the Intercolonial to Montreal when they paid two or three times their value for the favours they got from them?

Then, let me ask the right hon. the Prime Minister: when the people of this country were liberated from the bargain, the unbusinesslike bargain, which he had made with the Grand Trunk Pacific Railway Company last session, by that company having voided the agreement by their own act, why did he not say, let the matter rest there? Or why did he not take the other course, and ask the people of this country whether they wanted to go into this scheme or not? He was ready to appeal to the country; the 'Globe' had made the announcement, 'Get ready for battle, the elections are on;' but he was afraid to trust the electors—he wanted to carry out the scheme independently of them. He knew the question that would come up before them in every constituency. The electors would say, we do not want our constituency to be mortgaged for $800,000; therefore if you want to go on with this scheme, we will have to put a government in that will not carry it out. But the right hon. gentleman was afraid to trust the electors. The only reason he did not go before them was because he could not collect the tolls to carry on the campaign with. If he had got the necessary funds from the Grand Trunk Pacific Railway Company, we would have had an election; but failing in that, he goes to the company and makes a new bargain, knowing that he had a majority behind him who would vote it through, and called a special session for that purpose. As soon as this Bill is carried through, if rumour be true, he is going to appoint his left hand to look after the work. It is said that Premier Ross, of Ontario, is his right hand and Premier Parent, of Quebec, is his left hand; and it is said that he intends to appoint the Prime Minister of Quebec as his commissioner to expend all these millions of dollars and to let all these contracts. In this way he hopes to get a campaign fund to help him to carry the elections with the aid of the Prime Minister of Ontario, his right hand. That right hand is tied up in

a sling at present. He hopes, with the help of that right hand and this large campaign fund which the Hon. Mr. Parent expects to collect, that he will be able to bid defiance to the people of Canada and come back here with a majority. But I do not think the Grand Trunk Pacific Railway Company can furnish enough money to buy the government into power again at the next election. It is true, the government made a contract with the Yukon Railway people, which was cancelled, and the country had to pay $328,000 of damages as the result to the parties with whom they had made the contract. We do not know what work they did ; but somebody got that sum of money in connection with that Yukon Railway contract. If they did, it was a grand thing for the country that that contract was cancelled, as this contract will be cancelled just as soon as an appeal is made to the country, and the Conservative party are returned to power, as they will be. This iniquitous contract will be cancelled, and if some damages have to be paid, it will be money well spent in the interest of the country rather than carry out the present scheme as proposed by the government.

Let me ask the right hon. the Prime Minister when he received a mandate from the people of this country to go into partnership with the Grand Trunk Railway Company. The Grand Trunk Railway people say they have gone into partnership with the government of Canada. The Prime Minister does not admit the corn ; but it is a fact nevertheless, as is proven by the statements made at the annual meeting of the shareholders of the company, as reported in this document which I hold in my hand. If the government have gone into partnership with the Gand Trunk Railway, why not with the Canadian Pacific Railway, the Canadian Northern Railway, the Canada Atlantic, and all the other railways that we have in Canada ? If it is a good thing to go into partnership with one railway, why not with all of them ? The president of the Grand Trunk Railway Company, at the annual meeting of the shareholders the other day, said :

> Having arrived then at the conclusion that the best interests of the company necessitated some early measure in the direction I have indicated, we caused a Bill to be introduced into the Canadian parliament for securing a charter of incorporation for the creation of a company, with an independent organization, but in close connection with and under the control of the Grand Trunk Company, for the purpose of building a line of railway from a point of junction at or on the Grand Trunk line, passing through the most fertile districts of the Northwest, and terminating at a port on the Pacific coast.

These are the words of Sir Charles Rivers-Wilson in addressing the directors and shareholders of the Grand Trunk Railway, and he went on to say :

Mr. TAYLOR.

Without engaging in any way the credit of the shareholders of the Grand Trunk Company. (Hear, hear.) Such was my conviction at that time—(A voice, 'I hope it is now')—founded upon reasonable data, and in view of the precedents to which I have alluded, I must confess that when I made that suggestion I appear to have been somewhat over-sanguine, not sufficiently considering, perhaps, the weight of political and interested opposition which the scheme was destined to encounter.

We find two kinds of opposition described there, the political opposition and the interested opposition. Where does the interested opposition come in? The Grand Trunk Railway came down with their scheme to build from North Bay west, but the interested opposition put their foot down and said : this road must run to Quebec and Moncton, or we will turn the government out. And rather than face the opposition in its own ranks, the government tacked on to the Grand Trunk Railway scheme the eastern section from Winnipeg to Quebec and thence on to Moncton. Sir Charles Rivers-Wilson wound up as follows :

> As a result, however, of the negotiations with the government, another Bill was introduced by the government itself for ensuring the construction of the contemplated line from New Brunswick to the Pacific in joint partnership between the government and the Grand Trunk Pacific Company.

On page 8 he is reported as having said :

> The result, therefore, of the agreement was a combination of these two interests for the construction of the proposed road which would thus be carried out, as I have said, by means of a partnership between the government and the Grand Trunk Pacific Company.

Sir Charles Rivers-Wilson plainly says that his company has gone into partnership with the government to build this line of railway from Moncton to the Pacific coast. But further on he adds that the partnership only involved an expenditure by the Grand Trunk Railway of $14,500,000, while the government agreed to put from $150,000,000 to $170,000,000 into the scheme. The government put in ten times as much as the Grand Trunk Railway, but whenever the profits come to be divided, not a dollar will go to the government. They all go into the pockets of the Grand Trunk Railway. And what do we get in exchange ? Does this businesslike government even secure to our farmers and manufacturers a control of freight rates ? Not a bit of it. The country furnishes the great bulk of the capital, and the company runs the thing to suit itself and takes all the profits. That is the kind of partnership into which this businesslike government has entered. Do you think, Sir, that the farmers and taxpayers of this country will approve of such a bargain when they come to cast their votes at the next election? Would it not be better, since we are to be committed to an expenditure of from $150,000,000 to $170,000,000, to spend another

$14,000,000 or $15,000,000 and own and operate the road ourselves ? Then we would give to our farmers and business men control of the rates. Hon. gentlemen opposite say that this road is required in order to give railway competition in our Northwest, so that we may get cheaper freight rates, but experience shows that this will not be the case. Why, we have got the Grand Trunk Railway and the Canadian Pacific Railway running into almost every town in Canada to-day. Is there any competition between them ? I challenge any hon. gentleman on that side, any farmer, any business man of the country to say, if they have a quantity of freight which they want to send from Montreal to Toronto, Guelph or London, that they will get a cheaper rate because the Grand Trunk Railway and the Canadian Pacific Railway are in competition at those points. You will find, Sir, that the rates charged by each company are the same. There is not a business man who will say that the rate he will get on the Canadian Pacific Railway is not the same as that which he will get from the Grand Trunk Railway. There is no competition, and rates are equal, and the same thing will occur when the Grand Trunk Pacific builds its line to the Northwest. They will charge the same rates as other railways, and the government will not have any control. But let the government put another $15,000,000 into the road, and extend it on the plan suggested by my hon. friend the leader of the opposition, and our farmers will own the road and control the rates and the other railways will have to meet the government rate, whatever it may be. My hon. friend from Elgin (Mr. Jabel Robinson), gave a very good illustration yesterday of the kind of partnership into which the government has entered with the Grand Trunk Railway. The government is to get all the crow and the Grand Trunk Railway all the turkey. I once heard of a farmer who had accumulated quite a small fortune, and he made up his mind that he would retire from farming. He had a sum of $20,000, and said : if I could get a business man who understands business, I will put the money into some business and let the other man put in the experience. He met a business man and the business man said to him, I will put in my experience against your capital, and they drew up an agreement. They were to continue in business ten years ; each one was to draw out a thousand dollars for living expenses ; and then at the end of ten years, the assets were to be equally divided. Each drew his thousand dollars a year for living expenses, and when the ten years were up and stock was taken they found that out of the $20,000 capital with which they started, they had assets left amounting to $10,000, of which the business man claimed half as his share. The farmer, in explaining the result, said, I have the experience, but my partner has the money. So it will be in this case. The Grand Trunk Railway will have the money and Canada will have the experience, and future generations will be loaded down with a heavy debt.

My hon. friend from Haldimand (Mr. Thompson) asked last night what the farmers and manufacturers were going to get out of this deal, and he went on to predict that when this road was completed the farmers will get their grain carried at a much less rate down to the sea-board, and the manufacturers would get cheaper rates to the west on their return cargoes. But, judging by the past, when the government has no control over the rates, the rates will be the same as they are now. Will any practical business man, who has been in business twenty-five years in Ontario, where we have competition between the Grand Trunk Railway and the Canadian Pacific Railway, will any grain buyer say that he takes advantage of the competing rates between these railways during the winter to ship his grain to Montreal or any other part of Canada ? Not a bit of it. I have been in the grain business for twenty-five years. After the close of navigation in the fall, I store every bushel of grain that comes in from the farmers through the winter. They do the same at Kingston and at all the lake ports. And at other places they buy and ship by car to lake ports, where the grain is held in elevators until the opening of navigation, when it is sent to Montreal, and so to the old country. Hardly a bushel of wheat is transported from Ontario during the winter, but it is all held in elevators until the opening of navigation and then shipped by water. And so it will be with the Northwest, even if you have the Grand Trunk Pacific. From the close of navigation to the opening of it again, not a bushel of grain will be carried over the road. It will be handled as it is handled to-day—taken to Port Arthur and there stored in elevators until it can be sent out by water. Any that is not so handled will be retained in the farmers' hands or in local elevators until navigation opens. So, even if this road were built and if such grades could be found as the hon. member for North Norfolk (Mr. Charlton) told us last session must be found, it could not be used as an outlet for the grain of the Northwest. And we do not know that such grades can be found or that any grades can be found. Judging by the information that the Prime Minister gives us, he does not know whether there is a country there at all or not. When he desired to tell us something about the country, he read the story of a Jesuit missionary who went through there some two hundred years ago. And that is all the information we have about that country and the only thing to help us in judging whether we can build a road there.

A rumour is current that the cabinet are not agreed on this scheme. Leading

politicians throughout the country have told the members of the cabinet that this scheme is going to kill them when they get before the electors. But the ministers, one after another, shrug their shouders and say; It is not my baby: I have nothing to do with it: The Prime Minister will have to father this child. I would like to ask the Minister of Trade and Commerce (Sir Richard Cartwright) and the Postmaster General (Sir Wm. Mulock) if these rumours are true, and if it is a fact that they are trying to throw the whole responsibility for this scheme on the Prime Minister in order that they may escape scot free. It is notable that these gentlemen have not risen to their feet to defend this scheme; and I do not think they will. But I will say this, in concluding my remarks, that if the members of the cabinet are agreed, and if they will undertake, as soon as this session is over to go to the country, to appeal to the jury, to ask the taxpayers to say whether this bargain which the government has made is a wise one or not, the electors of Canada will not send a corporal's guard back here to support the Prime Minister who is attempting to rush this scheme through the House.

Mr. T. CHASE CASGRAIN (Montmorency). Mr. Speaker, in the introduction last year of the measure concerning the National Transcontinental Railway and in the introduction of the resolutions we are now discussing, a peculiar spectacle, it seems to me, is presented. Last year the measure was not introduced by the gentleman who, according to the ordinary course of business, should have introduced it—the Minister of Railways. The measure was introduced by the Prime Minister. In fact, as we all know, the Minister of Railways not only did not introduce the measure, but actually saw fit to resign his seat as a protest against the policy of the government. Here was a man who had been brought here as a railway expert, who was not in the House in 1896 when this government was formed, but who was chosen specially by the Prime Minister to administer that important department. And this gentleman thought fit, instead of shouldering the responsibility of that important measure, to retire from the government. This year we have this peculiar spectacle—that the amendments to the contract which was approved by the House last year, instead of being introduced by the Minister of Railways, are also introduced by the Prime Minister. And, when the necessity arises for the support of this measure by gentlemen on the other side, we find that the member of the cabinet to speak in support of it is not the Minister of Railways, but the Minister of the Interior. I say that that is a peculiar circumstance and one which may well be commented upon. Is it true that the measure now before the House does not receive the support or endorsation of my hon. friend the Minister of Railways (Mr. Emmerson)? Is that the reason why he has nothing to say in support of this important measure which has been discussed by the House for almost a week? Is it true that, instead of supporting it he also is thinking of resigning from the cabinet, following the example of his illustrious predecessor? Sir, it is an important question. Two ministers have spoken upon the measure. Though at the outset it had been decided, I believe, that nobody on the other side was to speak, the arguments put before this House by hon. members on this side have been so potent and so forceful that man after man on the other side has felt obliged to rise in his place and defend the course which ministers of the Crown themselves will not defend.

From what the right hon. leader of the House said the other day, the object of the government in introducing the measure last year and also in introducing the changes made by this supplemental contract, is a two-fold object: First that the traffic of the west shall be brought through Canadian channels down to the eastern seaports of Canada, and, second that, by running this line from west to east all through the Dominion of Canada, we shall open up, develop and help in colonizing the vast regions of country now undeveloped, but fit for cultivation and colonization. I propose, very briefly to review the policy of the government on these two points and to contrast with the policy of the government the policy of the opposition.

It seems to me that it is absolutely necessary now to discuss the first proposition—that by building this railway and especially by building the eastern portion from Winnipeg to Quebec and Moncton, we hope to bring the enormous traffic of the west through Canadian channels to our seaports on the Atlantic and our ports in the province of Quebec, especially Montreal and Quebec. This question has been threshed out; it has been discussed not only in the House and in the press, but by the most competent men in the country; and it seems to me that there is not a man in this House and not a man in this country who to-day believes that the National Transcontinental line, more particularly that portion from Winnipeg to Moncton, is going to be a competitor of our national waterways. We have to look to the experience of the past, we have to consider what has been done upon this continent to understand whether, under the same circumstances in Canada we can compete by railway with the waterways which have been given us by Providence. What has been done in the United States? What is being done in the United States to-day? Does anybody believe that it has been possible in the past or that it is possible now for the railways to compete with the waterways? Why, Sir, we

have been told, and it is true, that the enterprising Americans are about to spend $101,000,000 in improving the Erie canal. What is that for ? Simply because the railways in the United States cannot compete with the waterways, and that is the way by which our enterprising neighbours wish to bring the great traffic of their western country and of the Canadian Northwest through their own channels into their own ports. Does the House believe, does anybody believe, that if this were not so, such an enormous sum of money would be spent in improving waterways in the United States ?

Now it seems to me that a very good argument was given to us the other day by the Minister of the Interior when he told the House that, having deepened the canals from nine to fourteen feet, the result had been to bring not only a large portion of the Canadian traffic from the Northwest through Canadian channels down to our sea-ports, but a large portion of the American traffic as well. Now if that is so, it seems to me the argument is in our favour, and it is a conclusive argument as coming from the other side ; it shows that it will be impossible for this line of railway from Winnipeg to Quebec and Moncton to compete during the summer months with the waterways. But the hon. gentleman went further, and everybody who was present at the time heard him say that it is impossible for us to believe that the railways will compete during the summer with the waterways which exist now. Therefore it seems to me that this feature of the government's policy is a mistaken one so far as the eastern division of the line is concerned. If it is true that during the summer months, with the improvements which we are now making in our waterways, with the improvements that have already been made, we cannot bring the traffic of the west down to our ports, then one of the principal arguments in favour of this policy of the government falls to the ground, one of the principal arguments which would appeal to those who are specially interested in the province of Quebec, disappears.

Now, Sir, last year, so far back as the 19th of May a commission was appointed to inquire into this question which my right hon. friend the leader of the House has called a complicated and involved question, the transportation question. If this commission had been appointed when it should have been appointed, if it had been organized when it should have been organized, it would already have done a great deal of work, and probably we would now have its report before this House to aid us in discussing in an intelligent manner this question which is so complicated and involved, to use the words of my right hon. friend. Now suppose this commission gets to work, that this commission composed of competent men studies the question, studies the circumstances, to ascertain what is the best for this country, and comes to the conclusion, as almost everybody has already come to the conclusion, that this railway cannot compete with the waterways, in what position will the government be ? The government will be in the position in which it deserves to be, it will have before its eyes the evidence given by its own nominees on this commission, that the traffic from the west down to the seaports on the Atlantic, will never come by this railway.

Now, Sir, what is the policy of the opposition upon this point ? We propose to take a leaf out of the policy which was followed by the United States of America. What has happened there ? I am not an admirer of everything that is done in the United States. I am not so fervent an admirer of that country as my right hon. friend once was, still I say that in matters of this kind, in matters of trade and transportation, they certainly have given us an example that we may follow. What have they done ? Why, Sir, they have aided nature in every possible way. See what they have done on Lake Superior, see what they have done at Duluth, see what they have done at Lake Erie, see what they have done at Buffalo. They have erected elevators, they have, as I said, aided nature at every step, and the consequence is that their ports of New York, Boston, Philadelphia and Baltimore have been built up until they take rank amongst the greatest of the world. If the same policy were followed here, if instead of spending this enormous sum of money upon building a railway, which according to hon. gentlemen opposite, will never carry a fair proportion of the grain of the west, if instead of building that railway they had followed the policy which has been followed in the United States, we would see in the not distant future the ports of Montreal, Quebec, St. John and Halifax rivalling probably the great ports in the United States. Our policy is embodied in the amendment proposed by my hon. friend the leader of the opposition, it is found in the third paragraph :

> The development and improvement of our canals and inland waterways, and the thorough and efficient equipment of our national ports and terminals on the Atlantic and Pacific as well as on the St. Lawrence and on the great lakes.

Now, Sir, it is true, and I give my hon. friends credit for it, that since they have come into power they have continued the work which was commenced by their predecessors, they have done a great deal towards improving the St. Lawrence route and the canals ; especially while the hon. member for St. Mary's (Mr. Tarte) was a member of the government, they did a great deal to improve the facilities in the port of Montreal. But I say that if we are to get any advantage from the traffic of our North-

west we should not stay our hand now, we should not content ourselves with what we have been doing in the past, instead of spending money uselessly on this railway between Winnipeg and Moncton, we should spend it upon our ports of Montreal, Quebec, St. John and Halifax, and upon our waterways, so as to give us all the advantages which may be derived from the carriage of this immense traffic from the west to the Atlantic.

Now I come to the second argument which is used by our hon. friends opposite to induce the people of the country to support their scheme. They say that this line of railway, if it does not bring down a fair proportion of the traffic of the west through Canadian channels to our seaport towns, it will at all events develop the undeveloped regions of Quebec and Ontario. However, before dealing with that point, let me give the House what I think to be the opinion of the Grand Trunk Pacific Company itself upon the question as to whether this line from Winnipeg to Quebec and Moncton is going to be anything like as successful as our hon. friends pretend. Let me recall for a moment what took place in the Railway Committee of this House last session. We all know that by the notice which was first given by the Grand Trunk Pacific, their intention was to build a line from North Bay westward ; the first notice given in the official 'Gazette' on the 10th of January, 1903, was to that effect, the railway was to start from some point near North Bay or Gravenhurst in the province of Ontario, and to be carried west. Well, Sir, the hon. member for Annapolis (Mr. Wade) when he addressed the House the other day, told us that this plan had been adopted by the Grand Trunk Pacific. The minutes of the meeting of the shareholders of the Grand Trunk Railway Company were read before the House the other day, in which we saw that Sir Charles Rivers-Wilson said in unmistakable terms that the policy of this company was to build a line from some point near North Bay westward towards the Pacific Ocean. So there can be no doubt on that question. Afterwards, however, it is in the memory of everybody that the Grand Trunk Pacific Company, through Sir Charles Rivers-Wilson and Mr. Hays as their spokesmen, told the committee that they had decided to change their plans and extend their line from North Bay or Gravenhurst or, at all events, from some point near there, eastward as far as Quebec. Afterwards, if I am to believe the hon. member for Annapolis, such pressure was brought to bear upon the government that the line was not only to be extended from North Bay to Quebec but from Quebec to Moncton. I do not know what the reasons were. I do not know whether this was a condition imposed upon the government to carry out this scheme of aiding the Railway. I do not know whether members from Quebec or the maritime provinces went to the government and said : If you propose to give subsidies to the Grand Trunk Pacific on its line from North Bay westward, we will not support you unless you extend the line into Quebec and the maritime provinces. I do not know whether that condition was imposed by these members on the government, but, be that as it may, the policy of the Grand Trunk Pacific was changed ; the officials of the Grand Trunk Pacific itself say that this was imposed on them, they had to change their policy and say they were going to build their line from North Bay to Quebec and thence to Moncton. Nobody ever believed for an instant that these gentlemen were going to build that line. I for one never for an instant thought that when Sir Charles Rivers-Wilson or Mr. Hays told us they were going to embody, and later did embody, in the Bill a proviso by which they were enabled to build this line eastward, that they were going to do it, and that that was the policy of their company. To test their sincerity, I one morning put the question to Mr. Hays in the Railway Committee whether he would consent to put a proviso in the Bill declaring that he would begin building the eastern division of his line before beginning to build the western division, and I took down his words as he gave them in answering that question on the 7th of May, 1903. My memorandum reads :

> Mr. Hays states that he has no objection to incorporate in the Bill a provision by which the company would undertake to build the section from Winnipeg to Moncton first.

From that very moment I, in common with a number of other members of the committee, saw that Mr. Hays and the Grand Trunk Pacific Company never had any intention of building the line from Winnipeg to Quebec. Mr. Hays at that particular time was ready to promise anything, and if I had asked him for a special car and a nigger porter to take me from the east to the west for ever on this new line, he would have promised it to me. We saw from the very first, especially from the willingness with which Mr. Hays and those with him promised everything that this was simply an effort to throw sand in our eyes in order to get the Bill through, particularly the part of it which dealt with the rich western part of the country through which they desire their line to run. If this had been a business proposition to build this line from Winnipeg east to Quebec and Moncton, does any one think that the promoters of the Grand Trunk Pacific, who are business men and who were trying to get enabling powers to build this line so as to increase and improve their traffic, they would not have built this eastern line themselves ? Only two or three days after I had put this question to Mr. Hays, the hon. member for St. Mary's division (Mr. Tarte) put the same question to him, but he changed his mind and, instead of giving

a direct answer, as he had given to me—probably he did not think I was as important a man as the hon. member for St. Mary's division (Mr. Tarte) and that I was a little more easily fooled, to use an expression which is perhaps not quite correct—he gave an evasive answer. He would not answer my hon. friend (Mr. Tarte), and only two or three days after that it was announced that the government was going to build this line. Why? Because the promoters of the Grand Trunk Pacific saw themselves tied up and saw that they could not get around some of us in the Railway Committee, and that they would be bound to do some things which they never contemplated doing. It was then that the government came to their assistance, and for the purpose of carrying this scheme through undertook to build the eastern part of the line from Winnipeg to Quebec and from Quebec to Moncton. I say again that this is probably the best evidence we can get that this is not a business line, and is not at all calculated to carry any of the products of the west; that if it had been a business line certainly these business men would have taken it up and, instead of shouldering it upon the government of the country and forcing the government to build it, would have built it themselves. I shall revert to this later on, when I come to the changes made by the supplementary agreement, because the policy of the Grand Trunk Pacific has been carried out from the very inception of this measure through the original agreement down to the supplemental agreement which is now before this House for its approval.

Let me now return to the colonization part of the scheme. Hon. gentlemen opposite say that if this line is not calculated to bring down the products of the west towards the east and to our sea-board cities, if it is not calculated to give Quebec and Montreal their fair share of that enormous traffic, at all events—and this is the argument which is used in the province of Quebec—it will open up and develop and help to colonize vast regions of Quebec which have hitherto been unknown, unexplored and undeveloped. It seems strange to me that we should go into these unexplored regions to find lands fit for cultivation. I would like some one to gather from the mountains of information put before this House last year by the government some information upon this undeveloped region which will show the House that it is important for us to vote such an enormous amount of money towards developing these undeveloped regions. If it is true that there are mountains of information upon this subject, and that the little book which was put before this House last session contains such information as will furnish a good argument to this House and to the country to convince them that this line should be built and these lands developed, why is it that no one on the other side of the House has even referred to this book to show that there are regions there fit for cultivation and colonization? My right hon. friend (Sir Wilfrid Laurier) the other day when he gave us some reasons why we should develop these undeveloped regions cited Father Albanel and he spoke of the roses which grow in June in these distant regions. That was very good poetry, and it reminded me very much of the song of the wandering minstrel in the Mikado, when he sang of the 'The Flowers that Bloom in the Spring.'

Mr. R. L. BORDEN. They had nothing to do with the case.

Mr. CASGRAIN. There was a good deal of poetry in that, but very little business. I believe it is true that this part of the line will cost at least $50,000,000, and when I say that I am putting a low estimate upon the line 900 miles long in the province of Quebec alone, through a territory about which no one knows anything.

I ask my hon. friends if they cannot find, from the standpoint of colonization, better lands on which to spend $50,000,000 than these wild lands, which are further north than the Laurentide hills. What is the policy of the opposition upon this point? I am speaking now more especially for the province of Quebec, although this is not a provincial question. I say that if we had in view the colonization and development of the province of Quebec by the building of railways, we can find enormous tracts of land in the developed portions of the province where we can more usefully spend this $50,000,000.

Mr. SAM. HUGHES. And build railways.

Mr. CASGRAIN. Yes, and build railways. Let me point out that in the province of Quebec we have millions and millions of vacant land, awaiting settlement and cultivation. The 'Guide du Colon' for 1903, speaking only of a very small portion of the province of Quebec, says:

> In the higher valleys of the Rouge, the Lièvre, of the Little Nation and the Gatineau alone, there are 250,000 acres of arable land of the best quality.

That statement is to be found in a book published under the authority of the Quebec government. It speaks of the northwestern region of Montreal and the St. Lawrence valley, and it goes on to say:

> The extent of land surveyed and actually offered for sale in the agencies of the Lake St. John district amount to more than 2,000,000 acres.

In addition to that we have the Lake Temiscouata valley, the Metapedia valley, and the Gaspé peninsula in which my hon. friend the Solicitor General is so interested. If we have money to burn; if we have $50,000,000 to spend on a railway which will not develop the province of Quebec

nor bring the trade of the Northwest to our ports of Quebec and Montreal; why not spend $10,000,000, or $20,000,000, or $30,000,000, to develop these regions which are now awaiting settlement, and the establishment of railway communication? It is estimated by competent authority, that in the province of Quebec we have land actually available for settlement, the climate and possibilities of which we know of, that will provide room for two hundred new parishes, and for at least 2,000,000 inhabitants, and that land is not north of the Laurentian range either. Why is not some of this money spent to benefit the known and settled parts of the province, and to help bring in these two million more inhabitants for which we have ample accommodation. My hon. friend from Jacques-Cartier (Mr. Monk) has pointed out the necessities of the province of Quebec from a colonization point of view, and my hon. friend from St. John's and Iberville (Mr. Demers) who followed him, did not attempt to answer his argument. The hon. member (Mr. Demers) did not answer that part of the argument of my hon. friend (Mr. Monk) which referred to the development and colonization of certain portions of the province of Quebec; and the hon. gentleman (Mr. Demers) said nothing, or almost nothing, about the railways that should be built in that province if we have so much money to spend. I understand that the Solicitor General is to follow me, if I am to be favoured with a reply, and we know that he is very much interested in the question of increasing the federal subsidy to the provinces.

Mr. LEMIEUX. Hear, hear.

Mr. CASGRAIN. The Solicitor General made a very eloquent and elaborate address upon that question last year, and he announced his belief that the subsidy from the federal government to the provincial governments should be very materially increased. This is the time for him to act. If it is not the policy of the present government to increase the provincial subsidy, let him insist that they should do something for the province of Quebec on the lines he laid down laid last session. If we can spend $50,000,000 on this transcontinental railway, which will be useless to develop the province of Quebec, why does not the Solicitor General insist that the government shall aid the construction of railways which will develop those portions of the province of Quebec which are to-day settled, and which will afford communication between the great commercial centres and the rural districts of that province? We know that there are many railways which can be constructed in Quebec, to the great advantage of the people of that province. Take the south shore of the St. Lawrence. Session after session demands have been made upon the government to build a railway in that section of the province. To-day there is a railway from Montreal to Sorel, which sometimes runs and sometimes does not run; but between Sorel and Lévis, through these rich parishes, there is no railway communication whatever, and the people have to travel for miles to use either the Intercolonial Railway or the Grand Trunk. Why should not a part of this $50,000,000 be devoted to building a railway on the south shore, so that the long settled parishes in that district should have proper railway facilities? Take the region north of Montreal and Nominingue; take the much desired railway connection between the Intercolonial Railway and the Matane peninsula. Every one knows that the people of Matane have been clamouring for railway facilities. The soil of that district is fertile; there is a rich lumbering country there; and the farmers would be well to do if they had the railway facilities which are denied them, and which could be amply provided for with a portion of this $50,000,000 How long have the people of the Gaspé peninsula been asking for railway communication? The railway extends now from Metapedia to New Carlisle and the people have been petitioning again and again that it shall be extended to Gaspé basin. The Solicitor General has before parliament a scheme for a railway from New Carlisle to Gaspé basin, and through the interior of the peninsula, but if this vast sum of money is to be spent on a so-called National Transcontinental Railway, does the Solicitor General think, that there will be any money left with which to subsidize this railway in which he is so interested? I again repeat, that instead of putting $50,000,000 or $60,000,000 into the eastern extension of this road, the policy of the government should be—as it is the policy of this side of the House—to give railway facilities to the people of Quebec who are already established on their farms, and who for years and years have been suffering for the lack of railway accommodation.

Now, Sir, I come to the changes which are proposed in this contract. My theory is, that from the very inception the Grand Trunk Pacific Railway Company looked upon the eastern extension as useless, and that they looked upon the expenditure of money upon it as wasteful. What are the changes which this supplementary contract makes in the original contract with the Grand Trunk? I do not intend to go into all the facts; I frankly admit that I do not consider myself a competent critic on the purely financial changes which are proposed; but, Sir, some of the changes are very interesting and I shall refer to them. In the original contract the railroad was to be completed in 1908, but that is extended for three years, and the completion is now fixed for the year 1911. This change has an

important bearing on the two following clauses of the supplemental contract. The original contract provided that the equipment should be worth $20,000,000 and out of this $20,000,000 worth of rolling stock, $5,000,000 worth was to be marked as belonging to, or as serving to equip the eastern division. We find now in the second paragraph of the supplemental contract, that this $20,000,000 worth of rolling stock is reduced to $15,000,000.

I will not go into the question whether this second paragraph repeals the clause in the original contract which provides that the line shall be equipped with $20,000,000 worth of rolling stock. But what I say is this. It was considered necessary for the equipment of the whole line that $20,000,000 worth of rolling stock should be provided; but under the new agreement only $15,000,000 worth is to be provided, and $5,000,000 worth is to be used when the eastern section is ready. So I take it that the Grand Trunk Pacific Company said to themselves: The $20,000,000 worth of rolling stock was to be provided for the whole line, both the western and the eastern sections; but we know that the eastern section will never be built; we are convinced that it is only a fake; therefore we will take the original amount, $15,000,000, which we were to provide for the western section, and apply it to the whole line, and will simply mark $5,000,000 off, to be used when the eastern section is ready to be operated. I take it that the reason that was done was that the company were convinced that $20,000,000 worth of rolling stock would never be required, because the eastern section would never be built, and therefore it would not be necessary to take the $5,000,000 worth of rolling stock for the eastern division, but it would simply be necessary to put $15,000,000 worth on the whole line, that is, on the western division, the only division which they contemplated would ever be built. What does the third clause say:

> Pending the completion of the eastern division by the government, the company shall be entitled to lease from the commissioners, to be appointed under the said Act, and to operate such portions of the said eastern division as may from time to time be completed.

What does that mean? It means that probably the Grand Trunk Pacific Company will force the government to build the line from Winnipeg to North Bay, following out their original plan, and will be able to lease that portion of the line. The consequence will be that we shall have the original policy of the Grand Trunk Pacific Company carried out, and where does that let the traffic go? The reason my hon. friends were so averse to the original scheme of the Grand Trunk, if I am not mistaken, was that they were afraid that if the line was ever built as far as North Bay, the traffic of the west would be diverted to the Grand Trunk system, and, instead of being taken to Quebec or Montreal or Halifax or St. John, would be taken as usual to Portland, the American terminus of the railway. We had then, as we have now, the Grand Trunk system in the east as a competitor, and why should circumstances be so changed that if the railway is ever built as far as North Bay, the traffic will not be diverted from Canadian channels and Canadian ports to that American port of the Grand Trunk Railway? Further evidence of this is to be found in the way Sir Rivers-Wilson addressed his shareholders. This portion of his address has already been read to the House, but it seems to me that it is necessary that I should remind hon. gentlemen of what Sir Rivers-Wilson said. These are his words:

> The distance of 3,400 miles, which I mentioned just now, is split up as follows:—The distance from Moncton to Quebec, about 400 miles; from Quebec to North Bay, from the point of junction in connection with North Bay, about 500 miles—that makes 900 miles—and then to Winnipeg, another 1,000 miles. . . . The line will pass, as you will observe, from 100 to 150 miles north of North Bay, whence a branch line will connect it with the Grand Trunk system, and another branch line will be constructed from some point between Winnipeg and North Bay to a point on Lake Superior. The Grand Trunk Pacific Company will, undoubtedly, receive the usual subsidies per mile from the Dominion and Ontario governments in aid of the construction of these two branches.

So that the intention of Sir Rivers-Wilson and the other officials of the Grand Trunk Pacific Company and the Grand Trunk Company has not been changed. Their intention always has been to bring the line of railway down to North Bay, and thence send the traffic over their own system down to Portland. I will not refer to that part of the report which has been alluded to already, in which one of the shareholders at the meeting said in unmistakable terms that he gathered from an unofficial memorandum which had been handed around that the 500 miles from Quebec to North Bay were premature. So that, if all the arrangements entered into between the Grand Trunk Pacific company and the government in the supplemental contract are carried out, this one conclusion seems to be irresistible, that the eastern division will never be built, and that all the Grand Trunk Pacific Company will do will be to bring its line to North Bay to connect with its system in Canada and the United States.

Now, I have the presumption to believe that I have convinced some of my hon. friends on the other side of the House, and perhaps my right hon. friend the leader of the House, that this is a political scheme and nothing else. It is not a business scheme. This eastern division of the line cannot be used as a conveyor of the traffic from the Northwest down through Canadian

channels. We have it from the lips of the hon. gentlemen opposite that it cannot be a competitor in bringing down western grain through Canadian channels to Canadian seaports. Therefore, it seems to me that instead of spending this money on unexplored regions as to whose climate or resources we know nothing, it would be far more businesslike and patriotic to spend this money in the known regions of the province of Quebec and Ontario.

Before sitting down, I desire to allude for a very short time to another question which has been discussed rather fully by my hon. friend from Hastings (Mr. Northrup) and my hon. friend from Annapolis (Mr. Wade); that is, the question as to the security which has been impaired by the supplemental contract. I allude to the question of the prior lien of the government; and it is one which will interest my hon. and learned friend the Solicitor General. The contract gives the government a prior mortgage on the railway itself and on the equipment. By the supplemental contract and the law the government will not have a prior lien on the equipment. Let me first recall what my hon. friend from East Hastings said the other day—that in the original contract it is nowhere said that the company shall acquire rolling stock to equip the western and eastern divisions; it is nowhere said that this equipment shall belong to the Grand Trunk Pacific Railway Company. We have the experience of all the railways on this continent that equipment and rolling stock are provided by companies which do that kind of business, and we have the declaration made by Sir Rivers-Wilson before his shareholders, that what has been done in the past by other railways is going to be done in connection with this particular railway, that is, that the rolling stock and equipment are to be provided by a trust. What does clause 7 of this supplemental contract say? According to the original contract, the mortgage upon the whole line, its equipment and all its appurtenances, was to be a first lien. Read the section itself of the original agreement, section 35:

> 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, &c.

If that mortgage should be foreclosed, the usual consequences would follow. The road could be sold, admitting, for the sake of argument, that the government would have had, under that clause of the contract, a first mortgage. But what does clause 7 of the supplemental contract say? It says that in case of such default being made by the company in respect to the interest on the said bonds so guaranteed by the government as would entitle the government to foreclose, the mortgage is not to be foreclosed, but a receiver is to be appointed who is to manage the said western division, and who will receive all the tolls and revenues thereof, and pay the working expenses thereon, as defined by the Railway Act, 1903, including the expenses of such management or agency and will distribute the surplus tolls and revenue.

The House will notice that what the receiver or manager is to do is to pay out, first, the working expenses as defined by the Railway Act of last session, and if my hon. friend will refer to the Railway Act, section 2, subsection cc., he will see that working expenditure is defined as follows.

> The expression 'working expenditure' means and includes all expenses of maintenances of that railway and all such tolls, rents or annual sums as are paid in respect of property leased to or held by the company, apart from the rent of any leased line, or in respect of the hire of rolling stock to the company.

So that the manager and receiver, under the 7th clause of the supplemental contract, will pay out, first, before he distributes anything to the bondholders and mortgagees, all tolls, rents, or annual sums, in respect of property leased to or held by the company or in respect of the hire of rolling stock let to the company. It seems to me there can be nothing plainer than that. But this question has come up several times before the courts both in this country and the United States, and what has been decided Let me first of all refer to a case which came before the Supreme Court of Canada, in which the question was not decided, it is true, but in which a very important opinion was expressed upon it, by the late Chief Justice Sir Henry Strong. I refer to the case of Walbridge vs. Farwell, and the Ontario Car and Foundry Company vs. Farwell, 18th volume of the Supreme Court Reports, pages 1 and following. In that case these were the circumstances, so far as the Ontario Car and Foundry Company was concerned. The Southeastern Railway Company, having got into difficulties, executed a deed of trust in favour of certain parties, and the difficulties culminated in the mortgage being foreclosed, suit was taken out against the railway company, and judgment rendered against it. Then the Ontario Car and Foundry Company contended that, as it had furnished the rolling stock, that rolling stock was not subject to the lien which had been created by the trust deed. It was decided, under the authority of the Quebec law, that the mortgage covered everything, that it was a hypothec given upon the road, its appurtenances, and equipment. That is why I remarked to my hon. friend from Annapolis (Mr. Wade) the other

day, when he was discussing this point, that the doctrine he was laying down was French law. Under the French law of the province of Quebec, the moment rolling stock goes upon a railway, it becomes what is called an immovable, and therefore is effected by the prior mortgage created by the bondholders. That is Quebec law, and that is what is stated in this judgment by the Supreme Court. But what did Chief Justice Strong say? On page 4, you will find what he said:

What I desire to explain, however, is this. In assenting to the judgment of the court dismissing these appeals, I do not by any means intend to preclude myself in future, should the question be raised in proper form and in an appropriate case, from considering whether the principle which is now universally recognized in the United States as to the applicability of current earnings to current expenses, incurred either whilst or before railway property comes under the control of the courts by being placed at the instance of mortgagees in the hands of a receiver, in preference to mortgage creditors, whose security has priority of date over the obligation thus incurred for working expenses, should be adopted by our courts. This doctrine is now firmly settled in the United States, where railway mortgages exactly resemble those in use with us, and which do not at all resemble the securities of debenture holders under the English system of securities for borrowed capital; and the practice referred to is so pregnant with justice, good faith and equity, that there may be found strong reasons for applying it here when the question arises.

The only reason why my hon. friend from Annapolis (Mr. Wade) could give the other day for saying that the prior mortgage of the government would hold good against the parties who leased this rolling stock to the company was that he adopted the French law on the subject, and that the English law was to the effect that, as soon as the rolling stock touched the rails, it became part of the realty. He laid that down as a proposition of law which could not be controverted. While I have a great deal of respect for my hon. friend's opinion, I have also considerable respect for that of the Supreme Court of the United States, and the law which is applied here is exactly the same as that which is applied in the United States. What does the Supreme Court of the United States say?

It is well settled that the title of a vendor of rolling stock, sold under a contract which provides that, although delivered to the company, it is to remain his property until the price is paid, will prevail against the lien created by the after-acquired property clause of a prior mortgage.

That was decided by the United States Supreme Court in the case of Fosdick vs. Schall, 99th volume, United States Reports, page 345. Again, on the same page, this principle is laid down:

The rights of the vendor are the same as under a conditional sale, where, instead of reserving the ownership of the rolling stock, he fixes a lien upon it for the payment of the price. Cars being 'loose property susceptible of separate ownership and separate liens,' any liens which are binding upon a railroad company itself are unaffected by a prior general mortgage given by the company, and are paramount thereto.

This is the principle of the English law and the American law. The Supreme Court of the United States also held that:

The paramount rights of the vendor may be recognized either by a return of the rolling stock in specie, or by the payment of the price outside of the proceeds of the sale.

This is what the late Chief Justice Strong had in view when he said that if the question ever came up under the law of Canada, outside of the law of Quebec, this is what he would decide, and his opinion is borne out by the decisions of the United States Supreme Court, and to-day a doctrine which is not even questioned in the United States. And, even if I am wrong in my interpretation of the general law, how can it be questioned here when, in the seventh clause of this supplemental contract it is stated in so many words that the working expenditure that is mentioned in this supplemental contract is working expenditure as defined by the Railway Act, and the Railway Act says that in working expenditure shall be included the lease, hire and rental of the equipment which you put upon the road? It seems to me that this is as clear as anything can be. And I will ask my hon. and learned friend the Solicitor General (Mr. Lemieux), if he replies to me, to direct his particular attention to this point.

Hon. RODOLPHE LEMIEUX (Solicitor General). Mr. Speaker, I do not intend to detain the House at any length on this very important question. Last year, it was my good fortune to address the House when this subject was first brought up. This year, after the many speeches we have heard, I do not think I shall be warranted in adding much to what has been said. If the speech of my hon. friend from Montmorency (Mr. Casgrain), were accepted as being the opinion of the majority of the electors of Quebec, one would believe that there are many dark clouds over that province to-day. But, with the indulgence of the House I will try to point out to that gentleman the silver lining that one can see spreading out on the fringe of every cloud.

But, before answering the very able and I hope, very earnest argument, that has been adduced by my hon. friend, let me at once answer the remark made the other day by my hon. friend the leader of the opposition (Mr. R. L. Borden). He referred to a speech I made in Montreal before parliament was called for the present session, in which, he states, I predicted that the general elections were near at hand. He stated also that there had been on the part of the government what he called a conspiracy of silence. He

said that negotiations were going on between the Grand Trunk Pacific Company and the government, yet the electors were not to be aware of the changes made in the contract before a general election was held. The hon. gentleman said: 'Here is the Solicitor General, who is in the confidence of the government and who told the electors of Montreal that the general elections were impending.' I beg to tell my hon. friend that he is misinformed. In that speech, I stated that perhaps the general elections would be held. I was not then in the confidence of the government, although I claim to have been a sincere friend, and a very consistent friend of this government. I was only the member for Gaspé, and that was quite enough for me, and would be quite enough for me to-morrow. I did not state then that we would have a general election. What I said was that, judging from the many campaign speeches of the leader of the opposition and his friends in the several provinces, judging from the agitation which the members of the opposition were carrying on, the general elections would soon be on, the general elections would soon be at hand. I said the government would be warranted in making an appeal to the people, seeing that ten new counties established by the Redistribution Bill, were without representatives in this House. I said that perhaps general elections would take place, but I never stated it on the authority of the government. I added that if there was a dissolution, this contract made by the Dominion government with the Grand Trunk Pacific Railway Company would then be ratified not only by the representatives of the people, but by the people also, and by an overwhelming majority. The hon. leader of the opposition says there was a conspiracy of silence. Surely he was not a party to that conspiracy. We followed his campaign and that of his friends in Quebec and Ontario, and I say it again, he could hardly be accused of being a party to a conspiracy of silence. The people had their ears wide open and they heard many violent denunciations of the government's policy on the Grand Trunk Pacific. There was no conspiracy of silence at all, Sir; but I think there was, on the part of my hon. friend, a regular conspiracy of fear—fear of the electorate, fear of the government, fear of the contract made by the Dominion government with the Grand Trunk Pacific Company.

Now, Sir, I will answer to my hon. friend from Montmorency (Mr. Casgrain). He said, in opening his remarks that he was surprised indeed at not hearing from the present Minister of Railways and Canals (Mr. Emmerson). 'Does he disapprove,' said the hon. gentleman, 'of the contract that is now under debate? Does he stand in the same position as the Minister of Railways and Canals of last year? Is there any trouble; is there a rift in the cabinet?' I might answer my hon. friend by saying that, though the Minister of Railways and Canals has not yet spoken he may yet be heard from. And if he suspects that there is a rift on this side of the House, what must he think of what exists presently on the other side? Last year the gentleman who assailed the government most vigorously on this Grand Trunk Pacific question was my hon. friend from Jacques Cartier (Mr. Monk). This year we heard that hon. gentleman in a speech which occupied about half an hour, a very able speech indeed. But who stands at the front of his party to-day, if not my hon. friend from Montmorency (Mr. Casgrain)? What a change has taken place! How the Gods have fallen! Why do we not hear the hon. member for Jacques Cartier to-day with his usual vigour? And how is it that we do not see our friend, our very able friend, our distant friend, the hon. member for St. Mary's (Mr. Tarte) leading the Conservative forces in the province of Quebec?

It was very surprising indeed to hear the hon. member for Montmorency assailing the government on this question of the eastern division of the Grand Trunk Pacific. He tells us that it passes through a country with great unsettled stretches on either side of the route. He tells us that it is an unsurveyed country, that it is a poor country that the government should not commit the blunder—nay, the crime—of constructing the eastern division. My hon. friend has modified his opinions since he spoke before the Railway Committee of this House last year.

I have here a copy of 'Hansard' of last session. Every year, Sir, some hon. member is anxious to have 'Hansard' abolished. I stand up for 'Hansard' I say it is the book of books for this House. Perhaps my hon. friend will allow me to refer to some of the remarks he made and the amendment he submitted to the Railway Committee last year. The hon. gentleman has just told us that when Sir Charles Rivers-Wilson and Mr. Hays, the manager of the Grand Trunk appeared before the Railway Committee last year it was their evident intention to procure a charter for a line of railway from North Bay, or Gravenhurst, in Ontario, westward. I agree with the hon. gentleman. Sir Charles Rivers-Wilson and Mr. Hays wanted to get a charter which would enable them to secure for the present Grand Trunk Railway system an entrance to the Northwest and a westward extension to the Pacific. But my hon. friend was there. He felt that he knew more than other members from Quebec did and was a better judge of what should be done in the interest of that province. My hon. friend from Annapolis (Mr. Wade) after reading the Bill moved in committee the following amendment:—

Provided, however, that the work of construction on the Quebec section and east of Quebec be commenced at or near Quebec, and

carried on simultaneously east and west, and that said sections be operated at the same time, and no such section shall be operated without the other.

This was the amendment moved by the hon. member for Annapolis. Our friends from the maritime provinces, sitting on both sides of the House, stood up like men for their provinces, they stood up like men for the eastern section of Canada, and I praise them for it; to their efforts and to those of the members from Quebec we owe the fact that the government has imposed on the Grand Trunk Company the obligation of operating and equipping the eastern division. But when the member for Annapolis moved that amendment the Minister of Finance was present, and he informed the member for Annapolis that this amendment was unnecessary because the Grand Trunk intended to implement that Bill with a request for subsidies in order to insure the construction of the western section and then new clauses could be added, and that then it would be time enough to impose new obligations. The hon. member for Annapolis accepted the word of the Minister of Finance, but my hon. friend from Montmorency (Mr. Casgrain) was not satisfied. He was about to leave in a few days for Europe in order to appear before the Judicial Committee of the Privy Council, and he was therefore very anxious to let the province of Quebec know that he was standing up for the interests of his province. He rose in the committee and moved :

Provided that in the event of the company receiving from the government of Canada any assistance either by way of subsidies, moneys, land grants, guarantees. loans, or in any other manner whatever, the work of construction of the Quebec section be commenced simultaneously with the work of the woodland and prairie sections, and be completed and put in operation simultaneously therewith, and before the company exercise any of the powers conferred upon it by section 33 of the present Act in respect to 'lease and running powers over other railways.'

Therefore, Mr. Speaker, my hon. friend was so anxious to secure for the province of Quebec and the eastern provinces the extension of the Grand Trunk Pacific that he would not accept the word given by the Minister of Finance that they would exact guarantees as to the operation of the eastern section. My. hon. friend was not satisfied with that promise. He was very anxious to have a declaration from Mr. Hays. He read that declaration a moment ago. I was surprised that he should read such a declaration, because in it Mr. Hays declares that the Grand Trunk Pacific, if it were aided and assisted by the Dominion government, would surely operate and equip the eastern division. I am at a loss to understand why my hon. friend quoted that answer.

Mr. CASGRAIN. The answer given to me by Mr. Hays was long prior to the moving of that amendment; and it was because Mr. Hays would not afterwards accept either that amendment or any amendment to a like effect that we knew well that they would abandon that section of the road, as they did.

Mr. LEMIEUX. My hon. friend I think is not serious in that.

Mr. CASGRAIN. Oh, yes.

Mr. LEMIEUX. He knows very well that if the Grand Trunk Company acceded to the wishes of the deputation from the eastern provinces, it was not due to his amendment, which was defeated in the committee, because we relied upon the promise made at the time by the Minister of Finance, by Mr. Hays and by Sir Charles Rivers-Wilson himself. But, Sir, what are we to think of the hon. gentlemen who sit on our left? Here we see the leader of the opposition who is opposed to the extension of the Grand Trunk Pacific to the east; here we see the chief whip of the Conservative party who says that it will be a wild expenditure, and emphasises the fact that the government has money to burn; and on the other hand the hon. member for Montmorency says that the eastern line should be built and should be run simultaneously with the western. It is eivdent. Sir, that for party purposes, he has joined his forces with those of his other friends opposite. Sir, he changed his opinion, and if I were to read from the organs of the Conservative party in the province of Quebec, I could show that they have acted as the hon. gentleman. Last year 'L'Evenement,' which, I think, had something to do with the leadership of my hon. friend, 'L'Evenement,' which is the chief organ of the Conservative party in the city of Quebec—for there are Conservatives in the province of Quebec, if there is no Conservative party—had this to say :

We urgently draw the attention of our readers to the report of yesterday's meeting of the Railway Committee.

That was when my hon. friend asked the question of Mr. Hays.

Where are our representatives ?

Once more, where are they ?

Mr. Casgrain fought valiantly, but who supported him ? No other name is mentioned from Quebec.

It is obvious that the Grand Trunk Pacific intends to deceive us.

Why should they reject amendments intended to protect Canadian ports, if they really wish to build a national line ?

Sir Wilfrid Laurier said the other day that great corporations easily evade legislative enactments.

That is a further reason for making these stronger, and requiring additional security.

Quebec will be left aside once more, if the company is not bound to carry on the work simultaneously eastward and westward from the city.

That is the object of the Wade amendment, and we are thankful to Mr. Casgrain for en-

ergetically upholding our claims. The member for Montmorency stated that should the committee reject that amendment, he would submit it once more to the House.

We notice with pleasure the courageous stand taken by the representatives of the maritime provinces, who, heedless of party allegiance, insist on their rights being recognized. Their interest is the same as ours. What force could they not have altogether if the members from the Quebec district joined them. We have twenty representatives, and Mr. Casgrain is the only one to fight our battles.

Sir, this was the opinion of the Conservative press in the province of Quebec. A short time ago we had some by-elections in that province, and fortune was very kind to the Liberal party. We met the hon. gentlemen on the platform, and what did they say to the electors ? They advised the electors not to vote for the Liberal candidates because the government would never build the Quebec section, but that the Conservative party would. That was the statement made by these gentlemen in the province of Quebec. My hon. friend says that there are many other railroads which could be subsidized in our province, and I admit that frankly. He mentioned the South Shore Railway. When the Liberal party came to power in 1896, the South Shore Railway Company was on the verge of bankruptcy. After many efforts on the part of the bondholders and of the interested financial institutions, the government at last succeeded in getting a sequestrator appointed, and one of the first acts of the Liberal government was to grant a substantial aid to the South Shore Railway Company. He also mentions the railway in the county of Gaspé. Sir, I must tell my hon. friend that he is not aware of what took place last year, probably at a time when he was away in Europe. Last year the Dominion government acceded to the numerous petitions received from the county of Gaspé, petitions sent ever since 1896, indeed I may say since confederation. In the last days of the session, a very substantial subsidy was voted by parliament, and I think my hon. friends on the other side, especially the ex-Minister of Railways, rose and upheld my contention in this House that Gaspé was entitled to receive assistance.

We have received a subsidy of nearly $2,500,000 from the Dominion government to help railway construction in the County of Gaspé. The other day, my hon. friend from Jacques Cartier (Mr. Monk) said that my county was quite as large as England; It is true and for the first time since confederation, a Liberal government has voted a substantial subsidy to develop its resources. If my hon. friend will look at the statute-book of last year they will see that all reasonable requests made from the province of Quebec were favourably received by this government and that subsidies were voted, ranging from $200,000 to $2,000,000 or $3,000,000. My hon. friend (Mr. Casgrain) seems to think that we in the province of Quebec are adverse to the construction of the Transcontinental. My hon. friend (Mr. Casgrain) ought to know better than that, because he comes from a city where the Trans-Canada Railway originated. We are all aware, Mr. Speaker, that two years ago, the gentlemen who promoted the Trans-Canada came before this parliament. Their scheme was quite similar to the one which we have before us to-day.

Mr. GOURLEY. No, no.

Mr. LEMIEUX. My hon. friend (Mr. Gourley) would like to have no reference made to that scheme because he came up to Quebec and supported it. He came from Truro and before the Chamber of Commerce in Quebec, extolled that scheme to the seventh heaven and said that the maritime provinces would join hands with us in securing its construction because if we could get another transcontinental railway the great city of Truro and the great city of Pictou would benefit by it. But of course my hon. friend probably did not believe that scheme would come up before the House in another form and he has had time to change his mind. My hon. friend from Montmorency (Mr. Casgrain) knows that this Trans-Canada scheme was first proposed by Quebec people, and chief amongst these were the leading Conservatives of Quebec, gentlemen whose names I could give and did give when I delivered a speech on a similar occasion last year, before the House. The 'Evenement' and the Conservative press of Quebec branded the premier of this country and the premier of Quebec as two traitors because they would not subsidize the Trans-Canada line. Sir, there was a feeling of relief in the minds of the people of Quebec when it was learned that the eastern section was not abandoned. A railway is necessary to the northern section of the province of Quebec as it is necessary to the northern section of the province of Ontario in order to develop our timber and mineral resources. We all know that the rivers in the basin of Hudson Bay flow towards James and Hudson Bay, and in order to haul the immense quantity of lumber a railway must be built. My hon. friends say that the local government should help any such enterprise and that the burden should fall upon the shoulders of the provinces. My hon. friend from Jacques Cartier (Mr. Monk) said this the other day, and my hon. friend from Montmorency to-day states that colonization roads should be built and subsidized by the Quebec government. The local government of Quebec has done its share towards the construction of railways in that province. I hold in my hand the report of the Public Works and Railways departments of Quebec for the last year, and I see that since confederation no less than thirty-eight local railways have been subsidized

by our province to the extent of many millions of dollars. Nearly all of the points which have been mentioned by my hon. friend from Montmorency (Mr. Casgrain) and my hon. friend from Jacques Cartier (Mr. Monk) in their respective speeches have been fully subsidized by the public exchequer of the province of Quebec. I say that to-day for a scheme of this magnitude it would be criminal to ask any of the provincial governments to vote subsidies. The burden would be all too heavy for the local governments, and I say, as I said last year when I advocated the readjustment of the federal subsidies, that the time is not distant when the provinces will come before this parliament in order to obtain a redress to their grievances. The subsidies paid to them are not large enough in view of the increase of their population, and the heavy expenditure incurred by our local governments for the last 10 or 15 years. But, Sir, it is said that we will share in the expenditure which will entail the construction of this railway. It is said that the railway from Moncton to Winnipeg will cost $50,000,000; that Quebec—and that is what is used on the hustings and in the Conservative press of that province—will have to bear its share of that cost. The province of Quebec is quite willing to share in the cost of construction of the eastern division. That province has already paid nearly $75,000,000 towards the construction of the Canadian Pacific Railway, although the Canadian Pacific Railway was intended to run outside of the province of Quebec, from Callendar to the Pacific coast. In those days Quebec was bled white to help towards the construction of a railway which did not even run in that province. We are ready to pay our share towards the construction of the new railway, which will run 700 or 800 miles within the province of Quebec.

Mr. HAGGART. How much does the hon. gentleman say Quebec had to pay for the building of the Canadian Pacific Railway?

Mr. LEMIEUX. I say that the proportion of the province of Quebec, if you come to adjust it, amounted to at least $75,000,000.

Some hon. MEMBERS. Hear, hear.

Mr. LEMIEUX. Yes, considering the amount which was paid by the several provinces and the amount of taxation which it entailed. My hon. friend the member for Jacques Cartier (Mr. Monk) said that we in Montreal will not enjoy the benefits which would accrue from the construction of the railway; that it would benefit only the city of Quebec. Sir, that is a narrow-minded sentiment. Why! because the railway will not run across the streets of Montreal, we will vote against it! The city of Montreal has not been neglected by the federal government. I was born in Montreal; it is true I represent one of the Quebec counties, but Sir, as a citizen of Montreal, I must admit, that my city has been very well treated by the federal government. Millions have been spent for the improvement of the harbour of Montreal while Quebec has lost the terminus of the Intercolonial Railway. Quebec is taxed as are other sections of the Dominion for our canal system which benefits chiefly the city of Montreal. The city of Montreal will lose nothing but will be the gainer by the construction of a great transcontinental railway. The view expressed by hon. gentlemen opposite, however, does not prevail in the city of Montreal. The cry was raised during the last by-elections and the electors gave the answer which was to be expected from intelligent electors.

We have in Montreal, men of energy and men of financial ability, and I am sure that when the transcontinental road is built there will be found amongst our railway magnates, capitalists who will build branch lines to tap that railway to the north. We already have a railway built from Montreal to Joliette, the Chateauguay and Northern, which will be extended as far as Rawdon, or about forty miles from where the transcontinental line will pass. I believe that the energetic men who are at the head of the Chateauguay and Northern, will not lose their opportunity, and that they will gladly avail of it and extend their line north to connect with this great national highway. We are told by gentlemen opposite, and it is so stated in the Conservative press, that the Grand Trunk Pacific will pass through a frozen and an unknown region in the province of Quebec. If that be so, it is somewhat surprising that British capitalists who lack neither brains nor judgment, should invest such a large amount of money in this enterprise, and should undertake to pay 3 per cent on its cost. But, Sir, I prefer the opinion of such a man as Mr. Ellis, the president of the Toronto Board of Trade, and the opinion of a man of imperial reputation like Sir Sandford Fleming—

Mr. GOURLEY. He is opposed to your scheme.

Mr. LEMIEUX. He is not.

Mr. GOURLEY. He is opposed to it, as I am opposed to it.

Mr. LEMIEUX. I think I will be able to show from the words of Sir Sanford Fleming himself, that he is in favour of this scheme. Speaking before the Canadian Club at Toronto, Sir Sandford Fleming said:

> The railway development in and beyond Manitoba is an indication of the rapid settlement of that portion of the Dominion. Looking forward into the future, it is easy to be seen that the population of the west will be rapidly increased. It may be regarded as a certainty that the time is not remote, when there will be as many inhabitants west of Lake Winnipeg as east of Lake Superior. What then will follow

if meanwhile no sufficient effort be made to reclaim the vast intervening territory. Obviously, our people would be geographically divided within the limits of the Dominion. There will be two great groups distinctly separated by a vast unpopulated wilderness, constituting a dangerous area of cleavage. It is impossible to forecast the outcome of this separation of the Canadian people. We are unwilling to think that political separation will follow, but we must not hide our heads in the sand and remain in a fool's paradise.

Again he says:

I have indicated in a few words that there is a vital problem presented for solution; a problem which cannot with safety be neglected. Ordinary foresight points out to us a real and a double danger. First, under certain circumstances, the unity of the Dominion it may be said, will practically hang on a thread. If the unity of the Dominion be left insecure, the integrity of the empire will be imperilled. I would ask by way of illustration: how could the globe girdling British telegraph be maintained if disjointed at Lake Superior.

Sir Sandford Fleming goes on to approve of the scheme, and he says it is the duty of the Canadian government to build that road as soon as possible. I shall later on refer to that part of his speech, in which he compares the water route with the all rail route. As I said, Sir, I prefer to accept the opinion of Sir Sandford Fleming, a man of imperial fame and prestige, to the opinion expressed by some gentlemen on the other side of the House, who claim to be strong imperialists, but who are ready to defeat the government on such a national measure as is now before the country. I prefer also to accept the words of Dr. Bell, of the Geological Survey, who speaking in Quebec last February, gave my hon. friend from Montmorency (Mr. Casgrain) all the information he is seeking about the northern district of the province of Quebec. I should not quote this speech of Dr. Bell, but I refer my hon. friend (Mr. Casgrain) to the Quebec 'Chronicle' of February the 26th, where he can read Dr. Bell's lecture on the northern region of Quebec.

We are asked by gentlemen opposite: why is this question again brought before parliament; was it not settled last year; and the government is accused of ill-matured judgment in having to submit this modified agreement. Well, Sir, the reason for that is very obvious. Last year the contract entered into between the government and the Grand Trunk Railway Company did not bear the name of the Grand Trunk Railway Company of Canada. The contract was passed between the Dominion government and certain gentlemen representing the Grand Trunk Pacific Company, but the government exacted in the contract the condition, that the Grand Trunk Pacific Company would undertake to get the guarantee and endorsation of the Grand Trunk Railway Company of Canada. In the agreement passed on the 29th of July, 1903, clause 27 provides, that the Grand Trunk Pacific Company shall undertake to get the endorsation and guarantee of the Grand Trunk Railway Company, and clause 7, of the Act under the heading 'Specified Conditions,' says:

The Grand Trunk Railway Company of Canada may, subject to the provisions of the agreement, acquire, hold, guarantee, pledge and dispose of stock, bonds, debentures or other securities of the Grand Trunk Pacific Company, upon such terms as are specified in a resolution to that effect, passed by the directors of the company, and sanctioned by the majority of the votes, after due notice has been given.

Therefore, it will be seen that a resolution was to be passed by the shareholders of the Grand Trunk Railway Company, and the Grand Trunk Pacific Company comes back to this House with the modifications which the Grand Trunk shareholders have attached to the former agreement. That is the reason why the contract comes back with modifications. Some people would seem to think that in an agreement of this nature, all the conditions should be one sided, that is to say, in favour of the government of Canada, while some other people seem to believe—the shareholders of the Grand Trunk Railway Company, for example—that all the advantages should be on their side. Thus, we sometimes find that extremes meet. Last year the Hon. Mr. Blair thought that all the advantages were in favour of the Grand Trunk Pacific Company, and he saw fit to resign his portfolio, but now we see on the other hand, that amongst the shareholders of the Grand Trunk Co pany a very different view prevails.

One of the directors of the Grand Trunk Railway Company feels obliged to resign because, forsooth, the advantages are all on the government side. So it is hard to meet such extreme views. I believe that those who signed this agreement and undertook the obligations contained in this contract, take the very sensible view that the advantages should be for both sides—that there should be fair clauses for the Grand Trunk Pacific Company, and also fair clauses for the Dominion government. The old maxim of Roman law always stands good: 'Do ut des, facio ut facias.' In every agreement there should be mutual advantages. Now, Sir, is it a gift that the government is making to the Grand Trunk Pacific Company? Sir, we have heard the wildest statements and the grossest misrepresentations on this question. Some people have gone so far as to say that we are building the Grand Trunk Pacific Railway and handing it over to the Grand Trunk Railway Company. Fortunately we have the report of the meeting of the Grand Trunk shareholders; we have the speech of Mr. Merlin, the speech of Mr. Allen, the resignation of Mr. Allen, and the

vote which was taken at that meeting, as answers to such an argument. Now, what are the principal modifications made in the agreement ?

At six o'clock House took recess.

After Recess.

House resumed at eight o'clock.

Mr. LEMIEUX. Mr. Speaker, when the House took recess, I was about to examine the modifications which have been made in the original agreement. I shall not dwell at any length on this question, for I believe that it has been pretty well threshed out since the beginning of the debate. My learned friend the hon. member for Montmorency (Mr. Casgrain) objected to the extension of time granted to the company. Well, Mr. Speaker, my hon. friend objects to what has been the common practice in this parliament, at least since I have had the honour of sitting here. Not later than yesterday this House gave third readings to several Bills authorizing extensions of time to several companies which have been incorporated during the past six or seven years. Extensions of time have been granted to companies which had already begun to build their lines as well as companies which had not built one mile.

Mr. CLANCY. Will the hon. gentleman permit me ? Does that apply to variations of contracts, or merely to extensions of time to commence construction ?

Mr. LEMIEUX. My hon. friend knows that the House has not only granted extensions of time, but has varied the clauses in the Bills.

Mr. CLANCY. In contracts ?

Mr. LEMIEUX. It has been done several times in this House, to my knowledge and to the knowledge of my fellow members. In this case there is a provision by which the Grand Trunk Pacific Railway Company is to deposit $5,000,000. Is that not a safeguard that if the time granted last year is not sufficient, it should be extended by three or four years ; for if the time remained as it was in the former agreement, the company would perhaps see the deposit forfeited. I think it is a reasonable safeguard. My hon. friend also said a few words in regard to the guarantee on the mountain section, given by the government, which he thinks is rather wide. It is true that the mountain section would be guaranteed by the government to the extent of 75 per cent of its cost, but we must not forget that there will not be the untold millions spent on this section as it has been represented by the Conservative press. I have read in the papers that the Grand Trunk Pacific Company would spend on that section something like $85,000 per mile. We must not forget that in the charter incorporating the Grand Trunk Pacific Railway Company there is a clause which limits the amount of the bonds to be issued. Clause 13 of that charter reads as follows:

> The company may issue bonds, debentures or other securities to the extent of thirty thousand dollars per mile upon the 'eastern section,' thirty thousand dollars per mile upon the 'Quebec section,' thirty thousand dollars per mile upon the 'woodland section,' twenty thousand dollars per mile upon the 'prairie section,' and fifty thousand dollars per mile upon the 'mountain section.'

So that if the company wished to exceed the amount of the bonds fixed by the statute of last session, it would have to come before parliament to obtain the necessary authority. The guarantee of the government would not, therefore, exceed 75 per cent of $50,000 per mile, that is to say, $37,500 per mile. Now, if we compare the amount which was spent by the country on the mountain section of the Canadian Pacific Railway with the amount which is guaranteed by this government for the Grand Trunk Pacific, I think it will be seen that the present bargain is a good one. The cost of the mountain section of the Canadian Pacific Railway between Kamloops and Port Moody, a distance of 238 miles, was $20,000,000, that is to say, an average of $75,000 per mile in round figures, whereas our guarantee on the Grand Trunk Pacific is limited to $37,500 per mile.

My hon. friend spoke of the rolling stock, and sought to make a point by arguing that it constituted no security for the government. He suggested that the rolling stock equipment amounting to $20,000,000 might be leased, and in that case would not be available as security for the government at all. My hon. friend is one of the leaders of the bar of the province of Quebec, but I venture to say that he would not risk his high reputation as a jurist on the opinion he gave this afternoon. It was a political and not a legal opinion which he gave us, but if my hon. friend, when addressing the electors of the province of Quebec, will only cite to them sections 11, 12, 14, 22, 35a, and b and 37 of the agreement ratified last session, he will find that the Grand Trunk Pacific is not only obliged to construct the road but also to purchase the rolling stock. Section 37 reads as follows :

> The company shall purchase all material and supplies required for the construction of the western division and the equipment of the whole of the said line of railway from Canadian producers.

If the company is bound to purchase its equipment from Canadian producers, it follows that the rolling stock must be purchased and cannot be hired or leased. I am surprised that my hon. friend should have given the opinion he did this afternoon. Referring to the argument of the hon. mem-

ber for Annapolis (Mr. Wade), who said that the very moment the rolling stock touched the line of railway, it became by destination real estate and part of the road and could not be touched, my hon. friend interjected the remark: That is French law! Well, the hon. member for Annapolis established beyond doubt that it was not only French law, but English law as well, and I undertake to say that the very authority cited by my hon. friend this afternoon shows that it is not only French law and English law, but also Canadian law. My hon. friend quoted a decision well known in the province of Quebec and the Dominion. The case was one of the last argued before the Supreme Court of Canada by that great advocate and ex-Minister of Justice, the Hon. Rodolphe Laflamme. I refer to the well known case of Wallbridge vs. Farwell. Let me now quote from the considerants of the judgment:

> In virtue of the provision of a trust conveyance, granting a first lien, privilege and mortgage upon the railway property franchise and all addition thereto of the Southeastern Railway Company and executed under the authority of 43 and 44 Vic. (P.Q.), chap. 49, and 44 and 45 Vic. (P.Q.), chap. 43, the trustees of the bondholders took possession of the railway. In actions brought against the trustees after they took possession for the appellants for the purchase price of certain cars and other rolling stock used for operating the road, and for work done for and material delivered to the company after the execution of the deed in trust, but before the trustees took possession of the railway.
>
> It was held—and this is the law of the land; it is not only the obiter dictum of Sir Henry Strong, who was the only dissentient in the case, and against whose opinion we have that of the other judges.

Mr. CASGRAIN. The ex-Chief Justice Strong was not a dissenting voice in that case.

Mr. LEMIEUX. He dissented on that particular point from the other judges, although he concurred with them in the judgment——

Mr. CASGRAIN. No——

Mr. LEMIEUX—Which makes my point all the stronger. It was held, affirming the judgments of the court below, that the trustees were not liable, and

> That the appellants lost their privilege of unpaid vendors of the cars and rolling stock as against the trustees, because such privilege cannot be exercised when movables become immovable by destination (as was the result with regard to the cars and rolling stock in this case), and the immovable to which the movables are attached is in the possession of a third party or is hypothecated.

The court did not say it was simply French law. But here is the most important point, and the one which bears on the question at issue:

> But even considered as movables such cars and rolling stock became affected and charged by virtue of the statute and mortgage made thereunder, as security to the bondholders, with right of priority over all other creditors, including the privileged unpaid vendors.

Mr. CASGRAIN. By a statute of Quebec.

Mr. LEMIEUX. Cannot a statute of Canada be passed having the same effect?

Mr. CASGRAIN. There is not one passed.

Mr. LEMIEUX. Yes, look at section 35, paragraphs 'a' and 'b.' That creates a lien and if any trust company should lease equipment to the Grand Trunk Pacific, their equipment will be subject to the first mortgage held by the government of Canada.

Mr. CASGRAIN. Not at all.

Mr. LEMIEUX. My hon. friend from Leeds (Mr. Taylor) said that we were imposing a heavy taxation upon future generations. We are told that $15,000,000 will be spent on the Moncton and Quebec section and untold millions on the Quebec and Winnipeg section. But my hon. friend forgets that it is simply a question of lease to the great Grand Trunk Pacific and that the Grand Trunk Pacific will pay interest on the cost of the line. What is our liability in the present instance? 1st. Seven years' interest on the eastern section; 2nd. A guarantee on an avowedly self-sustaining section, i.e., the western section. But the eastern section will revert to us in fifty years, when the property will be worth much more than it cost. We will have an asset of ever-increasing value in the transcontinental line, so that the money spent on it will be a judicious investment.

The hon. member for Toronto (Mr. Osler) affected such supreme contempt for the bargain made between the Grand Trunk Pacific, that I cannot refrain from referring to the generous subsidies which were paid by the Dominion government to the Canadian Pacific Railway. That company, of which the hon. gentleman is a director, received in cash a bonus of $25,000,000. It further received, on the cost of a portion of the road and surveys handed over to it, $35,000,000. It was further given 25,000,000 acres of land valued at $3 an acre, equal to $75,000,000. This makes a total subsidy applicable to the 1,906 miles built of $135,000,000. And yet these gentlemen who advocated that scheme denounce ours as reckless and extravagant! The Canadian Pacific besides, received exemption from taxation under section 16 of their contract. There was also a remarkable clause in their contract which caused the people from Manitoba to rise in arms against it and force its abolition. I refer to the monopoly clause, section 15.

There was an exemption from duty on the material imported, as provided by section

10. Their deposit amounted to only $1,000,000, whilst in the case of this Grand Trunk Pacific contract the deposit is $5,000,000. Advances on the cost of rails was paid three quarters of their value by subsection C of section 9. And, when the Canadian Pacific Railway was completed, the government found they had no control over the line. And the people found also that barons and millionaires had been made of some of those who invested their money in that railway enterprise. Sir, we are told that in spite of clause 43, this company will discriminate against Canadian ports and in favour of American ports. My hon. friend from East Grey said that, in clause 43—which has been read over and over again in this House, so that I need not repeat it—he found no penalty to enforce the fulfilment of the obligation it imposed. The answer is very obvious. The whole thing is not ended when this Bill is passed and this agreement ratified by parliament. There will be a lease. And what will this lease contain? If you look at section 25 of the agreement you will read the following:

> The said lease shall also contain such other covenants and provisions, including the proper indemnity to the government with respect to the working of the railway, as may be deemed necessary by the government to secure the proper carrying out of this agreement.

So, though there is no penalty in clause 43, still the government provides for the proper carrying out of the agreement, and thus the company cannot but discriminate in favour of Canadian ports as against American ports.

Now, the hon. gentleman who leads the opposition, contrary to what he said last year, seems to be in favour of government ownership. That policy appeals to the imagination, and, indeed, it is a very seductive idea in appearance. But there are conditions required in order to make government ownership feasible. The first is to secure freedom from political influence in the management of the road. Another is honesty in construction. Another is honesty and efficiency in the management of the road. The government, in the present instance, will not own the western section of the road. But the government have made a compromise. The government will hold the eastern section of the railway from Winnipeg to Quebec. Why? Because Winnipeg will be for all future time the great converging point of the west. a converging point of the main arteries where all the shipments will pass. And, by owning the eastern section from Winnipeg to maritime ports the government will secure trade for our ports and will make it certain that Canadian trade will go to Canadian ports. If the government had decided to help towards the construction of this road in the old fashion they would have granted subsidies in land and cash, and, after all had been given and spent the government would have had no control over the line. But, Sir, the government has adopted the wise course of refusing a land grant. We are often told by hon. gentlemen on the other side that the Liberal party is a party of broken pledges. Well, here is a pledge which was taken by the Liberal party in 1893, a pledge which was taken by the Liberal party in the House of Commons from 1878 to 1896 that in future, no land grants should be given to railway companies, especially in the Northwest. Well, in the present instance, the government has kept their pledge and I am surprised to see that hon. gentlemen on the other side of the House do not applaud, do not encourage the government to keep on—

Mr. INGRAM. Do I understand the hon. gentleman (Mr. Lemieux) to say that the government have kept their pledge with respect to land grants?

Mr. LEMIEUX. Certainly.

Mr. INGRAM. Let me remind the hon. gentleman that the Calgary Railway, by Order in Council passed since 1896 had its land grant renewed.

Mr. LEMIEUX. The answer is in the very words of my hon. friend (Mr. Ingram) —the land grant was only renewed.

Mr. SAM. HUGHES. How about the Yukon?

Mr. LEMIEUX. Oh, according to hon. gentlemen opposite we were going to make Mr. Mackenzie and Mr. Mann rich by the Yukon Railway. When I read the predictions of these hon. gentlemen of what will be the outcome of the present railway contract, and consider how the predictions they made with regard to the Yukon Railway were so completely falsified by events, they can hardly wonder that I am not ready to admit at once the accuracy of their statements.

My hon. friend (Mr. Casgrain) stated this afternoon that this route could not compete with a water route. I am not an expert in transportation. But others who may fairly claim to have some acquaintance with the subject have given their views. We have been told that if this road is first class in points of grades, weight of rails and general construction, it will easily compete with the water route. All first-class railways in America have been spending money during the last ten or fifteen years, correcting mistakes made in their original construction. They have been reducing grades, correcting alignments, taking out curves and so on. The Grand Trunk Railway has done it, and so has the Canadian Pacific. The Grand Trunk Pacific road will be built for the specific purpose of transporting the products of the west to our seaports and therefore we are bound to build it in such a way as to secure that trade. But, Sir, while I cannot

set up my own opinion against those of hon. gentlemen opposite as to the superiority of the water route over the all-rail route it is well to bear in mind that people who know something of transportation have expressed their opinions. I quoted this afternoon from a lecture recently delivered by Sir Sandford Fleming. Comparing the water route and the all-rail route, Sir Sandford Fleming said :

By establishing on the northern route a modern first-class railway, devoid of gradients and every other hindrance to cheap transportation, we would possess the means of carrying the products of the northern half of the prairie region to Canadian tidal ports at all seasons of the year at less cost than any other route whatever. The advantages of the lake route have been much extolled. Transportation by water certainly has advantages under certain circumstances, but it also has limitations due to climatic and geographical conditions. In all probability, the country west of Winnipeg, and Winnipeg itself, will continue to enjoy during summer all the advantages which the lakes can yield. But there is a vast cultivable country further north and west from which, it is believed, freight may be carried to Quebec by railway on the northern route at less cost than by the lake route. Of course, it will be understood that this is conditional upon the line to be constructed being free from such gradients as we find on ordinary Canadian railways, a condition which can only be definitely determined by adequate surveys. Should such a favourable line be established as is believed possible, I venture to state that, owing to the reduced total mileage, and, still, more, owing to the reduced gradients on the new line, grain may be carried to Quebec by the direct route at less cost than by the southern route, even if carried almost free of charge across the lakes from Fort William to Depot Harbour, Owen Sound or Sarnia. This, of course, only applies to the half year of open navigation. During the other half year, the northern route would be without a rival worthy of the name.

Well, Sir, I set the opinion of Sir Sandford Fleming over against and above the opinion expressed by hon. gentlemen on the other side of the House, even above the opinion of the hon. member for Toronto West (Mr. Osler). I would ask the hon. member for Toronto West, who was so severe the other night in condemnation of this scheme, how it is, if this all-rail route is all nonsense for the purpose of carrying grain, that he, a director of the Canadian Pacific Railway, has thought proper to invest eight or ten millions in the purchase of a fleet of steamers to carry grain from the maritime ports to Europe and other parts of the world, and that by the all-rail route of the C.P.R.

Sir, if I am well informed we shipped, between December 1, 1902 and May 1, 1903, 3,137,000 bushels of Manitoba wheat to St. John, N.B. Was this carried to Europe by the fleet of the Canadian Pacific Railway? Is not the position of my hon. friend based on the fact that the company he represents, not in this House but outside this House, is seeking to capture for itself alone the carrying trade of grain from the west to the maritime ports ?

I say, Sir, that this road is imperatively called for. The government has not acted with undue haste, the government is not proceeding with an immature scheme. The future of the Northwest depends chiefly, I might say exclusively, on the rail communication between it and the east; railroads are absolutely essential to its prosperity. Besides opening up new Ontario and new Quebec, this line will give an outlet to the North Saskatchewan valley, to the Athabasca valley, to the Peace River valley and to northern British Columbia. We are not building for to-day or to-morrow only, but we are building for the future. We are looking forward to the time when the resources and the population of this country will be at least three times as great as they are to-day. The government could have done something else to please my hon. friends opposite. The government could have stood with folded arms and let Mr. Jim Hill's road and other American roads come into our west without let or hindrance, without bonus or aid, and they would have found an outlet for our western produce. Mr. Hill could have found outlets without any bonus from this government, but the outlets would have been Duluth, Minneapolis, Chicago and other American cities, from which the grain would have been carried to the ocean by American roads. Would this course have been patriotic ? Could we have justified ourselves in allowing our trade to be diverted in this way to the great and lasting detriment of this Dominion ?

Sir, I claim that the undertaking of this scheme by the Grand Trunk Railway Company will be the greatest advertisement that this country can receive in the old world. We have been told that there are 40,000 shareholders in the Grand Trunk Railway Company. I claim that the Grand Trunk Railway Company and its 40,000 shareholders will be so many agents, so many educators of British opinion on our Canadian resources. They will advertise our country, they will have an interest in doing so. Mr. Hays, at the shareholders' meeting, informed them that if the Grand Trunk Company did not accept this scheme perhaps the dividends they were drawing at the present time would not continue. Well, Sir, it will be to the interest of every shareholder to keep these dividends going, and it will be to the interest of the 40,000 shareholders to advertise this country, to send immigrants hither, to make the resources of this country well known all over Europe.

Speaking of immigration, I may say that one of the greatest objections the European immigrant has found to coming over to Canada is our climatic conditions. On this point let me quote from a paper friendly to my hon. friend from Montmorency :—

It is a matter of public notoriety that, since its establishment, the Lake St. John Railway, running for 240 miles right through the heart of the great Laurentian barrier, through one of the very worst parts of our northern region because of its mountainous character and its exposure to the storms and climatic influences generally of the St. Lawrence valley, has never had its traffic seriously interrupted in any winter. While all the other roads in the more settled parts of Canada and in the United States have suffered winter after winter from snow blockades, which have delayed traffic for days and days and sometimes suspended it altogether, the Lake St. John trains have continued to run uninterruptedly and well on time. And the most remarkable fact is that this has been the case especially during the present exceptionally severe and stormy winter, which has so seriously interfered with the traffic of the other lines and so terribly strained their resources.

The doubting Thomases who speak of the Arctic character of our north land have evidently overlooked the fact that the published statistics of Mr. Stupart, of the Toronto Observatory, prove that the average annual snowfall at Moose Factory on James Bay is half that of Montreal, showing that the precipitation in the St. Lawrence valley is very much greater than it is north of the height of land. I say that the taking over of this scheme by the Grand Trunk Company will tend to remove the prejudice created against Canada abroad by foreign agents who exaggerate our climatic conditions.

But there are some other advantages to be gained by the adoption of this scheme by the parliament of Canada. I think that in the near future Canada is bound to capture the trade of China and Japan. Canada will also capture the trade of the Yukon Territory and of the vast area between Lake Superior and James Bay, which is at present practically useless for commercial purposes, and the value of that region will be greatly enhanced by the construction of this road. I claim that this particular section of our country is the weak link in the chain of our provinces. Is it not our duty as Canadians to strengthen that link? Is it not our duty to build there a railway which will bring the east and the west still nearer together, and thus consolidate our Dominion? Sir, as a young Canadian, I believe that this great national transcontinental road will bind more closely together the east and the west. It will bridge over the gap caused by the lack of a strong population north of Lake Superior. It will broaden the Dominion by serving as a colonization railway. It will strengthen the provinces, especially the eastern provinces. It will have the name and the prestige of one of the large railway systems in America. It will have the advantage of the business relations and connections, rolling stock and appliances of the Grand Trunk Railway. It will establish many new centres of industry. It will, as I said a moment ago, populate and consolidate the country. It will be a national highway in every sense of the word. But we are told by hon. gentlemen opposite that it will be a failure, and that the country will have to pay for that failure. Well, Sir, I am reminded of the royalists of old, those royalists who had forgotten that there had been a French revolution and who came back at the restoration, of whom a great writer has said: 'Les Bourbons n'ont rien appris, et rien oublié', 'the Bourbons have learned nothing and have forgotten nothing.' We know these Cassandra-like forebodings. The Liberal party has paid dearly for such predictions in the past and our friends opposite should have learned from our own misfortunes. We to-day have faith in the future of Canada. This is not a party question and on such a national issue we should all rally. When the right hon. the Prime Minister (Sir Wilfrid Laurier) referred the other day to the report made by a missionary some 200 years ago, on the fertility of the soil of the great north land, I heard some one whispering from the other side that this was not business, that this was only sentiment. Sir, sentiment in life, sentiment in the hearts of statesmen must not be despised. Sentiment and faith are necessary even in our modern world. Nations and nation builders must be actuated by sentiment. The early explorers, the missionaries, the voyageurs, who opened up this country to civilization were no doubt actuated by sentiment. Cavelier de la Salle, Jolliet, Father Marquette, who were seeking the passage from Europe to Asia, were all imbued with sentiment. In those days there were probably matter of fact people—perhaps directors of rival companies—who sneered at their daring and adventurous exploits—but their memory will live as long as this fair Canada—nay as long as this northern continent—has not sunk into the abyss of nature, from whence it was commanded into existence by the great Author of it. The monument of Cavelier de la Salle can be seen at Rouen in France. The monument of Marquette can be seen at the Capitol of Washington. We also, when this great continental road is completed, shall erect a statue—that of Canada, hewn from the granite mass of a peak of the rocky mountains—the mountain itself the pedestal—and the statue a part of the mountain, pointing with outstretched arms to the western horizon and saying to the flying passengers: This is Asia!

Mr. JOHN W. DANIEL (St. John City). Mr. Speaker, I feel some embarrassment, following as I do the learned and hon. gentleman who has just sat down (Mr. Lemieux), because a very large part of his argument has been a legal argument and consequently I do not find myself at all in a position to

answer it. But I have no doubt that those who follow me will be able to take up such matters as I am obliged to pass over and will pay some attention to them. I must say in passing, that the hon. and learned gentleman (Mr. Lemieux), has referred to the equipment which is to be mortgaged under this agreement and has been opposing the arguments advanced by the hon. member for West Toronto (Mr. Osler) and the hon. member for Montmorency (Mr. Casgrain). Without being a lawyer, it would seem to me that the statements made by these hon. gentlemen were correct, especially after reading the statement made by the president of the Grand Trunk in London a short time ago. He said :

As regards the $5,000,000 for rolling stock it is not £5,000,000, it is estimated at £3,000,000. With that the Grand Trunk Railway Company has nothing to do. That rolling stock will be provided by the Grand Trunk Pacific Company and, as the general manager will tell you, they have laid their plans for providing that rolling stock by a trust fund.

Now, Sir, without being a lawyer, without being a professional man in that respect but being just a plain every day citizen of this Dominion, I cannot see, with all due deference to the ability and learning of the hon. member who has just taken his seat (Mr. Lemieux), how it is possible for a man to mortgage what he does not own, nor do I believe that it is at all within the bounds of reason that any one could place any value on a mortgage given on property over which the person who gives the mortgage has no control whatever. I think that that statement will appeal to the judgment at least of those hon. members who are not lawyers.

The hon. gentleman has referred also to the very large amount of subsidy which was given to the Canadian Pacific Railway at its inception as an inducement for its construction. Those of us who are old enough to be able to look back to that time, will remember how very difficult it was for the government of the day, the government of the late Sir John A. Macdonald, to get anybody whatever to take hold of that transcontinental scheme. The very greatest difficulty in the world was experienced, and it was only by offering very large inducements indeed that the government was able to get anybody to take hold of that great undertaking and after they had taken hold of it, and notwithstanding the very large subsidies in both lands and money given to that undertaking, we all remember that there was a very critical time in that undertaking, when it was just touch and go as to whether it would go on or entirely fall through. Therefore, I take it, that when we remember that circumstance, we must know and must understand that the assistance offered to that great undertaking was not greater than it should have been. And what has been the result of that ?

It is the Canadian Pacific Railway that has made our country, for without it we would have no Northwest at all, and we would not be here to-night discussing the assistance which we should give to a second, or to a third transcontinental railway. Therefore it is, that the Conservative government and the Conservative party have no apology to offer to anybody for the assistance which they gave to the Canadian Pacific Railway. The Solicitor General spoke at great length on the question of water-routes for transportation, and he told us that the Canadian Pacific Railway carried a large quantity of grain over their all-rail route. It is strange that the hon. and learned Solicitor General should be so mistaken in his ideas about this matter, because if he had made the slightest inquiry he would have discovered, that by far the greatest quantity of grain which the Canadian Pacific Railway carries, is carried by the rail and water route, and not by the all-rail route. The 'Financial News' of London England, makes this point clear, when in writing of the meeting of the Grand Trunk shareholders it says :

A glance at the map issued to the shareholders should suffice to point Mr. Havs' moral. Wheat will not be carried all the way east by rail. The Canadian Pacific Railway, the Great Northern and the Northern Pacific take wheat to Port Arthur and Duluth and use water carriage on the great lakes. Similarly, the wheat gathered by the Grand Trunk Pacific will be carried to Port Arthur, and if there is to be any land carriage eastward on the lakes, the Grand Trunk will have it.

With all due deference to the Solicitor General, I think he has failed to establish the contention, which he tried to make out. I have listened for the last few days with a good deal of attention to this debate, and to my mind the resolution which we are now discussing deals with a matter of transcendant importance. It is of transcendant importance, not alone because of the immense financial responsibility which it places on the shoulders of the people of this country ; not alone because for the first time in our history, the government of Canada is taken into partnership by a transportation company ; not alone because in that partnership the government of Canada is but the junior partner ; but most important of all, is the fact that this agreement will place in the hands of a foreign corporation the great transportation interests of Canada. I say, Sir, that this agreement, if it be ratified by the parliament of Canada, will relegate to this foreign corporation, for it may be one hundred years, the control of the transportation interests of this country. Under such circumstances, we would be derelict in our duty, if we should cast a silent vote, and fail to place before the people of this Dominion, the salient

features of this contract and show them what effect it will have on the future of our transportation system. It would appear from the statement of the Grand Trunk directors to their shareholders in London, that this great scheme did not originate with the members of the Canadian government, but that it had its inception with the Grand Trunk directors. They applied to parliament for a charter to construct a railway from North Bay across the continent to the Pacific Ocean, so that they might be able to tap the great wheat fields of the west. We know, Sir, that our great Northwest in recent years has attracted the attention of the world and that it is to-day the land of promise to which thousands are looking to obtain that competence which they cannot expect to achieve in the land of their birth. As I have said, there appears to be no disputing the fact now, that this scheme started with the Grand Trunk people. It is true that the members of the government claimed credit for conceiving the idea, and they declared that this transcontinental line was absolutely necessary to relieve the traffic congestion in the west. But, when that statement came to be dissected it was found that this Grand Trunk Pacific Railway must absolutely fail in that object, because it is going to follow an entirely new route for itself. When I read the remarks of Sir Charles Rivers-Wilson on that point, I thought it a little cruel of him to speak in that way of this agreement which we were led to understand had originated with the Canadian government. More especially did I think it cruel of him, when I remember how handsomely his company was treated by the members of the government, who had not only given them all they asked but a good deal more. If you will remember, the Grand Trunk people were willing themselves to build this railway from North Bay to the Pacific coast, but the Canadian government was not content with that and they insisted on giving them a present, in addition to their charter, of that portion of the road between North Bay and Winnipeg. I think the government were extremely kind to them, and it was a little cruel on the part of Sir Charles Rivers-Wilson to attempt to deprive these gentlemen of the fame or the credit which they thought they ought to have.

What is the object of this Grand Trunk Pacific scheme? Its object, as stated in the preamble of the measure, is as follows:

Whereas, by reason of the growth in population and the rapid development in the productiveness and trade of Canada and especially of the western part thereof, and with a view to the opening up of new territory available for settlement, both in the eastern provinces and in the west, and the affording of transportation facilities for such territory, and for other reasons, the necessity has arisen for the construction of a National Transcontinental Railway, to be operated as a common railway highway across the Dominion of Canada, from ocean to ocean and wholly within Canadian territory.

In other words, it sets out to build and operate, by the shortest and most economical route from ocean to ocean, a great all-Canadian railway line. I am free to confess that the Ashburton treaty, which gave to the United States a great deal of territory which really belonged to us, has made it increasingly difficult for this Dominion to build on all-Canadian territory, a line which would be a short commercial line and able to compete with other lines built across the continent to the south of us. But I believe it has not made it impossible. I believe that the Intercolonial Railway, under proper management, and extended sufficiently far into the heart of the country to get its freight very much nearer the source of production than it does at present, so that it would get its full payment for the haul it makes, could be made a good commercial and paying road. If it were taken hold of and dealt with in this way, it would be able to do its part and have its share in building up the great interests of this country. The hon. Minister of Public Works has given us during this session a statement, showing the results of an experiment which was tried of carrying wheat by the Intercolonial Railway from Depot Harbour to Halifax. The wheat was carried 1,208 miles. The Canada Atlantic Railway carried it 346 miles, the Grand Trunk 34 miles, and the Intercolonial 828 miles. How was the freight rate divided? The Canada Atlantic Railway got 2·27½ cents per bushel, and the Intercolonial got the same amount, while the Grand Trunk, which had only to haul the wheat 34 miles, got 6-10 cents per bushel. If the Intercolonial Railway had received a rate according to the number of miles it hauled the wheat, it would have had 3·82 cents per bushel, an amount which the government itself has already stated would be quite sufficient to pay the railway for hauling wheat that distance. The hon. leader of the opposition has already referred to this matter; and I wish, in connection with what I desire to point out, to quote what that hon. gentleman has said. It is as follows:

Moreover, if as stated by the government, 2·27 cents per bushel is the cost of carriage for 828 miles, then 3·31 cents per bushel would be the cost of carriage per bushel for the whole 1,208 miles. Therefore, you have this position. According to the statement of the government you can carry grain from a Georgian Bay port to Halifax at a cost of 3·31 cents per bushel, and the average rate obtained for that carriage in these shipments was 5 cents, leaving to the Intercolonial Railway a profit of 1¾ cents if they owned the whole line from Halifax to the Georgian Bay.

How can the Minister of Justice (Mr. Fitzpatrick) or any other hon. gentleman opposite say that you could not do a profitable business in carrying grain from Georgian Bay ports to Halifax or St. John if you had the Intercolonial extended to the Georgian Bay? There is no

answer to the proposition ; if the statement of the government is correct, and if the Intercolonial Railway were extended to Georgian Bay you could do a splendidly profitable business.

That is what I want to say with regard to giving the Intercolonial Railway a chance, which it has never yet had. I have heard one hon. gentleman in this House say—and I believe there are others who take the same view—that he is not in favour of the political control of railways. The hon. member for Hants (Mr. Russell) objected to government ownership and control, because he said it tended to degenerate and debase the whole business and make a political machine of the railway. I quite agree with the hon. gentleman in pointing to the present management of the Intercolonial Railway as an instance of this political demoralization of a great public institution. I am sure we shall all agree that that is the character of a management that would, for instance, discharge a poor unfortunate man who had been almost thirty years in the employ of the railway, without giving him any reason whatever or the slightest warning beforehand. As far as I can find out, that employee had to be away from the constituency in which he lived on the day of the election. He had to go out of town on that day to attend the funeral of his sister and consequently could not be on hand to vote either for the government candidate or any other candidate. Were a man, under similar circumstances, summarily dismissed by a private employer, what would the public say ? I think I am quite within the mark when I say that the public would look upon any such action by a private employer as a mean use of an arbitrary power. I would not care to characterize the course of the government in cases of that kind as I think it deserves, because I could not do so without using unparliamentary language. I am quite in accord with the hon. member for Hants (Mr. Russell) when he declaims against any such government ownership or control. I think he was quite right in bringing this matter to the attention of the House, because I believe it is quite possible even on the Intercolonial, to have such a government system of control as will give the government control of the policy of the road, of the rates and of everything important in connection with the running of that railway and at the same time take out of the hands of responsible ministers the mean, petty business of hiring a man here and discharging another there and things of that kind. If it be necessary to have some one to do that kind of work, surely we do not want to make him a Minister of the Crown. Let it be done by somebody a little lower down. In this country a proper system of government ownership would be popular. Such a system would be endorsed by the people, and such a system would be free from the evils which I have shown exist to-day over the Intercolonial.

Some gentleman may say, well, if the Intercolonial, with its present mileage, can do what you say it can, what is the matter with this new transcontinental line ? Will it not be very much better, because, according to the agreement, it is going to be shorter ? That is just the point I have to make. We do not know whether it is going to be shorter or not. Nobody can tell. This scheme has been undertaken in a very haphazard manner. We have had no surveys, nobody knows anything about it, and from what little information we have been able to gather it is very problematical whether the projected line across New Brunswick will be any shorter than the one now in operation. In my opinion it is very problematical whether you will be able to get any better or easier grades, on the projected line than you have on the Intercolonial. That being the case, and considering the fact that this extension from Quebec to Moncton will cost some $13,000,000, we ought to think this matter over before deciding on spending that money. There is no doubt, Mr. Speaker —I come to this point with some difidence because people might think that I was trying to boom my own constituency a little too much—but I must say that so far as this extreme eastern section is concerned, there is no doubt that the business and commercial solution of the matter would be to build from Edmundston, or some practical point near Edmundston, right down the valley of the River St. John to the port of St. John. In that way you would get the shortest line and if there is any possibility of doing business on the line after it is built, you would have an opportunity of doing that business and getting some satisfactory results. But I can quite understand the position of the government in this matter. This is a political road, and political exigencies must be attended to before business and commercial exigencies. The line I suggest would certainly shorten the distance to tide water in a most appreciable degree, whereas this extension to Moncton, which will cost something like $13,000,000, cannot possibly carry out the preamble of the agreement, which provides for a line from ocean to ocean by the shortest and most economical route. Why, Sir, Moncton is an inland town. It is not a seaport in any sense of the term, and I think we might readily ask ourselves, would it not be possible, if the maritime provinces must have something out of this deal, to expend the money in such a way that we shall reap the most benefit from it. We can expend it in a manner from which the maritime provinces will reap very much more benefit than by building the line to Moncton as projected. I am not appealing any more to my own constituency than to every constituency in

Nova Scotia and New Brunswick, because I believe that it would be better to take this $13,000,000, or as much of it as may be necessary, and straighten out and improve the Intercolonial in every possible way, as regards curves and grades and everything else important, and then take some of the rest of that money and build up your terminals at the two ends of the line. In other words, use some of that money for nationalizing the ports of Halifax and St. John, because, if you want to get the best transportation facilities you must lessen the cost on every part concerned. Especially you must lessen the cost of the terminals, where the railways seek tidewater, and where freight is changed from car to steamer and vice versa. I therefore believe it would be good policy and good politics, as well as good commercial business, to utilize that money in the way I have suggested rather than in attempting to build a line through an unknown region, through a region, which, so far as we can learn, has a very limited prospect of being so improved that it can be utilized for settlement.

That is not an agricultural country. There is nothing there to make a local traffic for the railway. It is a line that, I think, the maritime province members are foolish to insist upon having. I think it would be better for us all to spend the money in the way I suggest; I believe it would have a better effect on my own province as well as on the province of the hon. member for Annapolis. Regarding this scheme from a maritime province point of view and not alone from the point of view of my constituency, I object to this scheme because I believe it will result in shutting us off from participation in any benefit that would otherwise accrue to us through the handling of the business at maritime terminals. Sir, up to this time, I have been arguing this matter as though all these things were going through swimmingly, rapidly and pari passu one with another. But I am sorry to say that I do not anticipate anything of that kind. I do not believe that, in its practical effect it will be any advantage to us at all. We all know where the terminals of the Grand Trunk Railway are situated and we all know where the interests of the great corporation lie. We know that those terminals and those interests do not lie in the maritime provinces. I do not think it is the duty of the people of this country to furnish money to the Grand Trunk Railway or any other corporation to build up some place in Maine or any other state of the Union at the expense of our own ports which we would much prefer to see prosper and increase. I thing that any one, especially one coming from the maritime provinces, is very foolish indeed to vote for any such a scheme as must certainly result in the building up of Portland, Maine, at the expense of Halifax and St. John. It is useless to say that this agreement does not do that. So long as the government refuse to put into this agreement a clause which compels this company to carry the trade through Canadian channels and Canadian ports, so long as that compelling clause is not inserted so long will this railway carry this trade to its present terminals in Portland. I do not believe there are two opinions about that, even in this House, if we can only get at the true inwardness of what hon. members think. If we could get a dissecting knife into the innermost thoughts of hon, gentlemen, I believe we should find that opinion in places where we would least suspect its existence. Some of the changes made by this supplementary agreement seem to be made for the very purpose of facilitating this action of the Grand Trunk Railway and helping them to take their freight out of this country entirely to the port of Portland, Maine. If not, why should the government ask parliament to release this deposit of $5,000,000 as soon as the western section is completed? If the government intend to carry on the building of the eastern section pari passu with the western section, why should we be asked to put this clause in? Because, if they really intend to build in that way, the eastern section would be built as rapidly as the western section, and there is no reason whatever for asking parliament to release that deposit as soon as the western section is built. To my mind this change can bear in only one direction, the direction to which I have alluded —that the eastern section will not be built so rapidly as we have been led to suppose. But here comes in another change which also has a very suspicious look in my eyes. I refer to the clause which allows the company to lease and operate any portion of the eastern division as it may be built. What does that point to? To my mind it points to this—that portion of the eastern section which will be first built in that portion running eastward from Winnipeg to North Bay. When that is built and the western portion built, then, with this clause passed by the parliament of Canada, the Grand Trunk Company, or the Grand Trunk Pacific Company, whichever you choose to call it will have obtained everything they originally asked parliament to give them. In the first place, they applied for a charter to build a line from North Bay to the Pacific coast. So, under this arrangement they will have their charter and they will have their line, just as they asked for them in the first place,—with this great and notable exception that, while they came to parliament or to the government—(or to certain members of the government, because I believe that Hon. Mr. Blair, then Minister of Railways and Canals was not taken into the confidence of the negotiating parties of that time) to ask for leave to construct this line—the government in its kind heartedness will have helped them more even than they asked to be helped by building for them that

portion of the line from North Bay to Winnipeg.

I do not propose to go over the financial portions of this agreement, as that has already been done by some hon. members on this side. I do not profess to be sufficiently a financial critic to carry on such a discussion as that, and do not wish to attempt it. But I must say this, that after listening to these gentlemen who are able to discuss this phase of the question, after listening to the speech of the hon. leader of the opposition, and, more especially to the speech of the hon member for West Toronto (Mr. Osler), I have heard many replies to these speeches, but I think I can safely say that, so far, I have heard no answer whatever. Therefore I have come to the conclusion that this scheme may be summed up by saying that the country pays nine-tenths of the cost of it from the Atlantic to the Pacific and then gives away half of it, that half which the promoters themselves concede will pay from the very beginning, as soon as the rails are laid upon it. That to my mind is a short statement of the scheme we are asked to support. I do not think that the country is making a very good bargain, I do not think it is making as good a bargain as it might make, even with this company, and I do not think such an agreement should be adopted by the House.

Now, Sir, the hon. member for Annapolis (Mr. Wade) made a very fervid appeal to the House, and especially to his maritime colleagues, to support the contract because it provided for the carriage of our products through Canadian channels, and that the Grand Trunk Pacific were practically bound to use our own ports. Well, Sir, I think that is exactly what it does not do. There is no clause in this agreement which compels the Grand Trunk Pacific to do anything of the kind. In fact, there is every inducement for them not to do it, because the rate of freight is made the same to all ocean ports, that is, they get just as much for making the short haul to Portland as they would get by taking their goods to St. John or Halifax. I think it must be evident to every member of this House that under these circumstances the only thing we can expect this company to do, unless there is a compelling clause and a penalty attached to it, is to carry their goods in future as they have been carrying them in the past, where they will make the most money out of them, and that is by taking them to Portland. The hon. member went further and said that he and his maritime colleagues had put pressure on the government and forced them to put in the Bill a clause to extend this railway through the northern part of New Brunswick to Moncton, in that way making as we supposed, a shorter route to New Brunswick and Nova Scotia. Now I would like the hon. member for Annapolis to continue to use his influence, not only with his maritime colleagues but with the government, and to put such pressure on the government as to induce them to introduce a compelling clause into this contract, so that there can be no doubt whatever that the Grand Trunk Pacific will be obliged to utilize the maritime province ports and to carry their goods through Canadian channels. If the hon. member wishes to do a service to the people of Nova Scotia and New Brunswick, and he finds that he has this influence with the government, I say that neither he nor his colleagues could exert that influence to better purpose than by inducing the government to put such compelling clause in this agreement. However, I thought as the hon. member drew towards the end of his speech that he weakened a little even in his own mind, and was not quite so sure that the Grand Trunk Pacific was going to use Canadian ports. I noticed that he turned around with a fine show of virtuous indignation and asked, When did the Conservatives in power ever look after a Canadian port? Well, I have noticed since I have been in this House that when the government are asked as to whether they have left undone something which they ought to have done, or have done something which they ought not to have done and verily have no health in them, that they are very apt to turn around and say Oh, well, the Conservatives didn't do this, or the Conservatives did do that, and therefore if we do as well as they did or no worse than they did, why, we are doing all right. Well, I commend them for keeping before their minds such high ideals, for I think they could not adopt a higher standard of excellence than the conduct and policy of the Conservative party. But I must say that it is about time an excuse of that kind should cease to be given. When they were in opposition they did not talk in any such way, they were not only to do as well as the Conservatives but a great deal better. I think that the people are becoming weary of hearing them continually trying to excuse themselves by pleading the example of the Conservative government, and such an excuse cannot at the present time be taken as reasonable or satisfactory.

Now I will give the hon. gentleman the answer he asked for, and I will show him where the Conservatives have looked after Canadian ports. When the Canadian Pacific Railway was finished to Montreal, that great and wise statesman, the late Sir John A. Macdonald, saw that although our Canadian ports were well utilized in summer, there was no Canadian port utilized in winter; and with that patriotism which always distinguished him, he forced the Canadian Pacific Railway to build a line by the shortest possible route to the nearest available Canadian port, hence we get the Canadian Pa-

cific Railway short line to the port of St. John. That, let me tell the hon. gentleman, is what the Conservative party did. I would also draw his attention to the fact that the Conservative government compelled the Canadian Pacific Railway to build by the shortest possible route to the nearest available port, because the line was not built for political purposes but for commercial purposes. Now what has been the result? I find in looking over the Trade and Navigation Returns that the exports from the port of St. John last year amounted in value to $15,364,735.

I may say that only two other places in the whole Dominion last year exported goods to a greater value than did the port of St. John. Those two places were the port of Montreal and the port of Niagara Falls, Montreal exporting sixty-five million dollars odd, and the port of Niagara Falls eighteen million dollars odd. I commend these facts and figures to hon. gentlemen opposite Especially do I recommend them to take to heart the fact that this road was not a political road; it was built for commercial purposes and consequently it was built on right lines, by the shortest possible route to the nearest available port. I do not believe you will ever succeed in carrying to a successful issue an all-Canadian line which does not take these facts into consideration. I must make one more allusion to a remark made by the hon. member for Hants (Mr. Russell). I listened to his remarks with the greatest pleasure; he is a very pleasing speaker. He referred to the constituency which at the present time I have the honour to represent, and he said that on a recent memorable occasion, the people of that constituency had become panic stricken and voted against the government while in an hysterical condition. I may say if I may be allowed to speak for the people of my own constituency, and to know at least as much about them and their characteristics as the hon. member for Hants (Mr. Russell) that I have found no evidence of their being panic stricken. I think from my knowledge of them that they are a people who are not given to panics. The very subject that we are now discussing was before them and was argued by able advocates on both sides, and after hearing these advocates they came to the conclusion which they expressed by their vote. I would like to remind you Sir, and the hon. members present, that the hon. Minister of Railways and Canals (Mr. Emmerson) was one of the great advocates of this railway on the government side. Would the hon. member for Hants (Mr. Russell) have this House understand that the very appearance of the hon. the Minister of Railways and Canals on a platform was enough to drive people into a panic? If so, I think the Minister of Railways and Canals (Mr. Emmerson) will hardly thank him for such a suggestion. I might say to the hon. member (Mr. Russell) I believe that in the near future when these constituencies will all be opened up and will all have this matter brought closely to their attention; when they find that there is no limit to the time which may be taken for the building of the eastern section while there is a time limit for the building of the western section; when they find that the government itself is so dubious about it that they have agreed to release the deposit of $5,000,000 as soon as the western section is built, and that the company can make use of any portion of the eastern section as soon as it is built, which of course means the part from Winnipeg east to the North Bay connection, a part which the company was willing to build for itself, but which the government now builds and practically presents to them, certainly for a large number of years, and after that leases to them at a very cheap rate; when they find that there is absolutely nothing in the agreement to compel this company to carry its freight to Canadian ports, except, as one hon. gentlemen has stated, the patriotic impulse of the people of the west which is to cause them to route their freight our way; when they know that a great company like the Grand Trunk Pacific will practically control the routing of freight, and that they will naturally route it in any direction and to any port by which they can make the most money out of it, and when they know as they do that that nearest port is not any port in the maritime provinces—I say that when these and other considerations of a like nature are brought to the notice of the electors, hon. gentlemen opposite, representing constituencies in Nova Scotia and New Brunswick will find that that panic, if it is a panic, will spread and that the people will brush aside as so many cobwebs the gentlemen who are trying to deceive them in this matter, and to induce them to believe that there is anything whatever in this agreement compelling the company to use Canadian ports for the export of freight passing over its line.

Mr. SEYMOUR E. GOURLEY (Colchester). Mr. Speaker, I have not been present and have not had the advantage of hearing the debate up to this time. I regret that, for I have not the opinion held by some people that the debates in this House are not instructive. I am always instructed by the debates in this parliament and I always have pleasure in hearing the opinions of our friends supporting the government. I listen to those opinions with deference, because nobody can be an intelligent Canadian who is not broad enough to listen to opinions uttered on all sides of every question. I have listened with great pleasure to the argument of my colleague, the hon. the junior member for St. John (Mr. Daniel). I have listened with pleasure to his arguments in this debate. He seems to think that the legal men in this House have some advantage over laymen. I do not think

that the want of practice at the bar has been any disadvantage to him if we may judge by his speech. I congratulate the Conservative party on his acquisition, and I think that the panic to which my hon. friend from Hants (Mr. Russell) referred is largely due to the appearance of such a strong man in this House as a member of the Liberal Conservative party. Before I conclude I shall again refer to my hon. friend from Hants (Mr. Russell) and I think if he visits his county which marches for forty miles with my own, he will find much reason for thought. I find that the plain people, the common people, are the people who have the intelligence of this country, and not the lawyers or the manufacturers, or the cabinet ministers. The plain people, I find, give me true wisdom on all questions. I have been looking through the county of Colchester and mingling with these men who come to the fences with their forks in their hands and leaning on their forks give me more instruction in five minutes than any cabinet minister can give me in an hour. I have been over the county of Colchester listening to the remarks of Liberals and Conservatives alike.

In these journeyings, I met many constituents of my hon. friend from Hants (Mr. Russell), and I can tell him, that it would be better for him to visit his county, than to be talking here about the city of St. John, for if he visits Hants, he will find a panic in that county that menaces his future political life.

Hon. WM. ROSS (N. S.) A little louder please.

Mr. GOURLEY. If it is noise you want I can give you some.

I delight in the amenities of debate. I think nothing is gained by roughness of expression in this House, and therefore, I want to congratulate the Solicitor General on the splendid way in which he uses the English language. He uses it with precision, and as I am a little bit of a student of that language, I tell him, he uses the language with great grace and force, and I wish to commend his example to the English speaking people on his side of the House. They can improve their speech making by copying the English language, which the Solicitor General, though it is not his mother tongue, uses. I made my argument on the Grand Trunk question last year, and I do not intend to repeat it. I abide by that argument. It may not have been on all fours with the argument made by many members of this House, but I am persuaded that it will be the argument that ultimately (when the people thoroughly understand this whole matter) will defeat this government at the polls. I am a railway man; I believe in the development of this country by railways, and I believe that Canada, when she reaches her full development, will have railways almost as plentiful as highways, for the railway is the modern highway, and as the old highways were thought to be necessary crossing lots ten or fifteen miles apart, so I trust the railways will come to be as necessary to accommodate the traffic of our country. I do not attack this railway because I do not wish to see railways built. I hope not only to see this transcontinental railway built, but I hope in my lifetime to see one or two other transcontinental lines built north of it. Consequently, if I oppose the building of this railway, what in the world will men do who do not believe that Canada at the present time needs further railway development? I made my argument last year against the Grand Trunk Pacific scheme on two principle grounds. I argued that this line was fatally mislocated to answer the purpose of a national transcontinental road. I am glad to say that upon mature reflection the students of transportation in this country are universally coming to that conclusion. In that speech made by Sir Sandford Fleming in Toronto, which was quoted by the Solicitor General, it is clear that he makes the crushing criticism on this line, that it does not go north of Lake Winnipeg. Sir Sandford Fleming says, that it is fatally weak, because it goes south of Lake Winnipeg and crowds itself into that narrow strip of 45 miles of territory, which intervenes between the south of Lake Winnipeg and the United States border. I find, Sir, that all over the country our people are studying the geography of Canada. It is only recently that Canadians have come to know the geography of their country. They thought that the little strip of territory in which the civilization of Canada is located to-day; the little strip from the maritime provinces to Lake Superior about 40 miles broad; the narrow strip of country hugging the Intercolonial Railway, hugging the St. Lawrence, hugging the lakes, and hugging the Canadian Pacific Railway across the prairies; they thought that was Canada. Why, Sir, we are but at the threshold of the development of Canada, and therefore we must approach this question in the light of the future of our country.

The first criticism I made last year, was that this line of railway, if it were to be a line for the highest development of the great national interests of the country, was fatally located in every part. My second objection was the argument, made by my hon. friend from St. John (Mr. Daniel), who is a maritime man, and who, although I had no conversation with him, has expressed again and again my idea of last year: that the next fatal objection to this line of railway was its union with the old Grand Trunk. The old Grand Trunk sends its commerce to Portland, and it is utterly impossible to divert the course of its business which it has been following for years and years. Therefore it is that the government was fatally

wrong in mixing this railway up with the old Grand Trunk Railway, that for forty years has been the enemy of Canada. I sometimes am forced to criticise my friends and colleagues from Ontario for being narrow and I think perhaps that criticism is just. But, Sir, in no particular have they sinned so badly, as when in the early days the history of their province, they permitted that Portland should have been selected as the Atlantic terminus of the Grand Trunk Railway. Had they sent their public men down to the maritime provinces at that time, and said: We are threatened with a great difficulty, we have no Atlantic seaport and therefore we must go to Portland, unless you give us a port;—had they done that, confederation would have come forty years before it did, and this country, instead of being on the near verge of national development, would have been well on the highway of progress, and we would be able to challenge successfully, the power and the might of the United States. But, Sir, that is past, and we can only make the best of what remains. If a mistake was made in the early days in permitting the Grand Trunk to go to Portland, and build up a great city there, that mistake should not be repeated. We were told last year by the Minister of the Interior, that he had it from a high official of the Grand Trunk Company, that they had spent $25,000,000 in creating enormous terminals and facilities for trade in that United States city.

How can we expect a company like that to make immense investments in terminal preparations for the exportation of the great products of this country across the ocean? I said: Your mistake is not to have chartered a new company. If you are bound to build this railway, make the interests of the whole line one from the Pacific ocean to Halifax, so that when your company gets a pound of freight in British Columbia, it will be bound to take it to Halifax or St. John. But you did not do that. You have instead amalgamated this project with a railway whose interest is to take the freight to Portland; and you seek to cover up that fatal error by putting into the contract a little section which says that the company must take the freight to Halifax unless it is otherwise routed. That clause would have been altogether unnecessary if you had made a new company, because its interest would have been the same over the whole line. I attacked the proposition on these two grounds. I attacked it also on the third ground which the hon. member for St. John (Mr. Daniel) has put so strongly, that is, that in this arrangement the maritime provinces have been side-tracked from beginning to end. The hon. member for Annapolis (Mr. Wade), whose great ability in many ways I respect, has prostituted that great ability in this instance; and when he goes to Annapolis, he will find that the people there know this question better than he does, if he has been speaking his true sentiments, and they will teach him a lesson for not having stood by the interests of the maritime provinces in this matter, but for having sacrificed them to party exigencies. I am a party man, but when it comes to the question of Canada and the maritime provinces, I throw party to the winds and stand by my country. It would have been better for the hon. gentleman to have done the same, and to have written a new chapter of the history of Canada. I would say the same with reference to the hon. member for Hants (Mr. Russell). Perhaps he is under an uncontrollable necessity—I mean an uncontrollable intellectual or moral necessity—to support this government. I know that gentleman, and would not say an unkind word of him; but I am sorry that there are uncontrollable party exigencies to compel a man to give up his independence of speech in this parliament. I thank God I am not a place-hunter; I am not seeking a judgeship; I would not take a judgeship for the sacrifice of my independence. A position in this parliament is worth more than a judgeship fifty times over. I cannot understand a man forfeiting his right of independent speech in this parliament, where he can assist in building a nation—the noblest occupation in which any man can engage; I cannot understand how a man can throw all this away for a little tu'penny-ha'penny salary. The man who is fitted to be in this parliament ought to be able to earn the salary of a judge in six months and have the other six months for a holiday. If he cannot do that, he is not fit to be a judge or a member of this parliament either. I am glad to say that I am fortified in my position on this question by my contact with the people. The Minister of Finance sometimes visits the county of Colchester, and when he does you can scarcely drive him away. No matter how important his other engagements may be, he will always stop there five or six hours to breathe in the intelligence and general strength of thought that exists in the town of Truro and everywhere else throughout the county of Colchester. That county is peopled by descendants of Irishmen, Scotchmen and Englishmen of the highest type, and they have preserved their traditions for intelligence, education and contemplation. In my county the people are philosophers from one end of the county to the other; and after associating with the gentlemen of his own party all winter, and perhaps feeling a little impoverished in thought in consequence, the hon. Minister of Finance, when he comes to Colchester, stops to breathe its invigorating atmosphere, and you cannot drive him away. I have been over the county again and again, and I have found Liberals and Tories alike unanimously supporting me in the position I took with reference to the

Grand Trunk Pacific Railway. When that measure was introduced last session, I was inclined to support it; I wanted to support it, because I was in favour of railways in every part of the country, and I wanted to see two or three transcontinental lines built. But when I investigated the miserable thing day by day, I got so sick of it that I could not support it; it was bad from beginning to end. That is the universal feeling that exists to-day in my county, not only among Conservatives, but among Liberals, barring a few party hacks. Fortunately there are in Canada liberal-minded men of all parties who at this time of day are able to look at these questions with an unbiased judgment; and I tell the hon. member for Annapolis, the hon. member for Hants and the hon. member for Queen's and Shelburne, that when they say that this measure has the endorsation of the people of Nova Scotia, they are misinformed—absolutely and utterly misinformed. Last year, when this measure was introduced, gentlemen like the Minister of Militia (Sir Frederick Borden)—I am not personally conversant of this, but I am informed that he and his friends boasted in Halifax that neither Gourley nor Kaulbach nor Borden would dare to oppose it. I venture to say that there never was any measure more unpopular in Nova Scotia than this one, because it offends against the very idea of a proper development of the maritime provinces. I said I was anxious to support it. I want to see two thousand miles of railway built in Nova Scotia in the next ten years; and I do not ask for Nova Scotia more than I am willing to concede to other parts of Canada. I supported the assistance given to the Mackenzie & Mann railway, and I support willingly every measure for building railways in any part of Canada. I want 145 miles of railway built in the county of Colchester and 2,000 miles built in Nova Scotia; and if you give us these railways, we will give you within twenty years one of the richest and best developed provinces on earth, to add strength and power to Canada in every direction. We want railways to open up our gold mines and our coal mines. It would not take over $4,000,000 to subsidize enough railways in Nova Scotia to make it one of the wealthiest and most productive provinces in the world.

I am going to appeal to this House, and ask the government to give to 143 miles of railway in my county a double subsidy, for the railways in Nova Scotia do not pay for the first five years and you must therefore offer to capitalize some inducement to build them. After five years, however, they will pay handsomely, and return to the treasury of the Dominion 25 to 30 per cent annually on the outlay. I could demonstrate that by giving a subsidy, you will be aiding the treasury four to one. I mention this to show that I am a railway man out and out and that therefore when I oppose this transcontinental scheme it is because no man on earth who studies it can support it truthfully or honestly. If this were a railway to develop the province of Quebec locally or the northern Ontario or Manitoba or New Brunswick or the North-west Territories—if it were going to develop any portion of this Dominion locally, I would hold up both hands in its support. But it is of another character. It is announced to us as a great transcontinental and national line; but if you want that kind of a line and are going to indulge in the enormous expenditure of building one, you want it to answer the highest purposes of such a means of communication. We want it to develop every province, not locally, but to give it every opportunity of playing its part in the transcontinental business of the country. That is the test of a railway of this description. If there is a man on either side who criticises this country unjustly, I am not of his class. I have faith in this country and in every acre of it. You cannot measure the value of a country by its gardens and its valleys. They are its fairest portions and bring forth its luxuries, but I can show rocky acres in Nova Scotia that are worth ten times over the richest valleys we have in the whole Dominion. You cannot measure the worth of a country by merely looking at its green valleys and fertile spots. You must take in its rocks and boulders, for they may give the greatest power to the country. I am not one of those who would ever in any way underrate his native land. If any one were to show me that this whole country from Quebec to Lake Manitoba was full of rocks, I would not for one moment despair, but would think that it might turn to be one of the wealthiest portions of Canada. The fact that it was full of rocks would be no argument to deter me from building a railway through it, and consequently when you find me opposing this railway, you will get no sensible man in the country to support it.

As regards the Hudson Bay country, I have read everything connected with it for the last fifteen years. While the hon. the Finance Minister was preaching desolation and destruction down in Nova Scotia, I as a young boy, was endeavouring to stem the tide he was stirring up against faith in Canada. I was preaching faith in Canada amid the jeers of the Liberals. When I declared that this country had unlimited possibilities, the Liberals jeered, and said it was no good, that we would drift into the United States, and that we could never be worth much of ourselves. This was the opinion of a good many down there and I am sorry to say that the Minister of Finance (Mr. Fielding) had a good deal to do in giving force and colour to that view. I have always believed in Canada from my youth up. In my home I was taught that Canada is superior to the United States, that our people are superior, that the insti-

tutions and morality and homes of our country are superior to anything elsewhere on this continent. When I gave expression to that faith, I was greeted by the jeers of the Liberal party in the province of Ontario, but I am glad to say that the more independent spirit has grown up in that province and that now when you speak proudly of Canada they will cheer you heartily I believe that there is a great alluvial valley between the height of land and Hudson Bay, which will turn out to be more fertile and richer even than your boasted Ontario peninsula. The climate is infinitely superior to that of Montreal and Quebec, and I would be willing to build a line to that country, but this projected line will not touch that great alluvial basin. It will just crawl up the height of land, from which every vestige of soil has been swept by the water down to this rich alluvial basin. From the Saguenay, along the south of James Bay, through that alluvial basin, to Lake Winnipeg and thence to Port Simpson, you will find a territory as rich as anything ever developed in the whole history of Canada. If this projected line had pursued that course, I would have supported it, believing that it would bring about a great national development, and especially because such a line would give us a route from Yokohama to London shorter by 1,400 miles than any we have at present. I believe that a line could be laid down from Port Simpson, north of Winnipeg and south of James Bay, to the Saguenay, which would shorten the distance by land and sea from Yokohama to London by the extent I have mentioned. That would give us such an overwhelming advantage that it would practically destroy all competition, and in five years you would get the whole trade of the east, that trade which has enriched every nation that has ever enjoyed it, from the earliest times down to the present. Any expenditure by Canada would be justifiable which would secure to us that trade; and any railways we would need to locally develop any of our provinces, we could build out of the enormous revenues that would flow to us from the Orient. Had such a policy been pursued, I would have supported it with heart and hand, no matter what might happen to me politically, but that course not having been taken, I am compelled to oppose this enormous expenditure to which we are asked to commit ourselves. And for this expenditure, which could give us the great transcontinental line I have indicated you will get, under the present scheme, only a little tu'penny ha'penny line over the height of land, where there is nothing of any importance unless the country should turn out to be rich in minerals—where there is nothing to attract the immigrant, nothing to attract those great people from Scotch, Irish and English homes, who give us such strength and ability when they settle among us. What we want is depth. We can never have a country developed as it should be, when we have only a little fringe of population on its outskirts. We must have depth, and we should go north some 500 miles to locate our road, and once we have our road located some 500 miles to the north through that rich territory, the star of destiny will rise in Canada and the star to the south, which has so long been in the ascendent, will sink for ever and somebody perhaps living now will sit down and write the decline and fall of the United States. I desire to put myself on record here as a student, when I express the hope that some day there will be a city on the Hudson Bay which perhaps will be the capital of the British empire. No doubt my prediction to-day will be received as was that of twenty years ago, when I predicted that we would have a nation in Canada, as we had all the material and resources with which to build up a nation. This prediction which I made to-day may be received with jeers, but I know whereof I speak and I believe that some day we will be the centre of the British empire.

And on that account I am a strong supporter of the perferential ideas of Mr. Chamberlain. For I believe that Canada has more to gain by federation of the empire and the keeping of the empire together than any other portion of the empire. In a few years we shall be a great manufacturing country, and we shall need these other British possessions all over the world for the carrying on of Canadian trade. If we have not these it will be necessary for us to do what the United States have done, —take sword in hand and conquer countries like the Philippines and Cuba in order to afford outlets for our trade. But, having such outlets, for God's sake let us keep them and give Canada the opportunity to exploit them for her own purposes.

I have spoken of the expenditure involved in this scheme. I would not be deterred by an expenditure of $200,000,000 or $300,000,000 if by spending the money we got a national line. Do not let any hon. gentleman think that I would be deterred by any such consideration. Show me that we can get the national line, and I will respond that no expense that we can bear would be too great to be justified by such a result. I would support such an expenditure gladly. But to spend these enormous sums of money and not get the national line stirs the blood in my heart and makes me opposed to this scheme from beginning to end.

I wish to emphasize the location of this road. There has been but little knowledge of the geography of Canada, and perhaps people do not understand the dominating influence of Lake Winnipeg in this problem. That lake is 256 miles in length and lies north and south directly across the lines to connect the east and the west. We must go either north or south of that lake. There

is a distance of only 56 miles between the United States border and the southern end of Lake Winnipeg. We must put all our railways through that 56-mile strip or we must go north of the lake with some of them. This is a question of enormous difficulty. If the country north of Lake Winnipeg is impossible of development, we cannot build a line of railway through it successfully and settle in that country a population sufficient to support the railway and defend it, why, we must face the fact. As a Canadian, I have great faith in this country and would give anything to see it succeed. But, at the same time I am a practical man. I realize that you would never make one nation of territory that is joined by a strip only 56 miles in width and contiguous to the American border. Because, in case of trouble, the United States in twenty-four hours could break that railway, thus separating the two ends of our country and defeat us in sections. Consequently, it becomes a matter of supreme importance to know the character of the country north of Lake Winnipeg, and, if possible, to locate a line of railway there which will make us impregnable and make Canada really a nation. Canada is only a little aggregation of provinces to-day. But what we want is to show that we have a good territory four or five hundred miles north of the present line of settlement. Then we shall know that we have a country capable of supporting hundreds of millions of people and shall feel assured that we shall be the dominating power on this continent in fifty years from now. So, this is the crucial question for Canadians—to ascertain whether we can locate that railway, and, if so to locate it and settle this question for ever. After the settlement of the boundary at the 49th parallel the Americans went home and told their people that they had secured everything worth while and that we had nothing but a little fringe of territory. The repetition of that idea has done Canada incalculable harm. Even in my own home, where I hear nothing but imperialism, I have heard the fear expressed lest this prediction should prove true, and that we have no territory to the north where we can settle millions of people. We want to explode that theory. If we can do so the whole question is settled in our favour, and this will be the dominating nation on the continent. In this connection I desire to quote authority. As a rule, I do not pin my faith absolutely to the opinion of any man. I believe that any man who will sit down and honestly and diligently study a question is likely to reach a reasonable opinion on that question. I desire to quote Sir Sandford Fleming, and I do so because from his earliest youth that gentleman has devoted himself to the study of the physical character of Canada and to its railway and transportation possibilities. Last year, you will remember, Sir, the attempt was made by the supporters of the government again and again to prove that Sir Sandford Fleming approved of the route of this railway. If he had approved it, I am bound to say I would have accepted his opinion with respect. We in Nova Scotia know Sir Sandford Fleming as the man who located our line of railway and did it well, and we respect his judgment in such matters. I am bound to say that, if Sir Sandford Fleming supported the location of this railway last year, the experience of a year has taught him, as it has taught many people including supporters of the government, that he made a grievous mistake. I shall quote from the same pamphlet that the Solicitor General quoted from. I complimented that hon. gentleman on his use of English. I would not mislead this honourable House. While the hon. gentleman (Mr. Lemieux) seems to be able to speak English exceedingly well, he does not appear to comprehend it through reading. If he could, he surely would not have misapprehended so greatly the meaning of Sir Sandford Fleming's speech before the Canadian Club at Toronto, which he quoted this afternoon. I attribute that not to intentional misrepresentation, but to misapprehension on the hon. gentleman's part of the English language which is not his mother tongue. Sir Sandford Fleming distinctly repudiated this location as the most unwise that could be made in Canada for a national transcontinental line. And he gives a map which, beyond all doubt is a fair representation of Canada. The route he traces starts from Quebec. The only difference between the route he advocates and that which I advocated last year, the one known as the Trans-Canada is that he makes his terminus at Quebec, whereas the Trans-Canada people had a line further east and made their terminal on the River Saguenay, about sixty miles below Quebec. In his lecture Sir Sandford Fleming divides Canada practically into three parts. He starts at Quebec, which he calls A; then goes to the north of Lake Winnipeg, having a point which he calls B, then to Port Simpson which he calls C. He says that any line to be of service to Canada must start at Port Simpson go north to B and then eastward to a city on the Atlantic. Therefore, he repudiates entirely the location of this line. As I understand it, the government propose to start at Quebec, then curve up and cross the height of land north of Lake Superior—they must cross the height of land north of Lake Superior in order to get down to the valley to Winnipeg. This line, according to Sir Sandford Fleming, is weak in a military sense, in a commercial sense, and because of the length of line. It destroys all possibility of making this the national line to carry oriental trade. I want it to be distinctly understood that Sir Sandford Fleming, whatever he stands for in the

matter of railway knowledge in this country, is opposed, as I am opposed, to the location of this national highway on the line proposed. This is what he says :

Such a railway constructed between Quebec and the western prairies on the northern route would be a national highway in every sense. Its immediate effect would be to broaden the Dominion, to add strength where strength is so much needed, to establish many new centres of industry, and thus the country would steadily become populated and consolidated. What is now a wide-spread wilderness would be converted into one of the most important divisions of the Dominion.

I have not touched on the military reasons for establishing a railway far to the rear of Lake Superior. I leave that branch of the subject for others to deal with. I merely submit some reasons in favour of a policy of establishing the proposed new national railway by the shortest route. I shall conclude in the words of the Prime Minister in addressing the people of Montreal two or three weeks back.

Then he quotes Sir Wilfrid Laurier, and it is funny how the Prime Minister can be quoted either to support his scheme or to oppose it. His language is so flexible and elastic that he can be quoted on either side. Sir Sandford says :

A railway constructed on the northern route would, at all times and seasons, be a reliable outlet from the granary of the empire in the heart of Canada to tide water.

And he locates it north of Lake Winnipeg, and describes the whole line so clearly that there can be no doubt about it. So any gentleman who now quotes Sir Sandford Fleming as supporting this railway scheme must do so deliberately, because he in fact repudiated the route, and supports the view of the opposition in this matter. Now I have said that last year I opposed it, and I am glad to see that the junior member for St. John (Mr. Daniel), who comes fresh from the people and can speak from the maritime standpoint, is also opposing it, even apart from its location. It has this fatal defect, that it is a part of the old Grand Trunk Railway that has been for so long the enemy of Canada in a transportation sense. Now this new agreement accentuates that defect, and this new agreement makes Portland absolutely the great entrepot, the great exporting centre for the trade of the west—not Halifax, or St. John, or Country Harbour, or Quebec. I have no doubt, however, that the city of Quebec and the surrounding country will be benefited, but only as a summer port, because I believe that railways do not extend their beneficial influence much beyond ten or fifteen miles from their point of location. Therefore, I come to the conclusion that if you want to benefit a country by railways you must not build them fifty miles apart, but ten or twelve miles apart, and then you will find the whole country thrilled with the impulses of trade and commerce. A year or two ago I mentioned Ohio and Illinois as examples of the benefits of railways. The little state of Ohio with 60,000 square miles, about three times the size of Nova Scotia, has got more railways than the whole Dominion of Canada, so has Illinois. Ohio has a population of four or five millions. We find that wherever railways are plentiful population is plentiful, wealth is plentiful, and just as you get away from these railways population begins to get thin, wealth begins to get thin ; and if you go into a country where there are no railways then you find poverty and uninhabited wastes. Just in proportion as you have railways you have development. Therefore, I have been converted to the idea that the great object to which we should bend our attention in Canada is the building of twenty or thirty thousand miles of railway in the next twenty years. How can we compete with a nation that has 207,000 miles of railway, when we have only 18,000 ? We have 50,000 or 60,000 square miles more territory than they have, including Alaska, and yet we have courage enough to ask the people of Canada to enter into competition with a people of their resources and their means of transportation, the most highly developed country in the world. Let us be sensible, and let us set ourselves to the task of developing our own country, and then I have no doubt that the capacity of this northern race can beat the people of the United States out of their boots. But you must not ask the people of Canada, bright as they are and full of courage, to undertake the hopeless task, handicapped as they are, with their paucity of railways.

Now let me say this, I do not wish to be misunderstood, I do not want my Quebec friends to think that I am opposed to their having railways. I believe this proposed railway will enrich and enlarge the city of Quebec and the surrounding country. I believe that was the object of this whole scheme. I believe the Minister of Justice and the Prime Minister, both representing the city of Quebec, are driven to build this railway and to clothe it with the character of a transcontinental line for the mere purpose of aggrandizing the constituency from which they come. That is the whole genesis of this transcontinental system. The Prime Minister, with that grace of his mother tongue, mixed up with the finesse of the Saxon, is able to captivate a great many people, as he is able to captivate his party followers. If he is not able to captivate them with the grace of his language, he has other beautiful things in his pocket which he uses very well to captivate the more hardened sinners of his party. Now the Grand Trunk Pacific will benefit the city of Quebec as the Canadian Pacific Railway has benefited Montreal. I believe that the whole genesis of this railway lay in the fact that the people of Quebec said to the Prime Minister and Minister of Justice :

See how the Canadian Pacific Railway has built up Montreal, why don't you give us a railway that will build up Quebec in the same way. Why don't you make Quebec the terminus of a great railway and build it up as Montreal was built up by the Canadian Pacific Railway. Therefore, Sir, I think the whole people of Canada are saddled with a most onerous transcontinental system for the purpose of enabling the Prime Minister and the Minister of Justice to come back to this parliament with very little trouble. However, I hail with pleasure the fact that the people of Quebec have strength enough to dominate this whole country. If I had the power perhaps I would work the same scheme on behalf of the province of Nova Scotia, or the county of Colchester. I congratulate the people of Quebec on the power they possess over this government and of the success they have had in working this scheme through the influence and ability of the men that they send to parliament. Long may that state of affairs continue, and may the other provinces learn to emulate them.

That is all very well for the province of Quebec, but how do we stand in the lower provinces? Why, my hon. friends from Hants (Mr. Russell), from Annapolis (Mr. Wade) and from Queen's and Shelburne (Mr. Fielding) take to themselves credit for getting this little string attached to the Grand Trunk Pacific Railway. The whole scheme as mapped out by the Prime Minister and the Minister of Justice was that this transcontinental railway should have its terminus at Quebec city. Having done that they accomplished everything that far. But of course they had the other provinces to fool, and they said to the maritime province people: Of course the scheme is to make Quebec a great terminal city, and of course we have to fool you fellows by giving another line down to Moncton. So you tell the people that Moncton is going to be the terminus. Then if the member for Cumberland (Mr. Logan) is strong enough, he will have it taken to Amherst; and when I am running in Colchester I will say that Truro is going to be the terminus. Then when the elections come on and it is found expedient, the candidate who is running for Guysborough will say that the terminus is going to be at Country Harbour. Now then I am bound to say to the hon. gentlemen opposite coming from the maritime provinces: you have not fooled a soul in the maritime provinces but yourselves. You are the ones who are fooled by this scheme, and you are the only ones.

I glory in the ingenuity by which the members for New Brunswick secured the building of this line through New Brunswick, because as a local line it will help that province. But I am speaking of it in the larger sense of a transcontinental line. I would not oppose this line, and I hope it will be built, but if it is to be built at all, if a foot of it is to be built from Winnipeg to Port Simpson, then the other section from Winnipeg to Moncton must be built pari passu. I have no sympathy with the humbug which says that the road must be built through the western country, but must not be built through the maritime provinces. If this scheme is going through at all, the maritime provinces are entitled to their share of the humbug as well as the other provinces. I stand for every foot of the line being built, and the maritime province part of it must be built if any is built. Some people think that because the line is to go to Quebec it will be of more advantage to the maritime provinces than if it went to Montreal. I undertake to tell you that the people of the maritime provinces know better than to be fooled by this matter of transcontinental termini. In the old days we actually believed that the Canadian Pacific Railway would bring through-freight to Halifax. We were absolutely fooled in the matter, because we knew so little about the geography of the country and the conditions of transportation. We do not believe it now, for we know that every pound of freight which is placed on the cars at Winnipeg is in danger until it gets past the lines running to Buffalo and New York; when it has passed Buffalo and New York it is in danger of Boston; when it gets to Montreal it is in danger of Portland, and even at Quebec it is still in danger of Portland. Therefore, we in the maritime provinces have come to the conclusion that any line of railway that goes to Montreal or Quebec will not bring a pound of freight to Halifax or St. John; the physical conditions are against it. Thus, when you tell me that the line goes to Quebec, I reply that that is no better for us than if it went to Montreal, because at Quebec it is only 19 miles farther away from Portland than it is when it is at Montreal, and by cutting off a loop the distance may be made the same. So that when freight is brought to Quebec by this line it is, as I have said, no better for the maritime provinces than when it is at Montreal, and we know that freight from Montreal will never reach the maritime provinces, except an occasional stray shipment. Therefore, the people of the maritime provinces are unalterably opposed to it, and all the speeches of a dozen gentlemen from Annapolis or Hants cannot change the settled conviction of this country. Rhetoric will not work; we want something practical, and we know that a line of railway that hauls the freight from the Peace river country away south down to Winnipeg and then takes it away around by the north to Nova Scotia is an utter impossibility. You cannot keep the freight north, but if you take it down to the Saguenay we know that when it gets below Quebec it must find its exit through the maritime provinces. Therefore, last year I supported the Trans-Canada Railway, and I regret that the hon. Solicitor General (Mr. Lemieux) should have attempt-

ed to make a point against me. Of course. I glory in my support of the Trans-Canada Railway. I went to the Chamber of Commerce at Quebec and supported it, and did the same thing here. If I remember rightly, the Solicitor General (Mr. Lemieux) was there and supported it, too. What courage these gentlemen have! I am still supporting the Trans-Canada line, but he reviles me now for supporting in parliament what I supported in the Chamber of Commerce. He takes the position that because he supported it in the Chamber of Commerce, therefore, he must oppose it here, and he asks me why I do not follow his example, and holds me up to ridicule, because I do in this House what I did in Quebec. Sir, I have only one voice for Canada; I use it in Nova Scotia, in Quebec, and in the west. But these gentlemen say: That is all wrong, you should follow our examples, and have a voice for Quebec, another for Nova Scotia, and another for every part of the Dominion of Canada in which you happen to be. So surely do they carry out that system that they go down to Quebec and raise a racial and religious cry when there is an election there, and then come into this House and look over here and say: Oh, you fellows are always raising this racial and religious cry. Sir, they have the courage of the fallen angel, and they have many other of his habits and practices. The Conservative party does not fear to strike above the belt, but we must be careful when fighting these gentlemen, because they hit us below the belt when they get a chance, and then, after striking us below the belt, they say: Why don't you fight fair?

Mr. MORIN. That is so; you are right.

Mr. GOURLEY. I have said that the Quebec-Moncton section must be built, and I wish to put myself thoroughly on record on that score. I am for that section from beginning to end. If a mile of this crooked, bottled-up railway is to be built, then build the Moncton section, because if Quebec is to be benefited at the expense of the whole Dominion, we should have a little of the overflow down in the maritime provinces. The people of Quebec are being dealt with splendidly, their coffers are overflowing with the gold of Canada, and they will not object to some of the milk coming down to us so long as they have all the cream. I stand for the Trans-Canada Railway, and I do not think the Solicitor General should have complained about my standing by it in this parliament when he supported it in the Chamber of Commerce and should stand by it here. I believe that in his maturer moments, when he is unbiased by any considerations of office or influence, he will think as I do and will agree with me.

I wish to say one word about my hon. friend the leader of the opposition (Mr. R. L. Borden). I see that the 'Morning Chronicle,' and a certain element of the people of Halifax, are trying to hold that gentleman up as an opponent of the maritime provinces. They might as well hold up the hon. the junior member for St. John as an opponent of the maritime provinces, although he has been acclaimed by the people in a panic. I do not object to the use of that word; it is time there should be a panic in Canada. By Jove, if there ever was a time when there should be a panic, this is the time and I thank the hon. gentleman for that word 'panic.' Panic! A panic is starting, and my hon. friends will find that there is a panic in the county of Colchester, in the county of Annapolis, in the county of Hants, and when we arrive at the general election, which I hope is not far off, we will find that these gentlemen would have done better to stand by the interests of the maritime provinces and not by mere party interests. The hon. the leader of the opposition (Mr. R. L. Borden) has been attacked in the press of Halifax because he is opposing this scheme. He says that it aggrandizes Portland and, in opposing it, I say he is fighting the battle of the maritime provinces. I desire to tell these gentlemen that when the whole facts are known it will be found that the day of misrepresentation is past. I tell them also that, notwithstanding this scheme is put through, the Trans-Canada will be built in five or ten years. There will be such a consensus of public opinion in favour of the route of the Trans-Canada as a national route that, although we have been led into this extraordinary extravagance, the people will say: Let it go; it was a blunder; it was built as a party expedient; let us undertake now to build the Trans-Canada, and lay down a true national line for the development of our country.

I will not hesitate to say on behalf of the maritime provinces, that no line that does not go below Quebec can ever benefit us. Once locate a line below Quebec, and then there is a straight course across the continent to Halifax, or to Country Harbour, or to St. John and once the products of the great west are put upon this line and sent down there they cannot go to Boston or to Portland, but must go out on the Atlantic from Canadian harbours to the great markets of the old country. That is my ambition, and I believe it is the ambition of some of the gentlemen opposite, if they could only throw away their narrow party trammels, and stand up like men, and proclaim what they really believe. I charge it against the gentlemen who are supporting the government, that they are conspiring to crush out the hopes, and the ambitions of the provinces by the sea, and to keep them shackled for 25 years longer. Of course, the Canadian Pacific Railway had to be built where it was, but we were deluded by the idea that we would get trade from that source. An attempt is made to delude us again, but we know now that a line making its terminus at Quebec will never benefit

the maritime provinces. Therefore, I am not concerned by any statement of the hon. member for Hants (Mr. Russell) or the hon. member for Annapolis (Mr. Wade) because I know that this scheme is bound to be unpopular in the maritime provinces.

And now, with reference to the terms. Most generous terms were given last year to the Grand Trunk Pacific Company, but I do not blame these gentlemen for coming back to get more generous treatment. They knew that the Prime Minister and the Minister of Justice would not go to Quebec province for an election, until the agreement was completed. They knew it was for the purpose of pulling the province of Quebec politically, that this whole scheme of the Grand Trunk Pacific was conceived. I was at the Windsor Hotel in December last, and the Prime Minister was there looking radiant some days and dejected other days. He is always pleasant to meet, and I am glad his health is restored, because I want to beat him when he is well ; I don't want to beat him when he is sick. I am glad that the Prime Minister is well, because I like to fight an opponent in the full possession of his powers, and I congratulated hon. gentlemen opposite, upon their leader having recovered his health. When I met him at the Windsor at Montreal, he was looking peculiarly happy, because he was daily expecting a cable that the Grand Trunk deposit had been made, and the government printers had instructions to have all the material ready for a general election, and he was going to the country thinking he would get a verdict from the maritime provinces, and from the provinces of Quebec before the people understood the question. But the Grand Trunk people knew the position of the Prime Minister exactly. I have no doubt they could have put up this money in five minutes, but these shrewd fellows over in London, said : We will keep our money in our pockets, and we will cable that we cannot put it up, and the Prime Minister of Canada, will have to meet parliament, and we will insist on better terms. They had the government of Canada like a lemon or a cut orange, and they could squeeze the juice out of it as they liked. They said : We will force the Prime Minister to call parliament, and then we will dictate our terms, because if he does not complete his contract he will have to go to Quebec and be beaten out of his boots. I therefore think that the Grand Trunk people have acted most generously to the government. I wonder that they did not demand half the possessions of Canada. I can understand the supporters of the government lauding this scheme because they knew that the Grand Trunk might have had $10, for the $1 it asked and received. The Grand Trunk people have only asked for $30,000,000 or $40,000,000 extra; why could they not have $100,000,000? This government would never have consented to have been defeated in the province of Quebec for $100,000,000. What is $100,000,000 weighed in the balance with the maintainance of their prestige and their power ? Therefore, if the Grand Trunk let the government off with $45,000,000 more, it is the only instance on record in which the Grand Trunk was ever generous. I think I have said now all the kind things I can, about this railway scheme. I abide by my utterances of last year, and I simply say to-night, that the Prime Minister has had my constant sympathy ever since that deposit was not put up, and he was compelled to meet parliament ; because I really expected, that when it came to new terms, the poor Prime Minister would have been driven much further. Probably, owing to his weakened state of health, even those hard, cruel monsters of the Grand Trunk, relented, and so the people of Canada, and the supporters of the government too, have to be thankful for the fact, that the Prime Minister was ill, and that the Grand Trunk people were not as obdurate as they might have been. So far as I am concerned, instead of being too critical with the Prime Minister, instead of being too harsh upon the government, I am inclined to sympathize with them in the cruel position in which they are placed ; and that while they have only sacrificed $30,000,000 or $40,000,000 of the money of Canada, in the very largeness of their heart, they might have been compelled to sacrifice $100,000,000 or $150,000,000 more. I thank the House for listening to me so courteously, but I want to warn gentlemen from the maritime provinces, and especially the Minister of Railways (Mr. Emmerson), that he had better alter his course in connection with this scheme.

Mr. W. S. CALVERT. At the request of the hon. gentleman from Montmorency (Mr. A. Lavergne) I move the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Mr. Fielding the House adjourned at 11.05 p.m.

HOUSE OF COMMONS.

WEDNESDAY, April 13, 1904.

The SPEAKER took the Chair at Three o'clock.

FIRST READINGS.

Bill (No. 52) respecting the Manitoba and Keewatin Railway Company.—Mr. McCreary.

Bill (No. 53) respecting the North American Telegraph Company.—Mr. McCreary.

Bill (No. 54) to incorporate the Dominion Fire Insurance Company.—Mr. Macpherson.

Bill (No. 55) respecting the Canadian Northern Railway Company.—Mr. Davis.

CRIMINAL CODE AMENDMENT.

Mr. H. LENNOX (South Simcoe) moved for leave to introduce a Bill (No. 56) to amend the Criminal Code, 1892.

Right Hon. Sir WILFRID LAURIER (Prime Minister). Explain.

Mr. LENNOX. This Bill is for the purpose of correcting a difficulty that is found in the operation of the Criminal Code. Under an Act of the Ontario legislature with reference to the action of certain magistrates, there is a provision, which also exists in the Dominion statutes, that if a magistrate, in a case where he is entitled to take fees, takes more fees than he is entitled to, he is liable to a penalty of $80, together with the costs of the action in which it is recovered. But it has been decided recently that although he is liable to that penalty, in a case where he has summary jurisdiction and therefore is entitled to some fees, he is not liable to a penalty if he exacts fees in a case which is of a purely criminal character and where he is only investigating a case to ascertain if it shall be sent to trial. If in that case he exacts fees where not entitled to any fees at all, he is not liable to the penalty which is provided by this section of the Code, 1892, and the corresponding section of the Ontario Act. It is manifestly fair, necessary, that in a case where a magistrate exacts fees and is not entitled to any fees he should be liable to as great a penalty as he would be where he is entitled to some fees and takes more than he is entitled to.

Motion agreed to, and Bill read the first time.

QUESTIONS.

WINNIPEG POST OFFICE.

Mr. W. J. ROCHE asked :

1. Has the government purchased or secured an option of a site for a post office at Winnipeg ? If so, from whom ?
2. What is the price, and what is the size of the site ?
3. What frontage and what depth has it ? Where is it situated ?
4. Is it a corner site ? If so, at what corner is it situated ?
5. At what date were negotiations first begun for the purchase of the site ?
6. By whom were the negotiations conducted, on behalf of the government ; and in whose names were options secured ?
7. Have the government taken into consideration the necessity of future extension or enlargement of the post office ?
8. In that event, could the necessary additional property be procured adjoining the site now selected ? If so, from whom, and at what price ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) :

1. Yes, an option has been secured. Negotiations were conducted with Mr. Thomas Metcalfe, barrister.
2. $1,000 per foot frontage for the two first lots, 101·38 feet, and $950 per foot frontage for the third lot, 32·90 feet.
3. Frontage 134·28, of an irregular depth of 195 feet for 81 feet, of 144 for 20 feet and 100 feet for 33 feet. Situated on Portage avenue, between Garry and Fort streets.
4. No.
5. Chief Architect Ewart and Chief Post Office Inspector Ross looked into this matter first when visiting Winnipeg in February last, and the site selected was examined and recommended for purchase by them.
6. Mr. Thomas Metcalfe, barrister.
7 and 8. The new post office building will, it is expected, give ample accommodation for the next twenty-five years.

CHARGE AGAINST JOHN M. DESROCHES, LITTLE TIGNISH, P.E.I.

Mr. HACKETT asked :

1. What action has the government taken with regard to the following question, asked in this House on the 10th September, 1903 :—' Mr. Hackett asked :

' (a) Has the government received a complaint from certain electors of Prince county, Prince Edward Island, alleging that one John M. DesRoches, of Little Tignish, township No. 2, fishery guardian, had committed fraud in connection with the distribution of fishing bounty checks for the season of 1902, and asking that the same be investigated ?

' (b) Is it the intention of the government to order an investigation into this matter, as requested ?

' (c) If so, when will the inquiry take place, and will witnesses be called to substantiate the charges made ?

' (d) The Minister of Militia and Defence, Sir Frederick Borden : Yes. Yes. A searching inquiry will be made as soon as possible.'

2. Has the inquiry as promised been made ; and what is the result ? If not, why not ?

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries). Preliminary information was procured, upon which the minister came to the conclusion to suspend proceedings for further consideration.

LINDSAY, BOBCAYGEON AND PONTYPOOL BRIDGE ACROSS EMILY CREEK.

Mr. SAM. HUGHES asked :

1. Has the government permitted the Lindsay, Bobcaygeon and Pontypool Railway to cross the mouth of Emily creek on a low-level, solid bridge ?
2. Has the government received any protest concerning the bridge ?

3. Is it the intention of the government to require a swing to be placed in the said bridge?

4. Has the government any data showing that the navigation of this stream is becoming more important each year, and that quantities of timber and other produce find, and will find, an outlet by this waterway ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. A fixed bridge to carry the Lindsay, Bobcaygeon and Pontypool Railway over the Emily creek has been authorized.

2. Subsequent to passing the Order authorizing a fixed bridge, a protest was received from Mr. Hugh O'Leary on behalf of Mr. Edward Johnson, and also from the Kawartha Lake Navigation Company.

3. Not yet been considered.

4. No.

P.E.I. RAILWAY—BRANCH LINES.

Mr. LEFURGEY asked :

1. Has the government in view the construction of any branch lines in Prince Edward Island ? And if so, between what points ?

2. Have any petitions or recommendations, during the years 1903 and 1904, been pressed upon the government for the construction of any branch lines and if so, between what points?

3. What surveys were made in King's and Queen's counties, Prince Edward Island, during the years 1903 and 1904 ; and between what points ; and what was the intention of such surveys, and which, if any, will be used ?

4. (a) Has a survey of a line of railway been made from Cardigan to Montague, and thence to the main line of the Murray Harbour branch; (b) who made such survey, when was it made, and for what purpose ; (c) has the department any recommendation with regard to it from the superintendent of Prince Edward Island Railway ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. Nothing definite decided.

2. Yes, petitions have been received for the construction of branch lines as follows: - From O'Leary station to Cape Wolfe, from Mount Albion station to Pownal, from Cardigan to Montague, from Murray river to Murray harbour, from Murray river to Machon's point or Beach's point, from Vernon river bridge to Lake Verde station, from some point on Cape Traverse branch to New-London bay. Request by letter from Mr. J. J. Hughes, M.P., for an extension from Souris to Elmira.

3. A location survey was made between Murray river and Murray harbour ; and instrumental surveys were made between Cardigan, on the main line, and Montague bridge ; between Montague bridge and Surrey road, on the Murray harbour branch ; also between Hoitts' Mill and Brudenell river and New Perth station on the main line. Reconnaissance surveys were made from Montague bridge to the Murray harbour branch near Kinross, also from McRae's Mill to Murray river. The intention was to locate the extension to Murray harbour and ascertain the possibility of building a branch line to Montague bridge. No decision has been reached as to which, if any, will be used.

4 (a). Yes.

(b). A survey was made in December and January last by Mr. H. J. Mackenzie, and was one of the several surveys made to ascertain the possibility of building a branch line to Montague bridge.

(c). No recommendation has yet been made.

SUPPLY OF COAL TO GOVERNMENT.

Mr. CLARE asked :

1. What was the total quantity of coal furnished to the government during the fiscal year ending 30th June last, for use in the public buildings, works and institutions, maintained or administered by the government ?

2. During this period, what quantity of coal was furnished for use in each public building, work or institution, stated separately, and the names of the persons from whom the several lots were obtained ; the rates of payment, and the total cost in each case ?

3. In which cases, if any, were the purchases made by tender ?

4. What sums of money have, during this period, been paid or allowed by way of a heating or fuel allowance, in lieu of or commutation for fuel ; and in what cases and to what sums respectively have such allowances been made ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I will ask my hon. friend (Mr. Clare) to move for a return.

CANADIAN NORTHERN RAILWAY CROSSING OF SASKATCHEWAN RIVER.

Mr. LANCASTER asked :

1. Has the government received any petitions to make the Canadian Northern Railway cross the North Saskatchewan river at Battleford, instead of at the crossing selected by the engineers, some few miles further north ?

2. What could be the difference in cost between the approaches and bridge at Battleford and the approaches and bridge at the crossing selected by the engineers ?

3. Who have petitioned or interviewed the government re the change proposed ?

4. Has the government considered the propriety of moving the few houses in Battleford up to the crossing selected by the engineers ?

5. Is the government aware that the agitation is chiefly due to speculators in and around Battleford ?

6. Is it the intention of the government to use the public funds for the extra cost of this crossing ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. The government received a petition, dated 11th March, 1902, from Mr. P. G. Laurie, chairman of a village meeting, asking that the bridge of the Canadian Northern

Railway cross the North Saskatchewan river at Battleford instead of at a point some miles north.

2. There is no accurate official information as to difference in cost.

3. Mr. P. G. Laurie, chairman of village meeting.

4. The government has not considered the moving of a few houses, &c.

5. No, the government is not aware that it is due to speculators. On the contrary, it is believed to be due to the very natural desire of the people of Battleford for railway communication.

6. The government does not understand that there is any proposition to use public funds in connection with this crossing.

VOTERS' LISTS FOR UNORGANIZED DISTRICTS OF ONTARIO.

Mr. ALCORN asked :

1. Have any voters' lists been prepared for the unorganized districts of Ontario since June, 1901 ?

2. If so, when were they prepared, and are they now available ?

3. Has the attention of the government been directed to the provisions of the Ontario Statute, 2 Edward VII, chapter 12, section 2, and its subsections ?

4. What steps have been taken by the government to secure the preparation of voters' lists in the unorganized territory of Ontario in the year 1904 ?

5. Is it the intention of the government to take any and what steps to secure the preparation of voters' lists in such unorganized territory during the present year ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) :

1. No.

2. Answered by question one.

3. Yes.

4. No steps have yet been taken to secure the preparation of voters' lists in the unorganized territory of Ontario.

5. The subject is under consideration.

DOMINION ELECTIONS ACT, 1900.

Mr. ALCORN asked :

1. Is it the intention of the government to introduce any legislation in amendment to the Dominion Elections Act, 1900, for the purpose of clearly defining the constituencies in which the returning officer has the power to fix the day for the nomination of candidates, and also the day and place for holding the polls ?

2. In what constituencies has the returning officer such power, under the statutes now in force ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) :

1. The subject is now under consideration.

2. In the electoral districts of Algoma, Ontario and Gaspé and Chicoutimi and Saguenay in Quebec. Burrard and Yale and Cariboo in British Columbia.

G.T.P.RY.—ALIENS AS SURVEYORS.

Mr. PUTTEE asked :

1. Has the Minister of Labour received from the Dominion of Canada Institute of Amalgamated Engineers a request for the deportation of the following men, brought into Canada under contract by the Grand Trunk or the Grand Trunk Pacific Railway Company, viz.:— G. A. Kyle, engineer, Tacoma, Wash.; M. Kyle, engineer, Tacoma, Wash.; W. Allan McNeil, St. Paul, Minn.; Hare VanArsdaile, W. Jones, engineers, Wisconsin ; W. Meyer Nutting, engineer, Portland, Oregon ; W. H. Goodman, W. Mason, draughtsmen, Tacoma, Wash.; R. Heckman, engineer ; Hicks, transitman, Tacoma, Wash.; Anderson, typographer, Seattle, Wash.?

2. What reply has been given to the request ?

3. Has the Minister taken any steps to ascertain the total number of men imported under contract from the United States in connection with the survey of the proposed Transcontinental Railway ?

Hon. Sir WILLIAM MULOCK (Postmaster General.) Certain correspondence on the subject has passed between the secretary of the institute and the government, and if a return is moved for, the copies will be produced.

P.E.I. MAILS.

Mr. LEFURGEY asked :

1. What contract did the government have with the New Brunswick and Prince Edward Island Railway for carrying Prince Edward Island mails last winter, and the amount of contract, and whether per mile, per trip or annual ?

2. What contract did the government have with B. C. Royworth for carrying Prince Edward Island mails from and to Sackville to Cape Tormentine, and the amount of contract, and whether per mile, per trip or otherwise ?

3. What arrangement has the Department of Railways with the Post Office Department for carrying mails by special train in Prince Edward Island ; and the rate per mile or otherwise ?

Hon. Sir WILLIAM MULOCK (Postmaster General) :

1. The arrangement is $6 per single trip. This amount is paid for conveying Prince Edward Island mails on regular trains, and is over and above the regular rate for conveying local mails.

2. No contract. The rate per trip has not yet been adjusted.

3. Fifty cents (50c.) per mile.

APPOINTMENT OF J. E. DUVAL.

Mr. CLARKE asked :

1. Have the Railway Commissioners or the government appointed an officer to inquire into and report upon the causes of railway accidents which take place in Canada, in which, or as a consequence of which, human life is sacrificed ?

2. If such officer has been appointed, what is his name ; how long has he resided in Canada ; is he a British subject ? If so, when did he become naturalized ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. Yes.

2. J. E. Duval. Has resided in Canada for the last twenty years. He is a British subject. He was born in Canada.

NORTHWEST TERRITORIES.—TOWN SITES.

Mr. LANCASTER asked :

1. Has the government any arrangement with any railway company or persons regarding town sites in the Northwest ?

2. Is it true that the government, or officers on behalf of the government, are interested in any town sites, or proposed town sites ?

3. What are the conditions or arrangements ?

4. What sums have been realized by the government from such arrangements ?

5. Where do these sums appear in the public accounts of Canada ?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

1. The government has no arrangement now with any railway company or persons regarding town sites, but there was a partnership with the Canadian Pacific Railway Company in four town sites, Virden, Qu'Appelle, Regina and Moosejaw from 1883 to 1902 when a division of the unsold lands was made.

2. No.

3. Answered by No. 2.

4. $141,229.90.

Hon. H. R. EMMERSON (Minister of Railways and Canals.) The information asked for by the hon. gentleman cannot now be furnished as the accounts have not yet been made up.

NORTHWEST MOUNTED POLICE MEDALS.

Mr. SAM. HUGHES asked :

1. How many members of the Northwest Mounted Police served in the rebellion of 1885 ?

2. Did such members receive the medal for that campaign ?

3. Were land grants or scrip issued to the members of the Northwest Mounted Police who served in that campaign ?

4. Did the Northwest Mounted Police take part in the supression of the rebellion ?

5. Did they serve in the field as a fighting force, similar to the militia and volunteers ?

6. What objections are urged against granting the Northwest Mounted Police the same consideration as accorded the militia and volunteers ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) :

1. 919 officers, non-commissioned officers and men.

2. Yes.

3. No.

4. Yes.

5. Yes.

6. It was considered that a distinction should be made between the mounted police, whose ordinary duties of maintaining law and order were within the limits of the disturbed districts, and the militia, who were called upon to leave their homes and occupations, at great personal inconvenience, resulting in many cases in serious embarrassment to themselves and families.

5.—PUBLIC ACCOUNTS.

Fiscal Year.	Part.	Page.	Particulars.	Amount.
				$ cts.
1883-4	1	50	Included with revenue received on account of 'General Sales of Lands'	121,000 00
1884-5	1	50	" " "	6,000 00
1890-1	1	44	" " "	5,100 00
1891-2	1	43	" " "	5,200 00
1892-3	1	43	" " "	3,900 00
1902-3	2	35	" " "	29 90
			Total	141,229 90

I.C.R.—EARNINGS AND EXPENSES.

Mr. BARKER asked :

What were the gross earnings on the Intercolonial Railway for the nine months ending 31st March, 1904 ; and the operating expenses for the same period ?

For the same period, what were the expenses of operating under the following heads :—(a) locomotive power ; (b) car expenses ; (c) maintainance of way and works ; (d) station expenses ; (e) general charges ; (f) car mileage ; (g) rental of leased lands ?

For the same period, what were the earnings under the following heads :—(a) passenger earnings ; (b) freight earnings ; (c) mails and express ; (d) all other earnings ?

THE LIGHTSHIP LURCHER.

Mr. KAULBACH asked:

1. What was the cost of the lightship 'Lurcher,' built by the Polson Iron Works Company, of Toronto ?

2. When did the said vessel arrive at Halifax ?

3. When did she take up her station on the 'Lurcher' shoal ?
4. Has she remained on her station continuously ever since ?
5. If not, for what reason did the lightship leave the 'Lurcher' shoal ?
6. Where is the lightship 'Lurcher' at the present time ?
7. If not in her proper station, when is the intention that she should return there ?
8. During her absence from the 'Lurcher' shoal, what steps were taken by the government to warn mariners of the dangers to navigation by reason of no lightship being stationed at this dangerous spot ?

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries) :

1. $189,975 ship, $1,841 chains, $820 lantern.
2. On the morning of Wednesday the 16th December, 1903.
3. Thursday, 11th February, 1904.
4. No.
5. The cable parted or the anchors dragged in a very heavy gale of wind, and she had to slip and run for Yarmouth.
6. On her station, in 39 fathoms water, 2 miles west from the 1½ fathom patch of the Lurcher shoal, as described in notice to mariners, No. 4, of 1904.
7. Answered by No. 6.
8. The Lurcher shoal buoy was still there, the recognized aid to navigation at that point.

MESSAGE FROM THE GOVERNOR GENERAL.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) delivered a message from His Excellency the Governor General.

Mr. SPEAKER read the message as follows :

MINTO.

Gentlemen of the House of Commons :

I have received with much satisfaction the address which you have adopted expressing your thanks for the speech with which I opened the session of parliament.

Government House,
Ottawa, 12th April, 1904.

YUKON COMMISSION.

Hon. CLIFFORD SIFTON (Minister of the Interior). When the Orders of the Day were called yesterday the hon. leader of the opposition (Mr. R. L. Borden) asked a question about the position of the commission appointed to inquire into affairs in the Yukon Territory. The position is this : Shortly before the opening of the present session of parliament, an unfortunate accident resulted in the death of Mr. Bell, one of the commissioners. A couple of weeks afterwards Mr. Justice Britton wrote to the Secretary of State calling attention to this fact and asking to be advised of the view of the government as to what course should be pursued. The matter was referred to the Justice Department and the Minister of Justice (Hon. Charles Fitzpatrick) has reported that the death of one of the commissioners results in the commission not being so constituted that the remaining commissioner can legally make a report. Instructions have been issued to the Justice Department to have another commission made out to Mr. Justice Britton and he will be asked to expedite his report. As soon as it is received it will be laid before the House.

Mr. R. L. BORDEN. I would suggest that the evidence might be printed in the meantime so that there would be no delay after the receipt of the report in placing it before the members of the House.

Mr. SIFTON. The evidence has not yet been returned to us by the commissioners. My hon. friends will, of course, understand that in the ordinary course it would not be returned until it came with the report, but we shall consider the suggestion of my hon. friend (Mr. R. L. Borden) as to communicating with the commissioner and asking to have the evidence sent to us at an early date.

FLOODS AT LAPRAIRIE.

Mr. D. MONET (Laprairie and Napierville). (Translation.) Mr. Speaker, before we proceed with the order of the day, I wish to call your attention and that of the government to the extremely painful conditions under which the people of Laprairie are labouring just now, owing to the ice floe and damages consequent thereon, through the flood, which occurred during the night of Saturday last. In order to conform to the rules of the House, I shall, if necessary, move the adjournment.

Every year, the village, and even the parish of Laprairie, are threatened with damages on account of more or less serious floods ; and I believe that it is with cause that for fifteen years, and under the conservative rule, the government had improvements made with a view to protecting the property and lives of the villagers. Those improvements consist in a wooden pier or rampart built along the shore so as to protect private property ; besides, ice-breakers have been constructed with a view to protecting the pier itself. Uufortunately, those structures are made of wood, and owing to the yearly floods and to age, the woodwork is altogether decayed. So, it has been decided to replace those structures by others of more durable material. At my suggestion the government have acted on the report of one of their engineers, and, last year, the minister of Public Works ordered that those wooden structures, which has become altogether inefficient should be replaced by others in concrete.

I may say at once that for a number of years, this House has voted subsidies aggregating altogether $75,000 or $100,000, to protect the village of Laprairie. The liberal

government, on that point, followed the precedent originating with the conservative government, some fifteen years ago, and have applied the principle laid down by their predecessors.

As a matter of fact, since 1897, a considerable amount, aggregating about $30,000, has been applied, at my request to these protection works, and last year again a large amount was voted for that purpose. Unfortunately, that amount was not voted until late last autumn, on account of the protracted session; and there was not enough time left to carry through the necessary improvements for the protection of the village of Laprairie. As the rampart or guard pier could not be completed, a gap was left, through which the ice forced its way a few days ago, causing the damage to which I have just referred. For the time being, Laprairie is not to be recognized; houses have been cut in two and carried from one side of the road to the other; all, with the exception of five or six are submerged as high up as the second story; clothing, furniture have suffered from water. If no deaths have occurred, some narrow escapes are recorded. Women had to flee in the darkness of night, carrying away their children in spite of many difficulties, and one of them having let her infant slip into the water, it was only through a miracle that it was rescued and restored to life.

I suppose there is no necessity for me to appeal to anything else but the government's equal force to their sense of justice. If the breaking of the ice had such terrible results at Laprairie, this year, it is due, as I have just stated, first to the ineffectiveness of the guard pier,—in respect of which no fault can be found with the government, but also to the building up of that million dollar island, in other words that long dike which starts at Victoria bridge and extends into the river. That dike or pier was built by order of the harbour commissioners, and by narrowing the bed of the St. Lawrence has always given rise to inundations of a more disastrous character than formerly.

When its construction was begun, protests came from Laprairie, St. Lambert and a great many citizens on the south shore. It was urged that the construction of that dike should not be proceeded with, as disasters were apprehended; and what was the result? In winter time, there, water does not freeze any longer for a month or a month and a half; so we have no more that ice bridge over which farmers used formerly to cross when taking their products to Montreal. The water no longer freezes, and instead of driving in direct line towards Bonsecours market, as formerly, they cross to Point St. Charles and have to reach the market through the streets of Montreal, thus undergoing all the inconveniences which arise from circulating along thoroughfares cut up by double tracks of electric railways.

I refer to that inconvenience in passing; but perhaps I may be permitted at the same time to request the government to grant adequate protection,—if I may use that term,—to the people on the south shore of the St. Lawrence, a great number of whom are among my electors. The remedy is an easy one to apply. Instead of building the pier, which is in course of construction only to the height determined by their officials, the government should build it two or three feet higher. In that way, the village of Laprairie would be effectively protected against all floods.

As to protection against damage caused by ice, there should certainly be two new ice-breakers added to those already built. Those new ice-breakers should be built in concrete so as to be able to withstand the awful pressure of the moving ice.

Laprairie is situated on a strip of land which juts out into the St. Lawrence, and to the southwest of the village there is a wide bay. The ice first enters the bay, and by eddying causes the trouble referred to. Ice-breakers are not numerous enough at present; it would be necessary to construct new ones exactly at the place where the ice in coming out of the bay, strikes in flank the western part of Laprairie. If an engineer should now visit Laprairie and witness the deplorable condition of our town, usually so neat and pretty, he would at once find out what improvements are necessary to correct the evil which I now bring to the notice of the government.

As I stated a moment ago, both in the name of humanity and in the name of justice, I request that the government assist us: an engineer should be sent on the spot, in order to ascertain what is the damage and what remedy should be applied. I rest assured that the government will do all in its power to bring about a more satisfactory condition of affairs.

With these few remarks, Mr. Speaker, I beg to move the adjournment of the House, seconded by the hon. member for Chambly-Verchères.

Mr. V. GEOFFRION (Chambly-Verchères). (Translation.) I am very glad that my hon. friend from Laprairie-Napierville (Mr. Monet) should have brought this question before the House. It is an exceedingly important one for the people living on the south shore of the St. Lawrence. Year on and year after those localities are threatened with serious losses through the ice floe; and I think it is incumbent on the government to seriously study the question in order to ascertain who is responsible for that state of things, I mean, whether it is the harbour commissioners of Montreal who are responsible for it, or the government. The proposal or suggestion just made by my hon. friend from Laprairie, for the appointment of qualified engineers to inquire into the means whereby this condition of affairs may

be altered, meets with my full approval. Those losses occur almost annually, and I think the government, anxious as ever to secure the welfare of the people, will consider it a pleasure, as well as its duty, to take all necessary means for the protection of the people inhabiting the localities so threatened every spring.

I am not ready to say that those damages are consequent on the construction of the guard pier, commonly called the million dollar island, opposite Montreal, a guard pier built to protect that city against inundations. It may be, however, that such is the cause; and if qualified engineers were of that opinion, I think the government should call on the Harbour Commissioners to remedy the evil. In any case, the people of the south shore should be heard when they insist on the question being taken up and studied with care, and a remedy applied to this existing evil. Already structures have been put up for the protection of the people of St. Lambert and Laprairie. While those structures have been of some protection to those municipalities and guarded them to some extent against damage from the ice floe, they are not sufficient, as experience shows too clearly just now. It is, therefore, necessary to provide more effective means. I willingly, then, second the motion of my hon. friend from Laprairie to the effect that the government should appoint a commission comprising two or three qualified engineers who will study that question carefully and report on the best means to protect those localities against those floods which, nearly every year, or at any rate, at intervals, bring about losses such as those suffered a few days ago.

Right Hon. Sir WILFRID LAURIER (Prime Minister). (Translation.) Mr. Speaker, I very much regret that the hon. Minister of Public Works should be away just now, on account of ill-health, and should not have had the opportunity of listening to the remarks made by the hon. members for Laprairie and Napierville (Mr. Monet), and Chambly and Verchères (Mr. Geoffrion). I am not ready to agree with my hon. friend from Chambly and Verchères that the improvements carried on by the Harbour Commissioners of Montreal are the cause of the floods which have occurred on the island of Montreal and elsewhere. But whatever the cause, the suggestion which is made is an extremely reasonable one. The government is requested to have the condition of affairs looked into and the proper remedy applied.

I shall call the attention of the Minister of Public Works to the suggestions which have been made, and I hope that he will give the matter immediate attention.

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries). (Translation.) In 1886, when great floods occurred along the St. Lawrence, the corporation of Montreal had that matter looked into with a view to finding out the cause of these disasters and efficiently preventing their recurrence. It may be added that during the season of 1885-86, two inundations took place, one during the autumn, in December, the other during spring, at the time of the ice floe. Following on the appointment of a committee of inquiry, considerable improvements were carried on by the city to protect it against floods. Those improvements were endorsed by qualified engineers. They were also approved of by parliament and a considerable amount was expended for that purpose. Since 1890 or 1891, when those improvements were completed, Montreal has not had any serious inundation. The damages suffered by the localities on the south shore have a natural cause: the freshets. This year, unfortunately, those damages have occurred in many localities and have been very serious. It is not only on the river St. Lawrence that ice floe has caused great losses; the same thing has occurred along the banks of the Richelieu. The ice being very thick, and, of course, unyielding, caused the devastation referred to. It goes without saying that I entirely approve of any proposal that will tend to bring about a better state of things.

As regards the opinion expressed that the building of the dike opposite Montreal may have caused a more frequent recurrence of inundations and given them a more disastrous character than formerly, I cannot agree with that. Qualified engineers have looked into the question from that point of view, and the great majority of them have stated that the carrying out of these improvements could not bring about more serious losses than in the past.

The city of Montreal had the right to protect itself over the whole breadth of its territory. Nobody would deny here that right. As a rule, the ice which accumulates between Montreal and the milion dollar island, begins to move only when the rest of the ice bridge has broken up. This year, for reasons which cannot be readily ascertained, the waters of the St. Lawrence do not evidently follow their usual course. Instead of flowing down, the ice has backed up, filling the space between milion dollar island and the wharfs of Montreal.

How can occurrences of that kind be avoided? The question of breaking up the ice bridge and ridding the river of it between autumn and spring time, was taken up by the Minister of Public Works, some ten years ago. I understand that even boats had been equipped at Sorel for the purpose of breaking the ice, and freeing the channel. Unfortunately, when the boats were ready for the work, the ice was all gone and no further experiment has been attempted since. I am well satisfied, from information collected several years back—as I have had to do with this matter from 1896 to 1897, and my opinion is based on that of competent

engineers—that there is only one means of putting a stop to floods, not only at Montreal, but all along the river to Three Rivers, and that means, suggested by our engineers and which will be the subject of a special report to be laid before the House, is the building of an ice-boat which would break up the ice bridge over the St. Lawrence every spring. It would be an easy matter to my mind, to start in a craft of that kind from Quebec—where winter navigation is a fact—about the first of March and to ascend the St. Lawrence, breaking the ice as high up as Montreal, and keeping an open channel for the ice and water to flow down freely. I believe that, by that means, the river would keep its level and floods would be avoided. Another advantage would result from that: the opening of navigation would be hastened by two or three weeks, and might without difficulty, take place about the first of April, for the benefit not only of the port of Montreal, but of the whole country. For instance, if it were a recognized fact that by the first of April every year, the port of Montreal or the St. Lawrence route were open, that would be a distinct gain for us.

As far as the Department of Marine is concerned, I may say right here that I am collecting the necessary data to enable me to lay before the House a report from which we may ascertain whether the present state of things could not be remedied. I think that is the most practical way to reach good results.

Hon. J. ISRAEL TARTE (St. Mary's). (Translation.) While I was Minister of Public Works, I gave some attention to this question, as regards, at all events, the opening of navigation on the St. Lawrence in early spring. Of course, I looked into the reports of engineers on that subject. The claim is made that it is possible to hasten the opening of navigation. Having had more leisure of late, I gave somewhat more time than formerly to the study of that question. Russia has provided on lake Baikal a service of steam ferry boats. The English firm of Armstrong built for the Russian government those boats, on which three railway trains can be carried at one time. Of course, they have cost large sums of money. A few days ago, I was reading that those boats were powerful enough to cut through fifty or sixty inches of ice; and it is no play to cross that lake, which is thirty miles long.

I call the attention of the hon. minister of Marine and Fisheries to that undertaking of the Russian government. The hon. minister will find in Henry Norman's excellent book: 'All the Russias', information which may be of use to him.

As regards floods, it is a difficult matter to try and prevent them. My attention as minister was called to the damage caused, on both shores of the St. Lawrence, by those inundations, and almost in every case I requested officers of the department to carry on investigations regarding the causes of these disasters. Their reports have always been to the effect that Providence was stronger than men. As I spend my holidays at Boucherville, I am familier with the place and know whereof I speak. The ice is piled up on the road to a height of fifty feet; the village is flooded. Nothing can be done to prevent that state of things.

I endorse the proposal of the minister of Marine and Fisheries to try and open up a channel along the St. Lawrence, previous to the rise of the water; that might have the effect of preventing the losses which result too frequently from the breaking up of the ice-bridge.

Mr. MONET (Translation.) I am quite satisfied with the explanation offered by the government and I beg to be allowed to withdraw my motion for the adjournment of the House.

Mr. E. LEONARD (Laval). (Translation). Mr. Speaker, as a representative of a country adjoining those of my hon. friends of Chambly-Verchères and Laprairie-Napierville, I wish to say a few words on the question under discussion.

For once, my hon. friends will find that I agree with them. I believe the counties they represent require the protection of the government, especially on the eve of a general election. I am personally familiar with the floods through which localities bordering on the St. Lawrence have suffered this year; and I think the government should take the necessary means to, if not entirely put a stop to at least prevent to a certain extent, these calamities. I may assure my hon. friends on the other side that the conservatives of the district of Montreal will never find fault with the government for protecting against floods the people of Chambly-Verchères and Laprairie-Napierville.

I may say that this should not remain as a mere suggestion submited to the government for the purpose of securing to these hon. members the good will of their electors; the question should seriously engage the attention of the government and should, at this very session be the subject of a genuine report. I hope that the hon. Minister of Marine and Fisheries, before the session closes, will report to the House on the best means to be adopted to protect that important part of the vicinity of Montreal. Besides, if the hon. minister could satisfy the House that it is possible to open navigation on the St. Lawrence as far up as Montreal, by the beginning of March, it would be of great interest to the country as a whole and might have the effect of preventing the construction of that famous Grand Trunk Pacific, by proving that we are in a position to use, as early as the beginning of March, our great national route for the transportation of grain and other western products.

So that, Mr. Speaker, the unanimous opinion of all citizens, Conservative as well as

Liberal, is that the government should take the necessary means to do away with the inconveniences and at times disasters under which the electors of our hon. friends from Chambly-Verchères and Laprairie-Napierville labour at times.

Mr. F. D. MONK (Jacques Cartier). (Translation.) I referred yesterday to these damages, when laying the case of the town of Verdun before the government. Of course, we shall be glad to vote the amount deemed necessary to investigate the question and put a stop to the heavy losses inflicted on the towns in the vicinity of Montreal. I think the government might have obviated these losess by using, for instance, dynamite to prevent the ice from accumulating.

The plan of building an ice-boat might be carried out. Russia has provided such a service on the Baltic sea, where boats of that description have been operated with success for some years past. I have no doubt that, in the vicinity of Montreal, a boat such as those constructed in Russia would give excellent results.

I request my right hon. friend the Prime Minister to bear in mind that the case I brought before him is quite an exceptional one. I have no doubt but that the damages incurred were brought about by the defective construction of a certain dike which the city of Montreal has built with the consent of the Harbour Commissioners within the limits of the territory placed under their jurisdiction. If the government are to a certain extent responsible in the cases just submitted, they are the more so in the case of the improvements to which I referred yesterday and carried out by the Harbour Commissioners.

In conclusion, I recomemnd particularly the case of Verdun to the kind attention of the government.

DAMAGE TO RIDEAU CANAL WORKS.

Mr. GEO. TAYLOR (South Leeds). Mr. Speaker, I desire to direct the attention of the government to a serious state of affairs which exists in the northern part of the county I represent. The hon. member for Jacques Cartier (Mr. Monk) brought a similar matter before the House yesterday, and claimed that the damage to which he referred was caused by the harbour commissioners of Montreal diverting the flow of the water. The Prime Minister stated that he did not think the government were responsible. I want to bring this matter to the attention of the Minister of Railways and Canals (Hon. Mr. Emmerson). I regret that he is not in his place at present. I understand that he has had a speech ready to deliver for the past three or four weeks, and he is so nervous about it that he can not remain in his seat more than three or four minutes at a time. I hope the Prime Minister will bring this matter to his attention. A few days ago a section of the government dam at Poonahmalee was torn away, and a good deal of injury was done to property at the town of Smith's Falls and at Merrickville. I understand that last night the entire dam was carried away, so that a new dam will have to be erected. It is not expected that there will be any navigation on the Rideau canal east of Newboro, perhaps during the entire summer, unless immediate action is taken by the government to retain the water now flowing. In any case the government should take immediate steps to protect the property of persons whose property is being damaged. There can be no question of the responsibility of the government in this case, because it is government property that is carried away. The property of many people is affected, at Smith's Falls, at Merrickville, in one of the townships in the constituency which I have the honour to represent, and in the constituency represented by the hon. ex-Minister of Railways and Canals (Mr. Haggart). I ask the government to take immediate steps to protect the property of these people in all these constituencies, and also to protect the navigation of the canal.

Motion for adjournment of the House withdrawn.

ANSWERS TO QUESTIONS.

Mr. R. L. BORDEN (Halifax). Before the orders of the day are called, I would like to draw the attention of the government, and particularly my right hon. friend who leads the government, to a question which was put by the hon. member for Montmorency (Mr. Casgrain) on Monday last. As the question is a somewhat long one, I will not read it; but my right hon. frdiend will remember it. The question to which I refer is one inquiring of the government whether or not certain persons whose names are set forth in the question, have been appointed to positions at certain salaries since July, 1896. The second portion of the question was this :

Were the said persons, at the time they were appointed, members of the House of Commons of Canada ?

A further branch of the question was this :

If the foregoing list is not correct; in what particular is it incorrect ?

My right hon. friend, in reply, said :

All the information sought for in this question is already to be found in public documents.

I would like to suggest to my right hon. friend that that is not the mode of dealing with questions which has been pursued in this House in the past. I suppose you could find fifty or a hundred questions put and answered last session, the answers to which might be found in public docu-

ments; but there was no such reply in any of those cases as that which was given by my right hon. friend. Indeed, in looking over the proceedings of the present session, I find that questions were put and answered by the government, the answers to which might be found in public documents; but none of these questions were evaded as this one has been. I understand the practice to be this. If a question is put in proper form, it is the duty of the government to answer it. If it is not put in proper form, it is the duty of the Speaker to bring that fact to the attention of the member who puts it. Usually that is done through the clerk. If the member cannot be communicated with, the Speaker may of his own motion, direct the clerk to put the question in the proper form in order that it may not transgress the rules of the House. I have looked both in Sir John Bourinot's and Mr. May's works on parliamentary practice, and I can find no precedent for a refusal to answer this question. The grounds on which questions have not been answered, are altogether different, as I think my right hon. friend knows very well. The government may refuse to answer on the ground that a question involves some matter which it is not in the interests of the public to disclose. It may refuse, possibly on one or two other grounds; but there was certainly no ground for refusing to answer the question of the hon. member for Montmorency. Now, it does not seem to me that this is a wise course for the government to take. I do not know any reason why a precedent of this kind should be introduced in connection with such a question as that to which I refer. The question is couched in respectful terms, and complies in every way with the rules and usages of the House. I would suggest to my right hon. friend that it is not likely to expedite the work of the session if information of the kind sought for by this question is refused by the government. It relates to a very important public matter, namely, the independence of parliament, and I must protest against the refusal of the government to give any member of this House such information as he asks for on that subject.

Right Hon. Sir WILFRID LAURIER (Prime Minister). My hon. friend is aware that the rules of the House are not always strictly adhered to, but that departures from them are sometimes allowed. We have just had an instance of that in the remarks which my hon. friend has made. It is not allowable, when the orders of the day are called, for any member to enter into a matter which may lead to a debate. An hon. member may ask for information, but he is not allowed, except by the tolerance of the House to enter into a discussion. In this case we did not apply this rule to my hon. friend, but allowed him some latitude. In the same way some latitude is permitted in regard to the answers to questions. If an hon. member asks for information which is in the possession of the government, and not in possession of the public, I think it is the bounden duty of the government to bring that information; if the government refused to do so, it would be derelict in its duty. But when an hon. member asks for information which is current, which is within the knowledge of everybody, and which he knows as well as the government, I do not think any good purpose can be served by giving him any other answer than the answer which was given to the question referred to by my hon. friend. Some of the appointments alluded to in that question have been mentioned, not once, but several times in the House. I dare say that if I were to have 'Hansard' searched, I would find that many of the names have been mentioned in the House in previous sessions.

Mr. TAYLOR. Nothing to be ashamed of, I hope.

Sir WILFRID LAURIER. Nothing to be ashamed of, but I do not see that any good purpose is to be served by repeating the same matter over and over again. For my part, I shall always be ready to give information to which the House is entitled; but when an hon. member asks for information which everybody knows, both inside and outside the House, I do not think he can suffer much if he is given the answer which the hon. member for Montmorency was given on that occasion.

Mr. SPROULE. I think that the hon. gentleman does not fully appreciate the right of hon. members to ask questions and the object they have in view.

Sir WILFRID LAURIER. If my hon. friend only speaks of the rights of members of this House, I must tell him that he has not the right at this moment to speak on this question.

Mr. SPROULE. I wish merely to say—

Some hon. MEMBERS. Order.

Mr. SPEAKER. There is no question really before the chair. There was a motion to adjourn, but that has been disposed of, and I hardly think that another motion to adjourn will be now in order.

Mr. HAGGART. Certainly it would. Any number of motions to adjourn may be moved.

Mr. SPROULE. I only ask—

Some hon. MEMBERS. Order.

Mr. R. L. BORDEN. Do you rule, Mr. Speaker, that when a motion has been withdrawn, another cannot be made?

Mr. SPEAKER. No, but there is absolutely no question now before the chair.

Mr. MACLEAN. I move that the House do now adjourn.

Sir WILFRID LAURIER. Such a motion is out of order. You cannot move the adjournment of the House twice unless another proceeding has intervened.

Mr. MACLEAN. I wish to point out, Mr. Speaker—

Some hon. MEMBERS. Order.

Mr. SPEAKER. I am prepared to give a ruling, though I have not the text of the rule before me.

Mr. SAM. HUGHES. Before you give your ruling, Sir, the hon. member has a right to speak to the point of order raised.

Mr. SPEAKER. The ruling of the chair is that inasmuch as the motion to adjourn the House, which was moved by the hon. member for Napierville (Mr. Monet) has been disposed of, and no proceeding has since taken place, the subsequent motion to adjourn is out of order.

Mr. MACLEAN. I merely rise, Mr. Speaker, to a question of order. I hold that something new has come before the House.

Mr. SPEAKER. I would remind the hon. gentleman that the chair has given its ruling, and he is quite out of order in speaking on the motion to adjourn.

Mr. SPROULE. Then I rise to a point of order. My point is that any hon. member has the right to debate any point of order raised before the chair decides it, and that right was denied the hon. member for East York (Mr. Maclean).

Mr. SPEAKER. As I understood the matter there was no point of order before the House. I was merely asked to rule whether the motion to adjourn was in order or not, and I ruled, that such a motion was not in order, unless the House had devoted its attention to another subject after the previous motion to adjourn had been disposed of. Nothing having come before the House after the motion to adjourn made by the hon. member for Napierville was disposed of, the hon. member for East York was clearly out of order. There is nothing now before the chair, and I would ask the hon. gentleman to respect my ruling, and proceed with the next order of business.

INQUIRY FOR RETURNS.

Mr. W. J. ROCHE (Marquette). Before the Orders of the Day are called, I would like to draw the attention of the right hon. the Prime Minister to a motion I made on the 1st of June, 1903, for a return which has not yet been brought down. The return had reference to the names of all parties appointed to positions of emolument under the Crown since 1896. I first asked the question, and was told to move for a return, which I did, but the names have not yet been brought down.

Sir WILFRID LAURIER. My hon. friend will have them promptly. I will send orders at six o'clock to have the returns laid on the table.

GRAND TRUNK PACIFIC RAILWAY.

House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, 'That Mr. Speaker do now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904;' and the proposed motion of Mr. Borden (Halifax) in amendment thereto.

Mr. ARMAND LAVERGNE (Montmagny). In rising, Mr. Speaker, to speak on this question, I do not think it necessary, as most of the members of the opposition seem to do, to review every detail of the contract which was adopted last year. I only intend making a few remarks, as a representative from the province of Quebec, to answer the call advanced by the hon. member for Jacques Cartier (Mr. Monk). As has been said already, there is no use for our friends who sit on your left, Mr. Speaker, trying to conceal their disappointment over the amendments made to the Transcontinental Act this session. They seemed to expect that the concessions made would be so intolerable to the country as to render the construction of the railway impossible. Finding that this is not the case, finding that the amendments do not change the nature of the contract but merely some of its accidents, they have resorted to the tactics of emptying all the vials of their wrath on the eastern section. They seem to think, most of them with great joy, that in these new amendments lies the capital condemnation of that part of the railway which the government is to construct. Well, Mr. Speaker, I cannot say that I share that view. On the contrary I am of the opinion that these amendments will assure in the near future the construction of that part of the railway. I will surprise, no doubt, many on the other side in stating that I am a believer in the theory that the eastern division of the road is as necessary to the country as the western part of it, and, Sir, I have strengthened that conviction from speeches I have heard on the other side of the House. Let us take for instance the declaration of the hon. member for Toronto (Mr. Osler) who, after having praised heaven that the government would not build that part of the railway made the following statement, which, coupl-

ed with the other, has a singularly unpatriotic flavour :

Assuming that the eastern section is not built from North Bay to Quebec and Moncton, there is not a single clause or obligation in this agreement as to the Grand Trunk carrying freight except as they please.

Suppose the eastern section is not built for ten years, what will happen ? The whole of the trade of the Grand Trunk accumulated west of Winnipeg, goes either to Port Arthur or to Duluth, goes across the lakes and comes down to Portland to increase and enrich the harbours of our friends in the United States.

Well, sir, if the hon. gentleman really believes this as strongly as I do, or as strongly as he would have us suppose, how is that we see him fighting so bitterly against that very part of the railway which is to protect our trade from the Americans ? Is it from the loyal city of Toronto that the people of Quebec should get so bad an example ? What more could be asked in order to prove the necessity of a Canadian railway from ocean to ocean than this candid confession of the Conservatives ? To comfort the hon. gentleman from West Toronto, I would advise him to read sections 42 and 43 of the contract. But, before I leave the hon. member for West Toronto, let me quote a few words further from his speech :—

I have read the reply of the Grand Trunk president made to Mr. Allen, one of the directors who resigned from the board because he said that that agreement appeared to him to force the Grand Trunk Company to send their freight over Canadian routes and destroy the Portland terminals, upon which the Grand Trunk has spent so much money.

I do not think that anything stronger than this has been said even by any hon. member on this side, in favour of the policy of the government.

We have a strange example of the good faith of the opposition. While the hon. member for Jacques Cartier (Mr. Monk) is expressing fears, and very strong fears, that this eastern section will never be constructed, on the other hand we have the hon. member for East Hastings (Mr. Northrup) stating in the name of his colleagues that the whole of the opposition would have been in favour of any road built by the Grand Trunk west of North Bay. One glance at the map will convince any one that the road via Quebec is shorter than the road via North Bay and Toronto. Then, Mr. Speaker, it is only the province of Quebec and the provinces near the sea that are to be deprived of their share of this great project. Have we in these old provinces no right to any help from the government towards the development of our part of the country ? The man who goes into the forest with his axe on his shoulder, to win new lands for this country and civilization, is he not entitled, even more than others, to the protection of this government and to his share of benefit from public expenditure ? Is this great transcontinental railway intended to be only a wheat carrier and not a benefactor to the whole community ? Have we not the right to expect that on the slopes of the height of land over which this eastern section of the railway will run, we shall find timber, minerals and a beautiful country for agriculture and colonization, and, more than that the greatest of all forms of natural wealth, water powers—'la bouille blanche,' as they have been rightly called in Europe ? This is what may reasonably be expected of that country of which, according to the hon. member for West Toronto (Mr. Osler) we know only through the sayings of a 'visionary missionary of two hundred years ago.' Mr. Speaker, let me remind the hon. gentleman that those so-called visionary missionaries were the first explorers of this country. And, wherever Longfellow would have sung—

This is the forest primeval, the murmuring pines and the hemlocks.

—the black robes were to be found, with the cross of the Saviour in hand, planting the standard of civilization. These men should have known thoroughly that land for which so many of them died martyrs of their self-abnegation and their faith. The oldest scientific institution in America we owe to a body of these 'visionary missionaries,' and the records they have left us, the relations that have come from them, can be relied upon. They furnished the discoverer of the Mississippi, Father Marquette, and our first national historian Charlevoix. And when Father Albanel speaks of this country, his words, though written two hundred years ago, are as true to-day and as fresh as those wild roses he speaks of which are still growing undisturbed in the land he discovered. And, Sir, let me add that they established on many points of the now proposed railway settlements which proved to be greatly successful, and some of which are still flourishing.

But, have the Conservatives any better policy to oppose to this project of the government ? Have they any policy at all ? Of the project of the leader of the opposition I shall say nothing except that it is a queer mosaic. In the long amendment proposed by that hon. gentleman the only good point I can detect are the very ideas the government is putting into practice. For instance, let me read one portion of that resolution.

This House is of opinion that in considering these problems and in initiating and developing any great national system of transportation it should be our aim to provide the best and cheapest carriage for our products and importations ; to secure their transportation through Canadian channels and Canadian seaports, and for that purpose to make the Canadian routes the most economical and serviceable ; to open up valuable territory for colonization and development ; to stimulate interprovincial trade ; and to bind

more closely together the scattered communities of our country.

Why, Sir, this is the policy the government is presenting to-day put in a few words.

In the last elections—in which a few Liberals were returned—we heard the Conservatives talk a great deal in Ontario of the waste involved in building a line from Winnipeg to Moncton. But, in Quebec the Conservative orators talked about that worthless country out west in which the Liberals wanted to build a railway. Why in my own riding, the Conservative candidate called it a country 'inhabited only by wild beasts and ferocious animals.' It was the same old Tory trick—one word and one creed for the province of Ontario, and a different word and different creed for the province of Quebec. For my part I do not believe the west to be as bad as it is painted by the protectionist—pardon me, Conservative—candidate in Montmagny. And I know that in the east the land is worth developing. But more than that, after the election, the 'Chronicle' of Quebec, and, not long ago 'Le Rappel,' of Montreal, two staunch Conservative organs, said that the Liberal victory was due to the popularity of the Grand Trunk Pacific project. But, as for the election in St. John, the Conservatives said that their own success there was due to the unpopularity of the Grand Trunk Pacific scheme. Had we lost the election in Quebec they would have given the same reason. And what do we hear now from hon. gentlemen opposite? The hon. member for South Lanark (Mr. Haggart) is opposed to the eastern section. The hon. member for Jacques Cartier (Mr. Monk) expresses fear that the eastern section will not be constructed. The hon. member for Montmorency (Mr. Casgrain) whom I am sorry not to see in his place who, last year fought bitterly, as his paper 'L'Evenement' did in favour of the eastern section. And we have the hon. member for St. Mary's (Mr. Tarte) whom we expected to hear on this question. But, though that hon. gentleman has not spoken in the House, he writes a great deal in his paper. And what do we see in that paper, 'La Patrie'? In the issue of last Saturday we see it stated that there was not a business man to be met who was in favour of the eastern section, or who did not say that it was a very risky enterprise. How was it that that hon. gentleman when he was a minister made a great deal of the sentiment of Quebec and declared that there was nothing too good for that province, while this year we see him in his newspaper expressing great doubt of this project which is in favour of the province of Quebec? That is the situation among the opposition to-day. We might reasonably advise these gentlemen, as we say in French—Accordez vos violons—let the hon. gentlemen get their fiddles in tune. The fears expressed by the hon. members of the opposition about the region between North Bay and Quebec takes us back to the eighteenth century, about the time of the conquest of Canada by the British army, when the French philosophers, with Voltaire at their head, were asking: 'Why trouble about a few arpents of ice and snow?' The words of hon. gentlemen opposite carry us back even further—to the middle ages, to the time when Columbus made his first voyage across the western sea. We read that his sailors thought that after some time they would meet an immense and terrible hole in which their ship would be lost completely. And we know the answer of the chief of the expedition—'Wait three days and I will give you a new world.' We have the same confidence in our chief, the distinguished leader of this House, when he says to those who express fears of the future: 'Wait a few years and we will give Canada a new world.' It may be truly said that when the settlers, that the Transcontinental Railway will bring in to that region, will have fought the forest which is the greatest keeper of cold and frost, we shall have a new province of Quebec, a new province of Ontario, a new province of New Brunswick, as the western section will give to the westerners a new great west. Some years ago we had as Minister of Colonization in Quebec a humble priest, Father Labelle. His motto was: Emparons-nous du Nord. 'Let us master the north.' He fulfilled his motto in Labelle, in Nominingue, in Lake St. John, and in many other places. Allow me to-day to repeat his prophetic words, 'Let us master the north.' As to the future of that northern part of our province, let me give you the opinion of the Toronto 'Globe.' Speaking of the Lake St. John Railway during the very severe winter that has just passed, it says that it was the only railway which was not snow blockaded:

> The following editorial from the Toronto 'Globe' of 3rd March, 1904, shows that northern Quebec, usually looked upon as the region of snow blockades, is not so white as it is painted, the most northern railway in the province not having cancelled a single train-freight or passenger during this exceptional winter, and its tonnage haul showing increases every week since December last.
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> 'It is now about ten years since the Quebec and Lake St. John Railway was completed from Quebec to Roberval to Chicoutimi, a distance of 240 miles, traversing a portion of the same country, northwest of Quebec through which the government Pacific road is to pass. During all these years this road has been operated without any interruption whatever from snow. The Quebec papers tell us that during this exceptional winter and through all the storms of this northern country, the Lake St. John passenger trains have been running sharp on time, there has been no delay in the freight service, and the earnings show satisfactory increases over last winter.'

This is quite a different picture from that which was painted for us by the visionaries of 200 years ago. As for the section between Quebec and Moncton, the work there is already well begun. There are many parishes of hardy men settled in the beautiful forest many years ago, who are now awaiting with anxiety our decision to build this great transcontinental railway which will bring them once more into relations with the advanced civilization they have left behind for the welfare of this Canada of ours. The line proposed there was recommended in 1864 for the building of the Intercolonial Railway. Some one has complained that it would parallel the Intercolonial. Well, I say that the proposed railway between Quebec and Moncton will no more parallel the Intercolonial than the Intercolonial at the time of its construction paralleled the St. Lawrence, or than the Canadian Pacific Railway to Ottawa now parallels the Canada Atlantic Railway. This project is a great thing for Quebec and the maritime provinces, and I think this was admitted last year by the hon. member for South Lanark (Hon. Mr. Haggart), as it was this year by the leader of the opposition. Last night again it was admitted by the hon. member for Colchester (Mr. Gourley). He said, speaking in that energetic manner of his :

> I have said that the Quebec-Moncton section must be built, and I wish to put myself thoroughly on record on that score. I am for that section from beginning to end.

I maintain that what is good for Quebec and the maritime provinces is good for the Dominion, because what helps the west will help the general prosperity of Canada. The United States have taken for their device 'E pluribus unum.' That motto may rightly be applied to the policy of this government, for they are endeavouring to bring the scattered units of British North America nearer together and to consolidate the confederation.

As for the amendments presented to the House modifying the contract of last year, they have been so thoroughly and so well explained by the members on the government side of the House that I shall not speak at any length in regard to them. Let me however quote from 'La Presse,' a Conservative paper of Montreal, which has taken a very frank view of the situation, in a long article of which I will read only a few lines :

> Sometimes the part of the opposition is an ungrateful one, because those whom it is entrusted to do not seem to have a clear sense of it. It is unreasonable to believe that thirteen or fourteen members of a committee, the pick and choice of the people's representatives, kept in power by the will of the people, must constantly err in every way. There is a certain measure of common sense with which every human being is endowed. Would fate blind those whom Providence has entrusted for a while with the administration of public affairs in which it has a direct interest since it is admitted that : 'All powers proceed from God.'
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> This year, it is the Grand Trunk which steps in and binds itself ; and Mr. Borden thinks that this new contract does away 'with many of the guarantees relied upon by the government.'
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> Mr. Borden's amendment, without denying that the railway is necessary, asks the country to meet the whole expenditure in connection with the building of the road and to run all the risks. It is an emphatic plea in favour of government ownership. Heretofore, every country——

That is the position taken by the business men conducting the most important paper in the province of Quebec to-day, and that is the position taken by the members of the province of Quebec and of the eastern provinces.

In conclusion, Sir, let me say this, that as long as the opposition does not give us one good argument against this contract, as long as it has no definite policy and goes on contradicting itself so flatly, we shall stand behind our chief in support of this great project for the good of our constituencies, of our provinces and of our country. I believe in the future of the eastern section as I believe in its construction, and I must say that those who express fears that it will not be built are precisely those who are most opposed to it, and who logically should rejoice if they felt so sure of what they say. When we consider, Mr. Speaker, the progress made by our country during the last seven years of Liberal administration, when we consider that trade during that period has made the enormous increase of 107 per cent in this age of railways, one can but wonder what will be the traffic on the Grand Trunk Pacific Railway five or ten years after it has been constructed.

Mr. JAMES CLANCY (Bothwell). Mr. Speaker, this question has been pretty fully discussed during the last session of parliament. I consider it one of the most important questions that has ever engaged the attention of the parliament of Canada, and I think therefore that if it requires a good deal of time to consider it, that time will be spent to good purpose. But, we have now, Mr. Speaker, a new state of things.

Mr. TAYLOR. Mr. Speaker, surely we can get order on the other side of the House. With half a dozen hon. gentlemen standing up and talking, we cannot hear the hon. member who is speaking.

Mr. DEPUTY SPEAKER. Order.

Mr. CLANCY. Perhaps I can make myself heard for a moment. I have witnessed with pain the conduct of hon. gentlemen opposite, and particularly to-day when my hon. friend the leader of the opposition (Mr. R. L. Borden) was calling the attention of the House to a very important question, namely, the rights and privileges of the members of this House. I say that it is an unfortunate

thing for Canada that, whatever hon. gentlemen opposite may be in private life, they show an example of ill-breeding in parliament that does not become any deliberative assembly. When hon. members on this side of the House discuss public questions hon. gentlemen opposite need not show their resentment by speaking at the top of their voices, or even standing up and walking about, because they have the privilege, which is open to myself or any other member of this House, of withdrawing from the chamber, which I should say would be the more decent and becoming course. To return to the question, I do not think I need offer any apology for continuing the discussion of this question in view of the fact that the events which have transpired have placed an entirely new question before the people of this country. There is one novel feature about it, and that is that while hon. gentlemen opposite were either persuaded or dragooned into giving the scheme their support last year, some of them are now showing signs of resentment. Another very strange feature is that after months have been spent in discussing the question, after parliament has sanctioned the contract, after the whole matter has been reversed practically by a new contract, after the right hon. Prime Minister (Rt. Hon. Sir Wilfrid Laurier) has spoken, one single minister of the Crown has had the courage to get up and defend that measure in the House outside of the right hon. Prime Minister. Where is the army of intellectual gladiators—giants, my hon. friend (Mr. Clarke) says—who stood up in defence of this measure last year? Where is the right hon. Minister of Trade and Commerce (Sir Richard Cartwright)? I believe he has even withdrawn from the chamber. Where is the hon. Minister of Finance (Mr. Fielding), who assured the country that it would only cost $13,000,000 to construct this road? That hon. gentleman sits in sullen silence. Where is the hon. Minister of Customs (Mr. Paterson)? He is not even in his place in the House. Where is the hon. Postmaster General (Sir William Mulock)? I believe he is in his place, but he is not heard, and I venture the opinion that that hon. gentleman will not get up in defence of this scheme. Where is the hon. Minister of Justice (Mr. Fitzpatrick)? Where is the hon. Minister of Agriculture (Mr. Fisher) We do not find him here. It is the strangest thing that one can contemplate, that, after these hon. gentlemen have brought forward a new measure, only two of them have had the courage to get up and defend that measure. The hon. Solicitor General (Mr. Lemieux), who is a member of the government without being a member of the cabinet, did offer us last night a very eloquent speech, as he always does, but I know of no occasion when the hon. gentleman appeared to less advantage than he did last night. He gave us a neat essay. He always entertains the House; we are always delighted to listen to him, he is moderate in his views, courteous in his expressions, and, if he convinced no person last night, he at least amused the House and gave it an intellectual treat. Now, I would like to ask the hon. Postmaster General, because the right hon. Prime Minister is not in his place, where the mountain of information is that was promised last year, that was dumped in upon the table of the House, but which has entirely disappeared this year? We hear nothing about mountains of information now. That has become a thing of the past. But we have a substitute. What did the House and the country expect? They expected that during the recess of some months some useful information would have been gathered and presented to the House. When we are entering upon a scheme involving probably an expenditure of $150,000,000, and when we ask for information, we have the whole matter dismissed with a mere wave of the hand on the part of hon. gentlemen in this House. The right hon. Prime Minister offered one single reason for going on without delay, and in response to the demand for full information, confined himself to a report made by one of the Jesuit Fathers some 240 or 250 years ago, in which he declared that about the 24th of June roses were found blooming, and that the sun had hardly set in the west until it had commenced to rise in the east. This is all that the right hon. gentleman thought proper to give to the House as full and ample information upon which we should proceed with a matter of this kind. Then we have the hon. Minister of the Interior doing what? Why, Mr. Speaker, he sends one of his clerks to the office of the Grand Trunk Pacific Railway Company, who discusses the question with some of the engineers of the company for a few hours. Although these engineers have made an imperfect examination of the country and have not been able to locate a single mile of road, this official comes back and tells his minister that he sees no difficulty in the way, that the road can be built with easy grades and at a very low cost. This is the information that is given to this House upon this very important question to guide the House in passing judgment upon it One of the objects of this project, to the accomplishment of which the people look forward with great earnestness, was emphasized somewhat strongly by the hon. Solicitor General last evening. He told the House that the road should be a national transcontinental road, equipped in such a way as to compete for business and to carry the products of the west at the least possible cost. I hope I have not misunderstood or misquoted the hon. gentleman.

Mr. LEMIEUX. Hear, hear.

Mr. CLANCY. I assume that, naturally, that would be the view of the hon. gentleman, but I regret to say that he is seriously at variance with his leader. I regret to say

that that is not at all the view which his leader took upon introducing this measure to the House in the first instance, and I regret to say that since then he has not retracted one single word that he uttered on that occasion. I fully agree, I think Canada generally agrees, and I think the members of the House, when they are in their sober senses, will agree with hon. gentlemen on this side of the House that we cannot afford to spend a dollar on what is known as a national transcontinental railway that would be weakened by any consideration, locally or otherwise, that would take away one particle from the strength or usefulness of that railway. But has that been the case ? The hon. gentleman (Mr. Lemieux) knows perfectly well that while he made a valuable statement to the House he could not resist the temptation to go to the different localities and say that these particular localities had not been served, to say, for instance, that the city of Montreal was getting more than its share as compared with the city of Quebec, and that the terminus of the Intercolonial Railway had been shifted from Quebec to Montreal. The hon. gentleman (Mr. Lemieux) advanced these as reasons why the city of Quebec should have special consideration, in order to atone for the sins that had been committed against it in the past, and the atonement was to be the building of this railway to the city of Quebec. I hope that I have not misunderstood or misrepresented the hon. gentleman (Mr. Lemieux).

Mr. LEMIEUX. Would my hon. friend (Mr. Clancy) permit me to explain something which perhaps he did not catch the other day ? When my hon. friend from Jacques Cartier (Mr. Monk) was speaking he alluded to the fact that this railway would not go to Montreal, and added that everything was for the city of Quebec. Yesterday, I answered that statement. I said that I was myself a citizen of Montreal, although I represented in this House one of the counties of Quebec, but that as a citizen of Montreal I could not complain on behalf of my native city ; that Montreal had been well treated by the government and that if, in order to make of this route a short route it must pass by way of Quebec, and Montreal must not complain. That was the thread of my argument.

Mr. CLANCY. I accept the explanation of the hon. gentleman (Mr. Lemieux). The hon. gentleman stated more than he has just mentioned. He not only stated the case but he reasoned the case, and the reasons he advanced were those which I have given. I wish to console the hon. gentleman (Mr. Lemieux) by saying that he is not alone in this position. I would call his attention to the speech made last year by his predecessor, the present Minister of Justice in which that hon. gentleman (Mr. Fitzpatrick) made the same plea, and said that Quebec had been overlooked ; that the Intercolonial terminus had been shifted from Quebec to Montreal and that Quebec had suffered by that shifting, and my hon. friend (Mr. Lemieux) stated last night that Quebec had suffered by reason of the Intercolonial Railway being extended to Montreal. Therefore, I think I am quite right in saying that hon. gentlemen from first to last, including the hon. gentleman who spoke so eloquently last night (Mr. Lemieux) have not been able to avoid the temptation of sacrificing the road whenever a sectional interest arose in order to serve that sectional interest. What did the right hon. the First Minister (Sir Wilfrid Laurier) say with regard to this last year ? That hon. gentleman said :

> Before I proceed any further, let me say that the conception I 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.

Is that the rule that the hon. the Solicitor General (Mr. Lemieux) had in view last night when he told us that it must be a strong national link ? According to the Premier it was to be a road that was not to rise above parish politics ; it was to serve every locality in turn. The hon. gentleman who has just closed his speech (Mr. Lavergne) has said that it is to be a road to serve the localities. We are told we must open up the north. I agree that we must open up the north ; I am one of those who believe that it is worthy of being opened up when the time comes, but I say that we cannot afford to sacrifice the national scheme of transportation in order to open that country. Hon. gentlemen will say : Well, we will have colonization. The people should dismiss every consideration of colonization in building a transcontinental railway to the west, and I wish to again emphasize the statement that we cannot afford to sacrifice one single feature of the transcontinental line, to lengthen it one mile or to shorten it one mile or to weaken it in any way with a view to serving any particular locality. Colonization has progressed well in Ontario. We subsidized last year five or six railways penetrating from the south to the north, and the same thing has been done by the province of Ontario. The railways are being built on the lines of least resistance, following the streams and affording the best means of taking out the products of that country which I believe to be mainly pulp wood, at least so far as the district north of the height of land is concerned.

The hon. the Minister of Finance (Mr. Fielding) went further in parish politics in regard to this railway scheme. He was not going to seek the shortest line ; not at all. The longest line, or a long line if

it served the purpose of holding out inducements to particular localities, seemed to be the whole aim and object of that hon. gentleman (Mr. Fielding) and to be his conception of a national transcontinental railway. He said, as reported in 'Hansard' of last year, at page 8555 :

My hon. friend from Charlotte (Mr. Ganong) will endorse this because the shortest line from the waters of the St. Lawrenec to the Atlantic is the port of St. Andrew's. The shortest line to the ocean is an important consideration, but it is not the only question involved. Other interests are entitled to receive consideration and they did receive consideration in making this arrangement.

What is the natural interpretation of that, Mr. Speaker ? That the different points in the maritime provinces were to be considered, and considered at the expense of the construction of a line of the importance of this one. The hon. gentleman (Mr. Fielding) went further and said :

The policy of the government is not to select one port, but to select a central point from which access may be had to all the harbours in the lower provinces. We do not think it wise to single out one port and give it a monopoly.

The hon. gentleman (Mr. Fielding) brought forward the claims of the following places : St. John, Halifax, Sydney, Louisburg, Country Harbour, White Haven, all of which were to receive consideration. I have no hesitation in saying that a policy of that kind is one unworthy of the government of Canada, and of any hon. gentleman professing to offer to the people a solution to the great question of transportation. Can it be wondered that we have seen so many hon. gentlemen sit silent in the House ? Two ministers only have spoken ; the others sit silent and the last gentleman who has come to the defence of the scheme has been what I may call, without any offence to the hon. gentleman, the baby of the House. The hon. gentleman is not in his seat, but if he were, I would desire to offer him my congratulation on the clearness of his speech. It was just as clear as those of hon. gentlemen on the treasury benches, and was just as good a defence as is generally made by those hon. gentlemen. But I fear that the country will not take it as a defence, or regard these hon. gentlemen as having taken the question very seriously. I think the people will give as much attention to the few minutes devoted to this question by the baby of the House as they will to the utterances of other hon. gentlemen opposite, not excluding the eloquent address of my hon. friend from Gaspé (Mr. Lemieux) who scarcely did himself justice last night.

Now, Mr. Speaker, in order that we may make an intelligent comparison between the two schemes that are practically before the country, we must bear one thing in mind—that we must provide for both winter traffic and summer traffic. Nobody will dispute that during the season of navigation at least 90 per cent of the whole traffic from the west to the east will go by the great lakes from Fort William and Port Arthur. I do not believe there is an hon. gentleman on either side of the House, who will take exception to that statement. What are the objective points to be reached during the season of navigation, particularly for our export trade ? They are Montreal and Quebec. What are the relative distances to these points ? Suppose we have two railways leaving the city of Winnipeg—one I will call for the moment the Intercolonial, if it were extended to that city, and the other the Grand Trunk Pacific. The all-rail route from Winnipeg to the city of Montreal is 61 miles shorter than to the city of Quebec ; but if we used the rail and water route, the distance from Winnipeg to Montreal would be 226 miles shorter than the distance to Quebec. Now, nobody would for a moment argue that in either case it would be advantageous, on all grounds on which men are governed—cheap rates and quick transit—to attempt to send anything by way of a transcontinental railway to the city of Quebec, in preference to the route by water. I am glad to see that I have the assent of the hon. member for Gaspé.

Mr. LEMIEUX. But in winter.

Mr. CLANCY. I am coming to that point, which is a very important one. My hon. friend has conceded that that is a fair proposition, so far as freight during the season of navigation is concerned.

Mr. LEMIEUX. It is admitted by Sir Sandford Fleming.

Mr. CLANCY. My hon. friend refers to Sir Sandford Fleming. That man occupies a very distinguished position in this country. Forty years ago he was considered a very efficient engineer ; he is perhaps a very efficient engiher now. As such, his opinion is entitled to great weight in this country, and he may well be looked upon as an authority. But I fail to find that up to this moment Sir Sandford Fleming has mastered the first letter of the alphabet of transportation ; I am not aware that he has had any training or experience on that question. Therefore when the hon. gentleman quotes his opinion as an engineer, it will be listened to with respect and will carry weight ; but I for one must be pardoned if I absolutely refuse to take the views of that gentleman as authoritative or weighty on questions about which he perhaps knows no more than the average member of this House.

Now, I will deal solely with the question of the utility of this transcontinental railway, and for the present I will confine my remarks to the eastern portion, extending from Winnipeg to St. John or Halifax, either

of which ports must be taken to be the objective point for winter traffic. They are the only Atlantic ports which we have equipped. At both points we have constructed terminals and erected elevators at considerable cost, with the expectation of having at least a good winter service there. Quebec and Montreal are out of the question as winter ports. As I have said, we have practically only 10 per cent of the traffic from the west to deal with as winter traffic. Let us make a comparison of the all-rail distances from Winnipeg to St. John. By the Canadian Pacific Railway the distance is 59 miles shorter than the Grand Trunk Pacific, it would be 189 miles longer by the Intercolonial than by the proposed eastern section of the Grand Trunk Pacific. I do not believe that any hon. member of this House would consider these differences in distance to be important factors. I do not imagine my hon. friend from Gaspé would do so. I have no doubt he has in his mind the consideration of securing the carriage of Canadian products to Canadian seaports. The difference of distance between the Intercolonial and the Grand Trunk Pacific, is put by Mr. Blair at very much less than 189 miles ; but I am taking the figures given by hon. gentlemen themselves. In order that I may have some proof as to that, I desire to repeat what Mr. Blair says. Mr. Blair is not an unimportant person in this country. He has been selected on the certificate of the premier for one of the highest positions in Canada. He fills a position which is probably more important to the people of Canada than any other in Canada. The duties devolving upon him are of a more serious and important character than those of any other single man in Canada. Therefore his views must be taken as pretty well settled, and as coming from a gentleman entitled from his experience and his position to great weight on questions of this kind. Mr. Blair, in speaking last year of the ability of the Intercolonial to enter into competition with other lines, has this to say : (See 'Hansard,' p. 9699) :—

> It must not be forgotten—and I wish to emphasize this fact—that the Intercolonial Railway has such exceptionally favourable grades, is so well laid, and is such an exceptionally favourable road for traffic, running along the coast line, that it can haul heavier traffic 259 miles further—than the Canadian Pacific Railway in shorter time. You can therefore see how small a figure 77 miles would cut under these circumstances.

I do not believe that my hon. friend from Gaspé (Mr. Lemieux) will question the weight of that statement, especially coming from a gentleman so competent to give an opinion. But we have other witnesses. We have the Minister of the Interior (Mr. Sifton), who was the only gentleman selected on that side of the House to make an effort to reply to the able and comprehensive speech of my hon. friend the leader of the opposition. He was the only one chosen to make some show of defence to one of the greatest indictments ever made against the government in this House. Surely the opinion of such a gentleman would have weight and importance with hon. gentlemen opposite. At page 9699 of the 'Hansard' of 1903, the hon. the Minister of the Interior had this to say :—

> The figures that I have given prove that the Intercolonial Railway was able to do a substantial amount of business and that the Intercolonial was able to do it in competition with the Grand Trunk Railway and the Canadian Pacific Railway ; both lines much shorter than the Intercolonial Railway ; both lines—and this is the point I wish to emphasize—both lines shorter than the new Grand Trunk Pacific Railway line will be. Then, Mr. Speaker, if the Intercolonial Railway under its traffic agreement can compete with the short line to Portland and with the shorter line to St. John, why in the name of common sense cannot it compete with the new line by way of the Chaudière Junction ?

We have there the most emphatic declaration from the Minister of the Interior that the Intercolonial has been able to complete with the Canadian Pacific Railway to St. John, which has a difference of 259 miles in its favour, and with the Grand Trunk Railway to Portland which has 442 miles in its favour. Surely if that be the case, hon. gentlemen opposite will not say that a difference of 189 miles will be any factor in the matter. I am now going to ask my hon. friend from Gaspé (Mr. Lemieux) whether, after the statement made by Mr. Blair and the emphatic declaration of the Minister of the Interior that the Intercolonial had successfully competed against these two roads, the one with a distance of 259 miles in its favour and the other with 442 miles in its favour, he will say that a difference of 189 miles will be a factor one way or the other ? I am sure he will admit that these statements put an end to the contention that the Grand Trunk Pacific from Winnipeg to St. John will have one fraction of advantage as a competing line against the other two roads going in there, the Intercolonial and the Canadian Pacific Railway. The Intercolonial Railway will be only 189 miles longer, according to hon. gentlemen opposite and has splendid grades and hitherto has competed successfully against its rivals, and the Canadian Pacific Railway will be 59 miles shorter. Are hon. gentlemen opposite now prepared to say that we should spend on that eastern section in the neighbourhood of $85,000,000 to build 1,875 miles of railway, in order that it may compete, under conditions of that kind, for ten per cent of the freight, because hon. gentlemen opposite admit that ninety per cent is carried the other way ? I hope I have succeeded in convincing my hon. friend from Gaspé that, with regard to the eastern section, there is absolutely

no doubt that the Intercolonial, extended to the city of Winnipeg, would be a competing factor against any railway in Canada for the winter trade to St. John or Halifax.

But what assurance have we that Canadian products will be carried to Canadian seaports. That is an important fact and it is one on which my hon. friend from Gaspé dwelt at considerable length. Willing as I am to be convinced by my hon. friend, and convincing as the hon. gentleman usually is, he failed deplorably last night. But the Minister of the Interior thought he gave an answer to the leader of the opposition when he said a few days ago in his speech—a very able speech from his standpoint—that there were not able lawyers enough in this House to frame a section which would ensure the carrying of freight from the west to Canadian seaports. The hon. gentleman then gave his own remedy. He declared—see page 8864 of the 'Hansard' of 1903 :—

> We declined to assist the Grand Trunk Railway to go westward and build up its business in such way that in so far as the winter business is concerned over its line, it would necessarily go to Portland.

Well suppose that this line is built from Winnipeg to the city of Quebec and thence down to the city of St. John, will that ensure the carrying of Canadian products to Canadian ports ? Is that any security unless you have swept away that danger point, namely, that it might pay the shippers to go to Portland rather than to St. John or Halifax ? Let me give that distance. The hon. the Minister of the Interior said they refused to assist the construction of a line from Fort William or Port Arthur because the freight would go by way of water, until it reached the Grand Trunk Railway system, and then go to the city of Montreal and thence on to Portland. That was the argument of the hon. minister and it is the argument of hon. gentlemen opposite now. Well, when the railway reaches Quebec, how much further will it be away from Portland ? Just eighteen miles. Do hon. gentlemen take that as security ? If that is all that is offered, eighteen miles of difference between landing freight from the Grand Trunk Pacific at the city of Quebec and landing it from the Grand Trunk Railway at the city of Montreal—if that eighteen miles is the only security that it shall go to Canadian ports rather than Portland. can it be said to be worth anything ? It seems to me that the whole thing is the greatest fiction that was ever presented to the House. I doubt that any hon. gentleman would so far risk his reputation as to say that by this shortening of distance of eighteen miles we shall prevent Canadian products being sent by the American port of Portland.

Now, the government, in carrying out this scheme, are entering into a partnership. Some hon. gentlemen object to that word 'partnership' in this connection. One hon. gentleman, on the other side, I think, said it was a technical partnership. Whether technical or otherwise, it is a partnership in the full sense of the term, between a great railway company and the government of Canada. The government enter upon this partnership knowing perfectly well that it will be impossible for them to have Canadian produce carried over this railway to Canadian ports. And why ? For the simple reason that it is to the advantage of the company to advance the interests of the Grand Trunk and to earn a return upon the large sums of money that the Grand Trunk has invested in the United States. According to the Minister of the Interior, the Grand Trunk has terminals at Portland that cost from $20,000,000 to $25,000,000. Where are the terminals to be at Canadian ports that will replace these expensive works at Portland ? Are they to be at St. John ? If so, by whom are they to be constructed ? Are they to be at Halifax ? If so, who is to provide them ? The fact of the matter is, Mr. Speaker, that hon. gentlemen opposite prevented the possibility of having Canadian products carried to Canadian seaports by the mere fact of entering into this bargain. There is only one way to secure the end that these hon. gentlemen say they desire, and that is the extension of the Intercolonial to Winnipeg and the Pacific coast. If the goods are carried by a truly national transcontinental railway, we need not fear that they will be carried to a foreign port for ocean shipment. On a railway owned and managed by the people of Canada, goods will be carried to Canadian ports, because they will be carried at such rates as to induce shippers to send them by that route. We are told that it is important that the Grand Trunk Railway should have access to the western country. Is it not quite as important and as desirable that the Intercolonial should reach that country ? Why the whole future of the Intercolonial, as of the Grand Trunk, must depend on having an entry into the west. If the Intercolonial is extended to Winnipeg and thence to the Pacific coast, we shall have no more deficits on that road, but Canada will be able to profit by the immense expenditures that have been made upon that great work. At present, however, it is at the mercy of every road in Canada, and cannot do the work that a truly national road should do. The traffic must be carried by the great transcontinental lines, not only those in existence, but those that are to come into existence as Canada grows. They will induce shippers to send by other lines than the Intercolonial. For we know that great railway companies exercise a strong influence over shippers. They have their expert agents all over the country who advise shippers how the traffic should be

sent. Of course, no railway will make itself liable under any contract in such a matter, but in practice they can to suit themselves control the traffic that comes to their lines. If we have the Intercolonial extended to Winnipeg and the Pacific coast, giving us a great transcontinental railway owned by the people and operated in the people's interest, the days of deficits on the Intercolonial will be over, and that great work, of little value to-day, except as a local road, will be extended to national proportions. To show what this scheme of the government means from a practical commercial standpoint, I need call attention to only one fact. It is proposed under this agreement to take this 1,875 miles of road, which will cost from $80,000,000 to $85,000,000, and to hand it over to the control of the Grand Trunk, and, for this privilege, that company, for ten years, will pay nothing at all. Is there a man in this House or out of it who would suggest such an outrage as to compel the Canadian Pacific Railway to hand over the road they have now between Winnipeg and Montreal and to Quebec, either to the government or to any other railway company for ten years without compensation and without rent? Why, then, are we asked to hand over to the Grand Trunk, this road which the government is to build between these points, free of all cost to that company for ten years? Does it mean that, owing to the nature of the route, this must be a non-paying road, and so a road of no commercial value? Or does it mean that millions are to be thrown into the lap of the Grand Trunk Pacific Railway Company? It must be one or the other. Would any man in his senses say that the Canadian Pacific road from Winnipeg to Montreal, —or, let us say to Quebec, because that is the objective point in both these cases, as the Canadian Pacific road runs through to that city—is not a paying road and that the Canadian Pacific would hand it over to another company without charge and without rent? No one would say that. So, hon. gentlemen can take their choice. They can admit that the route by which they propose to build from Winnipeg to Quebec is so bad that the road built will not yield a dollar of rental for ten years, or else that, by leaving the Grand Trunk free of the payment of interest for ten years, they are making the company a present of millions.

I think that hon. members on both sides will concede that generous support should be given to the Grand Trunk Railway. I want to say here, Mr. Speaker, that the Grand Trunk Railway is the pioneer road of Canada, it has rendered great service to Canada during the past. But like all other corportations, its object is to serve its own interests. I think the Grand Trunk Railway ought to have fair play from the people of Canada, both political parties I think will agree that the interests of this as well as other great railway corporations are closely connected with the interests of Canada. I repeat that the Grand Trunk Railway now and in the future, I hope, should receive fair play and fair consideration, but no more.

Now, Sir, we are giving this company very substantial aid, and just here I want to congratulate hon. gentlemen opposite on the ingenuity they have displayed in concealing that aid. We had a platform laid down by hon. gentlemen opposite, there was to be no more land grants. I think the member for Gaspé (Mr. Lemieux) told us last night of the single instance which he was able to point out where the Liberals had fulfilled their pledges, and he said that they had ceased to give land grants to railway companies in this country. An hon. gentleman on this side, I think the member for East Elgin (Mr. Ingram), said, 'What about the Calgary and Edmonton Railway? An Order in Council was passed renewing the former land grant—time and again my hon. friend says. The answer given by the member for Gaspé was, 'We were only carrying out the policy that had been established before.' Sir, the duty of the hon. gentleman was not to follow a bad example, if it was a bad example, but to allow it to lapse.

Mr. LEMIEUX. Vested rights, renewals.

Mr. CLANCY. Well, I will take my hon. friend at his word, he says there were vested rights. What about the Yukon Railway? Where were the vested rights there? There were no vested rights there, as my hon. friend knows, and yet it was one of the greatest schemes that was ever proposed in this parliament, brought down within a few weeks of the opening of parliament, not waiting for the consent or the opinion of parliament upon it, but giving an immense land grant, measured by values in that country. But the hon. gentleman, in order to retain the confidence of those who so implicitly believe in the pledges of the Liberal party is not able to single out one that they have kept. I say a most insidious course has been pursued in this case to conceal from the public grants that have been given to the Grand Trunk Railway. We are told that no subsidies are given to railways in modern days.

Now, I believe nothing is more idle than for hon. gentlemen to compare what we gave in former years to the Canadian Pacific Railway or to any other railway in Canada, and to urge it as a precedent for giving aid to this railway. We may have given too much to the Canadian Pacific Railway. Conditions were different then, under the conditions we may have given too much. I am not going to argue whether we gave as much as the hon. gentleman promised, I say that we are here to-day to deal with questions under conditions in which

we are living and moving, and for which we are responsible. We do not pretend that the conditions of to-day are those of many years ago, nor to compare the grants given formerly to those given now. But whether they were too great or too small, we are not called upon now to inquire. Our duty at present is very simple, we must not make the mistake that the hon. gentleman pointed out was made in the past. I do not say a mistake was made, but I go as far as to say that we may or may not, under the different conditions, have given too much. Therefore, I say, without desiring to be offensive, that it is absolutely idle for hon. gentlemen to bring forward those subsidies as witnesses or elements in an argument on this question. Both sides of politics, within the last ten years have been assenting parties to giving reasonable assistance to encourage railways in Canada, especially to trunk lines, to lines of railways that build branches and feeders to the main lines, without which many people would be deprived of railway communication for many years. Under these circumstances we have given encouragement and help to railways. But I say there is no instance where so much has been given by way of subsidies as is now proposed to be given to the Grand Trunk Pacific for that western division. I said a moment ago that this government had followed a policy of concealment. I repeat that there has been a policy of concealment, a policy of deception, in order to carry out this bargain behind the backs of the people, without their being made acquainted with the facts, and I hope to be able to make that clear before I conclude my remarks.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

SECOND READING.

Bill (No. 36) respecting the Tobique Valley Railway.—Mr. Costigan.

GRAND TRUNK PACIFIC RAILWAY.

House resumed debate on the Grand Trunk Pacific Railway.

Mr. CLANCY. Mr. Speaker, when the House rose at six o'clock, I was dealing with the manner in which the largest subsidies that have ever been given in aid of railways, at least in the modern history of Canada, have been given to the Grand Trunk Pacific Railway Company. I hope to be able, at least, to make it clear, if I am unable to convince hon. gentlemen opposite, that the statement I have made is absolutely true in every detail. I said that there had been a policy of concealment followed in this in order that the hon. gentlemen might go to the country and make it appear that, substantially, they had kept their pledges, that such had been kept for the first time since they came into power, by aiding a railway without either land grants or subsidies. What is the nature of the subsidies given to this railway? I say that every one of these aids and encouragements granted to this road is a subsidy and that it is a subsidy concealed. We are paying, first a subsidy by the way of payment of interest for the first seven years for the company on the bonds guaranteed on the mountain section of $952,000 a year, or $6,667,500 in all. This is a sum of money that is paid in cash out of the pockets of the people and is a tax upon them. It is, I repeat, a sum of money that is paid in cash just as directly as if it were paid over to the company. The next is a subsidy by way of rebate to the company of seven years rent on the eastern section amounting to $2,490,000 a year, or to a total of $17,430,000. That sum also must be paid by the people as interest on construction for the first seven years. Not one dollar of it goes to the eastern section; every dollar of it goes by way of encouragement to the western section and to the Grand Trunk Railway. Therefore, it is a subsidy, concealed as it is, in the most direct sense. I wish to say here that I have carefully avoided making any estimate that has not been based upon statements made by hon. gentlemen opposite in the past. The statements made by hon. gentlemen opposite during last session, and the statements made by the Grand Trunk Railway shareholders perfectly agree that the 1,000 miles of prairie section will cost $20,000 a mile, and that the mountain section will cost $50,000 a mile. We find that the average cost of the 1,500 miles of the western section, 1,000 miles of the prairie section, and 500 miles of the mountain section, from Winnipeg to the Pacific coast is $30,000 a mile. We have, therefore, contributed by way of the subsidy I have referred to, $16,000 a mile for the whole 1,500 miles. The maximum that we can give under the present law to any railway is $6,400 a mile. Therefore, instead of giving the usual aid to railways we are giving the Grand Trunk Pacific Railway Company $16,000 a mile for the western section as against $6,400 a mile that we give to other railways. But that is not all of the encouragement we give them. We have given them $16,000 a mile in the way of subsidy. We are giving them a rebate of three years rent on the eastern section on condition of the company paying interest on the same at 3 per cent for forty years. That sum of money is paid by the people. It does not become a debt of the Grand Trunk Pacific Railway Company. It does not go into the road any more than the subsidy I have already mentioned does, and at the end of forty years, or when the Grand Trunk Pacific Railway Company give up that railway, it goes back to the people of Canada, and this sum of money which amounts to $7,470,000 is paid so far as the Grand

Trunk Pacific Railway is concerned. That is a further encouragement we have given. Then we give a loan to the company for forty years at 3 per cent, being three years interest paid by the government for the company on the bonds guaranteed amounting to $2,857,500. Let me state that again to make it perfectly clear. For the first seven years of the ten on the western section the government of Canada pay the interest on the bonds which is a subsidy to the company. For the next three years the company are not required to pay the interest, but it may be capitalized and they pay it at the end of forty years as an option. Therefore, it is a loan to the company for forty years at 3 per cent. I will now come to the guarantees. In addition to that we guarantee on the 500 miles of the mountain section a sum equal to $37,500 a mile. Thirty-seven thousand five hundred dollars a mile is three quarters of the estimate of the cost of mountain section made by the hon. gentlemen opposite and by the Grand Trunk Pacific Railway Company. The sum guaranteed on the western section is $18,570,000. On the prairie section for 1,000 miles we guarantee $13,000 a mile or $13,000,000 upon the whole. But we have another undertaking in addition to that. We must make good on the prairie section now, as well as upon the mountain section, a sum of money guaranteed to be equal to that in cash; namely, if the bonds sell at ninety cents on the dollar we are to guarantee for the loss on the bonds as well as the original construction which amounts on the same guarantee to $3,175,000. These sums make a total of guarantee of $34,925,000. The guarantee per mile is $23,283. We have, as I have already stated, given a subsidy of $16,000 a mile, we have made a loan to them, and we have guaranteed their bonds for $23,283 a mile on the road that will only cost $30,000 a mile.

Now, let me recapitulate what we have given. We have given a subsidy of $16,000 a mile, amounting in all to $24,097,500. We have given a rebate of three years rent on the eastern division equal to $7,470,000. We have loaned to the company for forty years at 3 per cent, $2,857,500. We have guaranteed bonds at an average of $23,283 per mile equal to $34,925,000 in all. We guarantee interim bonds to assist the company during the period of construction. We procure for the company the right of way for the road as well as land for all stations, station grounds, workshops, buildings and yards for the western section. We also procure such lands fronting upon or covered by navigable waters as may be necessary for the use of the company. We construct a line of 1,875 miles in length at a cost, at least, of $85,000,000, and we hand it over to them for ten years for nothing.

We construct the eastern section, a portion of that, for the Grand Trunk, in order to enable them to reach North Bay or Fort William. Is it any wonder that the stockholders of the Grand Trunk Railway Company should have been timid and appalled at the prospect of entering upon a scheme of that kind? No railway in Canada has been granted such assistance, under such conditions, as it is proposed to accord the Grand Trunk Pacific, conditions such as to be, not a benefit, but a menace to the interests of this country. The reasons for the granting of this aid are given by the leading officials of the Grand Trunk, who have stated that the Grand Trunk and the Grand Trunk Pacific combined are partners with the government. Sir Charles Rivers-Wilson, president of the Grand Trunk Railway, said:

As the result, however, of the negotiations with the government another Bill was introduced by the government itself for insuring the construction of the contemplated line from New Brunswick to the Pacific in joint partnership between the government and the Grand Trunk Pacific Company.

Again he said:

While then the objects of the premier were of this large and essentially national character, your directors on their part saw in the accomplishment of such an undertaking great benefits to be obtained for their own company by securing a permanent connection with the Northwest, which would otherwise pass under other control.

The Grand Trunk Company were alive to the possibility of other companies coming and taking up this enterprise. This was no offer to be passed over; it was one which, in the mind of the Grand Trunk, must be secured as quickly as possible or some other company would take it up.

And by enabling the company to participate in the prospective advantages offered by that vast and fertile territory. The result therefore, of the agreement was a combination of these two interests for the construction of the proposed road which would thus be carried out, as I have said, by means of a partnership between the government and the Grand Trunk Pacific Railway, supported as that company would be by the influence and connections of the Grand Trunk Railway Company.

Mr. Alfred W. Smithers, vice-president of the Grand Trunk Railway, also said:

As the president has told you—and as I was in Winnipeg last year with him, I am able to confirm what he says—as the president has told you, we are wanted in the Northwest; the government have entered into a partnership to take us to the Northwest——

Again Lord Welby says:

We have driven, I may say, the Canadian government into becoming absolute partners with us in the expenditure on that mountain section; that means that we have made their interests one with ours, and we are, therefore, assured of their hearty co-operation and assent to any reasonable proposition on their part.

Could any words make it more perfectly plain, Mr. Speaker, why the Grand Trunk

Pacific has been dealt with so liberally, more liberally than any other railway in Canada? Is it not clear that the Grand Trunk Railway is in essence a partner with the government of the day? This, as you know, is an innovation in Canada, it is the first instance in which any government has become a partner with a great railway corporation. I know of nothing more destructive to the existence of a healthy transportation system in this country than that the fortunes of the people of Canada should be linked with any great corporation. Just to the extent that they are partners the government will desire its partner to fulfil their engagements, and just so long as that condition prevails will the interests of this country suffer. Let us consider, for example, the case of default on any part of that contract. The government would scarcely dare to meet parliament and to say that the conditions of the contract had not been fulfilled. They would exert every means to benefit their partner as against railway companies who have the same rights and interests, and should receive the same treatment. Who must bear this great burden of debt which is to be incurred but the people of Canada? The total expenditure, as has been stated by the leader of the opposition (Mr. R. L. Borden), will be something like $150,000,000, which will be added to the public debt of this country, upon which the people of Canada must pay interest from year to year. Do the people get better rates or any special advantage or favour from the Grand Trunk Pacific in return for this? Absolutely nothing, beyond what will be given by any other railway company in Canada. Therefore, I say that the result of the partnership is that we have mortgaged the fortunes of Canada for the benefit of a great railway corporation, and we must carry them as a bank must carry a customer of the bank for fear that he may be some day unable to meet his obligations. That must be the relation existing between the government and any railway company with which they become partners. I venture to say that this is one of the most dangerous departures ever made in Canada, and it is a thing unheard of in other countries. In the states to the south of us, states have been known to take stock in a railway company, but I am unable to recall a single instance where a state has linked its fortunes with those of a great railway corporation. We should give full justice to railway enterprises in this country, and give them all an equal chance to earn money. But the step taken by the government will preclude the existence of such equal treatment in this country. The people of this country, who are fully alive to the importance of this question, are asking why, if we are giving such enormous subventions to the Grand Trunk Pacific Company, that we are practically undertaking to carry the burdens of that road, why should we not extend the Intercolonial to the west, construct our own railway and own it? As it is, we are going to construct a portion of railway and hand that portion over to a railway corporation, first on a lease of 50 years, to all intents and purposes ownership for 50 years. It is all very well to say that we have inserted a provision in the contract by which we have retained running powers for both the Intercolonial Railway and other railways. Every member of the House knows how absolutely worthless that is. No running powers may be obtained under the contract that will not have to be referred to arbitration in case of disagreement. If there was no agreement, the sovereign would still have the power to exercise the right of eminent domain, and in such case it would be referred to arbitration.

We could to-morrow take possession of the Canadian Pacific Railway, and, after compensating the company fairly for their loss, we would be in just as good a position as we are under this contract, which says that we shall have running power over the road. These are the mere incidents that will attach to the scheme, and they give us no more powers than we would have a right to exercise if there were no such agreement at all. Suppose we were to extend the Intercolonial Railway to the Pacific coast. The eastern section of 1,875 miles from Winnipeg to Moncton, at an average cost of $45,000 per mile, would cost a total of $84,000,000. Putting the cost of extending the Intercolonial from Montreal to Winnipeg at the same figures per mile, it would cost for the 1,414 miles, $63,000,000, or a saving on the eastern section of $21,000,000. Then, the western section, from Winnipeg to the Pacific coast, 1,500 miles, at an average cost of $30,000 a mile, would cost a total of $45,000,000. The cost for that would be the same in both cases; but what would be saved by building the Intercolonial? We would save the subsidy of $24,097,000 which we are now handing over to the Grand Trunk Pacific Company; and we would save three years' rent abandoned to the company, amounting to $7,470,000; or a total saving on the western section of $31,567,000. If we constructed the Intercolonial Railway from the city of Montreal to Fort Simpson, we would thus save on the whole no less a sum than $52,657,000.

Sir WILLIAM MULOCK (Postmaster General). Would the hon. gentleman allow me to put a question to him? If he has the figures available, since he has given the financial basis of the scheme of the hon. leader of the opposition, would he tell us the estimated cost of extending the Intercolonial Railway from Montreal to the Pacific?

Mr. CLANCY. I have endeavoured to be perfectly fair. I am glad the hon. Postmaster General has asked me that question.

I think it will enable me to make the matter much clearer than I would have been able to do without this interruption. I would apply the same rule to both cases. As I have said, the average cost of constructing 1,875 miles from Moncton to Winnipeg, as was shown by the hon. leader of the opposition, including the loss of interest during the period of construction, is $45,000 a mile. We have to extend the Intercolonial from Montreal to Winnipeg, not 1,875 miles—because there is a portion of that railway on its way to Winnipeg—but 1,414 miles. I applied precisely the same rule to that—I said the cost would be $45,000 a mile. Therefore my hon. friend will see that I am perfectly fair in the calculation.

Sir WILLIAM MULOCK. What is the total from Montreal to the Pacific ?

Mr. CLANCY. The cost of 1,414 miles, at $45,000 a mile, is $63,000,000, or a saving, as I have stated, of $21,000,000.

Sir WILLIAM MULOCK. What is the total from Montreal to the Pacific ?

Mr. CLANCY. I will give the hon. gentleman the figures. The rate of cost which the hon, gentlemen have laid down for themselves for constructing a road from Winnipeg to the Pacific coast, was $20,000 a mile for the prairie section, and $50,000 a mile for the mountain section. I assume that would be the cost to the government of extending the Intercolonial Railway from Winnipeg to the Pacific coast, which would be an average of $30,000 a mile for the whole distance.

Sir WILLIAM MULOCK. What are the totals?

Mr. CLANCY. The hon. gentleman can figure them out for himself.

Sir WILLIAM MULOCK. I am asking the hon. gentleman to give us the figures.

Mr. CLANCY. I will be glad to gratify the hon. gentleman later on.

Sir WILLIAM MULOCK. Do not be afraid, tell us the cost.

Mr. CLANCY. I am taking the hon. gentleman as my authority for the cost.

Sir WILLIAM MULOCK. Give us the figures.

Mr. CLANCY. I have given the hon. gentleman the figures. I have given the cost in both cases. I have given the cost both of the eastern and the western section. As regards the western section, both schemes stand upon common ground, and if hon. gentlemen opposite know what their own scheme will cost, they know exactly what will be the cost of the scheme of my hon. friend. I do not think that the financial outlay should deter us, because we will be able to save, as I have shown, some $50,000,000 by the scheme of my hon. friend the leader of the opposition. We would do this in the first place by not building an unnecessary section of road, the line from Moncton to Quebec, which is not at all required for a transcontinental railway. Then, we would have the advantage of extending the Intercolonial Railway in the direction of Winnipeg, and we would be saving in railway building the difference between 1,875 miles and 1,414 miles. But by the scheme of the government, we will incur an unwise expenditure by paralleling the Intercolonial Railway from Moncton to the city of Montreal, and paralleling it to no purpose.

Under the circumstances there is no reason why we should hesitate to undertake the construction of the railway ourselves. If the possibilities of the future are such as had been depicted by hon. gentlemen opposite, if they are even half what these hon. gentlemen have pictured them to be, then it is the bounden duty of the government to construct that road themselves, and thus save money to the people and have the people own the road and get every advantage possible out of it. Let me quote hon. gentlemen opposite regarding the future possibilities of this railway project, and I will take each in turn. The hon. the Minister of the Interior (Mr. Sifton) dwelt on the immediate necessity for an additional railway owing to the pressure of traffic. He pointed out that freight was being piled up at the other end, and if facilities to carry it were not provided, it would go over American railways to American ports and be lost to this country. Here is what he said :—

> No person who has any knowledge of the situation will for an instant throw any doubt on this statement, that if arrangements are not made for relieving the congestion of traffic, not only in wheat but in cattle and produce of all kinds for shipment outwards and in general for shipment inwards. If these arrangements are not made soon, as surely as the sun shines, the greater portion of that trade will go south to the United States. It is going now.

Then we had the hon. gentleman going still further. He said :—

> The net profits of the Canadian Pacific Railway during the year ending the 30th of June, 1902, were $14,085,000. Last year (1903) its net profits were $15,000,000. The company have made their railway enterprise a magnificent success. If they were called upon to-morrow to incur the liability to pay back every cent of public subvention which they have received and all the money which they have received for lands, notwithstanding that the Canadian Pacific Railway Company would be a good, sound and solvent concern. Compared with that enterprise, the route from Quebec to Winnipeg by the Grand Trunk Pacific Railway is a better route.

Let me now give the opinion of the First Minister's railway expert, I refer to the hon. member for North Norfolk (Mr. Charlton) who, I regret, is not in his place. This is

what that hon. gentleman, the railway expert of the right hon. the First Minister, had to say regarding what the Canadian Pacific Railway would have to restore, if it were to return all that had been given it by way of cash and land subsidies. At page 8514 of the 'Hansard' of 1903, the hon. gentleman had this to say on that subject:

In 1886 I had a letter from the now Lord Mount Stephen, complimenting me, thanking me, for a speech I made in that year attacking the policy of the government and showing what vast franchises the Canadian Pacific Railway Company had obtained, what an enormous bargain they had from the government. This letter complimented me for having tried to act justly, and I was informed that it had been used quite efficiently in promoting the credit of the company.

Then the hon. gentleman proceeded to give what was contributed, according to his standpoint, out of the funds of Canada for the construction of the Canadian Pacific Railway. He said:—

They got a cash bonus of $25,000,000; they got the 643 miles of completed road which cost, with the surveys, in round numbers, $35,000,000; they got 25,000,000 acres of land worth at the least calculation $3 an acre, or $75,000,000. Total, $135,000,000.

That was the amount which the Canadian Pacific Railway, according to the hon. member for North Norfolk, could hand back to the people of Canada and still be a solvent company. Why should these hon. gentlemen repeat to-day what they so strongly condemned in the past? If they were honest in their attacks on the policy followed in the construction of the Canadian Pacific Railway, they should support to-day the position taken by my hon. friend the leader of the opposition. We are now in a position, as the hon. leader of the opposition told us, not to hand that over to a railway corporation, but to keep it for the benefit of the people of Canada. There are others who have testified as to the possibilities of a road to the west. The Minister of Agriculture (Mr. Fisher) stated in a speech last year that, in 1901, the wheat product of the west amounted to 63,310,000 bushels. He predicted that in 1911, when this road would be built, it will be 117,800,000 bushels. Of barley, the product of 1901 was, 7,331,000 bushels, and he predicted that in 1911 it would amount to 13,824,000 bushels. The product of oats he gives as 38,909,000 bushels to be increased by 1911 to 83,400,000 bushels. The total product of grain of that country was, 109,550,909 bushels of grain in 1901, and he expressed the confident belief that in 1911 when the Grand Trunk Pacific Railway to the coast is expected to be finished, the grain product will be no less than 211,000,000 bushels. Are such figures likely to encourage or discourage the people in undertaking the construction of a road through the west instead of handing it over to the Grand Trunk Pacific Company? I think that the evidence is most conclusive in favour of the government building the line. But there is another witness that I desire to call. Mr. Charles M. Hays, speaking before the shareholders of the Grand Trunk at their meeting in London, in March last, had this to say:

Now, gentlemen, the Grand Trunk Pacific is going to be in quite a different position from that of an ordinary new enterprise stretching across the territory I have explained to you. Here is the Grand Trunk, the parent company, standing with a large traffic ready to deliver it westbound. This traffic is now given to a competitor. It does not have to wait five, ten, or fifteen years to build up a traffic; it starts with a traffic right from the beginning, and it is of a most remunerative character.

Surely, we ought to preserve that for the people, rather than hand it over to the Grand Trunk Railway Company, and with it a fortune of the people's money. Mr. Hays has something more to say as to the possibilities of the railway. On the same occasion he said:

There are many of you here to-day who will live to see the Grand Trunk Pacific hauling as much of its grain towards the Pacific for consumption in China, Japan and that territory as will be hauled in this eastern direction.

How can the people of Canada hesitate for a moment to make the choice? In view of what they have been told, as I have just quoted, by such men as the Minister of the Interior, the Minister of Agriculture and the hon. member for North Norfolk, what doubt can remain that should cause them to hesitate in entering upon an enterprise of this kind? Should we not be guilty of criminal folly if we lost the opportunity to direct these profits into the pockets of the Canadian people rather than into the coffers of a private corporation?

Hon. gentlemen opposite ask what is to be done about the question of government ownership with all its difficulties. I am very sorry that the Hon. Minister of Railways and Canals (Hon. Mr. Emmerson) is not in his place this evening. Let me say that one very strange thing in connection with this scheme, is the position of the Minister of Railways. When the Bill was originally introduced last year, it was introduced by the Prime Minister instead of, as we might have expected, by the Minister of Railways and Canals. But the reason was made plain by the Minister of Railways and Canals of that day, Hon. Mr. Blair. He showed that he would have nothing to do with the scheme, and gave his reasons on the floor of this House. Rather than favour the measure, he resigned his place in the cabinet. It is easy to understand why, under such circumstances, the Bill was introduced not by the Minister of Railways and Canals, but by the Prime Minister. But the House and country will

now be somewhat anxious to know why the present Minister of Railways and Canals did not introduce the amendments here proposed. Later on, that hon. gentleman may give his reasons. It may be that his sullen silence up to this time indicates the spirit in which he signed this contract. He must have signed it with a trembling hand. Up to this time, he has not had the courage even to remain in the House for any considerable time during the debate. Much less has he attempted to explain why the Minister of the Interior was put over his head to reply to the leader of the opposition. Possibly I may be able to make it plain why the Minister of Railways and Canals did not introduce this amendment, why he has absented himself from the House, and why he has been silent from first to last with regard to this matter. The Intercolonial now runs from Sydney on the Atlantic coast to Montreal. If we are to have a line from ocean to ocean, the question of government ownership must be squarely faced so far as that part of the road is concerned between the terminal points of the present Intercolonial. Now, last session, the present Minister of Railways and Canals favoured the extension of the Intercolonial to Georgian Bay. Perhaps I had better read to the House just what he said on that occasion. At page 8741 of 'Hansard' of last year, the present Minister of Railways and Canals said :

> But there is one thing I do wish to say, and that is connected with the proposition made by the hon. ex-Minister of Railways and Canals (Hon. Mr. Blair) in regard to the extension of the Intercolonial Railway to Georgian Bay, in order that that railway might participate in the traffic which comes over the lakes. I have strong sympathy with that idea.

The hon. gentleman who said that is now but little seen within the walls of this chamber. But he was prepared to go further than the remark I have just quoted would indicate. He was prepared not only to extend the Intercolonial to Georgian Bay, but to adopt government ownership without any reservation mental or otherwise. That was the position of the present Minister of Railways and Canals. Let us see what he had to say upon that subject. Speaking last year, page 8733 of the 'Hansard,' this is what the hon. gentleman had to say :

> Those who have paid any attention to the course which I have pursued in relation to this railway project, if any have done me the honour to observe that course, will know that I have advocated, not merely in this House, but in the Railway Committee, the extension of the Intercolonial Railway into the west, and the operation of railways by the government.

No one can doubt the position then taken by the Minister of Railways and Canals. He goes further, and he points out the advantages that would arise to Canada by such a course :

> The government owning and operating the road to-day could assemble the western traffic—bring it to the city of Quebec, pass it along over their Intercolonial Railway, even at the longer haul, assuring to our eastern ports that traffic, even though this were done at a loss.

That was from the present Minister of Railways and Canals. Then the hon. gentleman goes further. He discusses the difficulties of government ownership. After having given the matter mature consideration, he came to the conclusion that there were no obstacles in the way of government ownership. He became thoroughly convinced that that was the course to pursue, and at page 8778 of the 'Hansard' of last year, discussing the difficulties in the way of government ownership and operation, he says :

> The danger of party control is not, in my judgment, so serious after all. It certainly is not sufficiently serious to enable it to decide the question on that consideration alone, and especially when we take into consideration the fact that we must all recognize, that large railway corporations have a great political influence.

They have political influence with the government of the day, and the Grand Trunk Railway has the pull. Now, Sir, that speech completely favouring, first, the extension of the Intercolonial to Georgian Bay ; next, adopting, without any reserve, the principle of government ownership, goes on to show the benefits that would inure to the people by government ownership and operation. He saw no difficulty in the way, and in his concluding sentence—which I wish the House and you, Mr. Speaker, to mark—he says :

> I was honest in my conviction, and I am strongly in favour of the ownership and operation of railways by the government.

Is it any wonder that the Minister of Railways and Canals has been cited ? Is it any wonder that that hon. gentleman has refused to rise in his place and defend this scheme ? Is it any wonder that, under such conditions, the hon. gentleman would be ashamed to rise now and make a defence of the position he now occupies ? The hon. gentleman said then he was honest, and I believe he was honest. What will be his position now ? If he were honest then, what should be his position now ? Will he rise in his place and stultify himself ? Will he swallow every word he said last year? Will he say he was merely acting last session when this measure was before the House ? Or will he do the respectable thing, and resign his position in the cabinet, and make the protest that the former Minister of Railways and Canals made in this House ?

An hon. MEMBER. The salary.

Mr. CLANCY. I shall not say anything about the salary. That would be a small consideration in so great a matter as this. I am going to give the Minister of Railways

and Canals credit for considering more than his salary. I believe he values his reputation at this moment infinitely more than the salary attached to his position, as becomes an honest man in the discharge of his duties. In such case, he will refuse to give his support to any scheme of this kind. He has made a pledge to the House and to the people on this question that utterly forbids the hon. gentleman retracing his course.

Now, Mr. Speaker, there is one thing that is rather sad, and that is the surrender that has been made here, and the complacency of the hon. gentlemen in regard to it. True, they are acting a part ; true, in giving their explanations, nothing has been said that had even the semblance of a defence of their position. Have the ministers ventured to come forward and defend this scheme ? What was the position of their followers who honestly followed them for party purposes ? I do not know an hon. gentleman sitting on that side of the House who did not protest, if he dared protest, without injuring the chances of success of his party to hold office in this country—who did not protest, and would protest, against undertaking a scheme of this kind. It was not a matter that could be concealed. Last session when this project was launched, the members supporting the government could be found in the corridors, could be found in the streets, could be found everywhere within reach in the city of Ottawa, telling you, not privately, but publicly, that this was a scheme that should not be supported, and they would not support it. True, the exigencies of party have driven the hon. gentlemen to do it, and to act a different part. Quite true, but they had certain assurances from their leaders at the time which they considered as a salve to their conscience, as an apology for supporting this measure. What were they ? We had the assurance of the Minister of the Interior, the first assurance upon which they gave their vote, that is as to the maximum liability in this scheme. The Minister of the Interior assured the House and his followers, in order to get their support, that the maximum liability to the people would be —as I will read on page 8642 of the 'Hansard' :

> Therefore when we guarantee interest upon a maximum of $30,000 per mile in the mountain section of this railway, the interest on the cost of construction as it goes on for the five years is included in that $30,000 per mile on the mountain section of this railway, the interest on the cost of construction as it goes on for the five years is included in that $30,000 per mile, and that is the maximum of our liability.

Is that statement true yet ? The hon. gentleman knows it is not true. We have no maximum of $30,000 per mile. They have, without the consent of their followers, raised that to $37,500 a mile. That was the assurance they had for giving the government their support. Then we have the condition with regard to default. We have the assurance of some other hon. gentlemen in this House, we have the assurance of the Minister of Justice, which is somewhat important, on that point. The Minister of Justice says :

> Then suppose there should be a default in the payment of interest on the bonds guaranteed by us. We will take the road and the equipment, and the holders of the second issue of bonds will be obliged to apply for payment to the Grand Trunk Railway. Hence it can easily be seen that the Grand Trunk Railway will not be in a position to afford to allow any default to be made.

That was the assurance that the Minister of Justice gave to the House upon that occasion. Is that the case now ? Can we take possession of the road in case of default. We have no longer the mortgages as has been pointed out by my hon. friend the leader of the opposition. We have a mere instrument, not a mortgage. In case of failure and in case they are permitted to be in default in the payment of interest for the first five years we will not foreclose and we have no power to foreclose. But we agree that we will take over the road, pay the debts of the Grand Trunk Railway people and when they are paid we will hand the road back to the Grand Trunk Railway people. Let me give a parallel case and I will give it to my hon. friend the Postmaster General (Sir William Mulock). Suppose he sold to his next neighbour a horse and he made an arrangement with the purchaser to pay for the horse in a certain time. Suppose he made a further arrangement that he might let it go for a certain time longer and that he made a still further arrangement that if the purchaser refused or neglected to pay for the horse he would take the horse back, work it until it paid the debt and then he would give the horse back to the man to whom he sold it. That is precisely the case in regard to this transaction. But, we have the assurance of another hon. gentleman, the eloquent member for Gaspé, the hon. Solicitor General (Mr. Lemieux). The hon. Solicitor General held up 'Hansard' last evening, with some theatrical effect quite becoming to so clever an actor and he said : This is the book of books. How fortunate it is to have a record of the speeches of hon. gentlemen on both sides of the House. It is an indispensable condition in this House that we should know what is being done and he said : This is for the people the book of books. Let me read from the book of books what the hon. gentleman had to say as an assurance to those who support the government of which he is now a member. This is what the hon. gentleman had to say, as it appears at page 8787 of 'Hansard' of 1903 as an assurance to the supporters of the Liberal party who sit upon the other side of the House, and as an evidence that the bargain they were making was a sound

one, that they took no chances, that they had their remedies and that it would be their duty to exercise their remedies.

> The security for the bond guarantee is to be found in mortgages which may be foreclosed by the government in case of default.

Is the hon. gentleman now prepared as a member of this government and probably soon to be a member of the cabinet to repeat that statement? I think it is his duty now, and I should like to give him an opportunity of doing so, to repudiate his utterance or say: I deceived the people on that occasion. He should say: I believed it then, and I believe it now; I was not a member of the government then, I am a member of the government now. Then, there are some other hon. gentlemen who gave assurances to the people on that occasion. We have the hon. Minister of Finance. I greatly regret that that hon. gentleman is not in the House. I am disposed to pay that hon. gentleman the compliment of saying that in debate while always lucid he is not always logical, but he has the power of presenting his case with a good deal of force. My hon. friend beside me (Mr. W. J. Roche) says that this seems to be a season of bouquets. I want to pay a just tribute to those hon. gentlemen whose utterances are of great consequence at this moment. Let us see what the hon. Minister of Finance gave as an assurance to the people who supported that scheme. The chief reason given to the people to induce them on that occasion to support the scheme was that the Grand Trunk Railway Company held as security $25,000,000 of the common stock. This is what the hon. Minister of Finance had to say upon that occasion:

> We have provided that practically the common stock of this company to the full extent of $25,000,000 shall be held, not by promoters, not even by the old Grand Trunk Railway officials individually, but by the old Grand Trunk Railway of Canada itself.

Is that the case now? Where is the hon. Minister of Finance to withdraw that statement, to repudiate it, to make amends to the people by saying: We have taken upon ourselves to change this? What I said upon that occasion will not do. We must act differently now and why must we act differently?—because the Grand Trunk Railway Company have asked us to act differently and there is no better reason. Again the hon. Minister of the Interior had something to say in regard to the Grand Trunk Railway Company making, in the first instance, a proposition to construct a road from North Bay to Winnipeg and the Pacific coast, coming to the government and having in view subsidies for the purpose of constructing that line. The hon. Minister of the Interior tells us that he did not assent to that, that it was not in the interest of the country to take a course of that kind, that they were not prepared to do it on that occasion. Then, what does he say?

> I have no doubt that the Grand Trunk Railway would have preferred to get a good liberal bonus, pretty nearly enough to build the line from North Bay to Winnipeg, without any harassing or embarrassing stipulations as to what they shall do with their traffic.

Have the Grand Trunk Railway Company not secured the construction of the division from North Bay practically to Winnipeg? Have they not unloaded that now upon the people. Are we not constructing that eastern section? Is that not a portion of it? Under the changed conditions of the contract do they not get that to operate before the other may be constructed? Have they not secured in the fullest sense everything they asked for in that direction? Now, Sir, my own impression is and I think it is the impression of hon. members on both sides of the House, that there has not been one request made by the Grand Trunk Railway Company that has not been granted. I defy hon. gentlemen to say that there has been a single demand made upon the government that has not been surrendered in substance and in essence to the Grand Trunk Railway Company?

What reason or excuse has the government given for this departure? Absolutely no reason but the one that the Grand Trunk people said: Our shareholders will not assent to this. Yet, at the same time, Mr. Hays was telling the Grand Trunk shareholders in England: We had better avail ourselves of this proposition or other promoters will take it up; we have no time to lose. Then the government comes back with the pitiable excuse I have mentioned, thereby placing their friends who supported the agreement of last year in a very awkward position. Is the fact that the Grand Trunk Railway people were timid and did not care to undertake a part of the bargain a sufficient reason for abandoning every safeguard, so far as there were safeguards, in the old agreement? The real objection raised by the Grand Trunk shareholders at the meeting was that the money to be expended was the money of the Grand Trunk Railway shareholders, but that it was to be expended by a board composed of Canadian and English shareholders rather than by the shareholders of the Grand Trunk Railway. I know of no greater challenge that could be made to the honest electors of Canada than that now thrown down to them in asking them to support the Bill before the House, from which every safeguard has been omitted, and when the time comes the people will not be slow to avail themselves of the opportunity of expressing their displeasure.

Now, one word more, and I shall conclude.

Some hon. MEMBERS. Hear, hear.

Mr. CLANCY. I hear marks of approval from hon. gentlemen opposite. I have no

doubt it will be quite a relief to hon. gentlemen, who are under the necessity of making a choice between public duty and the obligation to follow a party leader, to have any person, either inside or outside of this House, cease to discuss so unpleasant a question. I am gratified at the general assent which hon. gentlemen have given to the conclusion of my attempt, in my humble way, to point out the position in which hon. gentlemen stand to-day. Some hon. gentlemen have said that the hon. the leader of the opposition (Mr. R. L. Borden) has abandoned the scheme proposed last year. I challenge hon. gentlemen to point out one single instance where he has in substance departed in the slightest degree from the proposal which he made to this House last year. The deplorable surrender of the interests of Canada which the hon. gentlemen have made makes it more imperative than ever that the scheme laid down by the leader of the opposition last year should be pressed to a conclusion. We could avert great evils to Canada if we were in a position to act on his suggestions, and it would be a duty, if he came into power, to lose no time in giving effect to a scheme that would avert one of the greatest evils impending over the heads of the people of Canada. We intend no injustice to the Grand Trunk ; we desire to give the Grand Trunk Railway full scope, as we desire to give full scope to every other railway enterprise in Canada. If we came into power, it would be the duty of our government, as of any government, to encourage railway development, and hon. gentlemen opposite cannot make it appear, from any utterances from this side of the House, that any member has taken a position which can be interpreted as opposing the encouragement of railways. The question that must strike you now is : Will the government of the day, after having so departed from the pledges which they induced their followers to endorse last session, have the courage to allow the people to speak on this question before the final consummation of such an outrage ? They will not dare to do that, because they know that their answer would be a notice to quit. Not a member in this House has a mandate to vote for this agreement in its changed form. No greater outrage on the people could be committed than, upon the scanty information at hand, the evidence of a clerk in the Department of the Interior, who has had a half hour's pleasant conversation with one or two of the Grand Trunk Railway engineers, and a little essay read, I suppose, somewhat as a literary production by one of the Jesuit Fathers 250 years ago, discussing the length of the days and nights and the time at which roses came and went in that country, to enter upon this gigantic scheme. This is a paramount occasion in the history of the parliament of Canada, and there has never been an occasion on which members of the opposition might feel more absolutely sure of being right and of defending the interests of the people than upon this measure. No greater evils have ever threatened the people, and I know of no greater opportunity for averting those evils. It is the duty of every patriotic Canadian to act, not as Sir Rivers-Wilson said the right hon. the premier (Sir Wilfrid Laurier) has acted, as a patriot in the interests of the Grand Trunk Railway, but as a patriot devoted to the interests of Canada.

Mr. E. A. LANCASTER (Lincoln and Niagara). Mr. Speaker, in a day or two every member of this House will be called upon to vote on the resolution brought forward by the right hon. the Prime Minister and the amendment to it proposed by the hon. the leader of the opposition (Mr. R. L. Borden). This is a time in the history of Canada when one has to ask himself what are the duties and responsibilities devolving upon a member of this House upon political questions involving the welfare of the whole Dominion. During the past six or seven years there has been a growing disposition, at least in the part of the country I have the honour to represent, to wonder how far this government, in dealing with matters of national importance, will go in ignoring all business rules and all the reasons that would guide parties in business transactions in private life. If we wanted to select an example of the extent to which the government would dare to go in violating and disregarding all business rules, we have it in the proposition put forward by the government last year and the still worse proposition now before us in regard to the so-called transcontinental railway scheme. We find that members of parliament are called upon to vote for an expenditure which has been estimated by several gentlemen sitting on your left, Mr. Speaker, to amount to nine-tenths of the total cost of the largest work ever undertaken by the Dominion of Canada. And it has been demonstrated that the other party in this enterprise, who is called upon to pay only one-tenth of the cost, is to have the whole benefit for fifty years, while the other partner, who puts in nine-tenths of the cost, is to have no benefit whatever for fifty years. At the end of that time, if they are alive, or if their descendants are not all in the asylum for having voted for such a scheme, they will be allowed to make an arrangement for dividing up what is left.

This scheme was debated fully at the last session of this House, and I do not propose to weary the House by going into the details of it. But I have a little hope that if I say a few words on the question, some of the hon. gentlemen on the other side of the House may begin to feel that they will not be doing their duty to the country, or to those parts of the country which they represent, if they do not insist on the government withdrawing the scheme, and getting a mandate from the people before they plunge the country into an enormous expenditure for which the country gets practically nothing in return.

The effect of the House voting for this scheme is that you deprive the country of all chance for fifty years at least, of having a government-owned railroad from the Atlantic to the Pacific. It is not disputed that that is the effect; but this fact seems to be forgotten by hon. gentlemen opposite, who are so anxious to vote for everything proposed by the government. Whether we are or are not at this moment prepared to say that we want the government to own all the railroads in Canada, is another question entirely. An hon. member might not be impressed in favour of a proposition of that kind; and yet, looking at the present scheme as a business proposition, he would say, if he consulted the interests of his constituents: I cannot vote for this scheme, because it is a bad bargain, being altogether in favour of the Grand Trunk Pacific Company, and preventing government ownership for 50 years.

What is the resolution before the House, on which I must vote one way or the other? And in doing so, I am not voting for myself, only but for 33,000 people and nearly 8,000 voters who trust me to vote as they would vote if they were here. I am voting on behalf of children who ten or fifteen years hence will have the right to vote for themselves, but who will not be able to undo the results of the vote which we cast here, and will be old men before they have the first chance of saying what they will do when the fifty years during which the country is tied up are at an end. The resolution is that the contract which was made last year shall be amended in several particulars; and the amendment proposed by the hon. leader of the opposition in effect is that because that contract was bad in itself, and because the government will make a still worse bargain for the people of Canada by the proposed amendments, therefore we should take advantage of the present opportunity to withdraw from this contract—that we should say to the Grand Trunk Pacific Company, in effect: As you are not satisfied with the bargain which we made with you last year, which on consideration we find was entirely too good a one for you and too bad a one for us, we are glad to take advantage of this opportunity which you give us to get out of it, and we will go on and do business for ourselves by spending the people's money for the benefit of the people instead of for your benefit. That is the position of the matter in a few words. The hon. leader of the opposition puts in black and white just how, as a business man he proposes to carry that out. His proposition, in a few words, is this, that if the people pay the money for the road, the people ought to get the road they pay for. What is the objection to the scheme of the hon. leader of the opposition? It has been before the House for several days; it has been, I was going to say debated, but I can hardly pay hon. gentlemen opposite that compliment. It has been attacked, but has not been answered in any particular; but simply because it comes from the hon. leader of the opposition and because the premier will not accept it, hon. gentlemen opposite are prepared to vote against it. What are the principal differences between the scheme of the opposition and the scheme of the government? The government scheme ignores all the waterways. It practically says that our waterways, canals and harbours, on which we have spent so much money, are no good for transportation, but that we are going to rely entirely upon a railroad that runs far north of where all existing railways run, and far north of most of our waterways and canals. It is true, we have some waterways, by which we shall be able to ship grain for a certain distance, but that is only in order that we may transhipit on to this Grand Trunk Pacific Railway. The policy of the opposition is to use the waterways and the railways together—to have a partnership between the canals and the railways. We would have for transportation a double team, and not a single team. We would have the transportation by water work in harmony with the transportation by railway, and the same people owning both. Therefore, we would not need to rely upon the patriotism of the people to decide which way they would send their grain; because if the agent of the railroad happened not to know that they insisted on it being transhipped by a certain route, still they would be sure of its going over the people's highway, whether it went by water or rail, and getting to Canadian ports.

One would suppose that by any business rule, since it is Canada which is furnishing the money, it ought to get the benefit. But the reverse is the case. The government say it is conceded on all hands that we require more transportation facilities, and, as the Grand Trunk Railway is willing to provide those facilities, if we will pay nine-tenths of the cost, we should not hesitate. Here is a great opportunity which we will not have again, and although by paying ten per cent more we could have the whole thing ourselves, we will pay nine-tenths of the cost to the Grand Trunk Railway and allow that company to build and own the railway and operate it, not to our profit, but to theirs. Greater transportation facilities, these hon. gentlemen opposite argue, are what we want, and it does not matter much what particular scheme we adopt, the country can stand the expense, and the people are simple and gullible enough to be deluded into the belief that the particular scheme we submit to them is the best that could be devised.

The next great difference between the government scheme and that proposed by my hon. friend the leader of the opposition is this. Under the latter, the country will own the road, but under the scheme of the government, the road will be owned and

run by a private corporation, and that private corporation may refuse to so operate their road as to benefit our canals for which our people have paid so much. It is all very well for hon. gentlemen opposite to say that the Grand Trunk Pacific will in all probability do this thing and the other. But why take any chances at all ? Would any business man be content to take chances when he can get a certainty ? Under the government scheme, the Grand Trunk Pacific can so operate their road that the canals will not get the traffic when they otherwise would. The canals and the railways not being under the same control, there will be no community of interest between them. The Grand Trunk Pacific will have a franchise to do as they like for the benefit of their stockholders and will not do anything for the benefit of the people. They will not take any interest in our canals unless there are some dollars and cents to be gained thereby for the shareholders of the Grand Trunk Pacific. But what the policy of the opposition would bring about is this. The railways and the canals would be both owned by the people and be worked together in the same interest and the people would get the benefit. We have been spending vast sums of money on canals and harbours. For instance, the government have spent a considerable sum in Port Colborne, which is near my constituency. Why did the government incur this expenditure ? In order to accommodate the largely laden vessels which come through Lake Erie to Port Colborne, and whose cargoes are transhipped into smaller vessels and carried through the Welland canal. But under this Grand Trunk Pacific scheme, what benefit is the country going to get from this expenditure ? If the Grand Trunk Pacific is going to do the business, which hon. gentlemen opposite say it will, then it will minimize the traffic which now goes through the government canals. Whereas, if the country owned and operated the transcontinental railway, it would be worked in community of interest with the canals and the country would get the benefit. But that is not all. Not only will the people have to pay nine-tenths of the cost of this new transcontinental line for the benefit of a private corporation, but by this new line the government evidently intend to put out of business the road which the country owns already and which runs from Montreal to Halifax. That road will be given a powerful competitor, and in order to strengthen as much as possible the position of this private corporation, which is thus going to compete with our own government line, the government have come back this session and asked us to relieve the Grand Trunk Pacific from certain conditions in the contract and make it more advantageous still to the railway company. Why, during the recess dozens of gentlemen who have hitherto supported the Reform party told me that they did not intend doing so any longer. They would say to me : surely you do not believe for a moment that the government intend going on with that line to Moncton. Well, I would reply, I can only say that the government have insisted on this contract going through the House. They have a signed and sealed contract with the Grand Trunk Railway and the Grand Trunk Railway could sue for damages if it should not be carried out. Oh, but they would reply, that is merely a ruse to keep in power. The government are not serious. Well, Mr. Speaker, those gentlemen belong to the Reform party and probably know their leaders better than I do. I cannot tell whether what they say is true or not, but I do say that if the people in Ontario really believed that this was a serious scheme, and that it was really intended this thing should be carried out in the way contemplated within the four walls of the contract ; if they really believed it was going through to the end, they would come down here in their might, and Coxey's army would not be in it with the demonstration they would make.

We had during the recess a chance to find out what the people think about this. I am glad to see that there is at least one cabinet minister in his place to-night and speaking to the Prime Minister through him, let me tell him that the people are more in touch with the Conservative party than with the opposite party, and if the government had done what the people expected, they would not have amended the contract, but would have said to the Grand Trunk Railway, thank goodness you have repudiated it ; we were hoping that something would turn up to make you back out, you have refused the contract in its present shape and we are well out of the trouble. They would have then been doing what the people of Ontario expected and hoped they would do.

What is the cost of this ? My hon. friend from Leeds (Mr. Taylor) the other night gave his estimate, which I think is substantially correct. Let me point out to the government and the Postmaster General what it is going to cost per head. It is going to cost every voter at least $25 and probably $30. To every man, woman and child not a voter, the same thing. To every head of a family $125 at least and probably $150. And the cost to the Grand Trunk Pacific would amount to an additional tax of $2.50 per voter, and $12.50 per head of the family.

Now, I think that the head of a family will say to me, if I vote for this resolution and against the amendment : Why did not you spend $12.50 more and secure that road for me instead of throwing away $125 of my money and leaving me with nothing to show for it ? This government, perhaps, does not care how much the head of a family pays, does not care a cent, perhaps, how

much the voter pays. They take the position that does not amount to anything; Canada is prosperous; they are in power and everything has gone well with them. Everything has gone well with them, except, as I have said, they are not in touch with the people. But no doubt they think the people are good natured and will stand anything so long as times continue good. But, whether the people are careless enough or good natured enough to condone these things or not makes no difference. The fact is, that we are trustees for the people, and it is our bounden duty to handle the people's money just as though we were the executors of an estate and they were the beneficiaries. If we do anything here that would not be justifiable in the case of a private individual who is trustee of an estate, the people ought to blame us. Whatever the people say, it is our duty to try to protect the interests committed to our charge. A good many of the hon. members on this side have referred to this as a partnership. They have spoken of a partner who puts in experience as against the partner who puts in money. It seems to me there is another aspect in which we can look at it. This seems to be the case of a senior partner and a junior partner—the senior partner puts in ten per cent and gets everything and the junior partner Canada, puts in ninety per cent and gets nothing. And there is a quasi sleeping partner besides. The government, the cabinet ministers who are, in a special sense, trustees and who ought to be awake and looking after the interests of the people, which interests they have in trust, go to sleep and let the Grand Trunk do what they like. I think it is only reasonable to call these gentlemen, the sleeping partners in the concern. We have ocular demonstration here of their sleeping, and I do not think we are to blame if we call them sleeping partners in the affairs of Canada. We see them sleeping at their desks in this House, session after session and night after night. And, when they do that, I suppose they expect us to notice it and to mention it in the hope of waking them up. But, even if we do not succeed in waking them up, the people of Canada will do that, when they get a chance, at the polls.

Now, I do not intend to read these amendments or to discuss them all. They have been very ably discussed by gentlemen on this side. But I have a word or two to say in my humble way about one or two of these provisions. The first that strikes me is a feature which is absolutely harsh, hard and unfair to the people of Canada, is in paragraph No. 6 of the agreement:

> 6. Notwithstanding anything in the said contract contained, the government shall not exercise any rights in respect of possession, foreclosure or sale, by reason of non-payment of interest by the company under the thirty-first, thirty-second or thirty-third paragraphs of the said contract, or under all or any of them, unless and until there shall be such default to the extent in the whole of a sum equal to five years of such interest, as the company is not relieved from payment of or permitted to defer or capitalize by the provinces of the said paragraphs.

In the original contract there were plenty of things which, though actually constituting default, were not to be so regarded under law, but there were other things that the government, with an attempt to make it appear that they were going to try to protect the interests of the people, stipulated should be regarded as default, allowing them to exercise the right of foreclosure. And now we are coolly asked to agree that this Grand Trunk Pacific Railway Company, which, we are told, is going to make so much money that there is no danger to us in endorsing their notes may be in default for five years and we must look on and do nothing. Why should they be five years in default? Why should they be three months, or even three days in default? Nobody who deals with a railway company is allowed to be three minutes in default without a writ being issued or a seizure made. But here is this great Grand Trunk Pacific, which, we are told, is to be such a credit to Canada, which, I believe, the present Prime Minister pretends he is going to hand down as a great work he accomplished—though I feel sure it will prove a white elephant on his hands, and a very lively one, before he gets through with it—this concern which is going to do such wonderful things, asks the people of Canada to allow them to be five years in default before anything can be done to bring them to time. As a humble member of this House this would be reason enough for me to vote against these amendments, if there were nothing else.

Then, what is clause 7? It was discussed pretty fully by the hon. member for Montmorency (Mr. Casgrain) and the Solicitor General (Mr. Lemieux) yesterday. Let me, in a word or two, point out my objection to this clause. Under the contract of last year, the government would have the right, under certain terms, to take possession of the property as mortgagee and try to make something out of the venture. Under this amended clause the government is not allowed to do that, but, in case of default on the part of the company, a receiver is to be appointed, and many other chances are to be given to the railway company. Hon. gentlemen opposite give, as one of their reasons why we need not worry what this is going to cost, or about any danger of endorsing the notes of this concern, that this company is sure to make money. The amendment that is asked by the Grand Trunk Railway Pacific does not look as if they intended to do what they say they will do for the people of Canada. They insist that the government shall ask parliament to agree that the company shall

be allowed to evade the natural results of default, even if they do not do what they agree to do and what hon. gentlemen opposite, who ought to be protecting the people's rights, make themselves believe they are going to do. They give the company far greater chances by reason of appointing the receiver and providing that the company shall not lose its rights, as it ought to lose them if it breaks its contract.

Clause 9 is another one to which I particularly object. It says:

9. Notwithstanding anything in the twenty-seventh paragraph of the said contract contained, the Grand Trunk Railway Company shall not, after the acquisition of the twenty-five million dollars ($25,000,000) of common stock therein mentioned (less shares held by directors, not exceeding one thousand), be prevented from making any such disposition of such common stock as the said Grand Trunk Railway may deem expedient, provided, however, that the said Grand Trunk Railway Company shall, during the delay mentioned in the said paragraph, continue to hold a majority of the said stock by such title as shall enable the said Grand Trunk Railway Company to control the policy of the company.

'As shall enable the said Grand Trunk Railway Company to control the policy of the company.' To hear hon. gentlemen opposite talk, you would think that there was no doubt that the people of Canada were going to control the policy of this company that they were going to do it by virtue of the hundred and one things we are going to do, more or less imaginary, but that the hon. gentlemen have so much faith in; they are going to be able to get the Grand Trunk Railway to do anything they want over this line. They have running rights, but they take good care not to show any disposition to use those running rights. They cannot read that section without bringing in the argument that the whole object of that amendment is that the Grand Trunk Railway is to control the policy of the company. Now this contract is not made with the Grand Trunk Railway, it is made with the Grand Trunk Pacific Railway, and it is putting up a man of straw with which to deceive the people. They give the money to that company, and attempt to guard our interest as to the default. We who are to the extent of nine-tenths, contributors to the capital required —and not even our debtors, the Grand Trunk Pacific Company—we are not to control the policy of this new company, but the foreign Grand Trunk company. I never before heard of a partner who puts nothing into a concern, who becomes liable for nothing, and who yet controls the policy of the concern. They say, we will not be liable for anything, but you must make your contract for our benefit, and during the whole time we are to control the policy of the concern. Now we know the Grand Trunk is not the Grand Trunk Pacific, we know it is a railway with opposition lines, we know that in one sense it is antagonistic to the Intercolonial, and instead of protecting the Intercolonial, they take good care that the Grand Trunk which runs to Portland shall antagonize the Intercolonial with the Grand Trunk Pacific whose policy it is to control. We are not satified to put the Intercolonial out of business, but we must create another railway in opposition to the Intercolonial and then expect to make money out of that part of it going through the northern part of Quebec. Mr. Speaker, I do not know what you would do if you had the casting vote upon this question. If we had a few more members on this side and they had a few less, I think you would vote with us, when we remember your record when in opposition in this House. I am satisfied you would vote with us, and this government would have to resign. Now paragraph 10 reads:—

Paragraph 21 of the said contract is amended by adding thereto the following clause:—

'Provided further that in the event of the government determining to undertake the operation of the said eastern division, the company shall be entitled for a further period of 50 years to such running powers and haulage rights as may be necessary to continuity of operation——

They are careful to extend the running powers to a period of 50 years. They might as well make it 100 years. The Conservatives are going to live a long while. They seem to get along better and to live longer, I do not know why, but they don't have so much to worry about. I suppose having clear consciences they sleep better, at any rate they are going to be longer lived than they used to be, and apparently there is some danger in the minds of the Grand Trunk that somebody fifty years from now might remember this contract and something might happen, so they give running powers for fifty years.

—for continuity of operation between the said western division and other portions of the company's system and the Grand Trunk Railway system upon such terms as may from time to time be agreed upon, or as may from time to time, in case of failure so to agree, be determined in the manner provided by paragraph 24 hereof.

Now, Mr. Speaker, the Grand Trunk is not satisfied with the first fifty years, and this government is not satisfied with protecting them that time. They are contemplating that the Grand Trunk will live on, and will have a right to insist upon certain connections with the Grand Trunk Pacific. Did it never occur to them that applying the same rule they should bind it to give the same connections at once to the Intercolonial, which the people own, and whom the government are supposed to be protecting in this contract? But fifty years from now we find the Grand Trunk Railway is to have all these facilities, and there is

not a word about the Intercolonial being given any protection either now or then. It is to go along, I suppose, by virtue of the special taxes to be contributed by the loyal people of Canada in order to keep it going.

Now, Sir, the question has been asked to-night by the hon. gentleman who preceded me (Mr. Clancy), where is the Minister of Railways and Canals? Well, I do not wish to emphasize any more than my hon. friend has done the significance of the absence of that hon. minister, but I, as a humble member of this House, feel that the Minister of Railways and Canals ought not to have signed this contract if he was not going to come into the House and explain to us why he signed it. I feel that the Minister of Railways and Canals is not doing justice to himself if he is not prepared to come in here and explain and defend this contract, and to listen to the arguments that are used pro and con in regard to this railway. Does the Minister of Railways and Canals know all about it? Has he considered carefully what the effect of it is? He went down to St. John not long ago and received a strong hint that the people did not want it. He went down there and did his best to bring a supporter back here on the strength of this scheme, and he came back empty, but the leader of the opposition got a supporter instead of the Minister of Railways and Canals. I should think the Minister of Railways and Canals would begin to learn something from his intercourse with the people in regard to this matter. If he kept in closer touch with the people he might come to the conclusion that they are not in favour of this scheme. Perhaps the minister has not yet made up his mind to do like his predecessor and resign but he is waiting to see whether the government will not undertake to withdraw this contract. Perhaps they will, perhaps they will not. But I think the Minister of Railways and Canals ought not to remain out of the House as he does day after day, and night after night during this discussion, because the people will take the meaning to be that he is not in favour of this scheme, and I am satisfied that they will be nearer right than wrong, particularly after they read what he said last session, as it has been quoted by my hon. friend from Bothwell.

Now the government supporters do make an attempt to say that this scheme ought to go through. I want to be quite fair with them. I am willing to concede them everything they can get out of this argument. And they do make an attempt to show that this road should go through. Their chief argument is that the road is needed. Now I may say that there is no dispute between us on that point. We do not say that a road of some kind is not needed, but these gentlemen seem to think that as long as they say to the people, you need a road, then we are justified in paying nine-tenths of the cost of the road ourselves while the other party pays only one-tenth of the cost, and we hand it over to him to control. Because the road is needed is not a sufficient reason for handing it over to the party who only pays one-tenth of the cost. But that is the whole sum and substance of the arguments of hon. gentlemen opposite. They say the road is needed, and that the opposition are to blame because we do not consent to put our hands into the pockets of the people and make them pay $150,000,000 for something that we think the Grand Trunk is going to own and not the people themselves. They do not seem to know that Canada can raise the money to build this road herself, and own the whole thing afterwards. They seem to realize that Canada's credit is good, and if Canada guarantees this money and lets the Grand Trunk Pacific build the road, that is all right. Canada, in their view, is a charitable institution for the benefit of any railroad company that wants public money to build a road with. They realize that Canada has got the money and can go into the money markets of the world with paper easily purchaseable at a very small discount, if any discount at all, if they keep on with this sort of scheme I am afraid the discount will be greater a few years hence than it is now. They quite realize that Canada is good for it, and they seem to be quite satisfied that the money should be paid over. They say that we ought not to speak of the company which is going to get all the benefit of the money when it is paid, and that it does not make any difference whether the Grand Trunk Pacific or the people of the Dominion get the benefit. They also say, which is not quite correct, that those of us on this side of the House who oppose the scheme, oppose it for the sake of opposing it, and that they think they are making a very strong reply to our argument when they say that we oppose it for the sake of opposing it. We do not oppose it for the sake of opposing it. We do not oppose any expenditure in this House for the sake of opposing it, because there are a great many expenditures that are put through that we could block if we chose to do so. But we are opposing it because we believe it is against the interests of the people, and because we believe we are sent here to raise our voices in the interests of the people when the government try to make a bad bargain. We do not agree that it matters not whether the people are treated properly or improperly, but when the issue is presented we are prepared to meet it. We still think that, although we sit upon your left, Mr. Speaker, although we are in the minority politically, we are bound to protect the people by our voices and our arguments, and to point out to the government the reasons for what we think and do while we are here. Now, the government oppose this scheme

themselves more than the opposition oppose it. Six months ago this proposition was put before us as a perfect scheme. It was said that the Grand Trunk Railway Company had agreed to it, that they had them hard and fast, that there was no getting out of it, that it was a scheme that must go through; and now they come forward and say that it was not a proper scheme, that it would have been better if these amendments had been made to it, and the Grand Trunk Railway Company, or the Grand Trunk Pacific Railway Company, have convinced them that the scheme was not as it ought to be, and that it ought to be changed to the form in which it is now presented. So, I say, they are getting very expert in the operation of swallowing themselves. We used to find them making pledges in 1893 or 1894 at an Ottawa convention, and in three or four years after breaking them; we used to find them swallowing themselves in a series of gulps and with difficulty, but now we find them swallowing themselves in six months in a single gulp, wholly, body and bones, and not having any nightmare, or sleeplessness, or indigestion, as a result of the operation. Inside of six months they are able to swallow the whole story. They say: What we said six months ago was wrong, and we are now prepared to say something else. They have become so expert now that I do not know what the people will expect from them next. I have no doubt the people will say: We did not send you to Ottawa to run a dime museum; we send members of parliament to Ottawa to do the business of the country, and we will send down a government led by the hon. leader of the opposition, who will do business at the old stand and in the good old honest way. It was good enough for our fathers, and it is good enough for us. These hon. gentlemen say that this contract is all right, and that we should not refuse to sanction it. They say: You are not loyal, you are not patriotic, if you refuse this contract. They cannot realize that the people send us here to protect them to see that if they do not get one hundred cents on the dollar, that they at least get ten cents on the dollar, for the money that is expended.

It looks here as if there were a sort of organization on the other side of the House to disguise the real issue before us. We have hon. gentlemen opposite putting up men of straw and then knocking them down, trying to put on pages of 'Hansard' arguments attributed to the opposition which the opposition never made use of. We had the hon. member for West York (Mr. Campbell), in a long argument, trying to show the benefit of transportation and cheap railway freight rates, saying, amongst other things, that the difference between Canadian and American railway rates would pay the duty. He tried to make it appear that hon. gentlemen on this side of the House had been saying that we did not want cheap freight rates, and did not want transportation. There has never been any hon. gentleman on this side of the House so absolutely forgetful of his duty to the country as to say anything of the kind. As we have said, and as we must apparently say, over and over again, in order to get it hammered into the heads of hon. gentlemen opposite, transportation and cheap freight rates are better controlled with a road owned by the people, so that they need not have to ask a railway company for any favours or go to law with them. Then the hon. member for West York gave us an instance of the duties that were going to be saved upon various commodities. He said that the freight rates charged by American roads were so much lower than those charged by Canadian roads that the difference in freight rates would pay the duty at the American frontier when shipping it over these roads. He did not tell us what duty on American garden stuff would be saved. He did not tell us how much the freight is on produce of that character which they bring in here. He did not tell us for instance, that if he were going to build a hothouse in West York, he would pay nine-tenths of the cost and I would pay one-tenth of the cost, and that he would then hand it over to me for fifty years for nothing. But he is probably going to vote for the amendment of my hon. friend the leader of the opposition or, at least, support it in the country. He got elected two or three years ago as an advocate of a duty on American garden stuff, and he told the people of West York, as we all know that they had better elect him rather than a member of the opposition, because he would be on the government side and have influence which would enable him to secure the imposition of a duty on American garden stuff. Then, when the hon. gentleman got into the House, he voted against such a proposition, and he is going to vote against this resolution, I have no doubt, but, judging from his political rule of doing business, he is going to support it in the country. I think we can count on him before the next general election in the country saying: Of course, although I voted against the amendment in the House, I am really in favour of it. Now, he also said that there was a great advantage in the scheme which the government have placed before the House. Perhaps I had better use his own language at the risk of wearying the House for a minute. It is to be found in 'Hansard,' and I want to read it because it is unique, and because I do not want to make any misquotation. I want to be very careful to quote the exact language that he used. The hon. gentleman, speaking in support of this proposition, said:

> So if we complete the road, counting interest during the construction, the cost will be, in round numbers, $60,000,000.

That is the road from Moncton to Winnipeg.

But for that money we own the road, it is our road, and will remain the people's road for all time to come.

That is one of the advantages which he said would result from the expenditure of this large sum of money. We would own that part of the road for all the years to come. He could not see apparently that that very feature he thought an advantage, that great reason for expending $60,000,000, was the very reason that led my hon. friend the leader of the opposition to say: You should apply that principle to the whole $150,000,000, and you should not undertake to build a road unless you do own it. The difference is that the hon. member for West York and the hon. Solicitor General are both content with nominal ownership, with the name of being the owners while the company may operate the line for fifty years, while my hon. friend the leader of the opposition says: We want to actually and practically own the road and get the benefit from it, and not tie it up for fifty years in the possession of the company, who get the benefit of it instead of the people of Canada. The hon. member for West York says also in his speech, and I will read again from 'Hansard':

Then on the prairie section of about 1,000 miles, we guarantee three-fourths of the cost, not exceeding $13,000 per mile. If the road costs less than $17,000 a mile or thereabouts, we will have to pay less. But this is simply endorsing their notes, it will not cost the people of this country a dollar, we will never be called upon to pay a cent of that endorsement. Everybody admits that that portion of the road will pay well, and we simply endorse their notes, therefore we do not run any risk there.

No risk in endorsing notes: I wish that the hon. member for West York (Mr. Campbell) would come to St. Catharines and explain to the bank manager there that when I am asked to endorse the notes of constituents, I run no risk, and guarantee that the bank will never call upon me to pay the notes which I endorse. Here is a business man, dealing with an important business transaction in this House in which, not his own money, but the money of the country is involved, and he states that there is no risk in endorsing a note, and he expects the people of Canada to believe that, and to think that he voted properly when he voted on that phase of the question. I wish to point out that the argument of the hon. gentleman has nothing to do with the case, when he says that the building of this road or of any other road will increase the population and increase land values along the route. This is put forward in all seriousness as a reason for the building of this road that we are not businesslike if we do not allow it to go through, because if it is built, we will get back in actual value and in the increase in the value of land along the route more than the cost of construction. The hon. member for West York (Mr. Campbell) spoke of that as follows:—

So I say that the cost of this road will not be such a burden upon the people as to make us shudder at it. In fact, as I said before, I believe that every single dollar this road will cost, will be paid back to the country ten times over in the added wealth along this line.

There is the business proposition. You should vote for this because, although it will cost all these millions, you will get a benefit that will make it up to you. The hon. gentleman (Mr. Campbell) does not stop to think that you would get just the same benefit if the government built the road and owned it instead of making a present of it to the Grand Trunk Pacific. Then we are told that we need not be alarmed in regard to the long haul as against the short haul, that the patriotism of the people of the west will ensure their routing their grain by the long haul to Halifax, and not by the short haul to Portland. I have no doubt that the people of the west will do that so far as they can, but they are not the engineers, conductors, train despatchers and traffic superintendents of the Grand Trunk Pacific. They ask that grain be routed by Canadian ports, but if they forget to ask it or if the agent disputes as to whether they did ask to have it routed a certain way, is that a good answer to the proposition of a business man that you should own the road yourself, in order that you would be able to insist that the grain went over your own line to your own ports. How much better and more practicable that arrangement would be and how much easier of operation. The Grand Trunk Pacific will apparently be required to preserve evidence in connection with every shipment in case of dispute in the courts as to how every individual in the Northwest routed his freight. They will apparently be liable at any time to have fault found with them for taking grain to Portland. But of course a western shipper of grain or cattle cannot be expected to go to law with the Grand Trunk Pacific in regard to any shipment of that kind. Why should not the government own the road so that they can ensure the shipment of western produce by Canadian ports. The hon. the Solicitor General (Mr. Lemieux) enlightened us last night in regard to these matters, and I wish to show the House and the people that that hon. gentleman (Mr. Lemieux) is really in favour of our scheme although he has not made up his mind to say so. He said yesterday:

The government will hold the eastern section of the railway from Winnipeg to Quebec. Why? Because Winnipeg will be for all future time the great converging point of the west, a converging point of the main arteries where all the shipments will pass. And, by owning the eastern section from Winnipeg to maritime ports the government will secure trade for our ports and will make it certain that Canadian trade will go to Canadian ports. If the govern-

ment had decided to help towards the construction of this road in the old fashion they would have granted subsidies in land and cash, and, after all had been given and spent the government would have no control over the line.

I would like to ask the Solicitor General (Mr. Lemieux) how much control they have over this line under the recent agreement for the next 50 years. Is that not the strongest argument in the world for actual, practical government ownership ? That is something for which there is immediate need ; time will not wait, we cannot afford to delay this matter. The people of Canada are suffering and because they are suffering, the Grand Trunk is apparently to have the benefit. But the hon. the Solicitor General (Mr. Lemieux), although he pointed out that it would be a great advantage to own the eastern section, did not apparently realize how much greater an advantage it would be to own the whole line and to own it now, not at the end of 50 years. This is the argument the Solicitor General (Mr. Lemieux) advanced in regard to the eastern line, but if he applies that doctrine to the whole scheme he will find that he has done his duty to his constituents, and to the government, as a young member of the government in close touch with the people, and consequently in a position to report to them that this amendment of the hon. leader of the opposition (Mr. R. L. Borden) is the right one, and make the government adopt it, and that politics should be left out of this matter in order that the greatest benefit may be secured to the people of Canada.

The hon. the Solicitor General (Mr. Lemieux) says later on that they made a compromise. Now, if I was in favour of government ownership, I would not want to make a compromise particularly where the other fellow gets all the benefit. He continued :

> But, Sir, the government has adopted the wise course of refusing a land grant. We are often told by hon. gentlemen on the other side that the Liberal party is a party of broken pledges. Well, here is a pledge which was taken by the Liberal party in 1893, a pledge which was taken by the Liberal party in the House of Commons from 1878 to 1896 that in future, no land grants should be given to railway companies, especially in the Northwest. Well, in the present instance, the government has kept the pledge and I am surprised to see that hon. gentlemen on the other side of the House do not applaud, do not encourage the government to keep on——

I congratulate him on finding a pledge which the government has kept. It is difficult hunting to find such a pledge but he has discovered this one ; the Liberal party made a pledge in 1893, and they have kept it. Let us see how much credit they are entitled to for the keeping of that pledge. They pledged themselves that they would not give land grants for railways, and now they give $150,000,000 of the people's money instead. That is about as good a way to keep a pledge, as you can expect from this government. They did not give a land grant, which might be worth at the outside $40,000,000 or $50,000,000, but they gave three times as much of the people's money, perhaps not in cash, but by incurring liabilities which they will some day have to pay. That seems to be satisfactory to the Solicitor General, and it makes his outlook apparently very bright that he is able to claim that in that way the government have got out of the rut of being always accused of breaking their pledges. He has also told us what I was sorry to hear him say, as a member of the legal profession, and able and eloquent as he is, that there was no Conservative party in the province of Quebec. Well, I would like to point out to the hon. gentleman that people in glass houses should not throw stones, for I do not think there has been a Liberal party in the Dominion of Canada since 1896.

Mr. CLARKE. Part of it is in the Senate.

Mr. LANCASTER. There may be a part of it there, and perhaps the most active part of it. But we ought not to be troubled about Quebec, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Manitoba, the Northwest Territories or British Columbia in this parliament. We are working for the people of Canada from Halifax to Vancouver. This is the way the hon. leader of the opposition deals with the fiscal question, as with every other question ; he says the same thing in one part of the country as he does in another. I want to tell the Solicitor General that there is a Conservative party in Canada, and there always will be. From what I can see, there is a very large and active Conservative party in the province of Quebec, and I have no doubt that he will find it more active than he wants it to be as soon as the government give the people a chance to say what they think of this matter.

Now, I have just one word more to say. I am going to do what I have done before, hopelessly perhaps, but still I think it my duty to keep on doing it. I am going to appeal to this government, humble member as I am—for I know a little about the feeling of my own constituency, and I have no doubt that it is the same in the rest of this Dominion—I am going to appeal to them to do something in the interest of Canada, and not to be troubled about party exigencies. I am going to ask them if they do not think that the cost of this scheme of theirs to the people of Canada will not have the effect of dismissing them from office. I am going to ask them not to put upon the people of Canada the necessity of being defendants in a suit for breach of contract in the Exchequer Court. The Grand Trunk Pacific Company said to them : We are not satisfied with the contract which was made last year ;

now give us a better one ; true, it is against the interests of the people of Canada ; but give it before you go to the country, because if you do not, you cannot give it afterwards. I appeal to this government not to put the people of Canada in the position of being defendants in an action for breach of contract, because I tell them that if they pass this measure, then after the next election when the leader of the opposition comes back and forms a cabinet, the first thing he will do will be to repudiate that contract, because the people will have put him in power to do so; and as soon as that is done, we may have to pay $50,000 or $100,000 of damages to the Grand Trunk Pacific Company for breaking that contract. I am quite sure that the people of this country would much rather have to pay out of the exchequer the damages which the Grand Trunk Pacific Company could prove they had sustained by making surveys and by the disappointment they had suffered, than the greater evil of this bad bargain which the government are attempting to put upon them. Because as soon as the people get the chance to show what their mandate is, there is no doubt that their mandate will be to cancel the contract, even if they have to pay $50,000 or $100,000 to do it rather than $150,000,000 in return for which they get nothing. I do not think it is necessary or wise that I should detain the House any longer. I have said in a hurried way what I have had to say on this matter. I think we have calmly to consider this question as a business proposition; not voting for it because the Grand Trunk Company want it or because the premier happens to have asked us to do so—because the premier of this country may make mistakes, and the people are not going to let their representatives support him in those mistakes. The people of the Dominion of Canada expect the premier, no matter whether he be Liberal or Conservative in politics, to serve the interests of the people and to see that the assets and property of this Dominion are not wasted, as this resolution would waste them.

Mr. H. J. LOGAN. Mr. Speaker, on behalf of the hon. member for South Essex (Mr. Cowan), I desire to move the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Mr. Fielding, House adjourned at 10.45 p.m.

HOUSE OF COMMONS.

THURSDAY, April 14, 1904.

The SPEAKER took the Chair at Three o'clock.

QUESTIONS.

HAY LAKE CHANNEL.

Mr. SAM. HUGHES—by Mr. Taylor—asked :

Mr. LANCASTER.

1. Is the government aware that the main navigable channel between St. Joseph island and Sault Ste. Marie is now through United States territory, via the Hay lake channel ?

2. What is the lowest draught of water via the Hay lake boundary channel ?

3. What is the lowest draught of water via the Hay lake channel ?

4. Is the government aware that by the dredging of the Hay lake channel the water has been lowered two feet at the foot of the locks at Sault Ste. Marie ?

5. Is the government aware that the international boundary channel is lowered by two feet in depth by the same cause ?

6. Has the government arranged, through the British government, with the United States for the right of navigation of the Hay lake channel for Canadian or British vessels, carrying contraband of war in time of war ?

7. Has the government an estimate of the cost of deepening the international channel to the depth of twenty-one feet ?

8. Will the government endeavour to secure by treaty right the free navigation of the Hay lake channel for vessels carrying contraband of war in time of war ?

Hon. H. R. EMMERSON (Minister of Railways and Canals). In answer to the inquiry I would say that the government does not deem it in the public interest to answer questions Nos. 1, 2, 6 and 8. As to question No. 3 the answer is 15 feet ; 4. No ; 5. No ; 7. No.

P.E.I.—CASCUMPEC HARBOUR.

Mr. HACKETT asked :

1. What is the date of the latest report of the engineer with regard to closing the inlet at Cascumpec harbour, Prince county, Prince Edward Island ?

2. Has any correspondence taken place between James S. Gordon, Alberton, P.E.I., and the Department of Public Works, in connection with this work ?

3. If any corespondence has taken place, what is the purport of it, and will it be laid on the table of this House ?

4. What amount of money has been expended on this work to date ?

5. What is the name of the foreman, or foremen, employed on the work since it commenced; and the amounts paid to each respectively ?

6. What were the wages paid per diem to the foreman and labourers ?

7. How much has been paid for brush, and the price per load for same ?

8. Has the work so far proved satisfactory ; and is it the intention of the government to proceed with it ?

9. Has any engineer reported that the closing of this inlet would increase the depth of water on the bar at Cascumpec harbour ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) :

1. 1st September, 1903.
2. None on file in department.
3. See above.
4. $1,904.76.
5. Conductor of work, John Kinch ; paid to date, $222.
6. Conductor, $2.50 per day ; carpenter, $1.25 per day ; teamsters, $1.50 per day ;

labourers (in summer), $1.50 per day; labourers (in winter), $1 per day.

7. 708 loads (cut) at 60 cents, $424.80; 76 loads (standing) at 15 cents, $11.40; 121 loads (standing) at 12 cents, $14.52; total, $450.72.

8. Yes. The continuation of the work is under consideration.

9. The engineer reported that work was necessary to prevent decrease of depth in main entrance.

WINTER NAVIGATION OF LAKE SUPERIOR AND GEORGIAN BAY.

Mr. SPROULE asked:

1. Is it the intention of the government to engage or build an ice-breaker to test the winter navigability of Lake Superior and Georgian Bay? If so, when?

2. Will any effort be made this spring to break the ice in these harbours, and at Sault Ste. Marie, so as to prepare for navigating those waters at the earliest possible date?

Hon. R. PREFONTAINE (Minister of Marine and Fisheries):

1. This matter is at present under consideration.

2. No, because the government has no vessel available.

CENSUS—PRODUCTION BY INDUSTRIES.

Mr. SPROULE asked:

When will the census bulletin, containing the statistics of the manufacturing industries of the country, be ready for distribution?

Hon. SYDNEY FISHER (Minister of Agriculture). No bulletin on manufactures has been issued by the census office, but a statement of production by industries was given to the press on the 25th January, 1904. All the compilations and tables were completed in December, 1903, and the King's Printer has promised to have the statistics ready for distribution by the 1st of July next.

GRAND TRUNK PACIFIC—APPOINTMENT OF COMMISSION.

Mr. SPROULE asked:

1. Has the commission which the government announced last year was to be appointed to build the eastern division of the Transcontinental Railway, been appointed?

2. If so, who compose it, and when will they commence their duties?

3. If not appointed, who are to be the members of it, and when will the appointments be made?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). The commissioners have not been appointed. They will be appointed probably at some early date after the question now before the House has been disposed of. As to question No. 3. I am afraid I cannot satisfy the curiosity of my hon. friend today.

Mr. SPROULE. There does not seem to be as much urgency now as there was last year.

PRINCE EDWARD ISLAND RAILWAY. STRAIGHTENING LINE AT CURTIS CREEK.

Mr. LEFURGEY asked:

1. Were tenders received for straightening the railway at Curtis Creek, Prince Edward Island?

2. If so, who were the tenderers, and what was the amount of each tender?

3. On what date were tenders to be in, and were all tenders in on the appointed date; and if not, who were the tenderers after, and what were the dates on which these tenders were received?

4. Has the contract been awarded? If so, to whom, and what was the amount of the contract?

Hon. H. R. EMMERSON (Minister of Railways and Canals):

1. Yes.

2. Jas. W. McDonald, Willard Kitchen, Robt. P. P. Fraser, and Thos. Campbell were the tenderers. The tenders are on schedule rates and the amount of contract depends on the amount of each class of work executed.

3. The tenders were received up to March 15, 1904. All the tenders were in on that date, and no tenders were received after that date.

4. Yes, Mr. Willard Kitchen being the lowest tenderer according to schedule, was awarded the contract.

PRINCE EDWARD ISLAND RAILWAY—MURRAY HARBOUR BRANCH.

Mr. LEFURGEY asked:

1. What was the estimated cost of the first eleven miles of the Murray Harbour branch of the Prince Edward Island Railway from Southport east?

2. (a) Were tenders received for same; (b) what were the names of tenderers, and the amount of each; (c) what was the name of the tenderer whose tender was accepted, and the amount of same?

3. (a) Is this first eleven miles completed; (b) if so, what was the cost of same; (c) if not, why not, and what is the cost of same to date?

Hon. H. R. EMMERSON (Minister of Railways and Canals):

1. The estimated cost of the first 11 miles of Murray Harbour Branch of the Prince Edward Island Railway from Southport east was $45,628.93.

2 (a). Yes, tenders were received.

(b). Geo. E. Full, Willard Kitchen, John W. McManus, J. B. McManus and Thos. Campbell were the tenderers. The tenders are on schedule rates and the amount of contract depends on the amount of each class of work executed.

(c). John W. McManus, being the lowest tenderer according to schedule, was awarded the contract, but on account of ill-health and inability to give the work his personal attention, and on that account only, he made application to the department to be relieved of his contract. His application was granted, and the contract was awarded to the next lowest tenderer according to schedule, viz. : —Mr. Williard Kitchen.

3. (a). No, it is not yet completed.

(b). Answered by question in subsection a.

(c). Track laying was commenced and carried on from Murray River and was only completed to Southport late in the season of 1903, therefore, work depending on track such as ballasting and widening dumps, &c., yet remains to be done. The account of cost of these 11 miles was not kept separate from the rest of the branch.

SWINDLING OF IMMIGRANTS.

Mr. SAM. HUGHES—by Mr. Taylor—asked :

1. Has the government any data showing that immigrants to Canada have been swindled by 'confidence men' and 'sharpers' ?

2. What precautions are taken by the government to ensure that immigrants en route to Canada, and passing through to their destination, are protected from such 'confidence men' ?

3. Are Canadian government officers in uniform upon all steamers and trains, to assist, instruct and direct immigrants?

4. Are government detectives in civilian clothes upon the steamers and trains, to arrest those swindling, or attempting to swindle, the immigrants ?

5. Do government officials permit persons to pass among the immigrants en route, making contracts with them, taking deposits for the carrying out of the said contracts ; and in general diverting them from taking up homesteads, as originally intended ?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

1. The government has record of only one such case. This occurred in Montreal in 1901, and the swindler, one Emile Desjardins, was promptly arrested and punished for his crime.

2. The officials of the Immigration Department are specially alert to protect immigrants from 'confidence men,' and they are aided in this also by the police. Official money changers are employed at the seaports, and the values of foreign moneys are posted up conspicuously in the immigration halls, printed in varions foreign languages.

3. Canadian government officers in uniform are at the ports of landing and upon all immigration trains, as well as at the important receiving points in the west, to assist, instruct and direct immigrants, but such officers are not regularly employed on ocean steamers.

4. No.

5. No.

QUESTION OF PRIVILEGE.

Mr. R. L. BORDEN. Mr. Speaker, before the Orders of the Day are called I would like to say a few words in regard to your ruling yesterday upon the point of order which was raised and if necessary I will conclude my remarks with a motion. Let me say at once, that if the view that I entertain on the subject be correct, I do not at all impute any error into which you may have fallen, Sir, by way of reproach to you ; because I know that even the courts of our land after long consideration of points of law, sometimes are found to be incorrect by a higher tribunal. To expect that the Speaker of this House should always be right when he is called upon, as he was yesterday, to decide a question of order on the spur of the moment, is to expect too much ; and I am only bringing the matter to the attention of the House in order that we may follow what I believe to be the correct practice.

The point of order which was raised yesterday, was, whether or not after a motion to adjourn has been withdrawn, another motion to the same effect could be put to the House without any intervening business having occurred. The business which must intervene, is of course some business which is entered upon the journals ; the journals being the record of the actual business which is transacted by the House. Although there may have been a debate, and although there may have been questions asked after a motion to adjourn, if that motion has been negatived it is not competent to submit another motion to adjourn unless in the meantime something has transpired which is entered on the journals of the House. That is what I understand the practice to be. There is no difference of opinion on that, but the point that I desire to raise is : That when a motion to adjourn has been withdrawn, the situation before the House is exactly the same as if the motion has not been made. I will put an analogy for the purpose of explaining my position with regard to that. There is a well-known rule of the House, that if any resolution has been proposed to the House and has been negatived, it cannot be proposed to the House again during the same session; but it is an equally well-known rule of the House, that if a motion of that kind is withdrawn, it can be reintroduced during the same session. It seems to me that the same rule would prevail with regard to a motion to adjourn. You can submit again a resolution which has been once negatived, during that session, but you must do it at another session when something has intervened; namely, prorogation. If you put your motion to adjourn you cannot put another until some intervening business has occurred. The House having once pronounced its judgment on a motion to adjourn, it

must transact some other business, because if it did not, the only question which could be put to the House is one which has been already decided. But it seems to me, that when a motion proposed to the House has been withdrawn with the consent of the House, the situation is entirely different, for the very simple reason that in such case the judgment of the House has never been pronounced upon the motion, and therefore it may be renewed. I submit, in support of what I conceive to be the correct rule, the authority to be found in May's Parliamentary Practice at page 268 which says :

When a motion for adjournment has been negatived it may not be proposed again without some new proceeding. Hence arises the practice of moving alternatively : That this House do now adjourn ; and, 'That the debate be now adjourned.'

It will be observed that May distinctly says this rule prevails when a motion for adjournment has been negatived and he confines it to that. I, of course, am aware of the formal rule of our own House which was referred to by my right hon. friend yesterday, and which is number 30:

A motion to adjourn shall be always in order, but no second motion to the same effect shall be made until after some intermediate proceeding shall have been had.

In support of my proposition that when a motion has been made and has been withdrawn the situation is the same as if the motion had not been made, I will ask you Mr. Speaker to refer to page 289 of May's Parliamentary Practice.

As a motion which has been withdrawn or has not been seconded has not been submitted to the judgment of the House, the motion may therefore be repeated.

That is precisely what occurred yesterday, and that was the point of order which you, Sir, ruled upon. It seems to be perfectly clear, that if a motion to adjourn were made and not seconded, it would have no effect. And, if a motion to adjourn is made and seconded but is withdrawn, it is in the same category. It has not been submitted to the judgment of the House, and therefore it seems to me it is within the rule which is laid down by May on page 289. I trust, that you, Mr. Speaker, will fully understand that I am bringing this to the attention of the House, not with any desire to criticise your judgment at all, but simply for the purpose of having you take the matter into consideration, and if you think it desirable, to let us know whether or not the rule, which I have supported by the authorities I have referred to, is the practice which should be followed in this House.

I desire now, before sitting down, to say a word about the matter to which I referred yesterday, namely, as to the propriety of the government declining to answer the question which was put by my hon. friend (Mr. Casgrain) on Monday last. The question, as I said, related to the appointment of members of this House to positions of emolument under the Crown. In answer to this the right hon. the Prime Minister (Sir Wilfrid Laurier) said simply that all the information sought for in this question is already to be found in the public documents. Let me repeat what I said yesterday that the government could evade answering at least 50 per cent of the questions asked in this House if that course could be adopted on all occasions. It may not be convenient for the government to answer the questions in the way proposed by the hon. member for Montmorency (Mr. Casgrain), but that affords no excuse for the treatment which this question received at the hands of the government. Members of the House are entitled to receive information which is contained in public documents and to have that information presented to them in tabulated form. The information may be scattered over 30 or 40 documents and it is proper that it should be collected by officers of the government and placed before this House either by bringing down copies of documents moved for in a motion for a return or by answering a question. I once more submit to my hon. friend that this mode of dealing with this question is not a fair one and not a respectful one to this House, or one that should be persevered in in the future. I have not had time to go over the questions asked in this House during the past session, but I have had some of them brought to my attention. One question that was answered this session by the hon. Minister of Customs (Mr. Paterson) might have received precisely the same answer as has been given by my right hon. friend (Sir Wilfrid Laurier), if this was a proper course for the government to adopt. My right hon. friend (Sir Wilfrid Laurier) says that the government must have some discretion. The government must have discretion along certain lines. The Minister of Railways and Canals gave an illustration of that to-day when he said a certain question would not be answered because it was not in the public interest to answer it. No one disputes the right of the government to take that position and in taking it the government are responsible, but it is not on grounds of that character or on the basis of any authority vested in the government that my right hon. friend refused to answer the question under discussion. He refused to answer it simply because he thought that the hon. member for Montmorency (Mr. Casgrain) knew everything referred to in the question. My right hon. friend has no right to assume that Mr. Casgrain possesses that information. It is the duty of my right

hon. friend (Sir Wilfrid Laurier) to treat any question couched in proper terms by any hon. member of this House as a bona fide question. This question was couched in respectful terms and conformed in every way with the procedure of the House. My right hon. friend (Sir Wilfrid Laurier) says that the answer could be found in public documents. That is no answer as I have shown. He contends in the next place that the question is not a bona fide one. I say that is not a proper attitude for my right hon. friend (Sir Wilfrid Laurier) to take because it is his duty to assume that my hon. friend beside me (Mr. Casgrain) was acting bona fide in asking this question, and in that view he was entitled to an answer. I therefore beg to move that the House do now adjourn.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). Mr. Speaker, with reference to the first question which my hon. friend (Mr. R. L. Borden) has brought to your attention, that is the point of procedure involved in the ruling we had yesterday upon the question whether a second motion to adjourn can be made after a motion to adjourn has been made and withdrawn, I submit to my hon. friend (Mr. Borden) and to you, Sir, that my hon. friend (Mr. Borden) has not rightly apprehended the spirit of the rule, which is the reason for its establishment. When the Orders of the Day are called it is the privilege of any member to call the attention of the House to some question to which an immediate answer may be required. This is done without moving the adjournment of the House at all, but if the subject is one which is likely to lead to debate, if it is more than a question, and if the member who raises it wishes to make remarks upon it, then he has the privilege of moving the adjournment for the very purpose of eliciting the information which he desires. The spirit of the rule is that such a motion should not be made except in cases of emergency in which celerity is essential. I have not the authority under my hand but I am satisfied that if May is searched it will be found that in England it was considered an abuse of the privilege of the House to resort to a motion of adjournment unless the matter was one which required celerity, and could not be reached on the order paper. The rule of the House in England in that respect has been altered and now no motion to adjourn for the purpose of getting information from the government can be moved unless the member who intends to put it gets the support of a certain number of members—I think 40—and has previously notified the Speaker—that he intends to bring up such a question. We have not adopted that rule; we still hold to the old English rule that any member, when the Orders of the Day are called, may move the adjournment to start a debate

which, but for that motion, could not be reached on the order paper. But this privilege has been abridged by another rule, which is that when such motion has been made and disposed of, another motion to the same effect cannot be made. The reason for that is obvious. If it were permitted to any member of the House to move the adjournment and then after the disposal of that motion to move it again, and so on, the business of the House could be so interrupted as to prevent it being carried on.

Mr. R. L. BORDEN. Does my right hon. friend (Sir Wilfrid Laurier) say that our rule is an abridgment of the former British practice?

Sir WILFRID LAURIER. It is the former English practice.

Mr. R. L. BORDEN. I agree in that.

Sir WILFRID LAURIER. Then I call my hon. friend's attention to the rule which prevailed in England before the adoption of the last rule. It is to this effect:

A motion to adjourn shall be always in order.

That is the old English rule which prevails with us.

A motion to adjourn shall be always in order, but no second motion to the same effect shall be made until after some intermediate proceedings shall have been had.

'Shall be made' it does not say until it is negatived or confirmed, but shall be made and disposed of. There is more than one way of disposing of a motion. It can be affirmed or negatived or it can be withdrawn but whether it be withdrawn by the voluntary consent of the House—any member can oppose the withdrawal—or whether it be affirmed or negatived what difference does it make in the name of common sense, as to the rule itself? The object of the rule is simply to permit a member to bring up a question that otherwise he could not bring up. Yesterday the member, after obtaining the information, withdrew his motion and I submit that this disposal of it is as effective for all practical purposes as if it had been negatived, and where it has been done in this way it certainly is not open to any other member to move another motion to adjourn because if this were allowed it could be done ad infinitum and the business of the House would be prevented.

A motion to adjourn shall be always in order, but no second motion to the same effect shall be made.

Now here is what I read in the journals of this House in regard to what took place yesterday.

Mr. Monet moved, that the House do now adjourn; which motion was, with leave of the House, withdrawn.

Does that not dispose of that motion just as if it were negatived? What difference does it make, after the information which the hon. gentleman desires has been obtained, whether the division of the House was taken or whether the motion was withdrawn after the information was obtained. He has obtained his point and that ends the matter. Under the circumstances which occurred yesterday, would not the spirit of the rule have been infringed had you permitted a motion to adjourn to be moved, when no proceeding of the House had intervened? The motion to adjourn had been effectively disposed of, no other business had been taken up, and consequently your ruling, Mr. Speaker, I submit, was quite correct. I have not had an opportunity of going over the precedents, and I do not know that you could find one exactly in line, but it seems to me that your decision was a perfectly reasonable interpretation of the rule.

I come now to another point brought to our attention by my hon. friend, and that is with regard to the character of the answer which I gave to a question put by my hon. friend from Montmorency a few days ago. I quite agree that the government should give all information sought for by members of the House, which they cannot obtain effectively or expeditiously except by means of a question or motion. Every day we give information to the hon. members which they might find out for themselves by consulting the blue-books, but we do this for the sake of convenience, and not because we are bound to do it. We do it to expedite the business of the House, and save hon. members the labour of making researches themselves. Sometimes we find a motion made for some such reason, certainly not with the view of obtaining information, because everybody is familiar with the facts on which the information is apparently sought. I think then that the answer we gave was given exactly in the spirit in which my hon. friend's motion was conceived. We paid my hon. friend the compliment of following the example he set us, but it is one which I cannot say I will always be prepared to pay him. I thought that I was extremely courteous to my hon. friend in answering as I did. If I had thought that my hon. friend was in the darkness of ignorance on the subject concerning which he put his question, I would have given him the information he required, but I must say that I was under the impression that he was thoroughly in the light on that subject. I thought that he had been a student of past events sufficiently to know whether the gentlemen he named had been appointed to office or not, or whether they had been members of parliament or not. But if my hon. friend was ignorant on these points, I must apologize to him.

Mr. T. CHASE CASGRAIN (Montmorency). On March the 17th I put the following question to the government:

How many members of the House of Commons of Canada have been named to the position of lieutenant governor of any of the provinces of the Dominion since the 1st of August, 1896?

This question was followed by another, asking how many members of the House of Commons had been appointed to judgeships and senatorships and other positions of emolument under the Crown. My hon. friend then said:

I would ask my hon. friend, so far as this question, and also questions 4, 5 and 6 are concerned, to move for a return.

When my right hon. friend asked me to move for a return, I thought it more convenient to go to the records myself and make a list. I did this and then put the following question on April the 11th:

1. Have the following persons been appointed to positions, at the salaries named, since July, 1896, as follows:—Francis G. Forbes, sub-collector of customs, $120; Joseph Lavergne, judge, Superior Court, Quebec, $5,000; C. R. Devlin, emigration agent to Ireland, $2,000; François Langelier, judge, Superior Court, Quebec, $5,000; M. C. Cameron, lieutenant governor, $7,000; J. F. Lister, judge, Court of Appeals, Ontario, $5,000; P. A. Choquette, judge, Superior Court, Quebec, $4,000; C. I. Rinfret, district inspector of inland revenue, Quebec, $2,500; C. A. Beausoleil, postmaster, Montreal, $4,000; M. E. Bernier, member of the board of railway commissioners, $8,000; A. G. Blair, chairman of the board of railway commissioners, $10,000; B. M. Britton, judge of the High Court of Judicature, Ontario, $5,000; H. G. Carroll, judge of the Superior Court, Quebec, $3,500; Sir Louis Davies, judge, Supreme Court, Canada, $7,000; O. Desmarais, judge, Superior Court, Quebec, $4,000; T. B. Flint, Clerk of the House of Commons, $3,400; T. Fortin, judge of the Superior Court, Quebec, $4,000; D. C. Fraser, judge of the Supreme Court, Nova Scotia, $4,000; J. A. C. Madore, judge of the Superior Court, Quebec, $4,000; E. C. King, Senate; B. R. Fiset, Senate; John Yeo, Senate; A. M. Dechêne, Senate; W. C. Edwards, Senate; J. Godbout, Senate; J. H. Legris, Senate?

This list is not complete, and that is one of the reasons why I put the question. Of course, I had a perfect right, and it was probably my duty, to look through the public records and find out for myself what members of the House had been appointed to positions of emolument under the Crown, but I desired to obtain authentic information from the government on that point, and the fact that I made a mistake and gave an incomplete list in my question shows that in asking the government for the information, I was doing what in the public interest I was entitled to do. I have just named 26 gentlemen who were appointed, but I find that

there were more than 26, I find that there were 29, and probably 30. For instance, Mr. Bechard and Mr. Edwards were appointed to the Senate, Sir Henri Joly de Lotbinière was appointed Lieutenant-Governor at a salary of $7,000, and I believe there were two other appointments of a similar character made. This shows that I was perfectly within my right as a member of the House in asking from the government authentic information on this point. This is a serious question. It is all the more serious when one goes back to the records of the House, to find what were the principles expounded by these hon. gentlemen opposite when in opposition. We all know that time and again they attacked the administration of the day for having appointed members of parliament to positions of emolument under the Crown. Not only did they attack the government of the day for this, but one of the hon. gentlemen now sitting on the treasury benches went so far as to introduce a Bill dealing with this abuse. On referring to the debates of the House for 1895, I find it recorded that Mr. Mulock moved for leave to introduce Bill No. 111 to better secure the independence of parliament. Mr. Foster asked from the government benches, what were the principles of the Bill, and I shall read what my hon friend said when he introduced that measure, and his reply will show that the question I put on the order paper was not only a proper question, but one which should be put, when we consider the principles which were laid down by my hon. friends on the other side. Mr. Mulock thus explained his Bill, and I believe that the Mr. Mulock, whose remarks I am about to quote, is the hon. gentleman who now sits on the treasury benches as Postmaster General. I believe that he is the same person, although you would not think so if you contrast his record since he has been a member of this government with what he said on this occasion, the 7th of June, 1895. He then said :

> The object of the Bill is to accomplish what its title indicates—further to secure the independence of parliament.
>
> It has been the constant effort of parliamentarians in Canada to secure on the floor of parliament the free unbiassed expression of the will of the people and from time to time legislators have directed their attention to the removal of all obstacles in the way of the accomplishment of so desirable an end. Our predecessors have from time to time, provided against biassing influences, as, for example, the presence of place-men in parliament. That is recognized now as a condition of affairs which would not be tolerated in a free parliament. There are a few exceptions to the Act respecting this House, but the general principle has been affirmed long years since, that members of parliament should not owe any divided allegiance ; the members of parliament should represent freely and fully the will of the people who sent him here and to speak inoffensively and yet, perhaps in an apt way to describe my view, he should not accept the shilling from any side of the House to the extent of being in any way hampered in the discharge of his duties or rendered at all otherwise than free to act as his best judgment dictates in dealing with all questions before the House. Now, it is impossible for one to shut his eyes to an abuse which has sprung up in the Canadian parliament more particularly in the House of Commons, an abuse that is far-reaching and is attended by more evils even than the one to which I particularly allude, but none equal in magnitude to the evil of menacing the independence of parliament itself. What I refer to is members of parliament and members of this House applying to the government of the day for positions in the gift of the Crown, positions of emolument, which if they were to accept would at once disqualify them from remaining members of this House. Why ? Because the moment they have entered the public service as civil servants, they would cease to be free, they would be servants of the government of the day, and, therefore, to that extent not untrammelled to represent their constituencies. Well, Sir, I would like to know if a man is more free who is an applicant for a position, or who has received the promise of a position from the government of the day as soon as it may suit them to appoint him. How many members are there in this House to-day in that position? There are a considerable number.

The PRIME MINISTER. Will my hon. friend (Mr. Casgrain) say who voted for and who voted against that bill ?

Mr. CASGRAIN. I am not speaking about that now.

Some hon. MEMBERS. Oh ! oh !

Mr. CASGRAIN. I will answer my right hon. friend. Hon. gentlemen opposite are not in power to do what we did; they were elected under the distinct pledge that they would do better than we did. They declared that this side of the House was doing wrong, that this side of the House was corrupt, that this side of the House was interfering with the independence of parliament, and that they would not do these things. And, what is their record in power ? The very things that they condemned in us in unmeasured terms, they themselves are doing, and worse than even they said we ever did. I say that my question was in order; it was an inoffensive question ; it was a question as to the policy of the government, as to what the government had done in the past, and what it intended to do in the future. My question was one that should have been answered by the government. What is the practice of this House on the subject ? It is explained in Bourinot's book in these words :

> A practice, however, has long prevailed in parliament, and is now established in the Senate and the House of Commons, of putting questions to the ministers of the Crown, concerning any measure pending in parliament, or other public matter, and of receiving the answers and explanations of the persons so interrogated.

This was a question upon a public matter, so much so that it formed the subject of debate in the House again and again, and was even made the subject of a Bill by the present Postmaster General (Sir William Mulock). Here is the formal rule of the House on the subject :

Questions may be put to ministers of the Crown relating to public affairs, and to other members relating to any Bill, motion, or other public matter connected with the business of the House, in which such members may be concerned ; but in putting any such question, no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same.

Was my question in order—yes, or no ?—under that rule ? Did the question contain argument or any expression of opinion ? Not at all. It was simply such a question as has been put in this House according to the rules time and again. The rule goes on :

And in answering any such question, a member is not to debate the matter to which the same refers.

If our rules allow a member to put such questions to the government, it is the bounden duty of the government to answer such questions. One is the corollary of the other. It would be absurd to say that questions might be put unless you say at the same time that those questions, when put, shall be answered.

Hon. L. P. BRODEUR (Minister of Inland Revenue). Would the hon. gentleman (Mr. Casgrain) say that a question could be renewed at the same session ?

Mr. CASGRAIN. No, Sir ; I do not say that, nor do I hold that opinion. I did not renew a question. But, if that is the reason for refusing to answer, why did not hon. gentlemen opposite raise that objection before ? That objection was not raised. These hon. gentlemen are trying to get out of the hole in which they find themselves, but they cannot do it. If there is anything in that objection, why did not my hon. friend (Mr. Brodeur), who was the distinguished Speaker of the House, raise that objection before ? That was not the reason. The reason was that which I have alleged—that the present Postmaster General had introduced this Bill, that hon. gentlemen opposite had made these declarations to which I have referred against interference by the government with the independence of parliament by appointing members of the House to offices of emolument under the Crown. Let me repeat the closing words of the passage of the speech I have just quoted. The present Postmaster General said :

How many members are there in this House to-day in that position ? There are a considerable number.

It is common talk to-day that there are members of this House who are expecting to be appointed Chief Justice of Nova Scotia. There are members of this House—and it is common talk, not only here, but everywhere in the province of Quebec—who are expecting to be appointed judge in the new district of Pontiac. So my question was a proper one. I wanted to put before the country the contradiction between the conduct of hon. gentlemen in opposition and their conduct now that they are on the government benches. And I wanted to warn them that it was clearly against the independence of parliament to have twenty-six or thirty members expecting positions of emolument under the Crown, to hold those offices dangling before the eyes of supporters of the government in this House while important questions were under discussion, in order to induce them to vote right upon these important questions. Sir, the question I put was a proper one, it is a question quite regular under the rules ; and the only reason why the hon. gentlemen did not answer it was because they were ashamed to answer it in view of their own conduct in interfering in this way with the independence of parliament.

Hon. Sir WM. MULOCK (Postmaster General). Mr. Speaker, I have to thank my hon. friend from Montmorency (Mr. Casgrain) for the importance which he attributes to me in the councils of the Liberal party. I am not aware that the individual views of a member of the great Liberal party of Canada, until adopted by that party, are to be considered as the views of the party as a whole. It is true that, at a certain period of my political life, I occupied a seat on the opposition side. For many years I had seen certain abuses growing in this House. I had seen members of parliament notoriously chosen to fill positions of emolument under the Crown when their period of usefulness in this chamber was at an end, men who were hostile to the government on many measures, and yet whose views were stifled by the promise of place.

Mr. COCHRANE. Where is Blair ?

Sir WILLIAM MULOCK. The hon. member for East Northumberland (Mr. Cochrane) asks me where Hon. Mr. Blair is. He is where I am perfectly sure my hon. friend from East Northumberland would extremely like to be. I say that for many years we had witnessed in this House the spectacle of half a dozen or, perhaps, a dozen members then supporting the government who had been chosen for appointment to office as soon as it suited the convenience of the government and the constituencies these gentlemen represented. If it had been the case of men appointed promptly from the ranks of supporters of the government, without their appointment being promised or dangled before their eyes, then the independence of parliament, perhaps, would not have been assailed. But such was very far from being the case. And during the

session in which the Bill to which my hon. friend has referred was introduced there were—I hesitate to say how many members were known to be chosen for public office. All this was notorious in that year 1895, when the government had lost the confidence of the country, when it was known in their ranks that they could not survive another election, but would be left in opposition, to remain there for many a long year, as they will. At that time, Mr. Speaker, many of these gentlemen, now so virtuous, sought cover by looking for government appointment.

It was so notorious that no matter what dishonest, rotten measures the government of that day proposed, these men with offices in their pockets were the first to rise and support those measures, and they had agents going through the rank and file of the prominent men of the Conservative party of that day who were still without these promises, and whipping them into line. Sir, we have seen these men, like trick elephants going out to bring others into the same bondage; we have seen these men going out into the corridors, and lobbies, and elsewhere, to bring up to the scratch of voting through an unpopular measure, many members of the Conservative party who otherwise would not have been willing to face the music. The independence of parliament of Canada in 1895 was destroyed. There was no public opinion in 1895 in this House, the people of Canada were not represented by the majority in this House. Under these circumstances I introduced my measure. Mr. Speaker, what was the attitude of the Conservative party on that occasion? Not a single man of them supported that measure. I am sorry to say, Mr. Speaker, that it received no support from any part of the House, it did not appear to commend itself to the judgment of either the government of that day or of the opposition. Under these circumstances, seeing that there was no public opinion at the back of it that session, I abandoned it, nor did I renew it, either in 1896 or since. It was not a measure that seemed to commend itself to the judgment of the people of Canada. But, Sir, I would endorse any motion from the other side of the House declaring the impropriety of members of the House occupying seats in this House after they had been appointed to public positions. It is one thing for a member to ask for a position, and another thing for the government to promise it. Each member is responsible to himself in making the application, and the government is responsible for its conduct in making the appointment. Nothing can prevent a member asking, but the government can refuse. I say it is in my opinion most objectionable that any person should occupy a seat in parliament after he has received an appointment, or after there has been any understanding whatever that he shall be appointed to a position of emolument under the Crown. But the present government of which I am a member has never endorsed the view, or the principle set forth in the Bill which I had the honour to introduce under those unfortunate circumstances that disgraced Canada before 1895. For example, it is not the platform of the Liberal party any more than it is the platform of the Conservative party to-day, that the government should assume the ownership of railways. Why, Sir, we have the ex-Minister of Railways (Mr. Haggart) sitting next to the leader of the opposition and taking a diametrically opposite position to that of his leader on this great public question. The ex-Minister of Railways declared himself most emphatically opposed to the principle of government ownership. Is he to be written out of the Tory party? Where is his leader? His leader pretends to be in favour of government ownership as a principle of the Liberal-Conservative party throughout Canada.

Mr. COCHRANE. Don't try to draw a red herring across the trail.

Sir WILLIAM MULOCK. No, I am merely drawing an illustration. But as one swallow does not make a summer, so the views of one member of the government do not constitute the policy of a political party. I have presented my views, they did not commend themselves to parliament or to public opinion, and I no longer express these views. At the same time, I retain substantially the opinion that if a member desires an appointment, and if the government intimates to him that he is to get the appointment, that moment his position as a member of this House should cease.

Mr. COCHRANE. You have that opinion up your sleeve now.

Sir WILLAM MULOCK. I am merely giving my opinion. But I have this to say, that should it ever come to pass that the record of this government would be so bad as that of our predecessors, should it ever come to pass that the Liberal party supporting the government in this House should follow the bad example of their predecessors of 1895—

An hon. MEMBER. Impossible.

Sir WILLIAM MULOCK. I know it is impossible; but suppose that such a condition of affairs should ever come to pass, then we could not but consent, I think, to pass legislation to check such an evil. The interests of this country have not suffered from any of these appointments. These appointments were those of worthy men, men deserving the confidence of the country, men deserving the high positions to which they have been raised, men who are adorning those positions, whose appointments were in the public interest, men eminently fit and proper for the positions; and none of those ap-

pointees, so far as I know, when in this House, had either been appointed or had the promises of appointment.

Some hon. MEMBERS. Oh! oh!

Sir WILLIAM MULOCK. I am not aware, Mr. Speaker, that any of them continued to occupy a seat in this House after they had received an assurance of appointment; and if that is the case, they were free and independent members of this House. It is the true independence of parliament that we seek, not to prevent worthy public men, who have served their country well in this House, from retiring to other positions, when perhaps they do not feel able to serve any longer in the political ranks, and perhaps are better qualified to serve the country in some other sphere. Meantime, Mr. Speaker, I will say that whatever my views are they have not received the endorsement of either the government side or the opposition side of this House, they are not the principles of any political party in Canada. Individuals may hold opinions not shared by their party; but I must submit that in the organization of political parties, at all events so far as the Liberal party is concerned, we have not yet reached that stage where the opinion of any one man dominates the minds of his colleagues; we have not reached that intolerant stage when our principles are not liberal and broad enough to allow divergence on large questions. I leave it to my hon. friends opposite to dispense with conferences, I leave it to them to dispense with caucuses, I leave it to them to dispense with interchanges of opinion, I leave it to them to abandon to their leader the right of choosing a policy for the party, whether they are consulted or not. We will see, when it comes to a vote on this railway question, men who have represented the most diverse views on the floor of this House, standing up one after another and voting for the crazy, patchwork scheme that the leader of the opposition has submitted, and which he calls the extension of the Intercolonial to British Columbia.

Mr. COCHRANE. Are you going to speak on that question ?

Sir WILLIAM MULOCK. Well, if I wished to kill time in this House I think I could speak on it. But I say, Mr. Speaker, that when it comes to voting on that question we will see hon. gentlemen on the other side who have expressed the most conflicting views upon it, stand up and record their votes in favour of the amendment of the leader of the opposition. Just to anticipate the future. I expect to see my hon. friend the ex-Minister of Railways voting for the amendment of the leader of the opposition, and sanctioning the interpretation of that amendment, which was made by the leader of the opposition, declaring in favour of government ownership of railways, although the ex-Minister of Railways has emphatically declared himself against it. But, Sir, on the government side we do not exact such blind concurrence in the government policy. We have received the sanction of the party for certain principles, those principles, or the most of them, have now been embalmed upon the statute-books of Canada.

Some hon. MEMBERS. Oh, oh.

An hon. MEMBER. Cremated.

Sir WILLIAM MULOCK. I will refer my hon. friends to the hon. member for East Grey (Mr. Sproule) upon this subject. It is one more in his professional line than mine, but, so far as any of our uncompleted principles are concerned, we are here doing business at the old stand and prepared to give effect to them as soon as the circumstances make it wise to do so.

Mr. T. S. SPROULE. (East Grey). Mr. Speaker, the hon. Postmaster General (Sir William Mulock), on taking his seat, referred a certain question to the hon. member for East Grey and therefore I consider it in order to reply. In the first place the hon. gentleman says that the individual opinion of a single member of a party cannot be taken as the policy or principles of the party. He followed that up by admitting that although the motion was made by himself, he was not supported very strongly by his own friends in the House. He said that a motion might be made by an insignificant member of his party. Did he regard himself then as an insignificant member of his party ? Did he wish to make the country believe that he was an insignificant member of his party, and that he had enunciated a principle that was not accepted by his party or held to be a correct one ? As an argument to the contrary, I might mention that the same motion which the hon. member for North York then made and embalmed, as he said, in 'Hansard' as an expression of the principles of his party was read and quoted and commented all through the country as one of the burning principles of his party that would be lived up to and not departed from when they came to power. Have they lived up to it ?

An hon. MEMBER. No.

Mr. SPROULE. Have they departed from it ? The hon. Postmaster General said, very truly, that it is embalmed. Yes, it is cremated like many of their other principles. The hon. gentleman said that the motion was made when the party in power had not the confidence of the country. It was during the session of 1895 that the motion was made. During that session several votes took place in this House, and while speaking from memory, I think I am correct in saying that the government of that day had the confidence of the House to the extent of

a majority of 53 or 54. They had not lost the confidence of the House or of the country. I do not think the hon. gentleman could have spoken with deliberation upon that point. The hon. gentleman said: We are not following the bad principles of the Conservative party. What is the difference? My hon. friend beside me (Mr. Casgrain) read out the names of a number of members of parliament who have been appointed to positions of emolument under the Crown directly from this House. What was the complaint of the hon. member for North York in 1895? that it was a bad and pernicious principle and that it should not be tolerated and he embodied the principle which he set forth in a resolution which was submitted to this House in the shape of a Bill.

Sir WILLIAM MULOCK. What the hon. gentleman voted against.

Mr. SPROULE. The hon. Postmaster General says: We are not following the bad principle of our predecessors. Where is the difference between what the present government have done and what their predecessors did? It is only a matter of degree. It is exactly the same thing. What was the original complaint?—that members of parliament were being appointed by the government of the day to positions of emolument under the Crown. What is the complaint to-day?—that the same thing is being done. Where is the difference between the course of the previous government and that of the present government?—none at all except, that, whereas the previous government appointed a number of members of parliament to offices of emolument, the present government have appointed nearly three times the number; therefore, it is only a question of degree and to that extent the offence of the present government is very much greater than that of their predecessors. I think the hon. Postmaster General should be at least one in this House to mention that question, because, if there is anything embalmed in the records of 'Hansard' that is discreditable to both him and his party, it is their failure to adhere to the principles which they have enunciated. The hon. Postmaster General made another statement to the effect that no member of this House, after he had received an intimation from the government that he was about to be appointed to a position, sat in this House or voted. What did he think of Mr. Langelier who sat in the House after having written a letter to the Montreal 'Witness' declaring that he had been promised the office of Lieutenant Governor of Quebec by the right hon. Prime Minister, and that the promise was not carried out? Was that not a violation of this principle? That circumstance is in direct contradiction to the assertion of the hon. Postmaster General that there was no violation of the principle by any member of this House. I have only given one instance. I think I could name several others. It has become a burning scandal in public life, that so many members of parliament should be taken from the House and placed in positions of emolument under the Crown so recently after very acriminous debates have taken place in which they have taken part. For instance, the judge who is now a commissioner appointed to inquire into the the condition of affairs in the Yukon, took part in the discussion of the question and was afterwards appointed a judge. I say it is a scandal. As far as we know, he had an intimation that he would be appointed very shortly after the transaction took place which I have referred to.

But I want to refer to the question which is engaging our attention, and it is the latitude allowed to members of parliament to ask questions and the duty of the government to answer these questions. Why do we ask questions? We have the authority of Bourinot and of May for the statement that it is right and proper that we should ask questions and also that it is the duty of the government to answer them. We may ask questions about any public business, but we may go further than that and may ask for information regarding things that may be in public documents, but which may not be available at our hands at the time being for our needs and purposes. We ask these questions to get information in the possession of the government, and which may not be in our possession. This is one of the reasons why we ask them, we are justified in doing so and it is right and proper for the government to answer these questions. We ask questions so as to have certain information collated. Although it may be in the public documents and various other places if we took the time to hunt it up, we ask to have the information collated from the public documents and submitted, so that we may know it is official and that we have it correctly given. We ask these questions again, because, very often when we quote this information outside of this House, it is disputed by parties, it is said that it is not correct and we desire to have it with the imprimatur of the government upon it. We give it as my hon. friend (Mr. Casgrain) gave these names and we ask this question to ascertain as a matter of fact whether these parties have been appointed to positions of emolument under the Crown. Why? So that the government may say 'yes' or 'no,' and so that, if we use this information afterwards on the hustings, some reformer cannot get up and say it is not so. You come down to the fact that it is the answer given by the government. It is not only an allegation which was quoted, but it is a fact as far as it is stamped with the imprimatur of the government. Therefore, it cannot be denied.

The next point I want to refer to is this: How should these questions be answered? Bourinot says:

Such questions are printed among the notices and appear on the order paper in the place allotted to them under rule 19.

Further he says :

It is the duty of the clerk to point out any irregularity to the Speaker, and if the latter is of the same opinion he will order the clerk to communicate with the member, so that he may have an opportunity of amending his notice.

As no objection was taken to this question it was assumed that the question was correct. The rule says :

The answer to a question should be brief and distinct, and limited to such explanations as are absolutely necessary to make the reply intelligible.

That rule was not complied with by the Prime Minister. A question of fact was put by my hon. friend (Mr. Casgrain) to which the Prime Minister should have replied 'yea' or 'nay,' and given a straight answer. He chose not to do so ; he gave an indirect answer and one which contained no information whether succinct or otherwise. It would appear to me from what the Prime Minister said yesterday, that he does not understand the right of members of this House to get information. We ask questions for various reasons ; it is our duty to do so, and it is the duty of the government to give that information in a courteous manner. If there was any irregularity in the question put, attention should be called to it by the Speaker, but in this case Mr. Speaker apparently held that the question was regular, and so the government should have answered it. As to the question that when a motion for adjournment is withdrawn, the same motion cannot be made without intervening business ; the leader of the opposition has dealt fully with that question. The Prime Minister said that if that motion was not finally disposed of, you could repeat it ad infinitum ; but he must know that all that any member has to do is to dissent to the withdrawal of the motion, and then the Speaker must put it and declare whether it is carried or lost. That is what should be done, and so there is no point in the contention of the Prime Minister. The rule, that when a point of order is raised, any member has the right to debate it before the Speaker gives his ruling, is so common and so well understood, that I am sure, Mr. Speaker, on reflection you will recognize it. When I rose to speak to a point of order yesterday, I was interrupted several times ; but it must be understood in future that the rule is, that when an hon. member of this House addresses himself courteously to the chair, he has the right to the reasonable attention of the members of the House. I shall not speak further on that point.

Hon. JOHN HAGGART (South Lanark). I would not have spoken in this debate were it not for the reply which the Postmaster General was goaded into making by my hon. friend (Mr. Casgrain). In 1895, the Postmaster General introduced a measure into this House setting out the duties of a member of the government, and the duty of a member of parliament when he enters the cabinet, and as to what should bind his conscience. The Postmaster General that told us that it was imperative that when a member received a mandate from the people, place and position dangled before him should not act as a corrupt motive for his failing to carry out that mandate. It seems to me that the Postmaster General then held the view that if a man entered the cabinet he should take his publicly expressed views on questions of policy in with him, and he should convince his fellow ministers of them, or resign his portfolio. The Postmaster General states now, that there is no master mind dominating the members of the Liberal party, that they are able to follow the dictates of their conscience, and that in that respect they differ from the members of the opposition. Well, perhaps that is true as regards the Liberal members and ministers. It would appear that the ministers in this government can entertain any views they like, and modify them so as to suit the different parts of the country. The Postmaster General referred to me, and he asked how could I vote for the motion of the leader of the opposition which favoured government ownership of railways, when I was opposed to government ownership. Where did the Postmaster General get the idea that I was opposed to government ownership of railways ?

Sir WILLIAM MULOCK. You said so.

Mr. HAGGART. The Postmaster General said that I made that statement in a speech in this House.

Sir WILLIAM MULOCK. Yes.

Mr. HAGGART. I would like the Postmaster General to show me his authority.

Sir WILLIAM MULOCK. I will get it for you.

Mr. HAGGART. If I remember aright, I was very careful and very guarded in any remarks I made in reference to that question.

Some hon. MEMBERS. Hear, hear.

Sir WILLIAM MULOCK. What are your views now ?

Mr. HAGGART. I stated, that without committing myself to the support of government ownership, yet I believe that government ownership was preferable to the scheme proposed by the Prime Minister. I advocated that contention, but the Postmaster General cannot find in any speech I delivered this session, or prior to it, any

statement that I was opposed to government ownership of railways. What I said was, that government ownership was preferable to the scheme of the Prime Minister, and I still believe that the plan proposed by my hon. friend (Mr. R. L. Borden) is preferable to the plan proposed by the Prime Minister. I stated that, but at the same time I did not commit myself as to government ownership as a general principle. I stated that in Germany government ownership was a success, and that in Belgium it was a success as far as it went. I do not believe, that if government railways were under the control of the Prime Minister and the men he has had as Minister of Railways, government ownership would be a benefit to this country; but it is possible that conditions may arise which would make government ownership of railways an advantage. I have not made up my mind on the question as to this country. I do not advocate one or the other.

Some hon. MEMBERS. Hear, hear.

Mr. HAGGART. What I said was, that if this road is to be built by the money of the people of Canada, then a trial should be made of government ownership, and if it is not a success then the railway might be handed over to some corporation who might make a success of it.

Enough as to that, and now as to the point of order. When the orders of the day are called, questions of urgency or emergency can be brought before the House, and above all things at all times, it is in order to bring up any question which affects the privileges and the rights of members of the House. The motion made by my hon. friend (Mr. Casgrain) was within that category. He was perfectly right in calling the attention of the House to the answer which was given to his question by the Prime Minister, but as the right hon. gentleman admits that the answer is not one he should have given, and as he excuses himself out of it as well as he can, and promises never to do the like again, I think perhaps we had better let it go at that.

My hon. friend from East Grey (Mr. Sproule) has said that when a motion to adjourn is made and withdrawn, it is in the same position as if it had never been before the House at all. The right hon. the premier (Sir Wilfrid Laurier) says: Oh, but it may be brought up again and again. There is an easy way of preventing that. As my hon. friend from East Grey (Mr. Sproule) says, the question may be declared lost, and if it is not desired to have the motion for adjournment come up again, any member of the House can dissent from a withdrawal of the motion and the Speaker must declare the motion lost on division. Then the rule would come into force, but my argument is that when the motion to adjourn has been withdrawn, there is no motion before the House and the House is left in the same position as if no motion had been before it. Therefore, I contend that the motion to adjourn made yesterday by my hon. friend from East York (Mr. Maclean) was perfectly in order.

Mr. R. L. BORDEN. I would like to say one or two words before this matter is decided. My right hon. friend Sir Wilfrid Laurier, seemed to give the whole case away when he said that our practice is the same as the former English practice. I absolutely concur in that view, and cite from the highest authority, Mr. May, who says:

> When a motion for adjournment has been negatived, it may not be proposed again without some intermediate proceedings. Hence arises the practice of moving alternately that this House do now adjourn, and that the debate be adjourned.
>
> What is important is not the making of a motion to adjourn, but the negativing of a motion to adjourn.

Sir WILFRID LAURIER. The rule itself is when a motion to adjourn has been made.

Mr. R. L. BORDEN. I asked my right hon. friend (Sir Wilfrid Laurier) a moment ago, if he argued that our practice differed from the former English practice. He said that our rules did not alter the former English practice. If he desires to recede from that position, well and good.

Sir WILFRID LAURIER. Not at all.

Mr. R. L. BORDEN. If he does not recede I shall again quote to him May's words.

> When a motion to adjourn has been negatived, it may not be proposed again without some intermediate proceedings. Hence arises the practice of moving alternatively——

—the two motions to which I have referred. If anything were desired to make the matter perfectly plain, it is the other reference which I gave in making my remarks in the first instance. That reference is to be found in page 289 of May.

> As a motion which has been withdrawn, or has not been seconded, has not been submitted to the judgment of the House, the motion may, therefore, be repeated.

He puts these two cases absolutely in the same category, the case of a motion which has been seconded and of one which has been withdrawn. Would my right hon. friend (Sir Wilfrid Laurier) argue that a motion to adjourn which has not been seconded, would prevent another motion to adjourn from being moved by some other member? I do not think my right hon. friend (Sir Wilfrid Laurier) would go that far. But the cases are put in the same category by so eminent an authority as Mr. May. With all due deference to

the opinion of the right hon. the premier (Sir Wilfrid Laurier) who has had much more experience in parliamentary matters than I have, and of his hon. the Speaker which, under the circumstances had to be given without much consideration, I am bound to state that the authorities do not bear out the opinion stated by these gentlemen.

Sir WILFRID LAURIER. If a motion is made and not seconded it would not be a completed motion for the adjournment of the House, but if a motion is made and seconded, then some intermediate proceedings are required before another motion to adjourn can be made, no matter what disposition is made of the first motion.

Mr. R. L. BORDEN. That does not affect the question so far as renewing the motion is concerned, because the unseconded motion and withdrawn motion are put in exactly the same category by May. For instance, May cites a motion in the English House on railway bills which was made in that House, withdrawn and afterwards renewed, in the same session because it had not been submitted to the judgement of the House, so this motion, having been made and having been withdrawn stands exactly as if it never had been made. As my hon. friend from South Lanark (Mr. Haggart) has pointed out, the only argument of the premier, (Sir Wilfrid Laurier) was that you might go on perpetually making motions to adjourn and withdrawing them, absolutely overlooking the rule, to be found on page 418 of Bourinot, that you cannot withdraw a motion except with the leave of the House, such leave being granted without any negative vote. Any member can prevent a withdrawal, and therefore the difficulty suggested by the right hon. the premier (Sir Wilfrid Laurier) cannot arise under the practice which I hold to be correct.

The hon. the Postmaster General (Sir William Mulock) has been good enough to make reference to myself in the course of his remarks, although I did not deal with the subject with which his speech was concerned. Let me say that the language of the hon. Postmaster General (Sir William Mulock) is a most severe condemnation of this government. He declares that the appointment of some 15 men from the House between the years 1878 and 1896, by the late Conservative administration was a disgraceful condition of affairs.

Sir WILLIAM MULOCK. I made no such statement.

Mr. R. L. BORDEN. If the hon. gentleman (Sir William Mulock) did not say that I would like to know what he did say.

Sir WILLIAM MULOCK. My statement was that I thought it was improper for members of this House who had promises of appointments to occupy seats in this House. I said that in 1895 that condition of affairs had become a gross scandal.

Mr. HAGGART. Mention one.

Sir WILLIAM MULOCK. I could name them if I had them before me.

Mr. HAGGART. Name one.

Sir WILLIAM MULOCK. I will look over the appointments. I cannot carry them all in my mind.

Mr. COCHRANE. How do you know what promises were made?

Sir WILLIAM MULOCK. It was notorious and they were appointed.

Mr. R. L. BORDEN. I am very much obliged to the hon. Postmaster General (Sir William Mulock) for his interruption. It was very kind of him indeed to give me an opportunity to illustrate his position with a case which is well known. Is it not a fact that a gentleman now occupying a judicial position in Quebec, sat here a whole session with a written promise in his pocket that he would be appointed to the lieutenant governorship of that province? My hon. friend (Sir William Mulock) cannot get out of that. He says it is a disgraceful position of affairs, and yet he was prepared to support it and did support it as a member of this cabinet. I understood him to say this afternoon that the appointments made by the Conservatives between 1878 and 1896 constituted a disgrace to the administration of the public affairs of this country. He says that I misunderstood his language. If I did so, what has he to say to the fact that from 1896 to 1904, he has sat as a member of this cabinet and as a public man has consented to the appointment of no less that 30 gentlemen from the House of Commons to positions of emolument under the Crown. When he is face to face, as he is to-day, with that position of affairs, he had better talk about something else than my railway policy, and at least attempt to put himself right with the people of this country. He, as a member of this government, is carrying out a policy which he denounced in the most violent terms as a violation of the independence of parliament. When he is challenged with this, he talks about the railway policy of the opposition. While the electors of this province were voting in favour of this railway policy he was enjoying himself in the Republic of Mexico. When the hon. the Deputy Speaker, (Mr. Macdonald) was bitterly complaining that no members of the government would come to his assistance in East Bruce—a very good fight he made on that occasion, I am told, although I had not an opportunity of hearing him—he did not get any assistance from the Postmaster General (Sir William Mulock) who was enjoying him-

self far away in a foreign land. He talks about that railway policy in scathing and withering terms. Let him remember that that policy was put before the electorate in the county of East Bruce, and the county of Lambton, with the result that in Lambton the majority was increased from 200 to 600 and in Bruce it was also considerably increased.

Sir WILLIAM MULOCK. Was that policy put before the electors of Guysboro ?

Mr. R. L. BORDEN. I do not know whether it was or not, but it was put before the people of St. John, and it was put before the people of the province of Quebec in various constituencies, with the result that the majorities in the province of Quebec were cut down to the extent of about 4,000. My hon. friend the Postmaster General may rest assured that whenever he is willing to come and discuss that policy, to which he refers in such contemptuous terms, on any public platform, there is not one man on this side of the House who will not be ready to go and meet him. But I am inclined to think that when the opportunity offers, my hon. friend will again seek refuge in a foreign clime instead of coming out and assisting gentlemen who, like the Deputy Speaker, are ever ready to come forward and face their political opponents on the public platform. I would not have made any reference to this had not the Postmaster General, without any cause that I can see, seen fit to introduce into this debate—I suppose he had no other answer—improper references to another debate of this House as to which we might have called him to order, but as to which we did not think it worth while to raise the point of order. I submit again that the matter which I have brought to your attention, Mr. Speaker—I trust in a respectful and courteous manner—is one on which possibly we may on some future occasion have from you a matured decision.

Hon. L. P. BRODEUR (Minister of Inland Revenue). I am very glad indeed that this question, which has been brought up also by my hon. friend from Montmorency (Mr. Casgrain), is going to be considered by this House. To what extent members of this House have the right to put questions to members of the government concerning public matters, has always been a disputed point. On the first day of this session, I think, the hon. member for Montmorency gave notice of a question asking how many members of this House had been appointed to offices of emolument under the Crown since 1896. I was sorry to see my hon. friend put such a question, and I suppose that if he had been here at the end of last session, he would certainly not have put it.

Mr. CASGRAIN. I am not surprised that you are sorry I put the question.

Mr. BRODEUR. The hon. gentleman should know that last session the same question was put.

Mr. TAYLOR. And not answered.

Mr. BRODEUR. I beg the hon. gentleman's pardon. A motion was made for the production of a report, and a report was brought down, because my hon. friend has referred to it.

Mr. CASGRAIN. No.

Mr. BRODEUR. At the opening of this session he gave notice of the same question, and received an answer, and having received a reply, he had no right to renew the question. That, I am sure will not be disputed by my hon. friend. But should there be any doubt on the point, let me quote a decision rendered in England not very long ago, in 1882. The decision was to the effect that when an hon. member has put a question and received such an answer as a minister of the Crown, who on his responsibility, thinks proper to give, he cannot renew the question.

Mr. HAGGART. When was the question renewed ? When was the same question put twice ?

Mr. BRODEUR. At the beginning of the session the hon. member for Montmorency asked the government how many members of this House had been appointed.

Mr. HAGGART. I know that.

Mr. BRODEUR. He received a reply, and two days ago he came back with the same question.

Mr. HAGGART. No, an entirely different question.

Mr. BRODEUR. I think it will be admitted that the question put two or three days ago by my hon. friend from Montmorency was, in all respects, the same as the one he put at the beginning of the session.

Mr. HAGGART. When was that point or order raised, any way ? What are you battering with the wind about ? That is not the point of order at all.

Mr. BRODEUR. I was simply calling attention to the fact that when my hon. friend from Montmorency renewed his question the other day, he was absolutely out of order.

Mr. CASGRAIN. Why then did not my hon. friend raise the point of order ?

Mr. BRODEUR. The hon. gentleman knows that sometimes very irregular proceedings are made. If I were to refer to what has been said in this House to-day during this debate, I might point to many irregularities, but on this side we do not want to curtail discussion or prevent hon.

members opposite from stating all the grievances they may have against the government, because we are in a position to answer them. My hon. friend should not complain if the other day we did not raise the point that his question was irregular and should not have been answered. Having got a reply, he should have accepted the suggestion of the government and made a motion for a return. I will go further and say that the government would have given a proper reply the other day had it simply answered no, because there were many things not correct mentioned in his question.

Mr. CASGRAIN. Which were they ?

Mr. BRODEUR. My hon. friend knows very well.

Mr. CASGRAIN. No, I do not.

Mr. BRODEUR. The government could very well have given that answer, but preferred to suggest to the hon. gentleman that he should move for a return.

As to the point whether a motion to adjourn, having been disposed of, can be renewed, I think that the doctrine stated by the right hon. the First Minister is perfectly correct. Our rule does not seem to be absolutely the same as the English one, because in England the rule is, as stated by May, that when a motion to adjourn is negatived, no other motion to adjourn can be made. Under our Rule 30, however, there is a difference. It declares that a motion to adjourn cannot be renewed unless some proceedings have intervened. In this case a motion to adjourn was made after a previous similar motion had been disposed of, and no intermediate proceedings had taken place. No intermediate proceedings seem to have been had. I have not the reference under my hand and so speak subject to correction, but, if I remember well, this question arose some years ago under Speaker White, and it was decided that a second motion to adjourn was not in order because there had been no proceedings after the first. Now, with regard to the other question whether members of this House should be appointed to office, I venture to say that that is a question not absolutely germane to the one raised by the hon. leader of the opposition. I am very sorry that the hon. member for Montmorency (Mr. Casgrain)—according to me—violated the rules and has been guilty of an irregularity of the most serious character under the circumstances. I think he should not have raised that question, because it was not germane to the question brought forward by the leader of the opposition. And, as that question is not regularly before us, I do not wish to discuss it under the circumstances. For my part I desire to see the rules strictly observed, and have always done my best to that end.

Mr. SPEAKER. I fully appreciate the importance of the question raised by the hon. gentleman (Mr. R. L. Borden) who leads the opposition. I also fully appreciate the necessity of determining what is the meaning of the rule in question as to motions to adjourn. I think the leader of the opposition has been led into error by confounding the rule which is applicable to motions in general with the rule which is applicable to motions to adjourn in particular. I may explain that I have had no opportunity to look at the English rule. The authority quoted by the hon. gentleman is May which is based, I take it—must be based—upon the British rule, whatever it may be. I am not called upon now to say whether the English rule is the same as the Canadian rule, nor am I called upon in any way to interpret the English rule. I am not called upon to say whether the authority quoted by the hon gentleman—May—is applicable to the point. I have listened attentively to what has been said on both sides. My opinion is that the argument advanced by the leader of the opposition is an argument which might be well advanced in the case of motions in general. At page 453 of Bourinot, we find :—

> If a motion has been negatived, it cannot afterwards be proposed in the shape of an amendment. In case a motion has been withdrawn,——

And I call particular attention to the word ' withdrawn.'

> —it may be again proposed, as the House has not previously determined the question, and it is only in the latter event that the same question may not be revived.

That is the rule applicable to motions in general. When we come to deal with motions to adjourn, we find the rule an entirely different one, and one that leaves, it seems to me, no room for doubt. It is as plain as the English language can make it so far as I can understand that language :—

> A motion to adjourn shall always be in order; but no second motion to the same effect shall be made until after some intermediate proceeding shall have been had.

That rule does not make any distinction between a motion to adjourn that has been withdrawn and a similar motion that has been negatived ; it simply speaks of a motion and a second motion. The first motion to adjourn yesterday was made by the hon. member for Laprairie and Napierville (Mr. Monet) and seconded by the hon. member for Chambly and Verchères (Mr. Geoffrion). That motion was withdrawn. According to my humble judgment, it makes no difference whatever that the motion was withdrawn instead of having been negatived. The Canadian rule makes no distinction whatever, though possibly the English rule is different in that respect. The Canadian rule simply provides that when a motion

to adjourn has been disposed of, has been dealt with by the House—and it does not say in what way—no second motion to adjourn can be made. What are the facts? The hon. member for Laprairie and Napierville made the motion to adjourn. That motion was properly seconded, and was afterwards withdrawn with the consent of the House. It was disposed of by the House, and, according to the rule, no second motion to adjourn could be made until after some intermediate proceeding.

Motion (Mr. R. L. Borden) negatived.

Mr. R. L. BORDEN. That does not indicate great confidence, in your ruling, Mr. Speaker.

GRAND TRUNK PACIFIC RAILWAY.

House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, 'That Mr. Speaker do now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904'; and the proposed motion of Mr. Borden (Halifax) in amendment thereto.

Mr. MAHLON K. COWAN (South Essex). Mr. Speaker, even if I had not intended to say anything on the question now before the House, I think the speeches made this afternoon by the hon. member for Montmorency (Mr. Casgrain), the hon. member for South Lanark (Mr. Haggart) and the hon. leader of the opposition (Mr. R. L. Borden) would impel any ordinary representative of the people in this country to at least draw attention to the position of the various leaders of the opposition upon what I consider the most important question that has, for many years, engaged the attention of this House. We have had this afternoon the delightful spectacle of the hon. member for South Lanark—one of the oldest members of this House, an ex-Minister of Railways and Canals, and certainly one of the leaders, or the leader, from the great province of Ontario—we have this hon. gentleman standing up after his twenty-two years of experience in public life, and, when a project involving the national credit, the national honour, the national prosperity of Canada is before this House, making the candid admission that he does not know whether he is in favour of government ownership or not. And yet the hon. gentleman on two occasions has voted on that question, and during this session has spoken both for and against it. Why, Sir, I remember, when trumpet-tongued and clarion-toned, the hon. member for South Lanark last year spoke against government ownership. I remember when the hon. member for Winnipeg (Mr. Puttee) moved a resolution on the floor of this House in favour of government ownership, and as the eye of the clerk, in telling off the votes, ranged along the front benches of the opposition, the third man to rise in his place was the hon. member for Lanark—and his vote was registered against government ownership. I want to ask the hon. gentleman, I want the ordinary common sense Conservative throughout the province of Ontario if——

Mr. POPE. Why not take the whole Dominion?

Mr. COWAN. Yes, one and all. I would like to ask them all if they understand that, for the past twenty-two years, they have been following a man who has held the high and responsible position of Minister of Railways and Canals, and yet who to-day stands up and makes the candid admission that he does not know whether he is for or against government ownership. I propose later on to refer briefly to the attitude of the hon. leader of the opposition. It is well known in this House that last year the leader of the opposition moved for government ownership as far west as Fort William. The leader of the Ontario Conservatives, the member for South Lanark, who ought to know what his own mind is upon a railway matter, who sets himself up as the railway critic in this House from the opposition point of view, and who follows his distinguished leader, voted in favour of that proposition and voted against the motion moved by the hon. member for Winnipeg (Mr. Puttee). Several months have come and gone, discussions in the newspapers have taken place, and the hon. member for South Lanark has had the benefit of them, and yet he stood up in the House of Commons on April 6th and, after vacillating backwards and forwards until everybody wondered upon which side of the fence he would light, he came down with the candid expression: 'Perhaps, perhaps I am against government ownership.' You will find that on page 877 of the unrevised 'Hansard.' So I tell the hon. member for South Lanark that then and to-day he stands up and says: Well, I do not just know where I am on this question. I will leave the hon. member for South Lanark to make a graceful bow to his distinguished leader, who must have looked at him with wondering eyes when he made that statement, and proposed holus-bolus to swallow the impossible proposition laid down by that distinguished gentleman.

Now, Mr. Speaker, it was left for the hon. member for Hastings (Mr. Northrup) to make the statement that if the Grand Trunk Pacific stopped at North Bay, then the Conservative party was prepared to support it. I want to appeal to hon. gentlemen opposite, I want to ask them if they think that people are losing their memories, that the public records of this country have ceased to exist. How they made the welkin

ring in telling the people of the Dominion of Canada, through their press and by their speeches, that we never intended, no matter what we said, to build one mile of the road east of North Bay. And for what purpose? Because we are going to assist the Grand Trunk Railway in building up the American ports of Buffalo, Chicago and Duluth. But when they saw the grim determination of this government that, wherever government money was spent, wherever the credit of the Dominion of Canada was pledged, wherever the favour of the Dominion parliament was asked, that favour, that pledge and that wealth should go to build up Canadian instead of American ports, then they changed their tune to make it fit to the altered circumstances; and now they say: Oh, don't go east of North Bay.

The leader of the opposition stated this afternoon that he had promulgated his policy in East Bruce and in East Lambton. I have had the pleasure myself of reading some of the speeches made by the leader of the opposition in East Lambton, and I ask him, I ask any friends he has in this House, I ask every supporter behind him: What is the policy of the leader of the opposition upon this question to-day? I knew what his policy was one year ago. It stood for the eight broken links that have been referred to by the Postmaster General as the crazy quilt proposition in connection with railway transportation in this country. What was his proposition? His proposition was, first, to build from Montreal, or Jacques Cartier junction, to Côteau—link number 1; by the Canada Atlantic through to Depot Harbour—link number 2; then going into the stock markets and buying the shares of the Canada Transit Company through to Fort William—link number 3; help the Canadian Pacific Railway from Fort William on to Winnipeg—link number 4; build the Grand Trunk from Winnipeg to Edmonton—link number 5; then go into a partnership arrangement with the Canadian Northern and the Grand Trunk and help them through to the Pacific coast—link number 6; then he had a summer line; in order to make it compete for winter traffic he had to build from the Canada Atlantic Railway to the Canadian Pacific Railway, from Scotia junction across to Sudbury—link number 7; and finally and lastly, to buy the lean section of the Canadian Pacific Railway, 634 miles, from North Bay through to Fort William, and unload it on to the taxpayers of Canada. This year not one word has fallen from the lips of the leader of the opposition concerning his project west of the city of Winnipeg. He has apparently abandoned the idea of bracing up the Canadian Pacific Railway to Winnipeg; if not, he has abandoned the Grand Trunk from Winnipeg to Edmonton, and the Canadian Northern and the Grand Trunk from Edmonton to the coast. In view of these facts, Sir, I ask the leader of the opposition what policy it was that he propounded to the electors of East Lambton; I ask him what policy it was that he propounded to the electors of East Bruce? If he says it is the same policy that he has propounded from one end of Canada to the other, I want to tell him that he changes it so quick that he doesn't give it time to travel from one end of this Dominion to the other. To-day he has abandoned the line west of Winnipeg, but he does substitute one other provision; he wants to inaugurate ice-breaking boats on Lake Superior in order to keep navigation open, with its winds and storms, one or two weeks longer.

Now, Mr. Speaker, there must be a reason apparent to every member of this House why this Grand Trunk Pacific scheme did not go through as it was proposed last year. There must be something at the bottom of it, there must be interested parties who are trying to discredit it. I will refer later on to the remarks of the leader of the opposition when he made the humble apology, that his scheme was never suggested to him by the Canadian Pacific Railway Company. But he knows, and knows full well—and I am sorry the hon. member for Toronto West (Mr Osler), his co-partner in this matter, is not in the House at this moment—the leader of the opposition knows full well that the 'Canadian Gazette,' published in London, England, is edited by no less an individual than Mr. Thomas Skinner, a director of the Canadian Pacific Railway.

He knows, no one better, that this new territory, of which the people of the Dominion of Canada have such high hopes, has been slandered in that journal as a country of muskegs, as a country of rocks, as a country of stunted pine, as a country unfit for agriculture and unfit for the settler. It has been said by that journal that no man should put one dollar's worth of money into the Grand Trunk Pacific Railway running through that new district, that it is pouring it into a sink hole; and these things have been said to discourage financial investors from investing one single dollar in this enterprise for the development of this country. I make the statement here and I make it boldly that that paper is controlled and owned by the Canadian Pacific Railway and is edited by Mr. Thos. Skinner one of the directors of the Canadian Pacific Railway. But, Mr. Speaker, there never has been any great enterprise in the country, there never has been any enterprise in the world that has ever been promulgated by any individual but what has been met by opposition and this is no exception to the rule. I am sorry that the hon. member for West Toronto (Mr. Osler) who held up both hands, appealed to the high heaven and said 'God save us' is not in his place because I want to give him biblical authority. While these hon. gentlemen opposite are stating that this terri-

tory is an irreclaimable desert, I want to tell them, and I quote from the good book, that when certain Israelites were sent to spy out the promised land a number came back and reported it to be a bad country saying that it 'eateth up the inhabitants thereof.' The hon. member for West Toronto and his friends following the example of these men of early days as given to us in biblical history, partaking of their feelings and emulating their policy, desire to discredit this enterprise because they feel it a duty of the opposition to speak ill of any enterprise emanating from a Liberal government. The opposition in this House differ, however, from the Israelite spies in one rather important particular--the latter really did visit the borders of the Promised Land, whereas the former condemn our New Canada out of hand without knowing anything about it. I repeat that I regret that the hon. member for West Toronto is not in his place, because I remember that last year the hon. gentleman was making a speech in opposition to the Grand Trunk Pacific Bill and telling his friends, while they were applauding to the echo, that the great American republic had ceased to bonus railways, that there was no state in the American union that was to-day granting a bonus to a railway. I rose in my place and asked that hon. gentleman what the population of the United States was when they ceased to bonus railways and what was the population of the various states when they had as states refused to grant further state aid. The hon. member for West Toronto crept into his shell and refused to answer the question. To-day I want to tell that hon. gentleman and I want to tell the hon. leader of the opposition and his followers behind him that when the second transcontinental railway, the Northern Pacific, was first projected across the American continent it met with just such opposition as that which this Bill has encountered. Not only that, Sir, but when Mr. Whitney, an enterprising American citizen, had succeeded in addressing an audience in the great city of Philadelphia pointing out the immense capabilities and possibilities of that western and northern portion of the United States, the immense results to be obtained, the immense profits that would accrue and the immense wealth that would flow to the eastern states and down to the manufacturers of the east, if a transcontinental line across the northern half of the United States were built from Lake Superior to the Pacific coast, thus giving the manufacturers and merchants of the eastern states an opportunity of getting their products into the western states, the reception given him was not good. He afterwards succeeded in addressing an audience in the Tabernacle in the city of New York. I shall quote from a statement of the Hon. Wm. D. Kelley who, speaking of Mr. Whitney's reception, subsequently said:

His remarks were listened to, but at their close a mob took possession of the hall and denounced the project as a swindle, declaring that it was an attempt on the part of a band of conspirators to defraud the people by inducing the government to make an immense grant of land for an impracticable project. This was the initial movement of a powerful and organized opposition, before which Mr. Whitney retired, silenced in his effort to promote one of the grandest works ever conceived by an American citizen.

That was the attitude of some of the American people towards the second transcontinental line built through the United States of America. Subsequently the whole people of the United States grasped the opportunity and built the second transcontinental line across the United States. I will give to the House the figures now in order to answer the speech of the hon. member for West Toronto who talked about the American republic having ceased to bonus railways. They gave the Northern Pacific Railway 50,000,000 acres of land. What does 50,000,000 acres of land mean? It is a tract three and a half times as large as Holland, it is seven times as large as Belgium, it is 10,000 square miles greater than the six New England states and it is more than twice the size of the present populated portion of Ontario. That is what was given by the American republic to the second transcontinental line going through the United States, not at a time when they had, as we have, scarce six millions of people, but when they had a population of over thirty millions of people. They granted to these gentlemen that immense area of territory in addition to which they gave them an absolutely free right of way from Lake Superior to the Pacific coast. They arranged with the different states for a free right of way and they gave them a free right of way for their telegraph lines and for their station buildings. At that time the denunciation of the opponents of that scheme was the same as the denunciation that is offered by the opponents of this scheme to-day—a barren wilderness covered for six months of the year with snow, rocks, swindle, absolutely unable to run a railway through and absolutely unable for human existence upon its northern borders. What is the result? The same dire predictions which have been made by hon. gentlemen opposite were made at that time. To-day we have the great states of Minnesota, Dakota, Montana and Oregon, Idaho and Washington, all immense and populous states with millions of inhabitants and many opulent cities. To-day the western states is the most important part of the American republic. And, Sir, I have every confidence and every belief that if this project is carried out on the northern half of British North America through which this Grand Trunk Pacific Railway will run, there will be built up great pro-

vinces in the Dominion of Canada equalling those which have been built up on the line of the Northern Pacific.

While we have heard much concerning the small aid which this government proposes to give to the Grand Trunk Pacific, we have not heard one single word from these gentlemen on the other side of the House, about the aid which they gave to the Canadian Pacific Railway. There is no doubt that the Grand Trunk Pacific will be a colonization railway. It is beyond dispute that it is a new road opening up new territory. It runs through the unorganized territory of British Columbia; it runs through the new territory of the Northwest and Manitoba; it runs through the new territory of northern Ontario and Quebec; it runs far north of any other railroad in existence to-day. Will any one tell me that it is not a colonization railway, opening up new territory? And, Sir, if it be, why should gentlemen on the other side of the House object to giving aid to this enterprise, when they themselves aided the Canadian Pacific Railway, when it was first built through a new country? And if these gentlemen opposite think that too much aid was given by them to the Canadian Pacific Railway, then why have they not the courage and the manliness to stand up and say so?

Although the matter has already been dealt with, I wish briefly to lay side by side, the grants, to the Canadian Pacific Railway which they gave; the grants which their predecessors on the Conservative benches voted for, and supported. The Canadian Pacific Railway got among other things from the Conservative government, a grant of 25,000,000 acres of land; and the Grand Trunk Pacific gets no land grant from this Liberal government. The Canadian Pacific Railway got a cash subsidy of $25,000,000; they got lines of road already built which cost $37,700,000; they therefore got in cold cash or its equivalent in built roads $62,700,000. What does the Grand Trunk Pacific get? It gets not a dollar in cash subsidies. The section between Moncton and Winnipeg is to be leased to it at three per cent, and then at the end of fifty years that line reverts to the government. There is a government guarantee on the remainder of the road, and running rights are to be afforded to all other companies that may possibly want to use any part of the government section. But what else in addition to what I have already stated, did the Canadian Pacific Railway get from the Conservative government? They got a monopoly for twenty years, so that no other line south of the main line should be built in order to prevent competition by American roads. For twenty long years that monopoly was to keep the young and lusty province of Manitoba in the grip of this benevolent corporation now fathered in the House by the hon. member for West Toronto (Mr. Osler). And on the other hand, what monopoly is created for the Grand Trunk Pacific? No monopoly at all. And look at what the Conservative government gave to the Canadian Pacific Railway by way of exemption from customs duties. That good old Conservative party, which it is supposed wants to build up the industries of this country; did they say to the Canadian Pacific Railway: every dollar's worth of goods you can purchase in Canada should be purchased here, and shall be the product of Canadian labour. Oh, no, the Conservatives did not say that to the Canadian Pacific Railway. Did the Conservative government say: that the Canadian manufacturer, for whom they appear to be so solicitous now, should have the benefit of supplying the product of his industry to the Canadian Pacific Railway? Oh, dear no. They actually gave the Canadian Pacific Railway the right to import free of duty from the United States, any material to be used in that road that they saw fit. But that is not all. In addition to that, it was provided that if the Canadian Pacific Railway bought any bridge material, for instance, in Canada from a Canadian firm, they should receive from the taxpayers of this country an amount equal to what the duty would have been if they had imported it from the United States. Thus it was that the Canadian Pacific Railway were to receive from the taxpayers of this country what is euphoniously called a drawback.

But what has the Grand Trunk Pacific to do in that respect? The Grand Trunk Pacific must employ Canadian labour, and must use the product of Canadian factories, made by the Canadian artisan to the exclusion of our good friend the American artisan.

And then the Conservative government gave the Canadian Pacific exemption from taxation for all their property together with the capital stock of the company, for twenty years; and the land grants in the Territories were to be exempt from taxation for a like period of 20 years. Is there any exemption from taxation for the Grand Trunk Pacific? No, Mr. Speaker, there is not. The Conservative government gave up the control of rates on the Canadian Pacific Railway, and until that line paid 10 per cent on the cost of its construction, the Canadian Pacific Railway was free to do as it pleased in charging exorbitant rates to the settlers of the west. And do you know that these wily gentlemen of the Canadian Pacific Railway immediately formed themselves into a construction company, charged the Canadian Pacific Railway what they saw fit, pocketed the difference between the legitimate cost of construction and what their contract amounted to, and then put the whole cost upon the Canadian Pacific Railway, as cost of construc-

tion. And so it is that when they make ten per cent on that watered stock, then and not till then have the government control over their rates. The Canadian Pacific Railway opened up from North Bay, a new country 2,250 miles in extent; the Grand Trunk Pacific opens up 3,300 miles of a territory equally as fertile and as fit for colonization as was the territory of the Canadian Pacific Railway eighteen years ago. I shall not go into the details of the value of the land grants which the Canadian Pacific Railway got. They got $62,700,000 in spot cash and road constructed, and to-day they have over ten million acres of their land left, and you cannot buy it for five dollars an acre; indeed one of my partners paid seven dollars an acre the other day for 640 acres in the Northwest. Therefore, the Canadian Pacific Railway have to-day at least $50,000,000 worth of land that was given them by the Conservatives and it is not subject to taxes yet. Yet to-day, we see the hon. member for West Toronto (Mr. Osler) and the hon. leader of the opposition, posing as the friends of the western settler. It is amusing to see the crocodile tears of the member for West Toronto, the Canadian Pacific Railway director, shed for the bleeding farmers of the west, when his company is putting up their money for lawyers fees, to try to get out of the payment of taxes to the province of Manitoba and the Northwest Territories.

There must be some reason for the determined opposition of the hon. member for West Toronto (Mr. Osler) to this enterprise. When you find men, especially a railway corporation like the Canadian Pacific Railway, through the press which they own, opposing a scheme, you may depend upon it that there is more than sentiment behind it all. I read with surprise the articles in the 'Canadian Gazette' published in London I was not aware that it was owned by the Canadian Pacific Railway and that a director of the Canadian Pacific Railway was its editor. I was suspicious last year when I saw the hon. the leader of the opposition (Mr. R. L. Borden) trying to unload on the overburdened taxpayers of this country 634 miles of railway running through a territory that is as barren of agriculture and local freight as the Sahara desert of roses. I was surprised at the attitude of the 'Canadian Gazette,' but the cloven hoof was shown when the hon. member for West Toronto (Mr. Osler) seemed so anxious to back it up, and I then for the first time proceeded to make inquiries. It struck me that if the government were compelled to purchase the lean section of the Canadian Pacific Railway from North Bay to Fort William or Winnipeg the Canadian Pacific Railway would have to use it, and that, therefore, this government could impose on them such rates as they saw fit and right in order to pay interest on the investment. I was foolish enough to be taken in with that idea, but when I started to investigate I found that the Canadian Pacific Railway owned the Soo line, which starts at Sudbury, goes to Sault Ste. Marie, where it crosses into Michigan, traverses the corner of Michigan and the entire state of Minnesota into the state of Dakota, crossing the northern boundary of Dakota, and reaching the Canadian Pacific Railway at Moosejaw. Thus, having unloaded the lean and unprofitable section of their road on the Canadian taxpayer, they could send every dollar's worth of freight originating in the neighbourhood of Moosejaw or west clean through to British Columbia over their Soo line to Sudbury without paying one dollar of tribute to the government on the heavy grades of the bleak north line along Lake Superior. I still thought that they would have to use the north shore line on all freight originating east of Moosejaw, but Sir, I found that this same Canadian Pacific Railway owned another line of railway called the Duluth, South Shore and Atlantic road, which runs from Duluth to Sault Ste. Marie. It will be remembered that the St. Paul, Minneapolis and Sault Ste. Marie, runs through Sault Ste. Marie to Sudbury. They already own and control the road running from Duluth to Sault Ste. Marie. The hon. member from West Toronto (Mr. Osler) put his foot in it the other night when he said that a line could be constructed from Winnipeg to Duluth of a length of only 380 miles, while the Canadian Pacific Railway line from Winnipeg to Fort William is 426 miles long; in other words that he could construct a road from Winnipeg to Duluth 46 miles shorter than the Canadian Pacific Railway line from Winnipeg to Fort William.

I shall now return to the remarks of the hon. member from South Lanark (Mr. Haggart) and I am glad to see he has returned to the House as one of the leaders of the opposition. That hon. gentleman (Mr. Haggart) the other day said that certain portions of the line of the Canadian Pacific Railway on the north shore of Lake Superior cost $60,000 a mile, and I have no doubt that is correct. If it cost $60,000 a mile I want to ask the House what they suppose the government of this country could purchase this for per mile, if the hon. member for West Toronto (Mr. Osler) and the hon. member for South Lanark (the minister of railways in the old government) were members of a Conservative cabinet. But, Sir, I am willing to be generous; we will say that it cost $60,000 a mile to construct that road, and after they have operated it for 18 years and have got it ballasted up we could not very well expect to purchase it for less than it

cost. But for the sake of the argument let us assume that we cut the cost in two and can purchase the railway for $30,000 per mile. That would be a modest estimate. Then for the 634 miles from North Bay to Fort William which the hon. the leader of the opposition (Mr. R. L. Borden) proposed to purchase we would have to pay $19,000,000. The hon. gentleman (Mr. Haggart) also estimated that the cost of the prairie section would not exceed $20,000 a mile. The line from Winnipeg south to Duluth is practically through a prairie country and if that can be constructed for $20,000 a mile, it would cost the Canadian Pacific Railway only $7,600,000. Now I want to point out the infamy in the suggestion that we should take over the worthless north shore section, 634 miles long, at a cost of $19,000,000 and hand that money over to the Canadian Pacific Railway who would then construct 380 miles of railway from Winnipeg to Duluth at a cost of $7,500,000 and thereby pocket $11,000,000 in cold cash and have a road over which they could ship their own freight and never ship one pound over the government road which they had unloaded on the taxpayers.

If the hon. member for West Toronto wants to figure interest, let him figure what the interest at three per cent for the next fifty years will amount to on $11,000,000. We would then know what would go into the pockets of the Canadian Pacific Railway besides giving that company at the expense of the country another road with easier grades and a shorter distance through to the east. And, Sir, if this scheme went through and the government purchased the Canadian Pacific Railway line from North Bay to Fort William, what prospect would there be of getting any traffic? Why, it would not even get any freight from the Canadian Northern, which is the only line that could be a feeder to it. At first sight it would appear as if the Canadian Northern would have to ship over that road, but everybody knows, and nobody knows it better than the hon. member for West Toronto (Mr. Osler), who is in the councils of the Canadian Pacific Railway, that when the Canadian Pacific Railway was informed that the Canadian Northern had received aid from the Ontario government to build a line from Toronto to Sudbury, which is the end of the Soo Canadian Pacific Railway line, the Canadian Northern and the Canadian Pacific Railway did, in railway parlance, get to bed together and agree to interchange running rights, so that the Canadian Pacific Railway has the use to the city of Toronto of the Canadian Northern line from Sudbury to Toronto and the Canadian Northern has the use of the Canadian Pacific Railway line from Sudbury west to Port Arthur. The result would be, therefore, that once the Canadian Pacific Railway had unloaded this north shore line on the government, all the Canadian Pacific Railway would have to do would be to construct as they are doing to-day, from St. Paul north —from a point on the Soo line near St. Paul to their line at Emerson, 60 miles south of Winnipeg, less than 400 miles. What then will be the result? The moment that connection is made, the moment the Duluth, South Shore and Atlantic Railway and the Minneapolis, St. Paul and Sault Ste. Marie Railway are connected with the Canadian Pacific Railway system in Manitoba—and they can construct that connection and still pocket three and a half millions in cold cash, then they will have two lines, the one a little longer and the other four miles shorter than the line from Winnipeg through to the city of Montreal. I think it is only fair to say, for I do not want to misrepresent this matter, that a few miles in an immense distance, either one way or the other, does not amount to very much. The question is, what business will that road around the north shore of Lake Superior do to help out the through-freight on the Intercolonial? There are three fixed charges against every railway in the world. First, the interest on the cost of construction; second, maintenance of right of way; third, cost of operation, and every railway man knows—my hon. friend from Hamilton (Mr. Barker) will not dispute that—that railway companies depend largely upon local freight for the purpose of paying these fixed charges. Ask any hon. member of this House to compare that fertile prairie belt from Winnipeg to the great shipping port of Duluth with the barren waste from Fort William to Winnipeg. I want to know from my hon. friend the leader of the opposition—and I appeal to the hon. member who is going to follow me to tell this House how much local freight the country would draw into its coffers by reason of the operation of the road from North Bay to Fort William. One eloquent writer described this section of country as one over which a crow dare not take flight without carrying a knapsack, because there is not enough in it to feed him on his passage. Compare that with the fertile belt of southern Manitoba and northern Minnesota, every mile of which will give sufficient local freight to pay the fixed charges. Let these hon. gentlemen compare this north shore section with the Soo line to St. Paul, Minneapolis, Sault Ste. Marie and Sudbury. Why, these gentlemen know that northern Minnesota is one of the most fertile belts in the country, that the freight upon the Minnesota lines is almost better than that on any transcontinental line through any of the northern portions of the United States, and that every mile of these lines is capable of sustaining the fixed charges. From Fort William to North Bay, the distance is 634 miles, and the hon. the leader of the opposition asks the Canadian public to pay through the nose for a project upon which scarcely a dollar's worth of freight can possibly originate to

help out the Intercolonial Railway with through-freight. From Sudbury, the end of the Soo line, through to Fort William is 555 miles. The best evidence of the poverty of that section is that though it has been completed for nearly eighteen years, I defy hon. gentlemen opposite to point to 555 bona fide settlers along its line which are not now employed by the Canadian Pacific Railway or Hudson Bay Company or incidentally to these companies. That is the section of road which the hon. gentlemen wanted to unload on to the Canadian taxpayer. That is the kind of government ownership which the leader of the opposition wants us to take. And the hon. gentleman himself (Mr. R. L. Borden) was so conscious of the one-sided character of the bargain he proposed, that he felt called upon to say that nobody in the Canadian Pacific Railway had ever suggested it to him. Why did the hon. gentleman feel called upon to say that the Canadian Pacific Railway had not suggested that enterprise to him ? It was because he knew full well that with less money than the figures I have given this House, the two connecting lines could be built, one costing seven and a half million dollars and the other eight million dollars, and the company would not only have a surplus of $2,500,000 in cold cash in their pockets but would have unloaded this white elephant on to the taxpayers of the Dominion.

Then I find that the hon. member for West Toronto spoke about the 'Midsummer Night's Dream,' and at page 893 of 'Hansard' exclaimed 'God help us.' Then at page 885 he exclaimed : 'I pray Heaven the Liberal party do not built it.' I can very readily understand the midsummer night's dream of the hon. gentleman.

I can readily understand Miss Canada lying prostrate, as he described her. I can readily understand her awakening to the proposition of the leader of the opposition, and her friends raising the cry, 'God help us,' as they heard it suggested that this political crime should be perpetrated upon the people. I can understand the attitude of the hon. leader of the opposition with his not overabundant knowledge of railway subjects; I can understand and appreciate the help given him by the hon. member for West Toronto, who would like to be Finance Minister in the Conservative government, if they come into power in the year 1905. I can understand him saying, 'Heaven help us ; I hope they will not build it, in order that we may palm the elephant off on the people of this country.' I dislike making, in the absence of the hon. member for West Toronto, the references that, it seems to me, should be made to him. Apparently the hon. gentleman forgot himself. My mind goes back to a time shortly after the hon. gentleman became a member of this House. Mr. McMullen, now Senator McMullen, and Mr. Wood, afterwards Senator Wood, and now gone to his long home, were members of the House at that time. There was a project before the House for the building of a road from Collingwood to Lake Ontario. Hon. gentlemen on the other side rose in their places, shook their fists across the floor of the House and declared that these two gentlemen, though they had not a dollar of interest in the road, yet, because their names appeared as provisional directors, had no right even to discuss the question in this House, to say nothing of voting on it, for the principle of the independence of parliament demanded that men should not speak upon schemes with which their names were coupled, or in which they were interested, because their opinions might be unduly influenced. And the hon. member for West Toronto was as dumb as an oyster while all this was said. And this hon. gentleman, though a director of the Canadian Pacific Railway, and not only a director, but one of an executive committee of three or four who control that company, a member of its inner cabinet—this hon. gentleman stands up and opposes a scheme that will give competition to the concern in which he is interested, and fathers the scheme of the leader of the opposition to foist upon the people of the Dominion what I say would make, if carried out, the blackest page of Canadian history, so far as railway enterprises are concerned. I should have thought, Sir, that a man of his refined tastes and his perceptions of right and wrong in ordinary matters, would have hesitated to take such a position. And this year the hon. gentleman uses strong language, nor does he hesitate to use it against men of standing and repute. He said that the parties to the agreement of last year were fakirs. That was his own expression. He said they were fakirs who hoped to unload the Grand Trunk Pacific on the Grand Trunk Railway. That is pretty strong language for a man who has sat in this House for eight years, and whose voice has never yet been raised against any favour to the Canadian Pacific Railway that this government, in its wisdom, thought it to the interest of this country to grant, but was ever ready to vote and speak against any project, however meritorious that would interfere with the great corporation of which he is a stockholder and a bondholder, a member of its directorate and of the inner cabinet that controls its policy. It seems to me the hon. member might well have spared us the use of that word 'fake' as applied to men who had entered into an agreement last year on behalf of the Grand Trunk Pacific Railway. Let me remind hon. members who these gentlemen are to whom the hon. member for West Toronto refers as fakirs. In England, there is Sir Charles Rivers-Wilson, Lord Welby, Mr. Price and Mr. Smithers. In this country there is Mr. Charles M. Hays, Mr. William Wainwright and Mr. John Bell, solicitor of the Grand Trunk Railway at

Belleville. I would like to ask the hon. gentleman if he knows what the meaning of the word 'fakir' is, which he so lightly applies to men of standing in this country and in England? The word 'fakir' is defined by the latest dictionary as 'an Oriental, religious, ascetic begging monk.' And this is the word the hon. member for West Toronto applies to men in England and in Canada whose standing is of the best. William Wainwright has been connected with the Grand Trunk Railway in this country for over a quarter of a century. He is a man whose name is widely known, a man who stands above reproach, a man of whom it can be said that no institution with which he has ever been connected possesses any record that is otherwise than creditable to him. The name of William Wainwright is so well known in Canada that it is not necessary for me to defend him; any defence that I might attempt would be, I am sure, entirely superfluous and unnecessary. The hon. gentleman applies this word to Mr. Morse, whose name, by the way, I had omitted. Mr. Morse has been for many years connected with railway enterprises in Canada. He is a gentleman with whom I have no personal acquaintance, but one of whom everybody who knows him speaks in terms of praise. Mr. Charles M. Hays is an American citizen who was brought to this country to take a position of great influence. He is a man of ability, and has used that ability so well that he has risen from the poor boy of St. Louis to be the greatest railway manager in Canada, if not the greatest on the American continent. And yet the hon. member for West Toronto thinks it not beneath him to rise in this House, with the bonds of the Canadian Pacific Railway, as it were, in one pocket and the stock of the Canadian Pacific Railway in the other pocket, and refer to men of this character as fakirs, though he himself tried to unload the only fake scheme in the shape of a railroad enterprise that I have seen in this House in the eight years of my public life. I hope such a spectacle will not be repeated. When he uses such expressions as 'heaven help us,' 'God help us,' he does not raise himself in public estimate, nor does he edify a suffering and indulgent humanity who listen to him. But he may well be called to account when he uses his privilege as a member of parliament to apply unpleasant names to men of the character of those to whom I have referred, names which, if used outside of this House, would probably result in his learning a lesson in the meaning and effect of the Ontario law of libel.

Now, Sir, I will not refer to the hon. member for West Toronto as a fakir, but if the word 'fakir' can be applied to anybody in connection with these two schemes, the one projected by the leader of the opposition aided by the member for West Toronto, the other the Grand Trunk Pacific scheme, aided by honest men, projected by an honest government in an honest attempt to build up this great Dominion of Canada whereof we are all proud, and glad to see it lifting up it its head among the nations of the earth—I say I leave it to the members of this House to say whether it should be applied to Wm. Wainwright, with his reputation in railroad construction and railroad finance, or to the hon. member for West Toronto, with his reputation in the Calgary, Edmonton, and Qu'Appelle Railway, the Long Lake and Saskatchewan Railway, where they got over $3,200,000 in cash guarantee and 3,507,200 acres of land that were worth over $12,000,000, or a total of over $15,000,000 while it only cost $6,000,000, giving them a margin of $9,000,000. Yet he left it $10,000,000 in debt, after receiving $12,000,000 in land value and over $3,000,000 in cash, $25,000,000 to finance an institution that only cost $6,000,000. I leave the members of this House and the people of this country to choose whether the term 'fakir' should be applied to Wm. Wainwright, Charles M. Hays, Lord Welby, Sir Charles Rivers-Wilson, Mr. Morse, Mr. Bell, Mr. Price or Mr. Smithers on the one hand, or to the hon. member for West Toronto on the other.

Now, the hon. member for West Toronto, as quoted by some hon. gentlemen opposite, has said that we could not carry wheat to St. John and ship it at a profit. If this is the case, will the hon. gentleman tell me why his company paid $10,000,000 for the Elder-Dempster line to run to Quebec in summer and to carry wheat from St. John in winter. The Canadian Pacific Railway that is behind the opposition to this scheme, both in the press and in this House, paid $10,000,000 for a line of boats to carry ocean freight from the city of Quebec to Liverpool in summer and from the city of St. John in winter. Why in the world did they do that? If they can carry grain over their road, will anybody tell me, in the name of all that is good and great, why the Grand Trunk Pacific, with the local freight it will get from the productive section that it will traverse with its easy grades, and its connection with the Intercolonial at Moncton—why they cannot carry freight not only to Halifax, not only to St. John, but even on to Sydney, Louisbourg, or Country Harbour? Surely what is sauce for the goose must be sauce for the gander. Surely what we can do with a hundred impediments in the way, we must be able to do under more favourable circumstances. Now, Mr. Speaker, there is another point I desire to touch, and I hope the House will bear with me and allow me to close before taking recess.

Some hon. MEMBERS. Six o'clock.

Mr. COWAN. I want to close.

Mr. SAM. HUGHES. Ten minutes past six now.

Mr. COWAN. Well, the hon. gentleman may go.

Mr. CASGRAIN. I call your attention Mr. Speaker, that it is six o'clock.

Mr COWAN. I hope that the hon. member for Montmorency (Mr. Casgrain) will not take that ground. I want to catch the train at seven o'clock, and I will be able to close in a few minutes. But if the hon. member for Montmorency insists, I shall sit down and remain.

The ACTING SPEAKER (Mr. Douglas). I suppose that by leave of the House the hon. gentleman may be allowed to finish.

Mr. CASGRAIN. The hon. gentleman might be more polite about it.

Mr. COWAN. I am not going to take a leaf out of the book of the hon. member when he addresses the House himself. I tell the member for Montmorency that if he charges me with impoliteness it is like Satan rebuking sin.

Mr. TAYLOR. It is six o'clock.

Mr. COWAN. Well, I will remain.

At 6.10 p.m., House took recess.

After Recess.

House resumed at eight o'clock.

Mr. COWAN. Mr. Speaker, when the House rose at six o'clock I was just closing my remarks, which had been directed towards the elucidation of the same expressions concerning the Grand Trunk Pacific directors, to whom the hon. member for West Toronto had been referring as fakirs. In order that there cannot be any misunderstanding in regard to this matter, I desire to refer exactly to what the hon. member for West Toronto said. I have, in the few remarks which I have made, referred strictly to the names mentioned in the agreement. My reason for doing so was because the hon. member for West Toronto had referred to the people who were parties to the agreement. At page 884 of the unrevised 'Hansard,' I quote from the speech delivered on April 6 by the hon. member for West Toronto :

> The government last year closed this bargain with the Grand Trunk Pacific Railway Company, they were negotiating with and closed a bargain with a company that had no backing, with a lot of fakirs who proposed to get the Grand Trunk Railway Company to endorse their scheme.

In order that the House may know exactly to whom he refers as being fakirs, I quote from chapter 71 of the statutes of Canada, 1903, page 463. This is the agreement and these are the people with whom the bargain was made and with whom the bargain was closed. He makes no distinction between those who conducted the negotiations and others, but he refers substantially to the one set of men, and they are as follows :

> This agreement made the twenty-ninth day of July, 1903, 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 Right 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, of the second part.

He may say that no person outside of those whose names I have mentioned in the language he used was referred to. But there is not a man on this side of the House, there is not a man on the other side of the House, but knows and knows full well that the reference which the hon. gentleman made—yes, I venture to say the cowardly reference—was to two men. These men were formerly members of the House of Commons and they are now members of that respected and honoured body, the Senate of Canada. The hon. member for West Toronto referred to Senator William Gibson and to Senator George A. Cox. Senator Gibson occupied for years a respected position in this House. He represented the constituency of Lincoln and wrested it from the enemy. He not only did that, but he was the assistant whip when I first became a member of this House in 1896, and afterwards was the chief whip of the Liberal party. Senator Gibson was one of the foremost contractors in the entire Dominion of Canada. The largest public works in the way of railway construction in the Dominion of Canada stand to-day as monuments to his industry and financial standing. Not only that, but he is president of the Bank of Hamilton, one of the largest financial institutions in the Dominion of Canada, and I wish to say to the hon. member for West Toronto that his name is without a stain, that his record is without a suggestion of fakirism, either in public or private life. I come to the other gentleman, Senator George A. Cox. His name has been bandied from the other side of the House, and I propose to mention his name, because this side of the House has nothing to conceal. We never hobnobbed with, we never endorsed, we never appointed anybody to that honourable body, the Senate of Canada, of whom we had reason to be ashamed. Neither we, nor the Grand Trunk Pacific Railway Company nor the Grand Trunk Railway Company of Canada, were ever associated with any men but those whose name and record were upright and spotless. Senator George A. Cox stands to-day as presi-

dent of the Canadian Bank of Commerce, one of the best and most respected financial institutions in the Dominion of Canada or on the continent of America, an institution whose branches have extended to the metropolis of the west, whose branches are found in New York city and the other large cities of the American republic. In London England, across the Atlantic, you will find the Canadian Bank of Commerce, and I say that the directors and shareholders of the Bank of Commerce are quite as respectable in their standing in this country, and have under their direction an institution quite as prominent and whose position is as well assured as that of any institution with which the hon. member for West Toronto has ever been identified. Towards men of that standing and of that financial ability, who have worked themselves up from poor men to be the financial kings of the Dominion of Canada, it ill-becomes the hon. member for West Toronto to use such language, if these are the men to whom he refers as fakirs. Not only is Senator George A. Cox president of the Canadian Bank of Commerce, but also of the Canada Life Insurance Company, an institution in life insurance of which every man in Canada to-day is proud. He is also connected with the Western Assurance Company. In point of fact, there is not a single man in the Dominion of Canada, from one end of it to the other, whose record as a financier is higher than that of Mr. Cox, at whom the hon. member for West Toronto, tinged with an after-dinner glow, in the exuberance of his spirit, sought to throw mud at by calling him a fakir. In this whole debate there seems to have been a desire, starting with the leader of the opposition down to the hon. member for West Toronto, to throw stones at reputable men and to indulge in a style of debate that has been hitherto unknown in this House. I turn to the 'Hansard' of April 5, and I find this statement made by the hon. leader of the opposition :

> If he ever used any language with regard to the extension of the Intercolonial Railway to the Georgian Bay——

That was the Hon. A. G. Blair to whom he referred——

> —he would have expressed himself absolutely in contradiction to what he said in a carefully prepared memo. In a memo. which he published, Mr. Blair said this——

I want you to note, Mr. Speaker, 'in a memo which he published.' That statement is made on April the 5th. That memo was never published until it was published last night in the Montreal 'Star'—on April 12th. I defy any hon. member sitting on that side of the House to state where it was published. Let us come up to it and meet it fairly and honestly. Let us know what kind of politics we have in this country ; let us know how far the political honour of men is sacred in this House ; let us know what is the duty, so far as that honour is concerned, of the leader of a great party. Mr. Speaker, that was an absolutely private memorandum from which the leader of the opposition quoted. It was marked 'confidential' on the top ; it was printed for the fellow ministers of a cabinet minister, and for their use only, and it was stolen by some civil servant, the political ally of the hon. gentleman opposite. And on the 5th day of April, the leader of the opposition, having gained possession of that privileged communication ; of that confidential memorandum, of that memorandum marked 'confidential' as between cabinet ministers, reads it in this House, and in order to cover up his tracks and in order to save himself from being charged with one of the grossest breaches of professional conduct and etiquette—not to say anything of political etiquette—that was ever ventured in any parliament wherein the English language was spoken ; he said it was published. The leader of the opposition knew very well that whether he found it or acquired it—and he did not find it ; he got it and he got it wrongfully, and he knew when he he got it that he had no business with that memorandum, and he knew it was got by reason of being stolen by some person in the employ of this government and to whom the kind hand of charity and forbearance has been extended by this government—the leader of the opposition knew that he might just as well find a private letter belonging to any man or any woman in the street, a letter marked 'private' and 'confidential' and bring it into this House and read it ; and then in order to cover up his conduct, make the misstatement that the matter was published. I say, Mr. Speaker, if political morality in this country; if political honour, if political etiquette has got to that low ebb in which such things are not sacred ; and that this can be done in order to score a point against the Grand Trunk Pacific and to help his ally, the member for West Toronto (Mr. Osler) and the Canadian Pacific Railway to bleed further and for some years to come, the farmers of the Northwest Territories ; then it is time the people of this country should know it.

Then, Sir, I have another precious document in my hands. I have here a document headed 'The Grand Trunk Railway Company of Canada. Minutes of proceedings at the ordinary general, half yearly meeting of shareholders, held at the Terminus Hotel, Cannon Street, E.C., on Tuesday, March 8th, 1904, Sir Charles Rivers-Wilson G.C.M.G., C.B., in the chair.' I listened to the hon. member for West Toronto reading statements alleged to have been made by Sir Charles Rivers-Wilson at a meeting of the Grand Trunk shareholders held in London. I thought it was more than passing strange that we had not heard this before,

and I therefore set out to see what the minutes of that meeting were. I searched and searched the London 'Economist' I searched the 'Financial News' and I searched 'Herapath's Railway Journal,' all printed and published in London, England. It struck me that a great enterprise involving the construction of over three thousand miles of railway in Canada, and with a great railway company behind it, having 40,000 shareholders in England, Ireland and Scotland, with about $200,000,000 of invested money in this country; it struck me that the great London newspapers would have taken sufficient cognizance of the fact to report all the important references and all the important utterances which were made. But, Sir, I found in none of these papers any such stuff quoted as that which was printed to be quoted by the hon. member for West Toronto. I knew that the financial men of Edinburgh and Glasgow, and the financial institutions of Scotland were heavily interested, but in none of the Glasgow or Edinburgh papers could I find any such statements reported. I wondered where it came from. And where do you suppose it came from? It came from the hand of the hon. member for West Toronto (Mr. Osler), who says he hired a stenographer, or that a stenographer was hired, to go into that meeting for the purpose of taking down the actual statements, word for word, as they were uttered. Now who do you think was interested in having those words taken down? Why it is the hon. member for Toronto (Mr. Osler) who was so interested. The hon. member for West Toronto (Mr. Osler) is so generous and so anxious that the people of this country should not be imposed on, that he had it printed at his own expense. And here it is; I hold it in my hand as a monument of the generosity of the hon. member for West Toronto. Is there a man in Canada who believes any such report as that? What was it got up for? Is there a man who believes that these great financial journals would not have contained a record of that meeting which was so important to the financial men of England, and to the financial men of Scotland? Why the whole thing is put up for the purpose of trying to show that Sir Charles Rivers-Wilson either misrepresented the facts to his shareholders, or that this government is disagreeing with his views, and in order to bolster that up they pretended to have smuggled a shorthand reporter into the meeting, and this is the product of his labours. The hon. member for West Toronto, went to considerable expense; he went to considerable trouble. I suppose he thinks he did it in the interests of the bleeding and suffering humanity whom he did not wish to see the Grand Trunk Pacific imposed upon; but out of whom he hoped for years to come to be able to get undiminished dividends for the Canadian Pacific Railway; of which he is the mouth-piece in this House, the director, and the inner cabinet minister.

I listened with interest to the hon. member for West York (Mr. Campbell) and he pointed out another reason why gentlemen on the other side of this House are opposed to this enterprise. He pointed out that the Canadian Pacific Railway were carrying at a lower rate the merchandise from American ports to the west than they are charging from Canadian ports. I am within the judgment of every man in Canada when I make the statement, that wherever there is competition in transportation, either by rail or water, or mule-pack train if you like, you find lower rates than you find where competition does not exist. There is not one particle of bona fide railway competition today in the Northwest or in Manitoba. You have got there the Canadian Northern and the Canadian Pacific Railway, and they have made their amalgamation to use each others lines, and they have come and gone to bed together. The result is, that the farmer of the west has to pay the combine rates of freight and he will have to pay them until the Grand Trunk Pacific gets into the country, to relieve him from the incubus under which he is groaning. To-day, the American railways are carrying the product of the American manufacturer to the Canadian cities in the Northwest Territories, at a lower rate than the Canadian Pacific is carrying the factory goods of the Canadian manufacturer to the same points. That is the kind of thing that the Conservatives in this House stand up and defend. The Canadian manufacturer is at a disadvantage to the extent of the difference in the freights from the American factory towns in the Northwest, as compared with the rates from Canadian factory towns to the Northwest, and yet, gentlemen opposite are in favour of that. The hon. the leader of the opposition and his supporters pose as the friends of the Canadian manufacturer, and yet they stand up in this House and oppose a policy which will give him railway competition that will reduce his freight rates, in order that the product of his factory can reach Winnipeg, Brandon, Moosejaw, Regina and the other points west at the same rates of freight, or lower rates of freight than his rival American manufacturer now enjoys. The leader of the opposition says: increase the duty. Well, it must be self evident to every man that if the duty is increased to help the manufacturer out, the western ranchman, and the western consumer, must pay the increase in price. That is the kind of policy that the leader of the opposition, assisted by the disinterested gentleman from West Toronto wants to perpetuate.

I come now to the last plank in the platform of the hon. leader of the opposition, and that is government ownership. That is

a new found child ; that has not had birth very long upon that side of the House. Sir John Macdonald never favoured it ; Sir John Macdonald the distinguished leader of their party spoke against it ; Sir John Macdonald said that no railroad could be run as economically by a government as it could by a company. There was a commission in 1892, and I will read now what the Deputy Minister of Railways and Canals, Mr. Collingwood Schreiber, had to say about it. Mr. Schreiber is not our appointment. He is not a man who can be accused of being a Grit partisan; I do not say that he is a Conservative one, but he is not a Grit partisan at all events. Here is question No. 3,223 which was put to him and here is his answer :

When you come to go through farm lands or wild lands, do you have much trouble? We generally have very little trouble with farm lands. But there is an instance of a piece of land that was taken for the Intercolonial Railway for a gravel pit in the wild woods near Gloucester Junction for which the government offered $5, I think. Afterwards they increased the offer somewhat, hoping thus to settle the matter. The owner is now claiming $70,000 for the land.

And I may add, for the benefit of gentlemen opposite, that the government, the Conservative government, paid the modest sum of $16,000, for that gravel in the bush near Gloucester, New Brunswick. That is a sample of what you run up against with government ownership. Sir John Macdonald realized it ; the leaders on the Conservative benches in the past realized it ; they were against government ownership ; even the leader of the opposition voted against it last year. The Conservative Minister of Railways (Mr. Haggart), although he voted twice against it, and made a speech this session on both sides of the fence, says that perhaps he is against it, but to-day he don't know. Now what does government ownership mean ? The western man believes, and is not far wrong, that with government ownership he would get lower rates by the easy process of squeezing the politicians, than he could obtain from a company line. The annual deficits arising from the unprofitable rates would have to be met, not by him alone, but largely by the people of the old settled parts of Ontario and Quebec, who are served by company lines ; in other words, the latter would not only have to pay company rates for the hauling of their own products, but to submit to be taxed for the transportation of those from the west, which to some extent enter into competition with theirs—a state of affairs they would hardly appreciate. The leader of the opposition must see that the equities of the case call for one of two things—either all the lines in the country should be purchased and operated by the state, or existing state lines like the Intercolonial should be turned over to company control. In no other way can even-handed justice prevail throughout Canada in the important matter of rates.

There is a point, however, which the western settler is apt to overlook. Suppose we did extend the Intercolonial to Winnipeg, Edmonton or Port Simpson, what would it do for branch lines ? Does any one imagine that the government could build such lines paralleling or in direct opposition to those of the Canadian Pacific and Canadian Northern, which have been bonused by the people and in which a great amount of private capital has been invested without imperilling the public credit ? To put it more strongly, can any one suppose that any government, Liberal or Tory, could do so without incurring the stern opposition of those two companies and having to face it in the cabinet chamber, and above all, in the party caucus ? And what, in all likelihood, would be the attitude of the members from the older provinces, who, it is well to remember, still control parliament ? In the case of the proposed Grand Trunk Pacific, Ontario and Quebec set much store on the fact that, as a child of the Grand Trunk, it will have the advantage of direct connection with the network of Grand Trunk lines and branches in those provinces ; will be able, that is, to collect merchandise going west and distribute products coming east at minimum cost. Such an alliance is manifestly of just as much importance to the western settler. But if we had to depend on an extension of the Intercolonial, as the leader of the opposition suggests, it would either have to do without feeders in Ontario and Quebec or build them in opposition to existing lines, which would create the same difficulty as before.

But supposing the scheme of the hon. gentlemen opposite should be carried out, and the road should be extended as far west as Winnipeg or Edmonton, where are they going to get branch lines to it ? Do you suppose, Sir, that when the hon. gentlemen come into power in 2005,

Some hon. MEMBERS. Hear, hear.

Mr. COWAN. I use the 2000 advisedly, but I will take off the five—suppose that in the year of grace 2000, the hon. member for West Toronto (Mr. Osler) should happen to be a member of the government, being still Canadian Pacific Railway director and member of its executive, bondholder and stockholder, and that there should be a combined arrangement for running powers between the Canadian Northern and Canadian Pacific Railway ; suppose that the member for West Toronto, the financial critic, should be the Minister of Finance in this country, would not that government road have a sweet time getting branch lines against the Canadian Pacific Railway? Supposing that I throw off 75 years and assume that the opposition should chance to come into power

in 1925, and that the Intercolonial should be extended to Winnipeg, I wish to ask the members of this House in all seriousness what freight would be turned over to the Intercolonial by the Canadian Pacific Railway and the Canadian Northern if it lay in their power to divert it from the government road? Are they going to hand over to the Intercolonial the freight which they can carry by the Soo line or by the other line of which I spoke this afternoon on a shorter haul, with better grades and through a better country. Is the philanthropy of the Canadian Pacific Railway going to rise up in the interests of the taxpayers of Canada and hand over to the government road freight which they could themselves carry, and deprive themselves of the advantages they would obtain by hauling it down to the seaboard over their own line? No dreamer on the opposition side of the House would suppose that, not even the hon. member for West Toronto (Mr. Osler), not even the maiden who was asleep in the Midsummer Night's Dream, when he soared into the fairyland of poetry. But, Sir, it may be said that the hon. member for West Toronto would be outvoted or outinfluenced by the ex-Minister of Railways and Canals the hon. member for South Lanark (Mr. Haggart), who might be back at his old post. We have not had much experience of the construction of railways under the direction of the hon. member for South Lanark (Mr. Haggart), but I presume that we would have the same sort of economy and care as he exercised in the construction of the Curran Bridge and the Tay Canal. I was very much amazed to find that on page 877 of the unrevised 'Hansard,' the hon. member for South Lanark said that the Intercolonial could be run and have a profit of from $1,000,000 to $1,500,000. Did the hon. member for South Lanark (Mr. Haggart) believe that? If he did, I call his attention to the fact that when he was running the Intercolonial he had a deficit in every year but one of from $500,000 to $1,000,000. When this government came into power—and here again we see the association and that spirit of camaraderie between the leader of the opposition and the Canadian Pacific Railway Company—when we came into power in 1896, we found an agreement in existence between the Intercolonial Railway and the Canadian Pacific Railway, such as never existed between any other two railways. By this agreement the Canadian Pacific Railway ran over the Intercolonial Railway from St. John to Halifax. The Canadian Pacific Railway ran a passenger train one-half hour ahead of the Intercolonial Railway. The Canadian Pacific Railway train was filled and the Intercolonial Railway train came thundering along half an hour afterwards, empty. The Canadian Pacific Railway train I think was drawn by an Intercolonial railway engine without expense to the Canadian Pacific Railway, just for the accommodation of the public, and the philanthropic Canadian Pacific Railway pocketed the proceeds and the fares. That is a sample of government ownership under the hon. gentlemen opposite. Not only that Mr. Speaker, but Intercolonial freight clerks and Intercolonial Railway ticket agents could not suggest to any man who wanted to travel or to ship a pound of freight that he should travel over or ship his freight by the Intercolonial Railway.

Mr. Blair, who has been quoted so often by hon. gentlemen opposite in this debate, repudiated that contract and cancelled it. All the bouquets which they then showered on that hon. gentleman did not grow in hot-houses, and the language they used in describing his conduct is not to be found in John Wesley's hymns. That was a contract, Sir, detrimental to every man, woman and child in Canada except the Canadian Pacific Railway stockholders. Where then was the hon. the leader of the opposition? Was he then asking for a government ownership, for cheaper rates, for reduction of burdens? No, Mr. Speaker, the oracle of to-day was then silent as the mermaid by the sounding sea. He did not then exclaim to the people of the Dominion: that is a contract which is not in your interest, but in the interests of the Canadian Pacific Railway. No, he opened not his mouth, except to abuse the ex-Minister of Railways, Mr. Blair, for having cancelled that agreement. Hon. gentlemen on that side exhausted all their energies, eloquence and argument in abusing us because we dared cancel that contract. They poured out on us all the vials of their wrath, and all for what? Simply because their ally the Canadian Pacific Railway was being hurt. I say, that if that is the way the hon. member for South Lanark (Mr. Haggart) is going to save to the country a million and a quarter dollars, he reminds me of that old, old story of the boy who was asked if his father was a Christian, and who replied: yes, but he has not been working at it lately. This streak of prudence, this streak of economy, this sudden zeal to husband the resources of Canada and make them yield a profit instead of a loss—all this depends upon where the profit or the loss is going. Take the record of these hon. gentlemen from the beginning, and you will find that, wherever the interests of the Canadian Pacific Railway clashed with those of the Dominion, these hon. gentlemen have always been ready to rise and defend that great corporation. Only one man among them all has ever manifested a spirit of independence and said a word against the Canadian Pacific Railway in favour of the interests of Canada, and that man was a former member for Toronto, the editor of a great newspaper, Mr. John Ross Robertson. I ask you, Sir, if there is a

man in this country who, when he considers the facts, when he considers how these hon. gentlemen abused us for having cancelled that contract and when he considers their readiness to have this government purchase the lean section of the Canadian Pacific Railway around the north shore of Lake Superior and thus enable that company to unload it on to the suffering, generous and unsuspecting public of this country—will any man who considers all these things believe that there is not some all-compelling influence behind these hon. gentlemen? Is it any wonder, that when the hon. the leader of the opposition finds himself confronted with so remarkable a record, he should feel bound to excuse himself by saying that the scheme he proposes was not suggested to him by the hon. member for West Toronto or the Canadian Pacific Railway? Well, I do not suppose that the Canadian Pacific Railway magnates made a personal suggestion to the hon. gentleman. There are always more ways than one of doing a thing, but does anybody believe that this scheme, propounded by the opposition, did not emanate from the Canadian Pacific Railway? Is there a man, woman or child who does not believe that the Canadian Pacific Railway were behind it, lock, stock and barrel, and that the hon. member for West Toronto was loading the gun, poor though the ammunition may be, ready to fire it in favour of an enterprise that would swell the coffers of this company and milk the Canadian people? Mr. Speaker, there cannot be any other conclusion arrived at; but if this scheme was never suggested by the Canadian Pacific Railway to the leader of the opposition, then did you ever in all your life see a man so under the influence of this immense corporation that he does its bidding and tries to pull chesnuts out of the fire for it without being asked to do so? So my hon. friend can hang himself up just on whichever horn of the dilemma he pleases. A few moments ago I made the statement that the late Sir John Macdonald was opposed to government ownership, and if the House will bear with me, I shall give it convincing proof of my statement.

Sir John Macdonald had a great deal to do with launching the Intercolonial and had to keep himself informed regarding its management both by the commission which he had appointed and by the government directly. He justified its construction by government chiefly on the ground that it had to be built in a hurry in order to obtain an imperial guarantee of bonds, to which a time-limit had been attached. Reading his speeches, however, one can see that he grew tired of the incessant clamour in parliament and the press about frauds and shortages, bankrupt contractors and contractors and employees who had made fortunes with suspicious ease. All this taxed his patience, for he had to defend it in the House, and so, after a while, we find him desirous of turning over the operation of the line to a company. (Commons reports, April 12, 1870). 'The construction of the road,' he said, 'was one thing, the working of it another; and after construction the government might lease to the Grand Trunk or to the company spoken of by the hon. member (Mr. Connell, of Carleton, N.B.)'; and he went on to confess that 'if the railway were worked by the government, it would be subject to the evil of having political friends appointed to positions for which they were not well fitted.' At a later day, when the Canadian Pacific project was up, the recollection of the Intercolonial led him to pronounce emphatically against both government construction and government operation, ('Hansard,' January, 17, 1881):

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

Sir John Macdonald was a great statesman, a man of whom every Canadian, irrespective of his political opinions, may be justly proud. Hon. gentlemen from that side of the House show their respect each year on the anniversary of his death by making speeches at the monument erected in honour of his memory and placing flowers on his tomb. I would then commend to these hon. gentlemen the utterance of their own leader, given in 1881. If the reasons he then advanced were good as regards the construction of the Canadian Pacific Railway, they stand good to-day. When the hon. leader of the opposition desires to quote any authority, I ask him to quote authority that is respected on his own side, and that carries weight with us all.

Mr. Speaker, I have already detained the House too long. I need scarcely say, in conclusion, that it is my intention to vote for the project before the House as being one well calculated to promote the best interests of the people of the Dominion. And I shall give a more than willing vote against the amendment, which I believe would result, if carried into effect, in placing, not only the farmers of the west, but the manufacturers of the east and the fruit-growers of my own constituency more than ever in the hands of the Canadian Pacific Railway. The interests

of my constituents are identical in principle with the interests of the rest of Canada. To-day, owing to the high rates that are charged by the Canadian Pacific, American fruits are carried from the other side of the Detroit river to the Northwest, to the exclusion of a better article grown by our own people, backed by Canadian capital--the product of our perfect Canadian climate and of skilful and intelligent Canadian labour.

Mr. E. GUSS PORTER (West Hastings). Mr. Speaker, if it would not bring the blush of shame to my face or provoke a feeling of disgust in this House, I should feel like offering my congratulations to the hon. member for South Essex (Mr. Cowan) on the manner in which he has apparently rehashed some of the back-country speeches that he is accustomed to deliver in the riding from which he comes. While we must admire, in a certain sense, the hon. gentleman's performance, we must admire also the evident pleasure with which the hon. gentleman listens to his own voice, as well as the air of confidence with which he presents what, to his mind, evidently is an excuse for the project offered by the government, known as the Grand Trunk Pacific Railway deal. But I have noticed, during the short time I have been privileged to occupy a seat in this House, that the hon. gentleman presents with the same air of confidence, and in the same musical voice, whatever case he may have to offer, whether that case be good or bad. These things do not, therefore, inspire me with confidence in the ideas the hon. gentleman expresses. Any one who listened to the hon. gentleman can hardly have failed to observe that during the greater part of the two hours and some minutes which he occupied with his speech, he addressed himself to matters wholly foreign to the question under discussion. He took pains to point out with a great deal of particularity what he deemed to be errors of the Conservative party in regard to the C.P.R. project, but it is to be observed that he carefully avoided any defence of the scheme proposed by the government. He talked at great length of the good qualities of the United States of America, and of what the people there had done in constructing transcontinental roads, as well as of the advantages which that country had reaped from those enterprises. But he carefully avoided any discussion of the Grand Trunk Pacific Railway which is now engaging the attention of this House. Very much to his discredit, as it seems to me, he alluded to the remarks of the hon. member for West Toronto (Mr. Osler) in a manner not becoming to any hon. member of this House. But, while he spoke in this way of a fellow-member, he saw fit to eulogize the officials of the Grand Trunk Railway. For these reasons, and on account of the way the hon. gentleman has approached this question, I will refuse to follow the course he has adopted; and I refuse, as I believe every hon. member on this side will refuse, to enter upon the line of discussion pursued by the hon. gentleman.

It has been well said that truth is stranger than fiction. That that statement is true one would not require any better evidence than would be afforded by a perusal of the contract and the supplementary agreement entered into between this government and the Grand Trunk Pacific Railway Company. If the first knowledge one had of this remarkable contract were gained from reading it in some book, one could easily believe it to be the production of an imaginative genius like Edward Bellamy, and a fitting sequel to his celebrated story 'Looking Backward'; unless one might confound it with the popular nursery story by Rudyard Kipling, which tells us how the elephant got his trunk. For, Sir, I think it would require the vivid imagination displayed in the one, or the sublime innocence exhibited in the other, for one to believe that such a story as we read in the pages of this Grand Trunk Pacific contract could possibly be told in the cold world of fact. The story by Rudyard Kipling, to which I have made reference, being a nursery story, may not be familiar to members of this House. But, to my mind, it is a very apt illustration of the progress of events in this contract between the Grand Trunk Pacific Railway and the government. It is related by Kipling in that story that formerly the elephant was possessed of a short, stubby nose as big as a boot. But the elephant was filled with what the author calls 'satiable curtiosity.' He asked many questions and found out many things. One day the elephant conceived the idea that he would try to find out what the crocodile had for dinner. So he visited the marsh where the crocodile is well known to inhabit, and when he approached and asked the question, he found the crocodile a most obliging companion. He was induced by the smiles and wiles of the crocodile to approach closer and closer, until, arriving near enough, the crocodile grabbed him by his short nose, and then the tug of war began. The crocodile pulled in one direction and the elephant pulled in the other, and it was only when the crocodile had succeeded in stretching that short nose to the length of five or six feet, that the elephant was enabled to shake him off. The elephant, with its long trunk before him, thought it would be an encumbrance, and that it would continue with him through life. But he soon discovered that instead of its being an incumbrance, it was a very useful appendage, for he found that he could reach up and pluck bananas from the trees instead of waiting until they fell to the ground, as he had to do before. If he wanted to eat grass, he could pluck it from the ground with his trunk instead of getting down on his knees as before. He found it to be a useful weapon of defence, so much so, that he became the terror of the whole neighbourhood in which he roamed. I think, Mr.

Speaker, that fairly illustrates the relative position of the Grand Trunk Pacific and this government. Originally the Grand Trunk Pacific Railway nose only reached as far as North Bay. When it reached that far they approached this government and were anxious to find what they had that the Grand Trunk Pacific might possibly want. They found this government a most obliging companion, as the elephant found the crocodile, and they were coaxed along by degrees until such time as this government grabbed the nose of the Grand Trunk Pacific, and then the tug of war began. At first the nose was stretched out as far as Quebec, and finally it was stretched as far as Moncton before the Grand Trunk Pacific could shake this government off. And, Sir, the Grand Trunk Pacific Railway at that time were inclined to kick. They thought this stretch had been too great, that this unusual appendage would be an incumbrance to them. But they soon found, like the elephant, that it was a very useful thing to have. They found that by the agreement entered into by this government and themselves they were able to pluck the bananas in the way of profits arising out of this road, that they were able to free themselves from the obligations and responsibilities that would otherwise be imposed upon them. And so they found it a most valuable assistance in defending themselves, both against this government and against this country, until they have grown to be not only a terror to the government but a terror to this country in which they are to obtain a foothold.

Last session, Sir, I took occasion, when this Grand Trunk Pacific Bill was under discussion, to express at some length, my views upon the measure generally, and to give some of the many reasons that justified me in my opposition to that enterprise as set forth in the agreement accompanying it. I would not now make any further remarks upon the question, but for the fact that this government has seen fit, during the recess between last session and this session, to alter, modify and change that agreement and the terms under which that road was to be constructed according to the original agreement brought down to this parliament. Now, it might be supposed by my constituents, or by those who have any interest in my conduct in this parliament, if I kept silent, that these changes and alterations had wrought a change in my opinion, and that I had become converted to the policy that is now advocated by the government in regard to building this road. I may say, Sir, as I took occasion before to say, that with the original proposition of the Grand Trunk Pacific to build a line from North Bay westward, I was in hearty accord, and am now in hearty accord with that proposition if it be surrounded with proper safeguards and restrictions. I believed the original proposition to be not only advantageous to the Grand Trunk Pacific Railway Company, but also beneficial to Canada in assisting to solve the transportation question, so seriously menacing the western part of this country. But, Sir, I as strenuously opposed the construction of the eastern division that has been tacked on to the original proposition of the Grand Trunk Railway as I enthusiastically supported the western division, because I could not, after carefully considering the whole question, bring myself to the conclusion, either that it was a good business proposition for the Grand Trunk Railway, or one that could possibly be for the general advantage of this country. On the contrary, I was convinced that the proposition was one that was detrimental to the general interests of Canada, and that the late Minister of Railways and Canals has properly characterized it when he said in this House that it was a wholly unjustifiable waste of public funds.

In arriving at that conclusion, I did not do so obstinately, I was not influenced merely by the fact that, as a member of the opposition, I might be expected upon general principles to oppose a measure that had been brought down by the government; but I did so only after giving this matter as full, careful and honest consideration as I was capable of, and as the subject deserved. During the days and weeks that this matter was under discussion at the last session of parliament, I listened attentively to the arguments advanced by hon. members on the government side of the House, in support of the proposition, and the general principles advocated by them as reasons why we should support that scheme. I also listened as attentively to the criticisms offered by this side of the House, to the scheme, and I carefully considered the amendment that was offered by the leader of the opposition. Upon the case as then presented, I came to the conclusion that I then expressed and now repeat. During the recess, I have taken occasion, as it presented itself to me in my travels about the country, and in my associations with all classes of people, to endeavour by inquiry, and by conversation with them, to ascertain if possible the condition of the public pulse and to ascertain what the popular feeling was in regard to this matter. Well, Sir, instead of having my opinions changed or my convictions in regard to the original scheme removed. I may say that my opinions on that matter have been very much intensified, and I am firmly convinced that outside the circles of contractors, grafters and parasites who expect to enrich themselves and to enrich their friends at the expense of this country, public opinion of this country is very strongly opposed to this proposition.

But, Sir, notwithstanding the very cogent reasons urged against this scheme from this side of the House last session, the modifications, alterations and improvements suggested, yea, pressed upon this government, whereby the interests of this country might have been safeguarded and obligations placed upon this railway company commensurate with the great advantages it was receiving from the country, bad as was the whole scheme, what do we find now? Do we find this business government coming down to this parliament with a supplementary agreement wherein the weakness of the old agreement as far as this country's interests are concerned are removed, or whereby any modifications, alterations or improvements formerly pointed out by this side of the House to be to the advantage and in the interests of the people are embodied? Do we see any of these objectionable features removed and any provisions substituted that would recommend the scheme to the favourable consideration of the people? Do we see any of these things? No, to the shame of this government, be it said, we have not any such programme as this presented to us. On the contrary, bad as the original agreement was, loudly as it was condemned by the people and the independent press, notwithstanding that it involves, as the late Minister of Railways and Canals said, a useless and extravagant expenditure and waste of public money, notwithstanding its detrimental effect on vested rights in the Intercolonial Railway, the assumption of obligations by this government which must prove to be a heavy burden for many years to come even upon this young and prosperous country, notwithstanding the detrimental effect it will necessarily have upon the development of the magnificent waterways of the country upon which this and former governments have already expended many millions of dollars and which are to-day calling out for a supreme effort on the part of the government for their completion and for the solution of the all important question of transportation. What is the nature of the programme that we have presented to us to-day? Instead of this government doing anything for the advantage of Canada, not satisfied with the neglect they have already been guilty of, we actually find this government presenting to this parliament for ratification a supplementary contract or agreement granting still further benefits to this Grand Trunk Pacific Railway Company by removing the few safeguards with which the original contract appeared to be surrounded and imposing additional obligations upon the Canadian people, imposing obligations, which, to my mind, can be characterized as nothing less than a crying shame. If the Canadian people had the right to complain of the terms of the first contract, and I submit they were amply justified in so doing, they have a still greater right to feel aggrieved at the terms of the modified contract as now submitted which is nothing less than an outrage upon the rights of a free people. The very best evidence, perhaps, that could be offered that this scheme, as far as the eastern division of it is concerned, is conceived in dishonesty and born in fraud is the fact that there is an eastern division at all. Who asked for this eastern division? What necessity has been shown for it? What certain benefits or advantages are the promoters able to show will be derived from it? The strongest possible case they have been able to make out is only problematical, with the probabilities very strongly against the proposition. What have the Grand Trunk Pacific to do with this eastern division? Are they to finance it? No, the government have to do that. Are they to build it? No, the government have to do that. Are they to operate it? That is optional. Are they to pay interest on the cost by way of rental? Only in case they operate it and then only if they are able to do so from the earnings and then only after a period of ten years. Sir, this government have to expend $70,000,000 odd of the money of the people in the construction of this portion of the railway and then hand it over to the Grand Trunk Pacific to make what profit can be made out of it free of charge. If it is to be a money maker why do not the government who will build, who will pay for it and who will own it, control it as well and make a profit out of it or use it to the advantage of the Canadian people both as to the profits to be earned and as to the rates to be charged upon it? The Canadian people who are paying for it are at least entitled to this, but they are in this matter denied the ordinary rights of an owner. They are told: you shall not have the profits to be derived from this road. It is enough for you to have the privilege of building and paying for this road and we prefer to give to the Grand Trunk Pacific Railway Company for nothing these profits rather than give them to the Canadian people in return for their $76,000,000 odd. That may be putting it in strong language, but nevertheless, that is practically what the government are saying to the people. And saying this they ask: Why should not the people of Canada be thankful and express their gratitude by retaining this government in power for having treated them with such generosity? Under certain circumstances it is just, it is humane, to put to death the fallen victim, rather than he should suffer the pains and agonies inflicted by the foe that struck him down, but in this case, as badly as the government have wounded this country by this Grand Trunk contract, they are not able to cause its death. It is bound to live in spite of the injustice done to it by the gov-

ernment, it is bound to prosper and I can only conceive that this government have in this matter permitted it to live apparently in order that it may be subjected to still greater humiliation, degradation and spoliation at the hands of a party whose extravagance knows no bounds and whose desire to plunder this country is evidently insatiable. On the other hand, if this eastern division is not to be a money maker, if there are to be no profits, and if therefore the government in giving it to the Grand Trunk Pacific Railway Company for fifty years are giving away nothing, then how in the name of common sense can this government justify its construction at all or the expenditure of this enormous sum of the people's money on this useless project? If there are to be no profits from this eastern division of the Grand Trunk Pacific Railway do the government expect, or will the people believe that the Grand Trunk Pacific Railway Company are going to operate and run this road for fifty years simply for the fun of it. Or do this government expect or will the people believe that in order to make it profitable the Grand Trunk Railway Company will ruin their own lines by diverting the trade that legitimately belongs to them from their many auxiliary lines already existing and upon which they have expended many millions of dollars and build up a traffic upon the eastern division of this road in which they have not one dollar of interest, in which they have no interest of any kind or description unless it be the interest mentioned by the hon. Minister of Justice (Mr. Fitzpatrick) when he said that the patriotism of the Grand Trunk Railway Company and the people of the west would furnish traffic for this Grand Trunk Pacific road?

Sir, I venture to assert that the patriotism of the Grand Trunk Pacific can be well measured by the number of dollars that will be flowing into its pocket, and if any such hope lurks in the mind of any member of this house, or of any man in this country, I would advise him to banish any such idea because as surely as the sun shines in the heavens, that man will be doomed to disappointment. Will it be said then, that the government are building the eastern division of this road, and under the contract they have with the Grand Trunk Pacific, they are going to compel them to operate that road for the next fifty years, win or lose? In other words, if it were a losing venture, will this government put into bankruptcy, and ruin the Grand Trunk Railway Company which has done so much to assist in developing this country? The Minister of Justice speaks of the patriotism of the Grand Trunk Pacific Company, and of the people of the west. Dare he entertain such an idea, much less give expression to it with such a gag, as I have already mentioned, in the mouths of the Grand Trunk Pacific Company? Will the government take such a position: that having the power in their hand, having the thumb screw so as to speak within their grasp, they will turn it down and squeeze the patriotism out of the Grand Trunk Pacific Company? I venture to say that the government would not dare to take such a position, nor do I believe that the Grand Trunk Pacific Company are such idiots as to enter into such a contract as that. And as the best evidence of that, we see that in the altered contract that is brought down to the House now, the few threads that were left upon the thumb screw by which this government might have used some power, or exercised some influence to see that the Grand Trunk Pacific Company were carrying out their contract in the interests of this country; these few threads are removed, and in their stead we see new obligations assumed by the government, and the Grand Trunk Pacific Company relieved from other obligations. And, instead of the government being possessed of the thumb screw, we find under this altered contract that the Grand Trunk Pacific Company have not only the thumb screw upon this government, but they also have the torture rack known as the 'no foreclosure' clause in this contract, by which they would be enabled to further compel this government to protect their enterprise. In view of these facts, is it not perfectly apparent to any person who would give the matter careful consideration, that the eastern division of this road has no connection with the Grand Trunk Pacific Company whatever? There is neither community of interest, community of property, nor community of profit. Why then burden this railway with the name Grand Trunk Pacific at all? Why not at least give it a name that will indicate to the world that it is built by the Canadian people, owned by the Canadian people, and will be operated for the benefit of the Canadian people? Let it be shown forth in its true colours, and if it is to be a valuable asset of this country, as hon. members of the government side of the House would have us believe, then in all conscience let the people of this country at least have the benefit that will be derived from a Canadian name being given to the road. But no; this government has seen fit to deny even this modicum of comfort, or that advantage to the Canadian people. But there is method in the madness of this government, and herein lies the strongest possible evidence of the iniquity of this whole scheme. Had this government dared to dissociate this part of the scheme with the business-like portion of it, as originally advanced by the Grand Trunk Railway, or to honour it with a name that would show it to be a purely government enterprise; it would carry upon its face its own condemnation. There would be absolutely nothing to recommend it to the people of this country;

it would be apparent that going from nowhere to no place, it would have nothing to support or feed it. It is to run through a portion of this country wholly unknown, so far as appears from the speeches of members on the government side of the House, or so far as any information has been gained by members on this side of the House ; it goes through a country wholly unexplored, wholly unknown as to its adaptability for agriculture, for mining, for timber, or for settlement. Its direct competition with the Intercolonial Railway, and the detrimental effect it would necessarily have on that road, and the great expenditure in its construction for these useless purposes would rise up as mountains of condemnation against such a scheme, and it would be perfectly apparent that the only object that any government could have in foisting such a scheme on this country, would be to satisfy the hungry maw of contractors and jobbers, and supply the government perpetrating such a scheme with the means of retaining itself in power against the honest convictions and opinions of the electors of this country. The connection of this eastern division with the Grand Trunk's original proposition, and giving it the name of the 'Grand Trunk Pacific Railway,' serves the purpose of this government in attracting public attention away from the real objects of the government, and it enables them, when their sins are discovered, to point to the Grand Trunk Pacific Railway Company and to hold themselves blameless. And, Sir, it appears to me that this government is only taking another step to cover up their tracks and to hide their sins, when they adopt a course contrary to the previously declared principles of the Liberal party, of constructing this eastern division under commissioners instead of under a minister of the Crown, responsible alike to this parliament and to the people of this country. No matter what irregularities, or improprieties may arise in the construction of this road, this government can take advantage of that position and point to the commissioners and say : they did it ; they are responsible for it and you cannot hold this government responsible under the circumstances. This government has already in that matter shown its fine Italian hand by offering to the premier of the province of Quebec, the chairmanship of this construction commission.

That gentleman is said to possess no knowledge whatever of railway construction and to have no special qualifications for such a position. At the same time it has been said, and no doubt truly said, that he possesses all the necessary qualifications of a successful liberal politician. Since that hon. gentleman has seen fit to decline the appointment of chairman of that commission, and as it is probable from the appearance of things in Toronto that there will very soon be another Liberal premier out of a job, I might suggest that this government should not allow all the good things in connection with the Grand Trunk Pacific Railway to slip through their fingers before the premier of Ontario has been provided for. His well known temperance qualifications and his association with those purists in Toronto would amply qualify him for a position of emolument under this Liberal government.

When the original agreement with the Grand Trunk Pacific was introduced in this House by the premier, with his well known eloquence and force of language, he urged upon us to an unusual degree the necessity of prompt action. Time would not wait and delay in adopting the programme of the government was declared by speakers on the other side of the House to be almost criminal. We were threatened with disaster from the revoking of the bonding privilege and we must avert such a calamity by adopting the government's programme without delay. Stagnation in moving the products of the west was so great that we were told by the government supporters that we were likely to lose the benefit of that traffic altogether if we did not act on the spur of the moment. The opposition were taunted with being obstructionists because they had the courage to offer amendments to this contract which they considered to be in the interests of this country. The government declared that the terms of the contract were as fair as they should be, and unceremoniously rejected every amendment to it that was offered from this side of the House. They said that no alteration could be made and that the contract was binding between the government and the country. Every member on this side of the House felt that the amendments were not offered simply for the purpose of opposing a government measure but were offered in all sincerity, because they were believed to be, and were shown to be, in the interests of this country. The government could not see its way clear to adopting even one of these amendments or to suggest any amendments themselves. Their position then was that of a counsel, with brief in hand, defending the position of the Grand Trunk Pacific as against the people of this country whose advocates they should have been. Under the contract as originally introduced, a deposit of $5,000,000 in cash was to have been made by the Grand Trunk Pacific to the credit of this government, and opportunities were offered for the expenditure of such sums of money as were never equalled in the history of this country. The $5,000,000 was almost in sight, the letting of these contracts to the faithful friends of this government was almost in reach, and as soon as this scheme began to take form, a close student of events could see the change that was coming upon this government. Soon hints were given out that a

general election was approaching. When the eastern division from Winnipeg to Quebec was added to this scheme, what had been a hint became a general rumour and when the additional branch from Quebec to Moncton was suggested what was then a general rumour became almost a certainty. Warnings were issued through the public press to the supporters of the government to be ready, conventions were being held all over this country and candidates were placed in the field, literature was sent out by this government in large quantities, although fault was found with the Liberal-Conservative party for doing the same thing and for making preparations. The $5,000,000 was almost within reach and everything was going along serenely when suddenly the startling information came that the Grand Trunk Pacific was not going to make the $5,000,000 deposit in cash and the still more startling announcement was made that the Grand Trunk shareholders were not willing to ratify the contract made with the government. The $5,000,000 and the opportunity of letting contracts were gradually slipping away from the grasp of this government. What was the government to do under these circumstances? The Grand Trunk Pacific had this government by the throat. The government had already expended thousands of dollars of the people of this country in forcing this measure through this parliament.

They had committed themselves by saying that they could not wait. They had practically shut out competition against the Grand Trunk Pacific in the construction of this road, which they had declared to be a necessity. They had assumed obligations in regard to the Quebec bridge, which their friends had acted upon and which could only be justified by the carrying out of this scheme. They had lost their former Minister of Railways (Mr. Blair) in the shuffle, who, on leaving them, had subjected them to the most severe criticism that language could possibly express, and therefore to have allowed this scheme to fall through would have justified the condemnation which that hon. minister had visited upon his own government. They had prepared for a general election by putting through their iniquitous gerrymander Bill and this Grand Trunk Pacific contract. Surely this government was at that time in a very sorry plight indeed. What were they to do? Is it any wonder that under these circumstances, at a general meeting of the shareholders of the Grand Trunk Railway in London, Sir Charles Rivers-Wilson should have made use of these words: We expected such a scheme would be carried through without in any way engaging the credit of the shareholders of the Grand Trunk meeting. He pointed out the violent opposition that was offered from this side, which has prevented the cherished object of the Grand Trunk Pacific from being attained, and he alluded to the second agreement entered into between the government and the company as a possible means of still effecting their desires.

And Lord Welby said: 'We have driven the Canadian government into becoming absolute partners with us.' It is no surprise that these gentlemen gave expression to such language. The surprise is that they did not give expression to even stronger language. Their language is moderate compared with the facts, but it may be said in this particular instance, perhaps, without credit to this government, that they have shown themselves equal to the occasion and are not going to be caught twice at the same game. Last session they relied on the undertaking of the Grand Trunk Pacific, that as soon as the necessary legislation was put through this House, a deposit of $5,000,000 in cash would be made by it and the contract entered into carried out. But the government found that the Grand Trunk Pacific did not respect any mere promises that it made any more than has the government paid respect to the many promises it has made to the people of this country. But, Sir, before bringing this supplemental agreement down to this parliament for ratification, the government took pains to see that they would not be caught at the same game again. They took the precaution to see that $5,000,000 in cash was snugly deposited in the bank to their credit and that the subsequent agreement, which they are now asking parliament to affirm, was ratified by the Grand Trunk Railway shareholders. So that now this government are in a position which they did not occupy last session. They will be in a position, after they have forced this legislation through parliament, to demand delivery of the goods for which they have paid the price.

This government has condescended to offer some explanation for the calling of this session at so late a day, and for the modification of the contract with the Grand Trunk Pacific, but I have heard no explanation or excuse made for its subsequent determination to abandon its intention of holding general elections last fall. I do not think, however, that the real reason is very hard to discover. The $5,000,000 cash which were to be deposited by the Grand Trunk Pacific and the opportunities for letting the contracts which would accompany such a scheme had slipped away, and the possibility of gaining an election in this country without those aids seemed very remote. It was no doubt these considerations which determined this government to hold another session and abandon the idea of holding an election last fall.

Let me for a few moments deal with this amended contract, or supplementary agreement as it is called, and to point out some of its features, some of the things which, to my mind, show conclusively that this gov-

ernment is not dealing honestly or fairly or openly with the people. Let me call attention to the clause 2 of this agreement. By clause 2 it is stated, notwithstanding anything contained in the twentieth and twenty-ninth paragraphs of the said contract, the company shall, when it shall have completed the construction of the said western division in accordance with the terms of the said contract as hereby amended, and shall have supplied rolling stock to the amount of $15,000,000, if the eastern division, shall not then have been constructed and completed by the government, be entitled to the return of their deposit.

What I desire to call attention to, with regard to that clause in the contract, is simply this. Why were those words inserted :

> If the eastern division shall not then have been constructed and completed by the government.

If it was the intention, as no doubt it always has been, that as soon as the Grand Trunk Pacific had completed the western division of the road and supplied the rolling stock as provided by the original agreement, the deposit made with the government should be returned, why was not this government satisfied to express this intention in so many words ?

Why not leave the matter as it was expressed in so many words in section 13 of the agreement, as it appears in the statute, chapter 71 of the statutes of last year. Are not the insertion of these words clear notice to the people of Canada that this government does not intend to construct this road in eight years or, perhaps, at all ? At any rate, it leaves this government an opportunity of playing upon the words of this section; it leaves it open for them to say : Oh, we could not build this portion of the road for reasons that have since appeared. But they will not say so until it shall have answered the purpose of the government in deceiving the electors into believing that it will be built. But Liberal members will say : If you do not believe that it is the intention of the government to build this portion of the road, why make such a fuss about it ? The words can do no harm. My answer is that I make a fuss about this clause of the contract, because it is being used by the government of this country to deceive the people into believing that the road will be constructed, though the government have no intention of carrying that out. This is being used for a dishonest purpose, to secure unfairly the support of the electors for the government. As I read this clause, it is practically a guarantee to the Grand Trunk Pacific Railway that this government will not build, and, consequently, the Grand Trunk Pacific will not be required to operate or to furnish the rolling stock for this portion of the road. Now, let me refer the House to another clause of this contract—clause 3. This is a most peculiar clause. It reads as follows :

> 3. Pending the completion of the eastern division by the government, the company shall be entitled to lease from the commissioners, to be appointed under said Act, and to operate such portions of the said eastern division as may from time to time be completed, but upon such terms as may be agreed upon between the company and the said commissioners.

Now, what obligation does this clause place upon the railway company ? Absolutely none. It is absolutely nosensical, so far as I am able to understand. What does it provide ? Merely that, until the last spike is driven, until this portion of the road is fully completed in every part, the Grand Trunk Pacific are not under obligation to operate it. The clause does not say that they shall lease and operate it ; it simply says that they may lease and operate it. If this government should build a hundred or five hundred miles of this railway from Winnipeg eastward to nowhere in particular, does any one believe—can any one believe—that the Grand Trunk Pacific Railway Company are going to lease and operate that portion of the road ? If this government builds a hundred or five hundred miles of this railway from Quebec westward to no place, does any one believe, or can any one believe, that the Grand Trunk are going to lease and operate it ? The Grand Trunk Pacific Railway Company are not such idiots. The clause serves no purpose whatever, except that, on the surface, it looks well and will assist this government in pulling the wool over the eyes of the people. Let me refer also to clauses 7 and 8 of this celebrated contract. I will not take the time of the House to read these clauses, but will merely state the effect of them. Clause 7 provides for the government exercising its rights in case default shall be made by the company in the payments of interest on the western division. And, as has already been pointed out by hon. members on this side, it provides that the government shall not have the ordinary right of foreclosure as against the railway company. It provides that the government may, upon default being made by the railway company, take possession of the road and operate it, paying one-fourth of the net earnings to the railway company and the other three-fourths may be applied by the government in reduction of the debt owed by the Grand Trunk Railway Company to the government. But I desire to point out one thing in this connection. By the original Act, as it passed in this parliament during last session, it was provided that upon the interest becoming in arrears from the Grand Trunk Railway Company to this government, that interest should continue to bear interest until it was paid by the company. But section 8 of this celebrated agreement is inserted here, and it wipes that out altogether. Let me read that section :

8. Should possession be taken as aforesaid, the right of the government to such possession shall terminate if and when the application of the proportion herein provided of the said surplus tolls and revenues shall have paid off——

What ?

—all arrears of interest.

When the government uses the words 'All arrears of such interest,' can they have reference to anything else than the arrears of interest owed to the government by the company at the time the government takes possession and control of the road ? And it is provided by section 6 of the agreement that the government cannot take possession or control of the road until at least five years of interest is in arrears. I need not call the attention of this House to what an enormous sum five years' interest upon the expenditure of this government upon the western section of this road will amount to. But until there has been default for five years the government will have no right to take control or to make any endeavour to pay themselves the debt owed by the Grand Trunk Pacific. And what I desire to point out is that the government will receive no interest on the millions of dollars of debt that will be owing by the Grand Trunk Pacific. From the moment they take possession of the road the payment of interest by the Grand Trunk Pacific to the government will cease notwithstanding the government will continue to pay interest upon it. I ask what justification is there for such a contract between this government and this railway company ? Is there any justice in this government paying the money of the people in the form of interest on a debt owing by the Grand Trunk Pacific Railway Company, and the entire exoneration of the company from the payment of interest to the government ? I shall only call attention to one other paragraph of this agreement, as nearly every paragraph has already been brought before the House. I refer to clause 11 of the agreement, which provides :

11. In case, during the currency of the lease of the eastern division, the company shall have constructed a branch line or lines running from a point or points in the said eastern division, the government shall, if at the expiration of the said lease, it shall determine to undertake the operation of the said eastern division, take over such branch line or lines as the company may elect not to retain, at such value as may be agreed upon.

To my mind, that clause is one that cannot be justified or defended. The country is tied hand and foot by that clause to buy and pay for these branch lines. It pledges itself to take such lines as the Grand Trunk Railway have found to be of no use, or found to be unprofitable and disadvantageous, and that too, not at their real value but at a price to be agreed upon. It seems to me that this government cannot acquire any of the other branch lines, no matter how desirable they may be or how necessary they may be for the successful operation of that road by the government. It is entirely a matter of option on the part of the Grand Trunk Pacific, it is a matter of compulsion on the part of this government. How easy, it appears to me, and how equitable it would have been to provide that the government might acquire such of these branch lines as it deemed advisable to take over for the operation of this eastern section, or to preserve the rights of both parties by a provision as to running rights over the same.

I need scarcely point out, Sir, that by the government's present scheme the line is proposed to be built from Quebec to Winnipeg north of Lake Nipigon and Lake Abitibi, no other places than these two being touched, great centres like Fort William and Port Arthur, in Ontario, and Montreal are left entirely unprovided for so far as the rights or interests of this country are concerned. But in order that traffic may reach these points and in order that traffic may be derived from these points, the Grand Trunk Pacific Railway Company have taken good care to see that they are given a right to build branch lines to these places, and that they will build such branch lines there can be no doubt, and perhaps they will build many more. Now if, at the expiration of fifty years, it appears desirable that this government should operate this eastern section, it could not reach any of these important points by these branch lines unless the Grand Trunk Pacific saw fit to allow them to do so, and it is safe to assume that the Grand Trunk Pacific would not see it in that light. Now while that is the case, the Grand Trunk Pacific would have it in their power to compel this government to buy the branch lines that it did not require for the operation of that road, and that the Grand Trunk Pacific were anxious to get rid of, and thus saddle that further obligation upon the people of this country.

I may also point out on this occasion that before the government can get rid of this jug-handled agreement it will have to declare at the end of fifty years that it will not operate this road, and no matter how advantageous its operation by the government may be, it must either give up the advantages of operating the road, or it must put itself under obligation to buy these useless branch lines. So that no matter which course it may pursue, it is bound to lose and the interests of the country are bound to suffer. To what extent, no one can tell, because it is impossible to foretell or to forecast what profits will be made out of the operation of that road, or what sum of money this government may be condemned to pay for these useless branch lines. In such an event as the government not choosing to operate the road, in order to rid itself of liability in regard to these

branch lines, the prior right of operating the road under a renewal of the lease is reserved to the Grand Trunk Pacific, thus having this government tied up so that it is bound to lose no matter which position it may take. The Grand Trunk Pacific is in a position to dictate its own terms to the government as to the renewal of that lease. Now, Sir, within the last day or two there has come to light, through the efforts of that valuable and energetic newspaper, the Montreal 'Daily Star,' an article which impresses itself upon my mind as of such importance that I feel I would be warranted in reading the whole of it to this House in order that it may be placed upon the records for future reference. It is a document which will become a part of the history of this country, it is a document which, to my mind, condemns the policy of the government in regard to this Grand Trunk Pacific scheme, in language perhaps more forcible than has yet been used in the debate on this question. It is a document which shows the dishonesty of this government, a document which shows that from the commencement of this matter this government has not been dealing fairly and honestly with the people of this country. It is a document which not only condemns the principles advocated by the government but which applauds, if I may use the expression, the alternative proposition that has been offered by the leader of the opposition in this matter. At the risk of being somewhat tedious I may be permitted to read this article. The memorandum I may say, which I am about to read, is one which, according to the publication that I have under my hand, was in the possession of this government so long ago as the 10th of December, 1902. This document demonstrates that while the policy of this government is a policy of opportunism in regard to this matter, is one for political party advantage, the policy advocated by the leader of the opposition and his supporters is a policy of construction, a policy of advancement along national, intelligent and patriotic lines. It is a document in which two principal features are involved : First, the principle of government ownership, and secondly, the best and most advantageous manner and location of a third transcontinental line.

This document, I may say, is one which is penned by the hand and is the production of the mind of one who, at the time it was written, was the most able exponent on the government benches of this important transportation problem. This document to my mind, accounts in a large measure, for the extraordinary conduct of this government in not allowing the author of it, the late Minister of Railways and Canals, the Hon. A. G. Blair, access to the councils of the cabinet when this deal was being put through. He was not allowed in on the ground floor, so to speak, in conducting the negotiations with the Grand Trunk Pacific Railway Company. It also furnishes some key to the great haste displayed in rushing this Bill through before the matter contained in this document might become public property, and I do not wonder that the hon. member for South Essex, in closing his remarks to-night, felt the importance of this document and realized the condemnation that it visited upon this government. Now, permit me to read this article :

As the attitude which this government will take on applications likely to come before it at an early day to aid one or more large railway projects may possibly depend upon a proper understanding of the question of government ownership of railways in Canada, the undersigned has deemed it to be his duty to lay certain facts and considerations before his colleagues. In doing so, he has only endeavoured to present a summary of the leading facts and arguments which suggest themselves in this connection, without attempting to elaborate the main points or deal at all exhaustively with the subject.

It was only natural when this question has been heretofore mooted that the unsatisfactory showing made by the Intercolonial in times past should be pointed to as conclusive proof of the unwisdom of extending the policy of government ownership in Canada. This system has been deemed unsound because in the only instance in which the experiment has been tried, namely, in the case of the Intercolonial, the direct financial results appear, by comparison between the government road and corporation railways, to have been most unfavourable to the former. In many of the countries of Europe, such as France, Germany, Belgium and Italy; in India, South Africa and notably in the Australian colonies, the principle of government ownership has been recognized and indeed almost exclusively adopted ; and, under conditions just as serious as those prevailing in Canada, so far as political influence is concerned, these railways have been uniformly successful.

Why is it, one may fairly ask, that in Australia, where it is known the stress of political pressure is undoubtedly as great, if not greater, than in Canada, these railways not only pay all operating charges, but yield a return on an enormous capital outlay of from three to five per cent ? while the government railway in this country until very recently, has failed to meet its operating expenses out of earnings. The reason must be sought in other directions than along political lines. So great is the disparity between the results in this country and those in Australia that no amount of waste, leakage and inefficiency, even corruption, if you will, can possibly account for it.

The undersigned admits that it devolves upon him, in making out his case in defence of government ownership in Canada, as compared with that of corporation railways, to furnish a satisfactory reason to account for the financial disparity which exists between the two systems. That such disparity does exist cannot be questioned. But does such disparity exist because the Intercolonial Railway is owned and operated by government ? That is the question. To assume that the policy of government ownership is unsound because the Intercolonial Rail-

way does not show a respectable surplus, as is done by the corporation railways, is to arrive at a hasty and unwarrantable judgment. To reach a proper conclusion one should first ascertain if the circumstances and conditions which obtain in the two systems, and which control results, are identical or, at least, nearly enough alike to make the comparison a fair one. No such inference as that government ownership is a failure can be predicted upon the test which the Intercolonial Railway affords, if a comparison of financial results is simply made and no inquiry is had into the underlying facts.

It is admitted at once that the net earnings of the Intercolonial Railway are trifling as compared with those of the Canadian Pacific and Grand Trunk. The Canadian Pacific and Grand Trunk have been able to pay dividends to their shareholders out of surplus earnings. The Intercolonial has until lately barely paid working expenses. But that ample reason exists for these different results, a few facts and a little reflection will show. First, the location of the Intercolonial road was not governed by commercial, but by political considerations. No one ever expected that the road so located would yield any direct return upon its cost. It was projected to form a political bond between the widely separated maritime provinces and the older provinces of Ontario and Quebec, the western terminus then contemplated being the city of Quebec. For military reasons it was constructed as far away as possible from the American boundary. It pursues an extremely roundabout and tortuous route in reaching its western terminus, and in so doing, it passes along a large portion of its line, through the most sparsely settled and least productive portions of the country. If traffic had been the object aimed at the road would have been built along the valley of the St. John river, but business considerations were subordinated to military and high state reasons.

Neither of the two great railway systems in Canada with which the Intercolonial is compared has been so handicapped ; but, on the contrary, they have traversed the most productive, populous and promising portions of the country. Under such circumstances, if there were no other reasons to be assigned, can the Intercolonial be considered as affording a fair test of the possibilities of government ownership ? The undersigned ventures to affirm, with some confidence, that it does not. In addition, there is scarcely a section of the government railway which is not handicapped by a keen and active water competition. A glance at the map will show how closely the road follows the St. Lawrence and sea coast almost throughout its entire length, and that neither of the two great corporation railways are subject to such a disability.

A much more important fact with respect to the government railway remains, however, to be stated. The operation of the Intercolonial by government has secured to the people of all Canada who have access to it, moderate and stable rates of transport, applied to all alike, and absolutely free from discrimination. That discriminating rates do not exist on the Intercolonial is absolutely proven by the facts that no one ever hears of complaints upon that ground with respect to purely Intercolonial traffic. The same cannot be said with confidence of other great railway systems. Secret and preferential rates are not only possible on corporation roads, but are being from time to time proved to exist on some, notwithstanding that difficulties in the way of proof are considerable ; while on the government road the public are sure of fair and equal treatment.

Mr. Blair continues :

It has no doubt come to be an accepted theory, on account of the persistency with which it has been asserted apparently by both political parties in turn, that a government road cannot be run with any approach to economy and efficiency, and that in the very nature of things government cannot bear favourable comparison with corporate management.

The undersigned is unable to agree with this generally accepted opinion, and, on the contrary, confidently affirms that in his judgment the Intercolonial will bear favourable comparison in any branch or department of its service with any other railway in Canada. There is a prevailing public impression that corporation railways are free from the kind of pressure and influence which many believe enormously prejudice the interests of the Intercolonial. Such an impression, the undersigned believes, is an entire mistake. The Intercolonial has no monopoly in Canada of these conditions, nor are the corporation railways, either in the United States or Canada, free from their effects. It is well known that railway companies are constantly seeking favours from municipal councils, from legislatures, and from parliament, and they naturally desire to stand well with the people of influence. It is only necessary in the support of this statement to mention one fact within the knowledge of many persons, that free passes are distributed by the company railways in Canada with a lavishness which finds no parallel on the Intercolonial.

The president of one of the great railways in the United States gave the undersigned much light on this question in a recent interview. He said it was a great mistake to assume that railways in the United States were free from political and other forms of pressure, that directors and leading stockholders were always pushing to secure appointments for friends, and increases of salaries or wages for persons whose employment they had secured ; that members of state legislatures could do a railway much harm or render it much useful assistance, and the railways found it to their interest to conciliate these and to extend favours to other parties. Percentages and commissions on purchases for the companies, in spite of diligent watchfulness, he was satisfied found their way into the pockets of employees, and ' knocking down,' as it is called, by collectors and conductors in the service, occurred notwithstanding the vigilance of an organized detective system. Whether waste and leakage occur in companies' roads in Canada to the same extent as they are alleged to prevail in the United States cannot be either affirmed or denied by the undersigned ; but he would be a bold man who would say that the government railway suffers from these causes and that the railway companies do not. While referring to this subject the undersigned desires to record his high opinion of the excellent character of the services rendered by the employees of the Intercolonial, and the zeal and courtesy shown by those connected with the train service in particular. If, however, it be assumed that there may be unfaithful employees in the service of the Intercolonial, and notwithstanding careful supervision, the faithless officials cannot be discovered, is it not

equally fair to assume that the company railways suffer in precisely the same way and to a proportionate extent ?

Assuming that there are waste and extravagance on the Intercolonial Railway, there must surely be a method of ascertaining where, at least, waste and leakages occur, especially when the amount involved is sufficient to represent the difference between a considerable profit and an actual loss. We are told the Intercolonial Railway is a 'sink hole,' into which hundreds of thousands of dollars of the people's money is annually sunk. If this were true to any appreciable extent whatever, the channels through which the sink hole is reached can surely be traced. The undersigned has exhausted every effort himself, and has called into requisition all the aids he has been able to command in his department, without being successful in discovering either that the waste or the channels exist.

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The observations thus far made by the undersigned amply justify the conclusion that it is quite misleading to look for a fair test of the principle of government ownership in the experience of the Intercolonial, or to condemn that principle as inherently defective because in the comparison of net results the showing as between the corporation railways and the government railway is unfavourable to the latter. There is no good reason which can be suggested, or which, in the opinion of the undersigned, actually exists, why the government of Canada cannot apply and work out the principle of government ownership as successfully as it is being worked out in other British dependencies and in foreign lands. The main object to be attained in railway administration is the highest efficiency at the lowest cost. The Intercolonial has come closer to that point than any other railway in Canada, and if other than high state considerations had influenced its location, it would now be enjoying a most successful career. Politics have never seriously hurt the government railway since it has been in operation. The deadliest blow ever dealt to this railway through politics was when its present location, between Moncton and Lévis, was decided upon. Politics can never inflict equally serious damage again except by operating against the proper extension of the Intercolonial Railway and preventing the absorption of desirable branches as feeders for the main line. The railway between St. John and Halifax, after the first eight or ten years of its operation, it is believed, has paid interest out of earnings on the capital invested, and has since contributed to keep down the deficiency arising on the less productive portions of the road.

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The undersigned may possibly be asked by his colleagues who have followed this memorandum, to what end this argument is leading. The object had in view may be frankly avowed. It is to remove, if possible, any prejudices which may exist against Intercolonial administration, and ensure a fair and open-minded consideration of the policy of further government railway extension. Not a little progress has already been made upon the Intercolonial by improved equipment, heavier engines, larger cars and other means towards securing better net results. Much remains to be done. The trebling of the working capacity of trains without increasing the number of train hands has alone been equivalent to a substantial saving of cost, although this improved equipment has only been partially effected, and is still in course of installation.

The recent cattle traffic secured to the Intercolonial, carried as it has been more rapidly over the greater mileage of the government road, and in a manner extremely satisfactory to the shippers, has been a most excellent advertisement of the Intercolonial Railway throughout the western provinces. It has fully justified the assertion frequently made by the undersigned that the Intercolonial Railway could successfully compete with the Canadian Pacific when the improvements in contemplation were in operation.

And now, Sir, comes what to my mind is the most important part of this valuable document. The ex-minister goes on to say :

There is one certain means of putting the Intercolonial upon an interest-paying basis, and that is by the extension of its line. The Montreal extension has done much, but a further extension will do more. While the government railway has captured the larger part of the traffic originating in Montreal and destined for inland eastern and even export points, it has no connections west and is allowed to take only what traffic the two corporations railways do not care to retain themselves. All winter shipments from the west ordinarily reach the seaports of St. John or Portland via the Canadian Pacific and Grand Trunk, respectively, and, although the Intercolonial is fairly well placed to carry freight to Halifax and St. John, it must always remain excluded from that portion of the business arising west of Montreal, so long as present conditions continue.

The undersigned has long held the opinion that a port on the Georgian Bay should be reached by the Intercolonial, and thus a connection had with the Canadian Northern by water transport, open and practicable for from four to six weeks longer than canal navigation. The Canadian Northern would gladly co-operate with the government railway, as it has no other railway connection nor any interest antagonistic to the government system. Duluth and Chicago would be in touch with the Intercolonial, and direct through rates could be arranged to Montreal or Lévis during the summer season, and to St. John and Halifax during the winter. By the construction of storage elevators on a sufficient scale to hold grain in quantities not going forward until navigation closed, a large and ever-increased traffic would find its way over Canadian territory and by government railway to the ocean through the gateways of Halifax and St. John.

The advantage of such extension to the Intercolonial can hardly be over-estimated. If the Canada Atlantic system were acquired a traffic-producing section of the country, with a growing local business already created, would be found on the western portion of the line ; while St. John, Halifax and Sydney at the other end would equalize the existing conditions and carry the intermediate section—a section which, it is only fair to say, has within the last few years shown signs of considerable progress and before the lapse of many years may be expected to be self-sustaining.

To the undersigned, it has always appeared as if no good reason, founded upon the highest political wisdom, existed why the province of Ontario should not be traversed by

the Intercolonial. That province has been the storm centre of all opposition to the government railway. The most violent critics of the Intercolonial in parliament, as well as its most bitter opponents in the press, are to be found there, and this is because no considerable section of the people has any direct friendly interest in the railway. Relatively few people from that province travel over it. It does not touch the province, and Ontarians have been rather brought to look upon it as an ill-run and wasteful, if not corrupt, institution, tied like a mill-stone around the neck of the country, to be endured only because it was a part of the national compact, and as a piece of public property which they would gladly see transferred to the corporations for the relief of the Dominion exchequer. This feeling does not arise from sectionalism, but is rather a prejudice, fostered and accentuated by both political parties, each in their day having made a football of the question in their party conflicts. All this would be eliminated from Ontario politics as completely as the Intercolonial Railway has been eliminated from politics in the maritime provinces as the subject of party controversy, if the extension to the Georgian Bay were effected, and still more surely would this happy condition come about if it were a part of the policy of the government to extend the railway from Ottawa, or any other suitable point on the Canada Atlantic road, to the city of Toronto. Such a line on a favourable location, passing through a desirable section of the country, with a good promise of local business, it is said by persons competent to judge, could easily be found, and the question might well engage the early and serious attention of government.

Nothing, it would seem, could be devised in the way of a railway policy better calculated to strengthen the Liberal party in Ontario than this would do. If evidence were required to support this view it would be found in the enthusiasm with which the people of that province have approved the building of the Temiskaming Railway by the provincial government. Not a word is heard of the folly of government ownership in connection with that project. The fact is, public opinion is ripe to accept such a policy as a boon from the government, and as promising relief to the country from what, rightly or wrongly, people believe are the unreasonable exactions of the corporation railways. The resources of Canada are large enough to justify an enlightened policy with respect to railway and transportation problems in the west; but the government would not be supported in supplying such a policy to the west only. There must be a balancing of the railway favours to be distributed. It would be a grave political blunder to respond to the western cry—and it must be responded to—without seeing to it that the interests of the people of the east are not overlooked.

The memorandum continues:

Adverting again to the subject of rates and tolls on government railways, the opinion has been expressed that similar tolls would necessarily prevail on the government extended railway as are in force on the present main line, and, therefore, no improvement could be anticipated in a financial sense from such extension; but with this opinion the undersigned cannot possibly agree. Varying rates governing different portions of the same railway are not unusual in Canada, and such variations occur as to both local and through-traffic.

The Railway Act, in defining the powers of the Railway Committee of the Privy Council, and of the Governor-in-Council, to regulate and control railway tolls, expressly recognizes a difference in tolls on different sections of the same railway; and the Act goes so far as to say that, when differences in the circumstances and conditions exist, such, for instance, rates are permissible. There are two striking as those arising from competition, difference in illustrations of the actual existence of the variations had in view: One is furnished by the Intercolonial Railway itself in respect of the section between Lévis and Ste. Rosalie and Montreal. This is defensible on the ground that when the railway going westerly reaches Lévis it makes that place a common railway point, and the line to Montreal then becomes a commercial line, located on the shortest route, instead of continuing to take a longer and more circuitous course such as the Intercolonial Railway had followed up to that point. The other, a more striking illustration, is to be found in the case of the Canadian Pacific, upon which at least three or four different scales of rates, governing local as well as through-traffic, are recognized and established as between its western and eastern termini, on as many separate and distinct sections of that railway.

If the Canada Atlantic system were taken over by the Intercolonial, the tolls now in force on that line could be maintained. No complaints have been made with respect to these tolls. That they are moderate and acceptable to the people who use the railway is shown by the entire absence of agitation, public or otherwise, against them. That these rates are also profitable is shown by the net results for the year 1902, which amounted to $618,000, or 4 per cent on $15,000,000, after paying all operating expenses for the year and making a large outlay upon betterments.

The undersigned would point out how unreasonable and unwise it would be to reject a proposal for acquiring the Canada Atlantic for the purpose of Intercolonial Railway extension, if it is on its merits a good business proposition, solely because it is feared government may be compelled to cut down rates, already moderate, below a paying basis. Such a fear—founded at best upon mere conjecture—implies a weakness upon the part of government in Canada which is not found elsewhere, and would be an admission that the Canadian government and people are unable to do what has been successfully accomplished by other British colonies and dependencies.

From the Georgian Bay to Montreal the Canada Atlantic Railway line traverses a country which is not affected by water competition, the business upon which is increasing every year, and will continue to increase. Having traffic arrangements with such a railway as the Canadian Northern Railway, the Intercolonial Railway would reach a large traffic-originating section of the western country and would become one of the large produce-carrying, exporting and importing lines of the country.

From the purely Canadian, national point of view the Intercolonial would then have advantages over any other railway in Canada. Its traffic would find an outlet during the summer months at Montreal and Quebec, and during the winter at Halifax and St. John, and there

is good reason to believe that it would give the two Atlantic seaports (the Canadian Pacific also serving St. John), all the business they could conveniently handle for some time to come; and, moreover, from the point of view of its paying prospects, the outlook is in the highest degree encouraging. At present there are 400 miles of good paying railway at the eastern end of the Intercolonial Railway. Extension to the Georgian Bay, by way of the Canada Atlantic Railway, would give 300 or 400 miles of profitable railway at the western end, and, as has already been pointed out, these two ends together would be able to carry financially the less productive and intervening section and afford a substantial surplus towards paying interest on the capital outlay.

The undersigned, in concluding his memorandum on the subject of government ownership of railways, would wish to make a short reference to the project now in contemplation by the Grand Trunk Railway Company, or the leading parties connected with that corporation. Since the undersigned first called the attention of his colleagues to the necessity of devising some other method of ensuring the railway development of sections of the country needing railway accommodation, other than by bonusing or subsidizing companies, public opinion has made vast strides and is now very decidedly opposed to the policy, at least, on any large scale, or in respect of important lines which promise to become self-paying undertakings. Assistance in some form or another, it is alleged, must be given if railway needs are to be supplied, and assuming this to be the case. the question is : How shall assistance be rendered ? The undersigned has been of opinion that there are only two methods of assisting companies, in the case of such railways as have been alluded to, which would be seriously considered. One is by way of loan, payment being secured by mortgage upon the railway undertaking—the amount being limited to such sum as is required to put the railway in good working condition after taking into account the capital actually subscribed and paid in, and any sum borrowed on a first mortgage. Such a method would call for very careful supervision of the company's expenditure on construction and equipment, and would necessitate the taking of a second mortgage as security for the government loan. And it would be expected that only such enterprises should be aided in this way as would be likely to ultimately repay both principal and interest.

The other method would be by guarantee of the company's second mortgage bonds. This plan involves the same care and supervision as the first. While either of these alternative modes of aiding railway enterprises is to be preferred to the gift of a bonus or subsidy, even they are not free from grave objections.

The present disturbed state of public opinion with regard to railways and transportation arises from the feeling that tolls are excessive and discriminative. This feeling exists not only west of Lake Superior, but in Ontario as well. West of Lake Superior the great distance to ocean ports is a serious handicap, and any new transcontinental lines should be built under conditions which would make every dollar of bonds and every share of stock available in cash as near the face value as possible. If bonds may be disposed of by companies at a large discount, and stock distributed gratuitously, or on terms which produce little or no cash at all for construction and equipment purposes—which has been forbidden by law—the business, such railways may do will, for dividend purposes, be always unduly burdened and will be a grave handicap for all time to the development of the interior. With capital shares and bonds ultimately coming into the hands of innocent buyers at prices increasing with the growth of the railway traffic, it will be impossible for either a railway commission of the government itself to reduce tolls below a dividend-paying basis. An appeal from the holders of the company's bonds and shares, to fix tolls sufficiently high to insure a moderate dividend, cannot easily be resisted, and as a consequence the country through its business and traffic, is in effect as much charged, though indirectly, with the weight of these obligations as if the amount was covered by an issue of government bonds.

Moreover, the system is not sound. Why should a few people be allowed to make themselves millionaires in such a way ? No one nowadays puts his money into the capital shares of a railway company at the inception of the undertaking. It has been done hitherto ; it is not not done now, and why not ? Because with government assistance supplementing the sale of bonds the railroad can be built. And yet capital shares are issued by the million and appear later, when the enterprise becomes a success, in the hands of the purchasers who clamour for dividends upon them.

The objection to this system applies with great force to railways in our western country, where the drawbacks of a long haul to reach the market must always make a moderate or reasonable railway toll a vital consideration. It may not be possible to repair the errors of the past. It is possible to prevent their repetition in the case of new railway undertakings in the future, and the remedy lies in the immediate adoption of a policy which will ensure the construction of railways running east and west, and traversing our rich undeveloped regions in the west, under conditions which will limit the amount of dividends to be paid based upon the actual cost of these undertakings.

The ideal policy, as it appears to the undersigned, for the government to adopt, so soon as it shall be deemed necessary to take up the subject of a third transcontinental railway, would be to insure, first, that the railway shall be wholly Canadian. That it shall not promote the carriage of our export products or our imports southerly by way of United States lines of railway ; but to and from the St. Lawrence in summer and the ports of Halifax and St. John in winter. That the Quebec bridge be utilized as a part of said line, and that the railway be pushed westerly from that point by degrees to the Peace river district, through the Rockies to the Pacific coast. In the meantime, it would be well to decline all assistance to railways to which government is not already committed, and propose to parliament that railway charters covering this territory be withheld.

Such a policy as that above outlined, the undersigned believes would meet the hearty support of the Canadian people, would materially strengthen the government and would be regarded as both bold and progressive. The country is prepared to-day, as it has never been before, to assume large responsibilities in order to insure its fuller development, and gov-

ernment, if it fails to act, will lose a splendid opportunity of proving its capacity and courage to cope with and solve large problems in a manner commensurate with Canada's marvellous progress.

Can any one, after reading that memorandum, entertain any respect for the honesty, intelligence or patriotism of this government? This memorandum shows beyond peradventure the utter fallacy of the course now pursued by this government and the wisdom of that advocated by the opposition. It demonstrates that the policy of the opposition is in the interests of this country, and even now it would be well for this government to adopt and carry out that policy rather than pursue the course they are now doing.

The policy advocated by the late Minister of Railways in the article I have just read involves two questions. It involves, first, It involves, first, the question of government ownership, and secondly, the most advantageous location of the third transcontinental line. Concerning the first proposition, that relating to government ownership, I shall not trouble the House with any argument at present. As regards the second proposition, it involves the question whether the measure now before the House fills the bill. In the first place, does this proposed line relieve the congestion complained of? Well, no serious congestion east of Port Arthur has ever been found to exist, for the simple reason that from that point to Montreal there already exist several routes. There are the Canadian Pacific Railway, the all-water route, the Canada Atlantic road and the Grand Trunk Railway fleet and rail route. It will not be contended that these lines are not capable of handling all the present freight of the west, for years to come, and it is perfectly apparent that this projected railway cannot serve any purpose of relief except perhaps between Winnipeg and Fort William, but to relieve the congestion felt at these points, it is not necessary to have a long and expensive rail from Winnipeg to Moncton.

The second consideration is, will it reduce the rates? In this connection, I would call attention to this one fact, that four lines of railway already existing between the cities of Chicago and New York, having as perfect a road bed as possible, being equipped with the latest and most modern improvements, with the lowest possible grades and the longest possible curves and able to haul sixty cars in one train, and with the keen competition offered those four railways in the United States, we find that they cannot carry grain from Chicago to New York for less than 11 cents a bushel, and that mark you, for a distance of only 879 miles. I ask will the Grand Trunk Pacific reduce the rates? How can the Grand Trunk Pacific haul the products of the Northwest 1,400 miles, even admitting that it shall enjoy the same class of road bed and equipment as are enjoyed by these magnificent railways. Can it carry that grain 1,400 miles as cheaply as the American roads can carry it 875 miles? Upon the same proposition and figuring it on the same basis, the Grand Trunk Pacific cannot carry the products of that country from Winnipeg to Quebec at a less rate than 15 cents per bushel. It is perfectly evident from that fact alone, that this road will not have the effect of reducing the rates to the farmers of this country.

The third consideration that strikes me as involved in this problem, is; Will it connect the west with the east? It will certainly connect the west with the Quebec bridge; but it will not connect the west with Ontario or Montreal. I need not point out how very detrimental an effect it will have on those portions of the Dominion by reason of its want of connection with them.

The fourth and last consideration that strikes me as being involved in this question: Will this road carry Canadian products to Canadian ports. I shall only offer one observation in this connection. The bill as originally before the House and now in operation provides that unrouted grain shall be carried on Canadian lines. I have taken occasion to inquire from grain men and shippers generally, and they tell me that when they have any commodity to ship, they make inquiries from all lines interested in the carrying of these products and ascertain not only the quickest but the cheapest route by which they can ship. There is nothing in this Act that I can discover that will prevent the Grand Trunk Railway proper from using the Grand Trunk Pacific for a portion of the distance and then diverting the trade from that line to its main line and so carry it to Portland. The Canadian people, in my opinion, will object to being taxed to such an enormous extent as will be necessary to carry out this scheme, in order to build up the city of Portland. But they will not object to being taxed, and taxed heavily, to carry out a scheme in the interest of Canada at large, and build up Canadian ports, such a scheme as that advocated by the hon. leader of the opposition. The article to which I have referred is useful in one other respect—and I shall only make this further brief reference to it. It has been stated in this House by the right hon. Prime Minister that the ex-Minister of Railways and Canals was as strongly opposed to the proposition submitted to this House by the leader of the opposition as he was to the proposition submitted by the government. No stronger answer to that statement, no stronger condemnation of it, could be given than the memorandum I have read to-night penned by the hand of the ex-Minister of Railways and Canals himself. He says there, as distinctly and emphatically as

English words can express it, that he is opposed to the scheme proposed by the government. So strongly did he feel on this point and so completely had he the courage of his convictions, that he left the government and the proud position that he occupied rather than advocate the scheme that the government is advancing to-day. And in that document he just as strongly and emphatically endorses the proposition advanced by the leader of the opposition in this House, thus giving à direct and complete contradiction to the words used by the Prime Minister.

There is only one further matter that I will trouble the House with in connection with this railway project. It has more particular relation to the province in which I am particularly interested, the province of Ontario. In making the remarks I am about to make I do not desire it to be understood that I object in any way to the province of Ontario bearing its fair share of the burdens of this country. On the contrary, I say, and I think the history of the province of Ontario and of this Dominion will prove, that Ontario has always been ready and willing, without murmuring, to bear its fair share of the public burdens. But I do object, I most strongly object to, and protest against the province of Ontario being made to bear more than its fair share of the country's burdens, or being discriminated against and its interests sacrificed for the benefit of any other portion of the Dominion. When I say that Ontario has done more than any other province of this Dominion to advance its progress and development, I am not belittling the efforts that have been put forth by other portions of the Dominion. It is only right and fair that Ontario should do so. It possesses the largest population and the greatest wealth and is in a position to do more for the advancement of the country, perhaps, than any other part of the Dominion. But, while Ontario has always shown that willingness and has done these things, it has always received some consideration for the efforts it was putting forth on behalf of the Dominion. But what is there for the province of Ontario in the proposition that is now being advocated by the government. What advantages is Ontario going to derive from the carrying out of the policy of the administration? If the expectation of the hon. members on the government side are realized, Ontario would suffer disadvantages rather than gain advantages. By this scheme the country will be saddled with a debt which is estimated variously at from $150,000,000 to $170,000,000. That debt must be paid by 6,000,000 of Canadian people. It means a debt for every man, woman and child in the Dominion of $26 on the average. The province of Ontario, having a larger population than any other province of the Dominion, will be obliged to pay the greater portion of this

obligation. Let me make a brief comparison. Ontario with its population of 2,182,000 as compared with British Columbia and its 178,000, will be paying twelve times as much as that province. Compared with Manitoba, with a population of 250,000, Ontario will be paying eight times as much as that province. It will pay seven times as much as New Brunswick, with its 331,000 of population, and five times as much as the province of Nova Scotia with 459,000. Compared with the province of Quebec with its 1,648,000, Ontario will be paying one and one-third times as much as that province. As compared with the Northwest Territories, with their population of 213,000, Ontario will be paying ten times as much. And compared with the province of Prince Edward Island, Ontario will be paying twenty-one times as much of this debt that is saddled upon the country as the province of Prince Edward Island will pay.

Sir, it is worth noticing in this connection that every one of the provinces except Prince Edward Island and Ontario will meet the government expectations by receiving something for the outlay they will be obliged to undertake. But it is an entirely different proposition with the province of Ontario. To-day, by its magnificent railway system, by its water communication, that province enjoys a larger carrying trade than all the other provinces of the Dominion combined, and in perfecting it the province has expended and is expending millions of dollars. The possession of these facilities has been an important factor in building up the population, wealth, prosperity and contentment that are enjoyed by the people of that province. But what advantage, I ask, is Ontario to derive from the scheme now proposed? Instead of holding as it does now, the key of the transportation question from the west and enjoying that advantage which legitimately belongs to it, the result of this scheme will be to divert that trade from its natural channels through the province of Ontario, and send it hundreds of miles to the north of her business centres, and carry it to Quebec and Moncton to the great detriment of that province. For this reason I submit that this scheme is one that will not be to the advantage of Ontario, but it is one that will be very detrimental to her interests. The alternative scheme advocated by the leader of the opposition steers clear of all these shoals. It would provide what is necessary for her interest, it would preserve to Ontario her rights, yea, it would strengthen them, it would increase the advantages to Quebec and New Brunswick, and it would preserve the life of the Intercolonial. It would give to the government a controlling power over the freight rates to be charged for carrying products, it would give an impetus to our waterways, it would save millions of dollars of expenditure to

this country, it would show that the Canadian parliament preferred the interests of the Canadian people to those of the Grand Trunk Pacific, and it would be carrying out that principle which I believe every loyal Canadian advocates of 'Canada for the Canadians.' For these reasons amongst many others, I opppose the resolution introduced by the right hon. the Prime Minister, and I most heartily support the alternative proposition offered by the leader of the opposition.

Mr. FRANK OLIVER moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Mr. Fielding, House adjourned at 11.10 p.m.

HOUSE OF COMMONS.

FRIDAY, April 15, 1904.

The SPEAKER took the Chair at Three o'clock.

FIRST READINGS.

Bill (No. 57) to incorporate the International Bridge Company of New Brunswick.—Mr. Charles Marcil.

Bill (No. 58) respecting the Imperial Loan and Investment Company of Canada.—Mr. A. T. Thompson.

Bill (No. 59) respecting the Montreal Park and Island Railway Company.—Mr. Geoffrion.

Bill (No. 60) respecting the Kettle River Valley Railway Company.—Mr. Galliher.

Bill (No. 61) to incorporate the Thorold and Lake Erie Railway Company.—Mr. German.

Bill (No. 62) respecting the Welland and Grand Island Bridge Company.—Mr. German.

Bill (No. 63) respecting the Edmonton and Slave Lake Railway Company.—Hon. Mr. Costigan.

Bill (No. 64) respecting the Strait of Canso Bridge Company.—Mr. Wade.

PERSONAL EXPLANATION.

Mr. R. L. BORDEN. Mr. Speaker, before the Orders of the Day are called, I would like to make a reference to certain remarks which were made with regard to myself by the hon. member for South Essex (Mr. M. K. Cowan) last evening in my absence. I make this reference by way of personal explanation, as I have no desire to enter into any altercation with that hon. gentleman in regard to the matter to which he refers. In the first place, let me say that he referred more than once during his speech to my absence from the House. My absence from the House from five o'clock until six o'clock was for the purpose of having an interview with a gentleman who had come from a long distance to see me, and who was going away that evening. My absence after six o'clock was owing to a social engagement which I had made long before I knew that the hon. gentleman was going to engage in the debate. I did not know of his remarks until very late last evening, after the House had adjourned. He refers to a document from which I quoted in the course of my speech upon the resolution introduced by my right hon. friend the leader of the government. Let me state how I came to make that quotation and what I did really say—and in this connection I am quoting from revised 'Hansard,' which the hon. member for South Essex did not see fit to refer to in the course of his remarks. My right hon. friend the leader of the government, in the course of the debate on the address, at page 73 of the revised 'Hansard,' had used the following language :

> Mr. Blair stated that he was alone on the question. He could not side with the government on their railway policy, but he could not side with the opposition on theirs, because their scheme was a mad scheme.

On page 766 of revised 'Hansard' I said this :

> Let me quote what I believe to be the words of Mr. Blair, and which, if my information is correct, were communicated by him to his colleagues ; let me quote his views on the subject ; and if I am mistaken in any way as to the authenticity of this memorandum from which I am quoting, let me say that the words which I attribute to Mr. Blair and which, I believe, were used by Mr. Blair in discussing this matter with his colleagues, are words which carry great weight of themselves whether they are uttered by Mr. Blair or by any one else.

Then I went on to quote the words of Mr. Blair from the document to which I referred. Further on, at page 772 of revised 'Hansard,' I said this :

> If he ever used any such language with regard to the extension of the Intercolonial to Georgian Bay, he would have expressed himself absolutely in contradiction to what he said in a carefully prepared memorandum. In that memorandum Mr. Blair said this :

Now, the hon. member for South Essex commenced his remarks with regard to myself by attributing a disposition to me in the course of the debate which I do not think I showed at all ; and in that regard he used this language :

In this whole debate there seems to have been a desire, starting with the leader of the opposition down to the last and least, the hon. member for West Toronto, to throw some stones at reputable men and to indulge in a style of debate that has been hitherto unknown in this House.

I desire to disclaim, in language as strong as the usage of parliament will permit, any such disposition on my part in this debate. The hon. member quotes me in unrevised 'Hansard' as having used this language:

If he ever used any language with regard to the extension of the Intercolonial Railway to the Georgian Bay, he would have expressed himself absolutely in contradiction to what he said in a carefully prepared memo. In a memo. which he published, Mr. Blair said this.

These words do occur in the unrevised 'Hansard,' and as soon as I saw them, I corrected them for the revised 'Hansard'; for, to the best of my recollection and belief, I did not use any such expression as 'which he published.' I believe that to be a clerical error on the party of some member of the 'Hansard' staff; and as soon as I looked over the copy of the report which was supplied to me from the debates office, I corrected that, and it appears as corrected in the revised 'Hansard.' The hon. gentleman further refers to me in this way:

Mr. Speaker, that was an absolutely private memorandum from which the leader of the opposition quoted. It was marked 'confidential' on the top; it was printed for the fellow ministers of a cabinet minister, and for their use only, and it was stolen by some civil servant, the political ally of the hon. gentleman opposite. And on the 5th day of April, the leader of the opposition, having gained possession of that privileged communication; of that confidential memorandum, of that memorandum marked 'confidential' as between cabinet ministers; he read it in this House, and in order to cover up his tracks and in order to save himself from the charge being made against him, one of the grossest breaches of professional conduct and etiquette—not to say anything of political etiquette—that was ever ventured in any parliament wherein the English language was spoken; he said it was published.

If the hon. gentleman had been good enough—I will not say fair enough—to refer to the revised 'Hansard,' he would have seen that I had eliminated the word 'published,' which I believe I did not use. I desire to call attention to the fact that the revised 'Hansard,' containing that correction, had been distributed among hon. members of this House for some days before the hon. member for South Essex made the remarks which he did. He went on further:

The leader of the opposition knew very well that whether he found it or acquired it—and he did not find it; he got it and he got it wrongfully, and he knew when he got it that he had no business with that memorandum, and he knew it was got by reason of being stolen by some person in the employ of this government and to whom the kind hand of charity and forbearance has been extended by this government—the leader of the opposition knew that he might just as well find a private letter belonging to any man or any woman in the street, a letter marked 'private' and 'confidential,' and bring it into this House and read it; and then in order to cover up his tracks, make the misstatement that the matter was published.

I again call attention to the fact that before my hon. friend made this statement in the House, he had the privilege, if he had seen fit to do so, of looking at the revised 'Hansard,' and of seeing that that word, upon which he made the charge of a misstatement against myself, had been eliminated.

Now, coming to the charges of the hon. gentleman, I will pass over the charge which he has made against a large body of civil servants in this country, some one of whom—I do not know to whom he refers—he charges with having stolen this document. So far as I am concerned, I desire to state, in as strong language as the usage of parliament will permit, that that statement, so far as I know and believe, is absolutely untrue. I never at any time had any communication with any civil servant of the government, either directly or indirectly, with regard to any confidential business of this government; I never approached any civil servant of the government; I have never been approached by any civil servant of the government, whether Conservative or Liberal. When the hon. member for Essex (Mr. Cowan) makes the charge which he has made in this regard I say that he is speaking without the book and without any facts upon which to found his statement. My hon. friend (Mr. Cowan) goes on to say:

He got it and he got it wrongfully.

I say I did not get it wrongfully. I got it from a gentleman who was not in the confidence or employ of this government, who gave me that document without any solicitation on my part, without any knowledge on my part that it existed, and I did not even look at it for some hours after it was placed in my hands. It was placed in my hands without any restrictions whatever as to the use which should be made of it.

My hon friend (Mr. Cowan) goes on further to say:

He knew it was got by reason of being stolen by some person in the employ of the government.

I characterize that statement as absolutely and completely false.

There is one other matter which the hon. gentleman (Mr. Cowan) also brought to the attention of the House and upon which he has founded a charge against myself for the purpose apparently of making a charge against the hon. member for West Toronto (Mr. Osler). He refers to a typewritten document purporting to be a verbatim report of the pro-

ceedings at the recent meeting of the Grand Trunk shareholders. My hon. friend from West Toronto (Mr. Osler) is not in any way responsible for that document. My hon. friend from Essex (Mr. Cowan) said in reference to this :

Then, Sir, I have another precious document in my hands.

He then describes it, and goes on to say :

It came from the hand of the hon. member for West Toronto (Mr. Osler) who says he hired a stenographer, or that a stenographer was hired, to go into that meeting for the purpose of taking down the actual statements, word for word, as they were uttered.

I did not observe any such remarks in the speech of the hon. member for West Toronto (Mr. Osler) and I desire to absolve him at once from any charge of that kind by saying that this typewritten document, which was afterwards printed, was handed to Mr. Osler by myself—and that he is not in any way responsible for it. The only connection that my hon. friend for West Toronto (Mr. Osler) had with this document was that I placed it in his hands for the purpose of having it printed in Toronto because it could be done more expeditiously there than in Ottawa. He proceeds as follows :

Is there a man in Canada who believes any such fake report as that ? What was it got up for ?

And then further on he proceeds as follows :

Why the whole thing is put up for the purpose of trying to show that Sir Charles Rivers-Wilson either misrepresented the facts to his shareholders or that this government is disagreeing with his views, and in order to bolster that up, they pretended to have smuggled a shorthand reporter into the meeting, and this is the product of his literary genius. The hon. member for West Toronto (Mr. Osler) went to considerable expense ; he went to considerable trouble.

As I said before the hon. member for West Toronto (Mr. Osler) is not in any way responsible for that stenographic report or that typewritten statement which I placed in his hands. The language of the hon. member for Essex (Mr. Cowan) if it means anything, means that I, or the member for West Toronto (Mr. Osler), or some hon. gentleman on this side of the House deliberately got up a false and pretended report and presented it to this House as a true report of what took place at that meeting. Well, Sir, I say as I said before in answer to my hon. friend the Minister of Finance (Mr. Fielding) that that document is, to the best of my belief, a bona fide and fair verbatim report of what took place at that meeting. I so placed it before this House, I so delivered it to hon. gentlemen on the other side of the House. and if it is shown to me that that is not a fair, genuine and bona fide report, as I believe it to be, I am prepared to make any apology to this House that will be due to the House under those circumstances. Until that is demonstrated to me, I do not think that the language of the hon. member for Essex is called for, and indeed I would have supposed, if it had not been that these remarks were allowed to pass without any rebuke from the Chair, that some of them exceeded the ordinary usages and conventions of parliament. However, of that I do not in any way complain.

I have in my hands a copy of 'The Railway News,' published in London under date of Saturday, March 12th. This is a journal which has been published in London since 1844, as the title page alleges. It is called :

The 'Railway News, Finance and Joint Stock Company's Journal,' with which is incorporated the 'Railway Record, established 1844.

In the editorial columns of this journal there is a reference to the Grand Trunk Railway meeting and the concluding portion of that editorial reference is as follows :

For further details of this important meeting we would refer our readers to the report on another page. Cable advices from Ottawa since received, state that the ratification of the agreement between the company and the Canadian government gives satisfaction there, although the government confidently anticipated this result in view of the favourable arrangement.

I have gone over the report of this meeting in the 'Railway News.' I find that the report given by the 'News' of the speeches of Sir Charles Rivers-Wilson Mr. Hays, Lord Welby and Mr. Alfred W. Smithers from which I quoted in addressing the House on this subject, is, in all cases, substantially the same as that given in the document from which I quoted before this House. I took the pains to verify every quotation I made from the document referred to by the hon. member for Essex (Mr. Cowan) by comparing it with the report in this journal, and I find that in only one case was there any substantial difference. There are of course differences such as those which ordinarily appear between the unrevised and the revised edition of 'Hansard.' I am told by those who know how these meetings are reported that the reports of such meetings are always submitted to the railway company before they are published. In one of the quotations which I made from one of these gentlemen, Lord Welby, I find that the expression :

We have driven the government of Canada to become absolute partners with us in the expenditure on that mountain section.

—or some language of that kind is altered in the report in 'The Railway News' by the omission of the words

We have driven——

That is the only difference which I find between the report which I submitted to this

House and that which is published in the 'Railway News.' I, therefore, desire to say, so far as I am concerned, that this is not a fake document. It is what I believe to be a true document and certainly I presented that document to the House in good faith. In order that the House may have before it the report of this meeting as published in the 'Railway News,' and in order that members may appreciate how absolutely similar the report in the 'Railway News' is to that from which I quoted in the House, I am going to ask one of my hon. friends who will follow me in this debate to read the whole of this report from the 'Railway News,' which certainly does not come from any biased source. I should have added one thing further, and that is that in the report in the 'Railway News,' the speeches from the shareholders are not reported in full. The speech of Mr. Seal is not reported in full, nor was that of Mr. A. Smith, Mr. Bennett, Mr. Girdlestone, Dr. Drysdale or Mr. Allen, from the latter of whom I quoted as reported in full in the document I brought to the attention of the House. Therefore, Mr. Speaker, I merely have to say in conclusion that, so far as I am concerned, I regard the remarks of the hon. member for South Essex as absolutely and entirely uncalled for; and I take this earliest possible occasion of placing myself right before the House and before the country with regard to the matters to which he referred.

Mr. SPEAKER. I take it that the hon. member (Mr. R. L. Borden) moves the adjournment of the House?

Mr. R. L. BORDEN. I had not intended to move the adjournment, unless you think it necessary, Mr. Speaker.

Mr. SPEAKER. As I understand the practice, it requires that a motion to adjourn be made, even on a question of personal explanation. In any case, if I had not assumed that the hon. member intended to move the adjournment of the House, I think I would have had to call his attention to the point and ask if he intended to put himself in order.

Mr. R. L. BORDEN. I would direct your attention, Sir, to the fact that, when the hon. member for Digby (Mr. Copp) made a personal explanation the other day, no such motion was required of him.

Sir WILFRID LAURIER. (Prime Minister). There is a difference between the statement made by my hon. friend from Digby (Mr. Copp) and the observations that have just been made by my hon. friend the leader of the opposition (Mr. R. L. Borden). The hon. member for Digby simply made a statement, without controversial matter, denying an accusation that had been made. He gave an explanation and nothing more. But my hon. friend (Mr. R. L. Borden) was not satisfied with merely making a statement, but went into an elaborate discussion in defence of his own position—

An hon. MEMBER. And of that of the hon. member for West Toronto (Mr. Osler).

Sir WILFRID LAURIER. Yes, and sought to justify the course of that hon. member. Under the circumstances, I think that the observations of my hon. friend would call for a motion to adjourn. At all events I could not allow the hon. gentleman's observations to pass without comment, and I think a motion to adjourn would be proper. I do not know that I should move that the House adjourn, but I think that the House as well as my hon. friend will expect an answer to the statement he has made. The remarks he offered are significant in more ways than one, and I think they convey a lesson which the House will appreciate. In his impeachment of the language of my hon. friend from South Essex (Mr. Cowan) the first thing to which the leader of the opposition takes exception, is that my hon. friend from South Essex read from the unrevised, instead of the revised edition of 'Hansard.' I am very glad, for my part, that my hon. friend (Mr. R. L. Borden) has called attention to this point. He objects, and I think rightly objects, to his words being quoted from the unrevised, instead of the revised report. But I cannot but express some surprise that my hon. friend, under the circumstances, should insist so strongly on this point. What is the difference between the revised and the unrevised 'Hansard,' the unrevised contains the words 'in a memorandum which he published, Mr. Blair said this,' and so on. The hon. leader of the opposition objects to the words 'which he published.' He says he does not recollect having used those words. I can well understand that if he used them it might have been in the heat of debate, and that he did not intend to use them. The fact that they are in 'Hansard' would lead me to suppose that he had used the words without intending to use them. But he has the right to say that he did not intend to utter those words, and so he struck them from 'Hansard,' and that was all right. But, in the very speech to the report of which, in this particular, he takes exception, he used, to a large extent, a private report of a meeting of the shareholders of the Grand Trunk. I would like to ask my hon. friend if any member who took part in the discussion in that meeting of the Grand Trunk shareholders had any opportunity of revising that report? And, if not, should my hon. friend allow himself to read from a report published at first hand, which the persons whose language he intended to

quote, had no opportunity to revise? And if the charge made by the leader of the opposition against my hon. friend from South Essex is to be regarded, does it not apply with even greater force to himself, for having allowed himself to quote from a report which neither Sir Charles Rivers-Wilson, nor Mr Hays, nor any one else who was there reported, had an opportunity to revise? I must say that I was surprised that my hon. friend would use such a report. The other day I received as did other members, a printed copy of that report. I am informed that I am indebted for it to the courtesy of the hon. member for West Toronto (Mr. Osler). I am prepared to thank that hon. gentleman for his intentions; I cannot thank him for his action. If the hon. member for West Toronto had intended to do me a courtesy, he should not have sent this report to me or anybody else on the floor of this House, but should have sent it to Sir Charles Rivers-Wilson, Mr. Hays and these other gentlemen from whose speeches quotations were to be made, to see whether or not they took exception to the language attributed to them, as my hon. friend the leader of the opposition has taken exception to the words attributed to him in the official report of this House. No hon. gentleman of this House will hold himself responsible for the report of his words unless he has had an opportunity of revising that report. In these days of rapid movement, where everything is done at full speed, the reporting cannot be as accurate as it might otherwise be, and we know that it is not accurate. We have the best staff of reporters on the floor of any parliament. And still my hon. friend the leader of the opposition objects to the manner in which he was reported. Will he deny to others what he claims for himself? My hon. friend need not go to the extent of having the two reports compared. They are substantially the same in the main, just as the unrevised version and the revised version of his speech are the same in the main. There may be a few changes made here and there. But, one of these changes is enough to show that a man may be incorrectly reported and reported to his disadvantage. Under the circumstances, I think that my hon. friend laid himself open to the same charge as that which he has presented against the hon. member for South Essex.

Now, I pass to the other point. My hon. friend tells us that this statement of Mr. Blair, was not published by Mr. Blair. Yet, it is in my hon. friend's hand? How did it come into his hands? My hon friend did not steal it—nobody supposes that he did. He may have got it from somebody who did not steal it, possibly. Yet, it is in my hon. friend's hands. How this memorandum did not get into the hands of the public without the violation of law in some way, I cannot understand. For as I understand it, this is a confidential memorandum presented by a member of the Privy Council to the Privy Council. No member of the Council gave out that report, for that would have been a violation of the oath of secrecy which every member takes on joining the Council. My hon. friend said that Mr. Blair did not publish it. But it is published. Who then published it, who then gave it away? How has it come into the hands of my hon. friend? My hon. friend has not chosen to explain that. Somebody put it into his hands, he says; very true, I am prepared to accept that. But the man who put it into his hands, or who put it into the hands of the individual who gave it to my hon. friend, has surely stolen it somewhere. At all events, it is a purloined document which has been introduced into the debates of this House; as to that there cannot be the shadow of a doubt. It has been published for a party purpose, and somebody is responsible for the publication. But my hon. friend has taken good care to say that he did not affirm that the matter had been published; but he has gone so far as to say this, that somebody put it into his hands. My hon. friend then must have read the document after it was put into his hands, and he must have seen that it was marked 'private and confidential.' A member of the government who uses a public document is bound to lay it upon the table of the house; he is not allowed to divulge only a part of it, if he uses it it must be given entirely to the public so that the public may see what it is. My hon. friend though a private member has not done that. At all events, we are face to face with this fact, that my hon. friend has chosen, for the purpose of his cause, to make use of a document as to the origin of which he cannot answer in any satisfactory manner to this House.

Mr. R .L. BORDEN.—So far as I am concerned——

Mr. SPEAKER. I would remind the hon. gentleman that there is really no question before the chair.

Mr. R. L. BORDEN. There is this, Mr. Speaker, that under the circumstances I am entitled to make a personal explanation. If this document which my right hon. friend refers to had not been the production of a public man in regard to a public question, there might be some force in what he says. But I do not regard the statement of a public man in regard to a public question as confidential in the way in which the hon. friend regards it. I say that this is not the first that we have heard of documents 'confidential.' We have heard of this confidence before, when certain statements were made to the public of this country with regard to the fiscal policy that my right hon. friend, if he came into power, would adopt. We

have heard of confidential communications made to manufacturers in Montreal and Toronto with regard to some matter, and a statement as to that has been made on the floor of this House in my presence and not contradicted by any member of the government. Are these declarations of policy so made to the manufacturers confidential, if any one becomes aware of them ? Privately expressed opinions of public men regarding great public questions, are they to be always confidential ? Are they to be so regarded when they are intended to affect the political action of those to whom they are addressed ? These statements have been made in the House with regard to this matter. I do not regard Mr. Blair's opinions, speaking as a public man with regard to a public question, as confidential in the sense in which my right hon. friend regards them. There was not in this document any party secret, it was a question of public policy, it was a matter of Mr. Blair's opinion as to a great public question—that is all and no more—which I do not regard as confidential in the sense in which my right hon. friend uses these words.

Hon. W. S. FIELDING (Minister of Finance). If it be necessary to put myself in order I will, at the conclusion of my remarks, move the adjournment of the House. The words I shall use are exceedingly few. It would be a great misfortune if we should allow the real point of this debate to be lost sight of by the introduction of other matters. The document which my hon. and learned friend the leader of the opposition refers to, is not in itself of any importance, because it adds nothing to our information as to Mr. Blair's opinions. The House was aware, the country was aware, that Mr. Blair had favoured the idea of government ownership of railways. Therefore the document, in a sense, adds nothing to what the House and the country knew. But that is not the point. There is a well understood principle governing private and confidential documents, there is a well understood principle governing private property. If a man is found in possession of stolen goods the onus rests upon him of explaining how he received the goods. From that there is no escape. Confessedly, a document not in itself important—but that is not the point—a document bearing on its face the expression 'Private and confidential' came into the hands of the leader of the opposition. We do not accuse the hon. leader of the opposition of stealing the document, as my right hon. friend has explained.

Mr. POPE. You dare not.

Mr. FIELDING. No, because we are more considerate than hon. gentleman opposite, because we on this side dare not make a statement which is not founded on fact. It would be well if some hon. gentleman on the other side were equally considerate—but that is not the point. A public document bearing on its face the evidence that it is private and confidential finds its way into the hands of the leader of the opposition.

Mr. CASGRAIN. My hon. friend should have moved the adjournment of the House before speaking.

Mr. FIELDING. I have already intimated that I intended to do so. I have no intention of wandering over the whole subject and then shirking further debate by failing to move the adjournment. We have no desire to prevent the fairest, fullest and broadest discussion of this most extraordinary breach of the proprieties of public life. Again I say that a document bearing on its face the terms 'private and confidential,' comes into the hands of the leader of the opposition. It has never been published elsewhere, it has never been alluded to elsewhere, he is the first man to publish it—not the whole of it, but as much of it as suits his purpose. I say to my hon. friend that his own sense of fairness and justice must show to him that if he received that document in a proper manner it is due to himself and to his own honour and reputation that he explain how he got it. I say that the hon. gentleman stands in the position of one who has been found in the possession of stolen goods, and until he explains how the goods came into his possession, his honour as a public man is affected in the eyes of the people of Canada.

Mr. T. CHASE CASGRAIN. (Montmorency) Mr. Speaker—

Mr. SPEAKER. Mr. Fielding moves, seconded by Mr. Fisher, that the House do now adjourn.

Mr. CASGRAIN. It seems to me that hon. gentlemen are very much excited over the production of this document, very much excited over the publication of this document. It seems to have wrought upon their feelings considerably that this document, which they say was a private and confidential document, has been brought to the notice of the House. It must be a document which is very condemnatory of their conduct in the past, otherwise we cannot understand how it has become the subject of so excited a debate. Why, I never saw my friend the Minister of Finance so excited as he was when he got up a minute ago, and he is still pale under the emotions into which he wrought himself up. Sir, what are the facts. The facts are simply these—my hon. friend has explained them very candidly to the House. The Minister of Finance has spoken of stolen goods—I will revert to that in a moment—of stolen documents, of stolen letters. We will show where this impeachment should rest about stolen goods, stolen documents and stolen letters. What are the facts of this case ?

The right hon. leader of the government taunted my right hon. friend the leader of the opposition with putting a scheme before this House which had been called mad by the ex-Minister of Railways and Canals, the hon. Mr. Blair, and in answer to that taunt that was thrown over by the right hon. the leader of the government, my hon. friend the leader of the opposition quoted this document, or this memorandum from the hon. Mr. Blair. My right hon. friend says that it is a stolen document. Is it a stolen document? Is there anybody on the floor of this House who can get up and take the responsibility of saying: Who stole this document from Mr. Blair? Is there anybody who will take the responsibility of saying that this document was stolen from Mr. Blair, and of asking who stole it? Stolen from Mr. Blair? I deny this; it was not stolen from Mr. Blair. There is no evidence before this House that this document was stolen from Mr. Blair. My hon. friend says that after the right hon. leader of the government had spoken upon this subject and had declared that Mr. Blair had said that this was a mad scheme of his a gentleman came to him—

Some hon. MEMBERS. Oh, oh.

Mr. CASGRAIN. Does the hon. member for Saskatchewan know what the term 'gentleman' means?

Mr. SCOTT. May I be allowed to explain that I did not——

Mr. CASGRAIN. It was the hon. gentleman's neighbour to whom I referred; I did not mean you.

Mr. DAVIS. Mr. Speaker——

Mr. CASGRAIN. I cannot allow the hon. gentleman (Mr. Davis) to interrupt me.

Mr. SPEAKER. Order.

Mr. CASGRAIN. The explanation is given, and the explanation is that this document was placed in the hands of my hon. friend the leader of the opposition by a gentleman, and that afterwards my hon. friend the leader of the opposition used it. There is no man in this House who can bring any evidence whatever of the fact that this document was stolen from Mr. Blair. But, talking of stolen documents and stolen letters, we quite remember the fact which came to pass in 1873 or 1874, when letters were stolen from a desk in the House of Commons and put into the hands of hon. gentlemen opposite, who, knowing that these documents and these letters had been stolen, wilfully and wrongfully used them before the House. There is an accusation from which they have never been able to redeem themselves. The accusation which has been brought against them time and again is that they used stolen letters knowing them to have been stolen, and that they used them against this party. We have never rendered ourselves guilty of such a crime, and we will never do it.

Mr. A. B. INGRAM (East Elgin). Mr. Speaker, it is rather a serious matter to have a civil servant charged with the theft of this document, whether the document be a valuable one or not. It might be well to go a little cautiously before we make such a charge as that. I can give my own experience. I came into possession of a document a year or two ago bearing upon the conduct of the militia in South Africa. It came into my possession without the knowledge or consent of any civil servant or of any one connected with the government. I brought it before the House, and my reason was that on perusing the report of the Department of Militia and Defence I did not find in that report, published and circulated by the government, the information that I found in the document that had come into my possession. I brought the contents of that document before the House for the reason that it was in the interests of the militia of this country that it should be brought before the House, and for the reason that the officers of the department evidently reserved to themselves the right of saying what portions of the reports made by the militia in South Africa should be inserted in the departmental report. If the charge had been made that some civil servant in the Militia Department had given a private document to some member of this House it would have been a serious charge, and if any civil servant had suffered by any such charge having been made, he would have suffered innocently. In this present instance we have the statement made by the hon. leader of the opposition that no civil servant placed that document in his hands, and that no civil servant, or no person connected with the government, placed that document in his hands. Therefore, I say that no civil servant, in so far as my hon. friend the leader of the opposition knows, is guilty of that charge. Now, our hon. friends opposite have been worked up over this document having appeared in this House. They treat it as a very serious matter. Why? Because it is a confidential document. Mr. Speaker, I remember that since this government came into power they have not been so very delicate about the publishing of confidential correspondence. I know, as a matter of fact, that one department in particular published a report containing all the private correspondence in connection with that department and marked 'private.' Therefore, I say it does not quite become hon. gentlemen opposite to find fault with the hon. leader of the opposition for presenting that document to this House. I think if I perused the 'Hansard' of last session very carefully I would find some statements made by the right hon. leader of the government himself, in the debate on the Grand Trunk Pacific Bill, that were not in accord

with the statements contained in the document presented to the House by my hon. friend the leader of the opposition in this debate; in other words, that the Hon. Mr. Blair, who was then Minister of Railways and Canals, did disagree with the right hon. leader of the government in the matter that was being discussed by my hon. friend the leader of the opposition at that time; but since this document has come to light, I do not think the statement made on that occasion by the right hon. leader of the government was quite in accordance with the facts as we find them in that document. Reference has been made to some letters stolen by one McMullen some years ago in connection with the Canadian Pacific Railway. I do not think a fair comparison could be made as between the conduct of hon. gentlemen opposite on that occasion and the conduct of my hon. friend the leader of the opposition to-day; in fact, there is no comparison to be made between the two incidents. In one case these documents were deliberately stolen and used in this House for the purpose of discussing the question then before the House with the knowledge that they had been stolen. In this instance we have my hon. friend's honest, candid statement to the effect that this document was not stolen, as far as any member of the opposition is aware.

Motion (Mr. Fielding) negatived.

GRAND TRUNK PACIFIC RAILWAY.

House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, 'That Mr. Speaker do now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904'; and the proposed motion of Mr. Borden (Halifax) in amendment thereto.

Mr. FRANK OLIVER (Alberta). Mr. Speaker, I desire to join in the regreats expressed by so many members of the opposition that the terms of the bargain, as first made with the Grand Trunk Pacific Company, have been modified; but I cannot agree with the conclusion reached by the amendment for which we are asked to vote. If the transportation question is of such great—such immediate and overshadowing importance as the country believes, and as the amendment agrees—I am one to say that mere talk is not good enough; that action—immediate, energetic and effective action—such action as the government proposes, is required. The issue between the government and the opposition on the transportation question, as I understand from the amendment before the House, is as between immediate and definite action, and mere talk, whose object can only be to hinder, and whose only result must be to prevent, such action.

The government's transcontinental proposals have been before the country for nine months. They are the answer of the government to the demand of the western wheat-grower for relief from grain blockades; of the western ranchman for rapid and commodious transportation for his cattle; of the west generally for relief from a condition of transportation monopoly; of the thousands of settlers who have gone far beyond existing railway facilities for the extension to them for those facilities; for the tens of thousands of new settlers who are pouring into the west for the means of reaching and profitably occupying the millions of acres of still vacant lands; of the mercantile, manufacturing and financial interests of eastern Canada for assured and rapid transit and cheap rates between east and west; of the two great eastern provinces for the development of their vast unoccupied areas; and of all Canadians for the transaction, as far as commercially possible, of Canadian business through Canadian ports. They are the answer of the government to the universal demand that Canada shall go forward. Their rejection in favour of amendment, would be a mandate that Canada stand still and wait. Canada has waited many years for the rising tide of progress and prosperity that is now lifting her forward. And she would be waiting yet if she had not during the past seven years acted on the suggestion to 'hustle while you wait.' There are a million native-born Canadians in the United States to-day, not because there was not room and opportunity for them in Canada, but because Canada had not sufficient confidence in herself; and therefore waited and doubted when she should have acted. Under the present conditions and with the present prospects of our country, many of these are coming back, and bringing others with them. But we must give them opportunity, or they cannot stay when they come. Next to Ireland, Canada has sent out more emigrants in proportion to her population than any other country in the world and still we increase, although slowly. We have the people as well as the land, the forest and the mine; but we must have the railway, and it must be competitive and transcontinental in order to do the work required—to build up a new Canada where now are only waste places.

The answer of the opposition after nine months of consideration is given in the amendment proposed by their leader. Although it fills a newspaper column, its meaning is covered by its final paragraph, and that meaning is the present rejection of the government's policy of immediate and energetic action, for a policy which does not commit anybody to anything except delay. After a full recital of what he considers to be the transportation needs of the country—in which that of a competitive transcontinental railway is conspicuous by its

absence—the only action which he suggests, or which the party will be committed to by voting for his amendment, is, that the government should at once 'avail itself of the best expert advice and assistance,' or, in other words, as the context shows: Appoint a commission and await its report.

If there is doubt, about any great public question, especially if the doubt is because of a lack of information, a commission is most desirable; but on the need of Canada for a competitive transcontinental railway there is none, except wilful doubt; none as to the need of such a railway and none as to the advantages to result from its construction. There was ample room for question between the government and the opposition as to the ways and means of providing such a railway: but it is not on that point that the opposition, by the amendment of their leader, take issue with the government. By that amendment they are committed to the rejection of the bargain for the completion of a railway from ocean to ocean in seven years from the first of next December—although five millions of dollars have been deposited as security that the work will be done according to agreement—and they offer in place of it a commission of inquiry.

A column of learned talk on the transportation needs of the country does not minimize but accentuates the fact that the opposition scrupulously avoid the offer of a policy by which those needs may be met. This is emphasized the more strongly by the fact that the alternative proposal of last year, whose chief merit was alleged to be that it would relieve existing conditions more quickly than the proposal of the government, and which died a natural death, has not been resurrected in the amendment.

But the real meaning and purpose of the long and intricate amendment of the opposition may be more clearly seen if it is understood what interest is to be served by its adoption. Which of the great interests of the country: farming, mining, lumbering, manufacturing, commerce or finance, will be injured by the construction of the new transcontinental railway as proposed by the government. Which of them will not be benefited in the highest and greatest degree? Opposition to the transcontinental railway is opposition to the welfare of every great interest in Canada, except that of transportation; and to that, so far only as it is a monopoly of the Canadian Pacific Railway. The battle against the transcontinental carried on so determinedly last session and reviewed at this session, is distinctly and only a battle for Canadian Pacific Railway monopoly. The adoption of the opposition amendment would give that company another lease of monopoly in the west which would mean stagnation there and retrogression here. The Canadian Pacific Railway is a great company but far too long under the rule of our friends on the other side; it was all too truthfully described as the 'Dominion on wheels.' The country has outgrown one railway, great though that railway is. We must have competition if we are to have progress.

A reading of the numbered paragraphs in the concluding portion of the amendment will remove any doubt as to the interest in which it has been moved. Subject to the result of the deliberations of a commission, the leader of the opposition (1) Will build railways in the west, (2) Will build railways in the east, (3) Will improve the canals, rivers and ports, and (4) Will explore for a railway through northern Ontario and Quebec—but he will not build or encourage the building of, nor does he even mention the possibility of building, forthwith, or at all, a transcontinental railway, or any part of such a railway, either by government, by a private company or by both together, which would be a competitor, or other than a feeder of the Canadian Pacific Railway.

In his speech and in his amendment the leader of the opposition has hinted guardedly at government ownership, really saying nothing but leaving to be inferred anything that his readers might wish. If the leader of the opposition or his followers are in favour of government ownership, now is the time for them to say so by endorsing the government's proposals; for these go further in the direction of government ownership and control than any measures yet placed before the people of Canada since 1875, when the then Liberal government undertook the construction of the Canadian Pacific Railway as a government work and were cried down and finally displaced by the Conservatives for doing so. The government's proposal is absolute government ownership of the whole eastern division, 1,800 miles; a first mortgage with provisions for working control in certain contingencies of the western division; absolute control of rates on both divisions under all circumstances; and the right to run Intercolonial Railway trains and compete for traffic all the way from Halifax and St. John to Port Simpson, from the day the last rail is laid. Friends of government ownership could not and would not have ignored these facts.

That the opposition have most bitterly objected to that part of the railway which is most completely under government control and which most directly competes with the Canadian Pacific Railway, is ample evidence that their battle is for Canadian Pacific Railway monopoly and not for government ownership.

An opportunity to advocate the principle of government ownership occurred when the bargain for the construction of the Crow's Nest Pass Railway was before the House. If I remember rightly, I was the only member of the House who from his place advocated government ownership of

that line. Not a word was heard from any member of the opposition on the subject,—and many who are here now were here then. But the Crow's Nest Pass is a valuable feeder to the Canadian Pacific Railway, while the Transcontinental will be a competitor.

The question is not as between a transcontinental railway under one set of conditions and such a railway under another set of conditions. It is whether Canada shall be content with monopoly or shall insist on competition in transcontinental traffic. Last year the bargain was opposed because it was bad for the company. The company could not work its lines and pay its way. Now it is opposed because it is bad for the country. The country is paying a vast amount of money and getting nothing. Any reason is good so long as it is a reason against.

The statement is made—deliberately made and repeated—that the country is incurring liabilities in respect of this enterprise for the advantage of the Grand Trunk and Grand Trunk Pacific of from 150 to 170 million dollars. The impression is conveyed that the liabilities of the Grand Trunk Pacific, and of the government in connection with this enterprise, are respectively 15 and 150 million dollars. This is practically an absolute reversal of the facts. The case is such as that of a citizen, who with a lot, a thousand dollars in cash and a well established and paying business, undertakes to build a ten thousand dollar house. He puts in his thousand dollars, the loan company advances him nine thousand dollars, and takes a mortgage upon the completed house as security for principal and interest. Is the loan company assuming a liability for $10,000 or is the debtor assuming that liability ? If the debtor does not pay, the company gets his thousand dollars and the house. The risk, and therefore the liability is his, not that of the loan company. If the Grand Trunk Pacific does not pay interest on that part of the cost of the road contributed, or guaranteed by the government, the Grand Trunk loses control of the road, and the Grand Trunk Pacific loses any return on the proceeds of the $45,000,000 of preferred and common stock which it is allowed to issue. The government takes control of the road and becomes absolute owner of twenty million dollars worth of rolling stock supplied by the company with which to operate it. Both country and company go into the project in the belief that the traffic will pay interest on the cost ; but if that expectation fails, the company, not the country, loses its investment.

So much has been said of the immense liabilities to be incurred by the country and the vast possibilities of illegitimate profit by the company, that a comparison is fairly in order ; the more so as the question before the House is not only to reject the proposition of the government, but to defeat it and to place in power the opposition—the opposition which, truly Conservative—constantly points to its past record as the assurance of its future course. The proposed transcontinental railway will be less than 3,600 miles long. The leader of the opposition estimates that it will cost the country 150 millions of dollars. Whether it costs the country the 15 or 20 millions, which its bonuses in the way of interest payments will amount to, or the 150 millions which will give it ownership and control of the whole line, the country has absolute control of rates from the start.

The latest report of the Department of Railways and Canals gives the total mileage of the Canadian Pacific Railway as 3,838. This includes some branches and connections besides the main line, which from St. John to Vancouver is 3,387 miles. By a provision of its charter, it is specially exempt from government control of rates. Its cost is stated at $200,000,000. It has been bonussed by the Dominion, the provinces and the municipalities to the amount of 26 millions in cash ; by the Dominion by 574 miles of completed road costing 35 millions ; by the Dominion by 25 million acres of land of an estimated value of say $1.50 an acre for 10 million acres, and $5 an acre for 15 million acres ; a total of 90 million dollars in land—a grand total of 150 million dollars in bonuses—as much as the new transcontinental will cost the country for complete government ownership; and the country does not own a foot of the Canadian Pacific Railway line, a dollar of Canadian Pacific Railway stock, or exercise a feather-weight of control in its affairs.

The Canadian Pacific Railway has a share capital of 84 millions, of which 72 millions is paid up. It has a bond authorization of 142 millions, of which 118 millions have been sold. The total paid-up capital in stock and bonds upon which the traffic now pays interest at 3½, 4 and 5 per cent is 248 millions, or a cost of 200 milions; but the company holds authorization to issue stock and bonds up to 270 millions, and take the dividens and interest on that amount out of the traffic without a shadow of possibility of let or hidrance from the government. As a matter of fact, the interest is being paid in full, and last year there was a surplus of earnings over expenses and all claims for interest and dividends of 5 millions.

The Canadian Pacific Railway is paying interest at an average of 4 per cent on $64,000 for every mile of its lines ; even on the 574 miles which the country built, paid for and handed over to that company. The cost of this part of the Canadian Pacific Railway is estimated at 35 millions. This amount forms part of the debt of Canada, upon which the interest is say 3½ per cent, or 1¼ millions—an amount which comes out of each year's taxes. But besides the traffic pays 4 per cent on a capitalization of $64,000 a mile, or nearly 1½ millions a year. 2¾

millions a year the people pay out of taxes or on traffic for the 574 miles of road which the Liberal government built and the Conservative government gave away.

The 1,800 miles of the eastern division of the new transcontinental is estimated by the leader of the opposition to cost, say, $40,000 a mile, or 72 million dollars. It carries no capitalization except actual cost; and the traffic will only have to pay three per cent on that cost. Under the government's bargain, the people will pay out of traffic two millions a year for absolute government ownership of 1,800 miles of railway, as against 2¾ millions which they pay on 574 miles of the Canadian Pacific Railway, which the company absolutely owns and over which the country has no sort of control. The excess of actual capitalization over stated cost of the Canadian Pacific Railway, altogether outside of bonuses, which paid for the whole road is 48 million dollars, three millions more than the total capitalization which is allowed the Grand Trunk Pacific.

Men and political parties are to be judged by what they do rather than by what they say. In view of the record of the Conservative party in connection with the Canadian Pacific Railway, no matter how wisely and well that party and its leaders may talk of the great transportation problem; of the over capitalization of railways; or hint darkly and guardedly at government ownership; the country cannot afford to entrust to them the responsibility of providing needed transportation facilities, or at their suggestion reject a proposal of immediately and thoroughly meeting present and pressing requirements; and so leave the Canadian Pacific Railway in sole possession of the field. The government's policy is to build up Canada by breaking monopoly. The opposition policy is, as it has ever been—and never more manifestly than in this discussion, both now and last year—to stand by monopoly though it break Canada.

While I regret that the terms of the bargain with the Grand Trunk Pacific Company have been altered, I am pleased to see that those parts which relate to and affect the use of the road—which are the most important parts,—remain exactly as they were. Provisions for an exact account of cost of construction; for government control of rates; for government ownership of the eastern division and security for its operation; for running powers for the Intercolonial Railway and other roads; are unaltered. The alterations are solely in the parts relating to the financing of the enterprise. As has been said by others, it is only in case of the failure of the enterprise—which none, (least of all those who are opposing it so bitterly) except—will the altered terms entail a cent of increased cost on the taxpayer. It is to be regretted that delay in getting the agreement through the House last year brought it into a period of financial depression which had not been foreseen when the negotiations were entered into, and because of which it became impossible to finance it on the basis intended. Possibly the discredit which was thrown so energetically and systematically upon the merits of the project by the opposition had more than its due effect in rendering financing difficult. It would be strange indeed, if with the ammunition furnished last year by the opposition in parliament, their friends the Canadian Pacific Railway could not scare the British investor from taking up the enterprise on the favourable terms to the country which had been arranged. The necessity for a re-arrangement is to be regretted for many reasons, but chiefly because it has delayed and still delays, active operations. But if the road is to be built some one must pay for it. If money is dear it will necessarily cost more than if it is cheap; and if the country has not confidence enough in the enterprise to see it through under existing unfavourable conditions, it can hardly be expected that the British investor will have greater faith. It is clearly a case of meeting the changed conditions of the money market or letting the enterprise drop. I believe that the government acted wisely and in the public interest in agreeing to the amended bargain, whereby the company has been enabled beyond doubt to finance the road.

The depression in the world's money market which has compelled the new terms, conveys a warning that Canada as well as the rest of the world may soon be on the eve of a serious financial depression. If this should be the case, it is in the highest degree in the public interest that the bargain which will ensure the carrying forward of this great work, be ratified without fail, or unnecessary delay. Thanks chiefly to our friends of the opposition, we have so far been set back one year, and the result is a less favourable bargain. All the signs are that another year's delay would either defeat the enterprise or compel us to accept a bargain still less favourable. If we want the railroad at all, we want it now. Every day's delay in the face of the growing stringency of the money market, strengthens the position of monopoly and weakens the fight for competition. We have had railway monopoly in the west for twenty years; now we want competition; we want it throughout the northwest, and from sea to sea. The sooner we get it the better for the west, and the better for every legitimate interest in Canada, both east and west.

Mr. RUFUS POPE (Compton). After listening to the somewhat able essay which has been read by the hon. member for Alberta (Mr. Oliver), to which I noticed you,

Mr. Speaker, paid particular attention, I would suggest to that hon. gentleman (Mr. Oliver) that in future he speak from the shoulder. I have heard him make many speeches in this House with a great deal of vim and force, and I am sure that every member of the House will agree with me that while he is an interesting speaker, he is not an altogether agreeable reader. Of course, if the hon. member (Mr. Oliver) is pressed for time and has prepared this address for publication in his newspaper in Edmonton, we will excuse him for reading it here before mailing it to the west; we would not wish to prevent its publication in Edmonton. I wish also to congratulate the hon. gentleman on the very independent stand he takes on all questions of a controversial character in this House. He comes from that northern country where men of independence are bred. When I visit that section of the country I am told over and over again of the independent character of their representatives. I have said to some of the residents of that district that it is strange that we who live with him for from three to six months of the year, practically in the same house, never found that out before. We have been associating with him, but we have never found the slightest trace of that independent political character which he is said to possess. I am sure, Sir, that the monopolies, as he styles them, the Canadian Pacific Railway and the Grand Trunk Railway, as it is going to become, and all great transportation corporations, will publish the speech which the hon. gentleman (Mr. Oliver) has just made. They will all feel thankful to him, because if there is any one thing that these corporations fear, it is a national railway in its truest sense—a road built and owned by the people and operated according to the people's will. And the hon. gentleman, through that beautiful essay he has just read to us, declares that, so far as his influence can effect it, a perpetual barrier shall be raised against the possibility of competition by the nation's railway. For this the hon. gentleman deserves credit, and he will receive it—from those great corporations, which, he says, abuse their powers in the matter of rates charged for transportation. I do not know when any hon. member had a better chance to vindicate his title to the character which some of the hon. gentleman's electors impute to him, that of an independent, thinking public man, than the hon. gentleman had on this occasion. Mr. Speaker, kicking is not independence. Some of these gentlemen who come down from these vast plains seem to imagine that all that is necessary on their part is to kick. What does the government care for a horse that kicks occasionally, so long as he pulls in the collar whenever they shall tell him to? The hon. gentleman has never yet been asked to lift a load from the government but he has put his shoulder to the collar and pulled with a will. He kicks in Alberta, but he works in the collar in parliament. If the hon. gentlemen who assume to have these qualifications of independence would kick for some purpose, let them rise here and make demands that will be in the interest of their great country. Let them give an independent vote, let them raise an independent voice in this House. Let them not only kick, but baulk when the government would drive them. Then we shall appreciate their independent position, and we shall feel that we can afford to be lectured by the hour by such independent representatives of the people. I believe that that great western country would have been advanced very materially in the matter of transportation if there had been more honest labour put forth in this House by men of supposed independence, and less kicking. Visiting that country, as it is my pleasure to do every year, and travelling over its roads, I have been confined in all the journeys I have made to railways built by the government that preceded this, except for one little piece through the Crow's Nest pass. If development has not been more rapid, it is not because these gentlemen were not warned of its necessity. Four or five years ago I raised my humble voice in warning to this government that they were not abreast with the requirements of that vast country. I said then that we should have another transcontinental line. And nobody denied it. But I say that the parties who pay for that road, whether the corporation or the people of Canada, should own the road when it is built. But I will deal with that later on.

Now, with reference to the question that engaged the attention of this House at the opening of this sitting, I would like to say one word. Hon. gentlemen on this side of the House are not above being preached to; they are not above being lectured; they are not above being told that they are wrong. But still, Sir, we have a feeling that we want to have some sort of respect for the men who preach to us. When hon. gentlemen on the other side of the House preach to us about high moral standing and parliamentary propriety and sacred obligations as the hon. member for South Essex did last night, and when we look across the floor and see sitting at the head of these gentlemen the Prime Minister who, last year, according to the hon. Mr. Blair, asked Mr. Blair to remain silent in his seat while resolutions which he did not approve were being put through this House by somebody else, is it to be wondered at that we ask for other lecturers and other preachers on these questions of high political morality? We have not forgotten, as was pointed out to-day, that in the old days, back in the seventies, when the Liberal-Conservatives were driven from power by these hon. gentlemen, the very men who now sit in the front seats in this House went throughout the country

preaching to the people from documents that had been stolen and for the stealing of which the thieves were paid—such men as the private secretary of the late John J. C. Abbott, tampered with by Liberal money, bribed, purchased, bought. From the masters of such creatures as these, we do not care to listen to lessons in high morality. They must get other preachers if they wish to gain our attention.

But, Sir, this is not the only evidence we have of the inconsistency of these hon. gentlemen. We have the Prime Minister, in moving the resolutions dealing with the most important question now before the country, quoting from the works of missionaries and travellers of 250 years ago. We find that hon. gentleman taking great pains to insinuate that hon. members on this side of the House enjoy any piece of evidence tending to prove that the country lying between here and the northern sea is not a good country for agriculture or likely to make a prosperous settled part of Canada. He spoke of having mountains of information about that country, and said that we would learn the beauties of that country if we went to those mountains. He said that we were pleased when people said that this was a country of jack pines. Why Sir, who was it first said 'jack pine' in relation to that country in this House. If the right hon. gentleman will read 'Hansard' of last year, page 7684, he will find these words in his own speech introducing the resolutions on the subject of the Grand Trunk Pacific :

> 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, jack pine 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.

During the recess, at public meetings I have had the honour of addressing, I denied possessing knowledge of that country, yet I felt I was only telling the truth when I said that I knew just as much about it as any public man. But I said to my hearers : You people who are looking forward to immigration from the east to the west, who are looking for new homes for your children, let me read to you the description of that country offered to us in the House by the leader of the government. It is to be presumed that the right hon. gentleman went to his own 'mountains of information,' that he laboured there hard and long. And what did he bring forth ? 'Jack pine and poplar.' Why, Sir, if a man wanted to curse the soil of Canada, he could not do worse than to say it was the mother of jack pine and poplar. So, when the right hon. gentleman twits us with speaking of this as a country of jack pine, I give him his own words. I hope that northern country is everything that we could desire. I hope that events will prove that the centre of Canada is a great and valuable territory, a district of mineral, timber and agricultural land that will maintain, some day, a great population. But we do not know it. One thing we do know. We know what the hon. Prime Minister told us in his speech, and this is something else he said :

> Between these two sections of population, however, there is a gap of several hundred miles of uninhabited and hardly habitable land.

That is a description of the land given by the right hon. gentleman in his speech the other day, as a section of country where this jack pine grows. That is what he gets off in an effort to prove that it is a perfect rose garden, and we find him going to the missionaries and asking from them evidence as to the beauty of that country. Now what did the missionary say :

> I can assert that on the 15th of June there were wild roses here as beautiful and as fragrant as those of Quebec. The season seemed to me further advanced, the air extremely mild and agreeable. There was no night during my visit ; the twilight had not yet faded from the west when the dawn of day appeared in the east.

Pretty far north, Mr. Speaker—six months daylight and six months night. If he wanted them exactly to fade one into the other, he might have gone 100 miles further north. But where did this rose bloom? On the Hudson Bay. This road is not going there. Where was this journey made from ? It was made from Quebec and Tadousac in the St. John district, over to the northern sea, not east and west, not the country to be traversed ; and the Prime Minister takes the responsibility of standing up in this House and insinuating, leaving the inference upon our minds and if possible upon the public mind, that he was describing a route of roses through which this road was to run. Why did'nt he read on :

> On the 6th, we regained our river with great difficulty, due to the swiftness of its current and the frequent waterfalls by which it is broken. . . . Canoes and all the luggage had to be carried through the woods,—now amid mountains, lofty and fearful, and now over vast plains and by paths of extreme difficulty.

The right hon. gentleman ought to have read this :

> All that I write it is but half of what the traveller must endure. There are 200 saults, or waterfalls, and consequently 200 portages, where both canoe and luggage must be carried on the back. There are 400 rapids where a long pole must be constantly in hand in order to surmount them.

But what does the reading of all that amount to ? Sir, that is not the route, that is in an opposite direction to the one this road is going. But it is the route which the right hon. gentleman found roses on in this book. More than that, Mr. Speaker, between

the point and the lake where these great prairies are, where the hay grows that was referred to by the Prime Minister the other day, this missionary refers every other day to travelling through mountain ranges, with frequent waterfalls, a difficult section of country to get over. That is not to say that we cannot find a route for a railroad through it, I do not say that, Mr. Speaker; but I am here to say that the right hon. the Prime Minister of Canada has no right to attempt to deceive the people on a question so important as this, on a question involving the expenditure of at least $150,000,000 of our money. He has no right to insinuate that he is giving us the character of the country through which this road is going, when it is only the character of a country that the road is to cross, not the proper description of the district through which it is to travel. Sir, is this purely and simply a game of humbug, or is it a serious question of the construction of this road? Are we to build this road with nine-tenths of our money and one-tenth of the Grand Trunk's money and give it to them? Are we to accept the description given by the right hon. gentleman of the country through which it passes, when as a matter of fact it was not at all such a country as he mentions? Is not the intelligence of this House entitled to be treated with some respect? There must be some points where you and I, as independent members of this House, have a right to demand respectful treatment, even from a man occupying the position of Prime Minister of this country. We have a right to expect that when he stands on his feet in this House and offers to us information of the country through which the road is to pass, that he should properly describe the district through which it is to pass, and not another district. Sir, I object and enter my protest against that sort of thing. We have had enough of it.

Now, Sir, the question whether this road is costing more than the Canadian Pacific or not is not relevant. The Canadian Pacific Railway was built in its own time, it was built in spite of the hon. gentlemen sitting on the other side of the House. It has made it possible for them to be where they are to-day, reaping the reward of great harvests and of great revenues in Canada. It has made it possible for them to spend millions and millions more money than any other government ever thought of spending in this country. They owe it to the people who conceived the Canadian Pacific Railway, and I say to them that if they had been true and loyal men, if they had not derided the country through which the Canadian Pacific Railway passes, if they had not called it a country of frosts, of swamps and of morass, as they did, and their expressions can be found in the 'Hansard' of those days—when this country was paying 5 per cent or 6 per cent for money, when the right hon. the Minister of Trade and Commerce (Sir Richard Cartwright) was filling the magazines of England with vilifying articles in connection with that road, when we were asking support from the public opinion of Canada and fought that fight out to a successful end—I say if these gentlemen had been loyal and patriotic, and if the gallant knight from South Oxford had been true to the title he has taken, we would not have had to make the sacrifice of land and money that we did have to make to get this road through. More than that the right hon. gentleman knows that even with the big sacrifice of money and land that we made, we did not pay the price that they advertised we would pay when they were in power for four years. But they went, fortunately, and we came in, and we built the road for less money, though at a big expense I must say, but to the tremendous advantage of Canada and its people.

Now, Sir, comes the question of a second transcontinental line. Application was made in the Railway Committee by the Grand Trunk Railway of Canada, asking for a charter from North Bay through to the coast, to connect with their eastern lines at North Bay Sir Charles Rivers-Wilson made a speech, published in this report which the hon. gentleman has seen fit to say was a garbled report. If there are garbled reports made of that meeting, they are to be found in London newspapers that are not above being paid a price to publish what is given to them. We are told about secrets of a great public meeting like that, of the shareholders of the Grand Trunk, dealing with questions of so vital importance to Canada as the construction of this road, where they spoke of going into partnership, forcing, according to one of the directors of this road, compelling this government to enter into partnership with them. I say if it is a partnership, if that is a meeting of one of our partners, if that is a meeting concerning a business in which we as a nation are to become partners, then I say we have a right to have the full report of that meeting so that the people of Canada should be put in possession of all the facts, and the thanks of the people of Canada are due to Mr. Osler, or any other hon. gentleman who obtained this full report for the use of the members of this House. Now, Sir, let me say this much, that when this contract was first asked for as I said a few moments ago, it was to go from North Bay westward.

When was this bargain made? It was made in London, Eng., at the time of the King's coronation when the right hon. gentleman was there. The preparation of this bargain then took place. Mr. Hays was there. The man who could not wait was there, and many others were there. On the journey across the Atlantic, when they were free from the soil of both continents and not knowing that there were birds in the air that could convey information as well on the ocean as on the land, the secrets of this preparation were cut loose and no

sooner had these gentlemen landed on the shores of Canada than these secrets were communicated to me. Not stolen! I did not have to rob anybody of them. I did not have to hire anybody to give this information to me. It was stated to me that a great transcontinental scheme associated with the Grand Trunk Railway Company was to be placed before the parliament of this country. This was in November. Parliament did not meet until the following 12th March. There was no talk at that time of any changed condition except that upon the application of the Grand Trunk Pacific Railway Company being made certain elements from the city of Quebec made their appearance. That was the peculiar opposition that was referred to by Sir Charles Rivers-Wilson. I presume the wool had been pulled over that poor old man's eyes here, in the Railway Committee. He was told that the opposition came from us. The opposition on this side of the House was then as now and ever shall be actuated by the determination that the business of Canada shall be done inside of Canada and through the ports of Canada. We ask for nothing more. We demand it now and we say that if we are going to pay for the road with our money we want to own it. Sir Rivers-Wilson found himself baffled by these gentlemen—a mere set of adventurers to some extent from the city of Quebec. I am not now speaking of the Trans-Canada Railway Company, but there are a lot of men associated with the government who are the hangers-on in and out of parliament behind this government, and who are very well known. When the Grand Trunk Pacific people came here they found this stubborn work going on. Finally at the second or third meeting of the committee we found a dotted line on the map from North Bay to Quebec—merely a dotted line. We asked what this was, The reply was: This is a new piece of road. They did not even use ink enough to make a straight line; they dotted it. We were told that this was the extension down to the city of Quebec. We knew it. We did not steal the information. The information was as free as it was in regard to this document. The fact had been well known to me for a long time. Members of this House, newspaper men and others had told me of it. Hon. gentlemen opposite are not half as close as they think they are. They are easy in some respects. We knew that the proposition had been brought forward, that it was due to political conditions and that when the real bona fide men, the Trans-Canada, came here they were told: We cannot consider you at all; we have to build across here. The Trans-Canada people who have devoted a great deal of time to this project and who possess a great deal of valuable information about the country through which this railway is to pass were brushed aside and the wonderful genius of this government was brought to bear to construct in one night a road running through a rose-bed in the northern part of Quebec. Then, we had to have a holiday. We had to have recreation and when I was returning on the train to Ottawa I got into contact with my Liberal friends from the lower provinces who said to me: Mr. Pope, you live down in the east and you must join us in our scheme. I said: What is your scheme? They said: We want to get this road extended down to the maritime provinces. I said: I will hear what you have to say. We heard the argument put up by the Minister of Railways and Canals (Hon. Mr. Emmerson). We have heard no argument put up since by that hon. gentleman. They dare not trust him. Then what was the next proposition? Was it a question of traffic? Not at all. It was purely and simply a question of politics, a question of remaining in power, first in the district of Quebec and next down by the sea. What is the result? The result is that we have this proposition forced upon us by the government to build a road, not from North Bay, but from Winnipeg. The Grand Trunk Railway Company were willing to build a road from North Bay to Winnipeg under the ordinary conditions. Why this government did not wish them to do it is more than I can understand. They had already arranged to do so under the ordinary charter of the Grand Trunk Railway Company, but instead of that in the generosity of their hearts the government set to work and put on another 1,000 miles to Winnipeg, making the total distance 1,900 miles to be built with our money and as a competitor with the $70,000,000 of our money invested in the Intercolonial Railway. The right hon. leader of the government last year said that he did not regard this new road as a competitor with the Intercolonial Railway, that the Intercolonial Railway would have its own traffic, but what was the argument which was advanced to us in favour of the extension of the Intercolonial Railway to Montreal and why did I vote for that extension? I voted for that extension because the argument advanced in favour of it was that it would tap the great western centre of the country, bring the Intercolonial Railway into touch with the canals and enable it to carry the freight of the west. Now, if it is true, that, as the right hon. gentleman claims, this road is going to carry wheat over the height of land, how is it going to deliver it to the Intercolonial Railway? But, he says, that the Intercolonial Railway can run up there as well. Fancy the Grand Trunk Railway corporation which owns this railway, owns the track, controlling everything under its lease and under its proprietary rights, coming along and picking up all the passengers and freight and the Intercolonial Railway train coming

trundling along afterwards while the people are going ahead on the Grand Trunk train! That will be the position of affairs. In the speech which the right hon. leader made he said that prairie section would be the fruitful section. Mr. Hays says the same thing. Every man who knows anything about railroading knows perfectly well that when you enter the prairie section you get into the fruitful part. Why should not the right hon. gentleman continue on with the road after having built 1,900 miles already, particularly in view of the fact that he is giving a guarantee of three-quarters of the cost of the western section and that he is going to get no interest for the next eighteen years? How long has the Canadian Pacific Railway been built?—about eighteen years. How many dividends has it paid in these eighteen years?—a great many. That shows that the right hon. gentleman is giving these people the whole present life of the Canadian Pacific Railway. Why did he do it? Because he found himself occupying the same position that the hon. member for Alberta did to-day, he found himself between two great corporations, he found the Canadian Pacific Railway and he found the Canadian Northern in the field and he dared not take an independent course and build that road up through that country. Hon. gentlemen opposite have been severe in their criticism of the Canadian Pacific Railway, but there are no people more desirous of utilizing the Canadian Pacific Railway than they are for what they can get out of it. They had not the pluck or the courage to take an independent course. They knew that with the then Minister of Railways and Canals they had pledged themselves to the principles of government ownership when they voted for the extension of the Intercolonial to Montreal. I voted with them upon that question because I believe that the future of Canada depends largely upon the question of transportation, that the future of Canada must be promoted by the development of the great west and that the power of dictation in the matter of freight rates is safer in the hands of the government or of a commission appointed independently of politics than it is in the hands of any great corporation.

Think of the fearful tale which has been told by the member for Alberta (Mr. Oliver) in that beautiful essay which he read to us: think of that tale of woe. What guarantee have we in this contract that the Grand Trunk Pacific will not charge the same rates? He said that the Intercolonial Railway can go clear up the whole length of the line; that may be, but it cannot do the business. The business is going to be done by the Grand Trunk, and when the Grand Trunk has cinched this contract they will then have more power over the government than they had when they drove the government into a partnership with them, according to the statement of Lord Welby. If the government wanted to assert its independence of the Grand Trunk Pacific, the time to do it was before the Grand Trunk Pacific put up their deposit. But the government of Canada have entered into a compact with a body not representative in its nature and which cannot be got at. That contract is immoral; it is against the principles which have been announced by the Liberal party for the last twenty-five years. What occurred in the city of Montreal at the recent elections shows the immorality of that contract. The Minister of Finance made a speech in Westmount, and, with all the suavity that he possesses, he said: There is a difficulty between us and the Grand Trunk, we hope the Grand Trunk will come to our terms, but if they do not, why then the road must go on just the same. Now, what is the meaning of 'just the same'? Surely it means nothing else but government ownership. The Minister of Finance discovered that the only way of carrying this constituency was to resurrect the Grand Trunk, which had been as silent as the grave until the Friday morning previous to the election, when it came to life after Mr. Hays and other gentlemen came to this city and communed with hon. gentlemen opposite, and tamed down the wild independent thought of the Minister of Finance and brought him to his own level, and said: You are my partner, my dear friend; you and I have a common interest in this; you furnish the money and we will own the road; if you do that we will elect your man in St. Gabriel; we will take our men by the throat and make them vote against Dr. Barnard, and so it turned out to be, and everybody who was there knows it. There was the first sample of the immoral effect of this contract, and when the people of Canada wake up to the immorality of it they will be astonished. These gentlemen opposite speak of a compact between the Conservative government and the Canadian Pacific Railway for the building of that road. I say that is untrue. We know that after the construction of the Canadian Pacific Railway, in the case of the Onderdonk section in British Columbia, certain propositions were made, and they resulted in the then Minister of Railways and the general manager of the Canadian Pacific Railway never being on speaking terms again, and the Canadian Pacific Railway had to fight their case out before the arbitration court and get what they could. We built the Canadian Pacific Railway because it was a compact of confederation. We paid a high price to build the Canadian Pacific Railway through the barren section of that great western country. There are two gentlemen sitting on the government benches now who exercised their influence on the financial and political world to hamper the Canadian Pacific Railway undertaking and to make it as difficult as possible to finance. A thorough survey was made by the Conservative government of that western coun-

try, and the Grand Trunk Pacific now reaps the benefit of the large sums of money then invested for surveying the Saskatchewan valley. Sir John Macdonald held that that country was fertile enough to furnish its own railway, and that the people of Canada should not be taxed to build through the fertile belt of the Saskatchewan valley. Hence it was that he helped to build a road through the less fertile regions of the North-west, and to make it a highway binding eastern Canada with the Pacific coast. I again repeat, Sir, that no government has the right to stamp a railroad as a national highway unless the people own it. This is the Grand Trunk Railroad to all intents and purposes, and when the Prime Minister says that it is a great national transcontinental railroad his statement is not true. I do not insinuate that the right hon. gentleman intends to delude the public, but I do say that there can be no great national work that is not the property of the people. It may have national results and good effects may flow from it, as have flown from the construction of the Canadian Pacific Railway, but do these gentlemen opposite call the Canadian Pacific Railway a great national work when it is owned by a private company? I have never heard one of these gentlemen on the government benches speak of the Canadian Pacific Railway as a great national work, and neither is the Grand Trunk Pacific a great national work. It is the property of the Grand Trunk Company and, such being the case, it is a bad and a foolish bargain; yea, it is a mad bargain to spend $170,000,000 of our money as against $15,000,000 of theirs, and hand over to them the great railway that that money has created. Why not give the people of Canada a voice in saying whether or not they shall own that road? Last year we were told by the Prime Minister that we could not wait, and we were warned against the man who says: To-morrow, and to-morrow, and to-morrow. There have been two hundred and fifty to-morrows since then, and the gentleman who was told he could not 'wait, wait, wait,' is still waiting if he is not tired. We were told by the Prime Minister that 'the flood gates, or something or other, would come pouring down, but there has been no flood, and we are not drowned. The Rideau river rose a little when the snow went off, but that is all. There has been no great calamity, no great financial downfall, the bonding privileges are no nearer abrogation than they were twenty years ago, but we are waiting yet. And if the Prime Minister lives, as I trust he shall, to be as old as the centenarian senator whose picture is in the lobby, he will not see the abrogation of the bonding privilege. It is of more use to the people of the United States than it is to the people of Canada, just as the reciprocity treaty was of more use to them then it was to us, as they are beginning to find out now, and as we found out long ago.

Why did the right hon. gentleman create us a nation in a single night, if not to be independent of all that? Why did he not leave us as only Canada and not a nation? Why did he waste that time, when as a nation we would be more afraid of our neighbours than we were before? It would have been better to have left us as children. What we have to do in this country is to take advantage of the lessons that are being taught us by the experience of seventy millions of people to the south and millions on the other side of the Atlantic. It is not right that a modern nation like Canada, just springing to her feet, should have to go through all the trouble which old nations have experienced in order to arrive at a position of eminence. She ought to take advantage of the trade conditions, improvements, history and knowledge of the time. She ought to watch the results flowing from the operation of transcontinental lines in the United States. There are five or six transcontinental lines in that country; and they have barren sections there as we have barren sections here; because the whole of the United States is not, like the pathway of this proposed railway, a bed of roses. It has deserts of sand and rock, hill and dale which are not fruitful. We should take advantage of the experience of that country, which, with six or seven transcontinental lines, has not had a lowering of freight rates. The moment competition began between them, we saw a great trust formed to dictate the operation of all those lines. And Sir, that great corporation can just as easily buy the stock of the Canadian Pacific or the Canadian Northern as it did the stock of the Northern Pacific or the Union Pacific; it can extend its operations to this country just as easily as it can remain out. From the experience of that country, I conclude that there is but one safeguard against Canada getting into the same position as the United States, that is, the safeguard of owning and dictating the operation of railroads from ocean to ocean. We should not be above being taught the lesson of experience by those gentlemen on the other side of the line. By this contract, as I read it, we are giving up the right of demanding from the Grand Trunk Pacific Company 3 per cent on the cost of this road for ten years. Then, we must allow the railway to charge the freight rates that will pay that 3 per cent, or else we do not get it. If we do not get the 3 per cent, why should we not own the railroad? The Finance Minister tells us that it is only going to cost us $13,000,000 to build our portion of this road. I do not know any railroad that has been built so cheaply on this continent. Sir Charles Rivers-Wilson says the company's portion will cost them $15,000,000, and the Finance Minister says our portion will cost

us $13,000,000 ; that is, $28,000,000 to build a road 3,400 miles long, with its terminals and equipment. I think we had better own it. Was ever a more ridiculous proposition made on the face of the earth ? It has no parallel, and I trust that it never will have one.

I regret exceedingly, Sir, that I do not possess the power of influencing this government in regard to this matter. I may be wrong ; I hope I am ; but I am convinced that we are giving away the people's franchise, and that we are giving the company a bonus of $25,000,000 of stock for taking the present. Sir Charles Rivers-Wilson says his company is going to have that $25,000,000 of stock, although its portion will only cost it $15,000,000. Take all these things into consideration, and I ask you : suppose I go back to my electors and say to them, I had an opportunity of getting a railroad across this continent for you for $15,000,000, and I refused the chance ; I paid the rest of the cost, guaranteed the bonds, built 1,800 miles of the most barren and expensive part of that railway as a government road, and by paying $15,000,000 more, I could have a road for you that would be worth from $150,000,000 to $200,000,000. What do you think they would say to me ? If I did that, I firmly believe my constituents would say to me : Pope, you are a fool ; you don't know how to make a trade, and you will not go back to that House again. And I believe they would be fully justified. That is my opinion of what would happen to me if I made a bargain such as this government is making; and I am sincere when I say that I wish I possessed the power to prevent them carrying out this contract. All the safeguards that were in it last year they have wiped out this year, and where are the ministers who insisted last year on these safeguards being put in. We know that this contract did not go through the cabinet until it was changed; clause after clause had to be put in to suit these hon. gentlemen. Nobody stole this information ; it is public property. We know that some of the ministers of the Crown kicked. Mr. Blair kicked out. He is a man who, when he kicks, goes. But there were some other gentlemen who did some kicking, but who stayed in the cabinet, until a clause was added here and a clause added there to safeguard the public interests, and then the contract was ratified. All these safeguards are missing in the amended Bill or contract. If by staying here for six months or a year, I could get the people of Canada to have the right to say whether they wanted to spend $150,000,000 on this property and then give it away, when by spending $15,000,000 more they could own it, it would be my duty to stay. I do not think the trustees of this country should look lightly upon their responsibilities when they are so grave as they are in this instance not only financially, but with regard to the control of competitive railways across this continent.

One word more, and I am finished. It is in reference to the hon. member for South Essex (Mr. Cowan) who, after having made such a speech as he did yesterday, should not have been absent the next day. He refers to the absence of the hon. leader of the opposition. Mr. Speaker, you have been sitting there more or less during this debate, and you have seen how many of the ministers of the Crown have taken the trouble to remain in their seats. We have two here this afternoon—the Prime Minister and the Minister of Trade and Commerce. Sometimes we have had only one, and sometimes we have had two.

The hon. the leader of the opposition Mr. R. L. Borden) is alone in the preparation of his policy and the conduct of the fight ; he has no cabinet surrounding him to whom people who wish to see him in connection with political matters may be referred. We see to-day not half a dozen gentlemen on the opposite side, with one or two ministers out of seventeen ; no one knows what has become of the others but they are not here. We want no more such attacks as the hon. member for Essex (Mr. Cowan) delivered yesterday. We can furnish abusive language if necessary, but any man hesitates to do it. I myself did it once in this House with a feeling of repugnance, but I did it because I believed it to be my duty. I believe that the leaders on both sides of this House are entitled to be treated with respect, and I am determined to see, so far as it lies in my power, that the hon. gentleman who leads this side of the House (Mr. R. L. Borden) shall be treated with the same respect and courtesy as I am disposed to extend to the right hon. gentleman who leads the other side of the House (Sir Wilfrid Laurier).

Mr. WM. ROCHE (Halifax). Mr. Speaker, you may remember at some time in your boyhood an occasion when you found in your pocket in the morning one solitary candy. Perhaps it was the remains of some you had enjoyed at an evening party, or perhaps the day before you might have enjoyed the use of a whole quarter's worth, but it was what was left, and it had special sweetness and value. I wish to extend the same idea to the matter now under discussion. After all the arguments that have taken place, after all the rhetoric and after all the arithmetic that we have heard, what is left ? When all these modifications have been made, does the substantial part of the contract remain, or has any essential part been swept away by the amendments ? The two speeches which were made by the learned leader of the opposition (Mr. R. L. Borden) and my hon. friend from West Toronto (Mr. Osler) contain the basis of all the speeches, a text for all the criticisms and observations which have since been made by

hon. gentlemen opposite, because they contain the salient points of the objections which can be urged against this measure. It is, therefore, no disparagement to the ingenuity or the rhetoric of hon. gentlemen opposite to say that they have followed on the same lines, because these speeches contain the leading lines of attack against this measure. I give the learned leader of the opposition (Mr. R. L. Borden) credit for being a lawyer of sufficient ability and discrimination of mind to detect any defect that may exist, either in the contract or the amendments to it, and I know that he would have the ingenuity and the force to display such a defect to the House. He has been fishing with a very long trawl and with every hook baited. The hon. member for Toronto (Mr. Osler) has been fishing with a short trawl, but with a very large bag net. The hon. the leader of the opposition (Mr. R. L. Borden) has said—and he has adduced figures to prove the contenion—that this transcontinental railway is to cost Canada $150,000,000 to $170,000,000. The hon. gentleman from Toronto (Mr. Osler) has said that the eastern section of this railway will not be built. If $150,000,000 or $170,000,000 are paid for the construction of the railway. The money is paid in instalments on certificate of work performed, that disposes of the idea that the railway will not be built, that disposes of the idea that $150,000,000 or $170,000,000 will be spent. I leave these two gentlemen to reconcile these two propositions themselves. Some gentlemen on the opposite side may not be at all captivated by my eloquence or at all influenced by my reasoning, but if any of them may have some new light break upon him, if he may have discovered that the vote he gave last year was given upon erroneous information, or if he may be informed and believe that the country through which this railway passes is not so difficult a railway as was represented, and as, in his ignorance, he believed it to be, he is not bound because he gave a vote last year in opposition to this railway when what is modified was then in it, to again vote against it. New information affords to every impartial mind the opportunity of reversing conclusions and altering decisions. The hon. leader of the opposition (Mr. R. L. Borden) in his speech cavilled somewhat at an argument made by the right hon. the Prime Minister (Sir Wilfrid Laurier) that some two hundred years ago a Jesuit father, in an account of a visit of exploration, explained that this country which ordinarily would be thought to have a cold climate, and to be very barren, was really warm and mild in climate with a soil capable of cultivation. My hon. friend from Compton (Mr. Pope) has also criticised the premier for advancing that innocent little remark about the roses as a proof that the climate and conditions were such as the right hon. the Prime Minister had said, and he gave the idea that the premier was attempting to deceive the House by making quotations of that kind from an author who had travelled through this region from the south to the north two hundred years ago. The argument of the hon. member for Halifax (Mr. Borden) was that if this country was so suitable for cultivation and exploitation he could not understand how it was that it had not been exploited during that two hundred years. A gentleman on this side of the House has cited the instance of Manitoba. How was it that, although that vast territory is now known to be so rich and fertile, was under the dominion of the Hudson's Bay Company and of the Northwest Company for so many years and was not opened for exploitation and settlement until a railway was built thirty years ago, after which the country was settled and that whole region developed ?

There is an instance I read in a newspaper the other day, that the site of the Rand Mines in South Africa had once been offered for sale in Johannesburg for £5. Now, that same site could not be bought for £300,000,000 sterling. And, although the British government expended nearly £300,000,000, and I do not know how many thousand lives in gaining and retaining that country, yet, that valuable deposit was unknown and that great country at one time disregarded, just as this region to the north is disregarded still. I do not understand the arguments of hon. gentlemen opposite who have reiterated that this railway is going to cost a large amount of money because the country is uninhabitable, when they say also that they know nothing about the country, and they are incapable of judging of its quality. How, then, can they come to the conclusion that this railway will cost a large amount of money ? If they do not know what the country is, they are not acquainted with its capacities and qualities, surely they might admit the possibility of its being a good country for railway construction and give the government the benefit of the doubt. Why not say : We do not know that it is a bad and difficult country ; and we will allow a fair average for the construction of this railway ?

The learned leader of the opposition laid a good deal of stress on the question whether the Grand Trunk Pacific approached the government, or the government approached the Grand Trunk Pacific. And my. hon. friend from Compton has expatiated on the same subject, with a great deal of rhetorical embellishment. To my mind it makes little difference which approached the other. What we have before us is the compact resulting from that meeting, and if it is for parliament to decide whether that contract is a suitable one and to be approved, or whether it is a contract that ought to be rejected, our proceedings of last year reversed, the obligations we entered into last

year retracted, and the Grand Trunk Company dismissed with reproach and contempt. As my esteemed colleague, the leader of the opposition, made a financial basis for the conclusions which he drew on this subject, I may be permitted to say that he took on this occasion as his oracle the late Hon. Mr. Blair, the former Minister of Railways and Canals and now chairman of the Railway Commission. He considers that gentleman to be one of the authorities whose declaration on such a subject as this ought to be conclusive, and any figures which he gives, any observations which he makes, to be final upon the subject of the cost of the railway. He quotes on that account this statement of the Prime Minister concerning Mr. Blair :—

> We believed there was not in Canada a better qualified and more competent man to discharge the duties of the office to which we have called him. . . . I recognize him as a man of great ability, as a man of great talent ; and I have no hesitation in saying that you cannot find to-day in Canada any one who is better endowed than Mr. Blair to be the chairman of the commission.

That was not to say that, because Mr. Blair had the qualifications to be chairman of the Railway Commission, to decide questions involving what rates should be charged on railways, or because Mr. Blair was a first class administrator, that for that reason, he had the qualifications to be the projector of a railway, or to be the engineer constructor of a railway, or to give an exact statement of what the construction of any given railway will cost. The qualifications are distinct, and those that fit a man for one office do not necessarily qualify him for the other. For instance, we would gladly assent to the proposal that the hon. leader of the opposition should remain the leader of the opposition during the time of his natural life ; but there are many on this side of the House who would dissent entirely from the proposition that he should become the leader of the government. But, as we are on the question of Mr. Blair's qualification, let me say that, even as an administrator he was not always approved by hon. gentlemen opposite. Everybody remembers the philippic that was poured on the head of the former Minister of Railways by the hon. gentleman who has just addressed the House. Everybody will remember how, in that resonant voice, in that plenitude of oro rotundo, he poured out his denunciations upon Mr. Blair until he became almost black in the face, calling him, as they say, everything he could lay his tongue to—doubting his ability, impugning his good faith, openly insinuating his dishonesty and representing him as being totally unfit to be Minister of Railways and Canals of this country.

My hon. friend the leader of the opposition made this estimate :—

Construction of railway from Moncton to Winnipeg, 1,875 miles, at moderate estimate of $40,000 per mile..	$ 75,000,000
Assuming completion in 8 years, there will be an average of at least 4 years for simple interest at 3 per cent during construction, or $2,250,000 per year for four years..	9,000,000
	$84,000,000

The above estimate assumes that the money can be borrowed on 3 per cent securities at par—but if securities are placed at 90 (and the Finance Minister has admitted that they will not bring par) the result would be :

To provide $75,000,000 at 90 per cent as cost of 1,875 miles..	$ 83,333,334
Four years simple interest during construction, at 3 per cent, $2,500,000 per year for 4 years..	10,000,000
	$93,333,334

Now, considering that the latest information has shown that the road will be cheaply constructed, and taking into consideration that a large part of it is over a prairie district, will it not be moderate to fix the price of it at $30,000 per mile ? I observe that the Finance Minister, in his early estimations put down the probable cost at $31,000 per mile. A gentleman of high character and knowledge in railway construction has declared that the railway can be constructed for $31,500 per mile. Later information has rather reduced that figure, and all over the country those who are qualified to give information have declared that under these conditions and considerations the 1,875 miles from Moncton to Winnipeg can be built for $30,000 a mile. If that be so, I assume the figures will stand thus : Supposing the mileage is correct, and I fancy the leader of the opposition has given the correct mileage, the 1,875 miles from Moncton to Winnipeg, at $30,000 per mile, will cost $56,250,000. If completed in eight years, the interest being reckoned at 3 per cent for four years, $1,700,000 per annum, the interest will amount to $6,800,000 making a total of $63,000,000 in place of $84,000,000. Now suppose the rate of interest should increase so that securities will sell at 90 instead of 100, the figures of the leader of the opposition total $93,000,000. But here is what it will be if my figures are correct : $63,000,000 at 90 per cent, $70,000,000 ; four years interest at 3 per cent, $2,100,000 per annum, or $8,400,000, making a total of $78,400,000, instead of $93,000,000 according to the calculation of the leader of the opposition.

Now the question is whether the rate of interest will be 3 per cent or 4 per cent. Probably it will be 3 per cent. Financiers and bankers at the beginning of last year thought money would be so plentiful that the rate of interest would fall even below

3 per cent, and that they could obtain money perhaps for 2½ per cent. But subsequently there was a scare in the United States, and it was expected that the commercial stringency in that country would pass into Canada. Bankers began to realize upon their reserves, they began to collect their reserves to be ready for any calls which might be made upon them. They increased the rate of discount and decreased the discount. I am happy to announce now that yesterday the Bank of England reduced its rate of discount from 4 per cent to considerably less, and that now financiers and bankers are expecting the most prosperous commercial year Canada has ever seen, that money will be plentiful, and that there will be amply sufficient for all the industries and enterprises of the country; and perhaps we may return to the days when money was a drug on the market, and supposed to bring a very small rate of interest.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill (No. 16) respecting the French River Boom Company (Limited).—Mr. Grant.

Bill (No. 23) respecting the Collingwood General Marine Hospital.—Mr. McCarthy.

Bill (No. 17) to confer on the Commissioner of Patents certain powers for the relief of the Honourable C. A. Parsons.—Mr. Clarke.

Bill (No. 20) to incorporate the Cascapedia Manufacturing and Trading Company.—Mr. Charles Marcil.

SECOND READINGS.

Bill (No. 40) respecting the Canada Southern Railway Company.—Mr. Ingram.

Bill (No. 41) to incorporate the Lièvre and Ottawa Railway Company.—Mr. Charles Marcil.

Bill (No. 42) respecting the Sprague's Falls Manufacturing Company (Limited).—Mr. Ganong.

Bill (No. 43) respecting the Quebec and Lake Huron Railway Company.—Mr. Malouin.

Bill (No. 44) respecting the Berlin, Waterloo, Wellesley and Lake Huron Railway Company.—Mr. Clare.

Bill (No. 46) to incorporate the Boundary, Kamloops and Cariboo Central Railway Company.—Mr. Galliher.

Bill (No. 47) respecting the Kootenay Central Railway Company.—Mr. Galliher.

Bill (No. 48) respecting the Nicola, Kamloops and Similkameen Coal and Railway Company.—Mr. Galliher.

Bill (No. 49) respecting the James Bay Railway Company.—Mr. McCool.

Bill (No. 50) to incorporate the St. Maurice Valley Railway Company.—Mr. Bureau.

Bill (No. 51) to incorporate the Okotoks and High River Lumbering and Development Company.—Mr. Oliver.

Bill (No. 52) respecting the Manitoba and Keewatin Railway Company.—Mr. McCreary.

Bill (No. 53) respecting the North American Telegraph Company.—Mr. McCreary.

Bill (No. 55) respecting the Canadian Northern Railway Company.—Mr. Davis.

HOME BANK OF CANADA.

On the order being called for:

Second Reading of Bill (No. 45) respecting the Home Bank of Canada—Mr. Osler.

Mr. FIELDING. I would ask that this Bill should stand for the present. It is an amendment to the Bank Act and I wish to have an opportunity of looking into it.

Order allowed to stand.

DOMINION FIRE INSURANCE COMPANY.

Mr. MACPHERSON moved second reading of Bill (No. 54) to incorporate the Dominion Fire Insurance Company.

Mr. HENDERSON. I desire to ask the Minister of Finance if his attention has been drawn to the title of this Bill. The hon. minister objected very much to the use of the word 'Canada' or the word 'Dominion' in the title of a bank. To my mind the same objection applies to the title of an insurance company.

Hon. W. S. FIELDING (Minister of Finance). The question might be seriously considered in the Committee on Banking and Commerce. We do not usually raise questions of that kind on the second reading of a Bill. There is something in the suggestion of my hon. friend, and we can consider it in the Committee on Banking and Commerce, where it frequently happens that a change of title is made.

Motion agreed to, and Bill read the second time.

GRAND TRUNK PACIFIC RAILWAY.

House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier and the proposed motion of Mr. R. L. Borden in amendment thereto.

Mr. WILLIAM ROCHE (Halifax). Mr. Speaker, the rate of interest being high at the present time, we may have to pay four per cent on the bonds for a year or so. Then, very probably, the rate will be reduced to three per cent or even less. On

this assumption it is fair to believe that the road from Moncton to Winnipeg can be constructed for $65,000,000.

I beg to call your attention and the attention of the House to the proposal of the hon. leader of the opposition. His proposal is to extend the Intercolonial to Depot Harbour, and I suppose on from that to Winnipeg, buying the Canada Atlantic line and the Canadian Pacific line, and building westward from Winnipeg. These railways are to be bought this year. If they sell, they will expect to be paid immediately. If they are to be paid immediately, the interest to be paid on the purchase money would be at four per cent.

Now assuming the cost from Moncton to Winnipeg to be $65,000,000, and allowing seven years' interest, during which the Grand Trunk Pacific pays no rent, that, at 3½ per cent, would amount to $2,270,000 per annum, or, for the seven years, $16,000,000. That would bring up the total cost to $81,000,000. Then, for the Quebec bridge I will allow a cost of $6,700,000, and interest amounting to $300,000, making in all $7,000,000. It was argued very cogently and successfully by my hon. friend from Haldimand (Mr. A. T. Thompson) that two or three railways would participate in the use of that bridge and would contribute to its cost by way of either interest or tolls; so that the sums derived for the use of that bridge would pay the interest on the original cost, and the issue of bonds or other securities for the amount would be simply so much paper, while the interest was being paid to the government.

For the prairie section of 1,000 miles it is fair to assume that nothing is to be paid. On that point Sir Charles Rivers-Wilson further said:

> As regards the prairie section, the government, not unfairly, held that it would be self-sustaining from the day of its completion, and in this view we are willing to concur.

Mr. Chas. M. Hays said:

> Here is the Grand Trunk, the parent company, standing with a large traffic ready to deliver it west bound. This traffic is now given to a competitor. It does not have to wait five, ten or fifteen years to build up a traffic; it starts with a traffic right from the beginning, and that of a most remunerative character. This enterprise which we are advocating today, ladies and gentlemen, combines points and advantages no other transcontinental line in the United States or Canada can have.

It is fair to assume that on this section there would be no liability on the part of the government, and nothing would have to be paid in the way of interest. The traffic from the inception would pay these charges. So we have for these two sections and the bridge a cost of $88,000,000. Taking for the mountain section the large estimate of $50,000 a mile for the 500 miles, this amounts to $25,000,000. Interest on this amount for four years at 3½ per cent amounts to $3,500,000. Three-fourths of the cost of this section is to be borne by the government, that is, $21,000,000. So we have this summary:

Cost of the eastern section	$ 81,000,000
Cost of the bridge	7,000,000
Three-fourths of the cost of the mountain section	21,500,000
Making a total of	$109,500,000

We will be generous; suppose we allow $10,000,000 more for contingencies for unforeseen expenses, and for costly construction. Then you have a total of $120,000,000 for the building of this great railway, for the interest paid during its construction and for all cost incident to it.

Some people always look at the worst that can happen. It is a fair proposition to see at the commencement of an undertaking how much at the worst we will have to pay. Any one who endorses a note for a friend should get ready to pay it if it should not be convenient for his friend to do so. Supposing that no traffic goes over the railway, that the whole line has to be abandoned, then there are from $3,500,000 to $4,000,000 to be paid per annum, and on the other hand you have all the probabilities and all the possibilities of this great railway of the future, when there shall be a population in the west of 7,000,000 to 10,000,000. Here we are at the 'parting of the ways.' I will have to take leave of my colleague the hon. leader of the opposition (Mr. R. L. Borden), who makes up a statement like an attorney's bill against an estate in chancery and proceeds to calculate simple interest, and uncompounded interest, and to allow for deferred payments, and for loss due to the difference between the sum the government will have to pay for interest and the sum it might be recouped by the Grand Trunk Pacific Railway.

My friend from South Grey (Mr. Richardson) remarked with considerable spirit upon the discrepancy in the statements of the hon. the Finance Minister (Mr. Fielding) and of the member for Haldimand (Mr. A. T. Thompson) that the Finance Minister had declared that this railway was to be constructed at a cost to the government of $13,000,000 while the hon. member for Haldimand (Mr. A. T. Thompson) had placed the cost at $80,000,000. My hon. friend from Haldimand (Mr. A. T. Thompson) in his argument was making deductions from the statement of the hon. leader of the opposition (Mr. R. L. Borden) that the obligations which the government would assume in consequence of this undertaking would be from $150,000,000 to $170,000,000. He lopped off by calculations and by investigation an amount of $70,000,000; and by this cut down the account to $80,000,000. On the other hand the Finance Minister (Mr. Field-

ing) gave the cost to the country in interest only. Almost everybody knows the difference between principal and interest, and it is because of this that we have the discrepancy between these two statements, which was so severly commented upon by the hon. member for South Grey (Mr. Richardson). The hon. leader of the opposition (Mr. R. L. Borden) gave the assumed amount for which the country was obligated as guarantors of the bonds. The Finance Minister gave the interest that would be paid in the course of the transaction assuming that the bonds would not be paid and that that would be a charge that would be afterwards recouped from the profits of the Grand Trunk Pacific. I gave the cost to the government on eastern section, the bridge and the mountain section. On the latter the cost, twenty-one millions, will have to be repaid from the bonds issued on joint account.

The hon. the leader of the opposition (Mr. R. L. Borden) objected to the partnership in which the Grand Trunk puts in $14,000,000 or $15,000,000 and the government he says puts in $150,000,000. Partnerships are not all founded upon equal amounts of contributed capital ; one partner may put in $1,000 another may put in $10,000 and they may or may not share the profits alike. That would depend upon the terms of the agreement of partnership. One partner may have capital but little business ability, and the other may have great experience, capacity and energy but not a large amount of capital to put in the business. Again there are other partnerships of a highly intellectual nature in which no cash is contributed at all, but which some people say are far more profitable than those in which substantial amounts of money are invested. What is wanted in this undertaking is the practical experience, the connections and the influence of the Grand Trunk Railway. The government can find all the money that is necessary for the undertaking. What it requires is the practical economic operation of the road with its collateral advantages which can be obtained by the widespread operations of a company under favourable management.

The leader of the opposition (Mr. R. L. Borden) goes on to argue at great length and with many quotations from the speeches of parliamentarians, financiers and others that the Grand Trunk Railway having such a good arrangement ought not to have any further concessions, and amongst other items he objects to their being permitted to dispose of a portion of the common stock. I think it was fair in the first instance that the amount of stock should be regulated and that it should be divided into preferred and common stock, and I say that it makes no great difference whether the $25,000,000 shall be held by the Grand Trunk or the Grand Trunk shall dispose of a part of it. With regard to the value of that common stock I suppose no financier would say what it is likely to be. Many people in this country, perhaps some in parliament, have assumed that they knew a great deal about the value of common stocks in industrials. They have had experience now ; and have found that their knowledge of the value of industrials did not exactly correspond with the amount of capital they had left at the end of the transaction, after these industries had tumbled in the market from 60 or 70 per cent down to 7 or 8 per cent. Thus that argument founded on stocks and the proportion that should be held, is entirely dependent on the earnings of the road and the amount of interest set aside as a contribution to the various kinds of stock. If my eyes do not deceive me and if my ears have not proven treacherous, I remember an argument in the Committee of the Whole, on this Bill wherein the leader of the opposition argued with all his acumen and with a great deal of his force that the Grand Trunk Railway was not a partner in the transaction, and could not be seen in any way in the contract.

Now, Sir, I beg to call your attention briefly to the concessions that are made, I shall not attempt to argue them or to extend my remarks further than to say what the concessions are.

First. The extension of time on the western section for one or two years. I do not believe that any reasonable man would object to this extension of time under the contingencies that have arisen, and considering the prospects we have and the conditions which may arise in the future. Every hon. gentleman who is conversant with the construction of railways and large undertakings where the government is involved, where capital is unlimited, where there is no strike or other disability as in the provision of material for the hastening of the work, and where the stipulation is for construction within a certain length of time, it is reasonable to suppose that the work will be completed far before the end of that time, because corporations of this kind and governments are most anxious that these works of public utility shall be finished with the utmost possible speed.

Second. It is complained that there is no fixed commission on the sale of the bonds. This was a very sore subject with my hon. friend from West Toronto (Mr. Osler). He made much of this omission of fixing the amount of commission for the sale and disposal of these bonds. No person, I think, is more sensitive with regard to the selling of bonds and the amount of commission accepted therefor than the hon. member for West Toronto. This provision is to be found at page 798 of 'Hansard' :—

> The government may and shall, preserving always the proportions in the said contract provided as between the prairie and mountain sections of the western division, implement for the purposes and subject otherwise to the pro-

visions of the said contract, its guarantee of the bonds of the said company to be issued for the cost of construction of the said western division, in such manner as may be agreed upon, so to make the proceeds of the said bonds so as to be guaranteed a sum equal to seventy-five per centum of the cost of construction of the western division ascertained as provided in the said contract, but not exceeding in respect of the prairie section, thirteen thousand dollars ($13,000) per mile.

If the Grand Trunk Railway is ultimately to pay the amount of the bonded indebtedness, it will see to it that no excessive bonds are issued. And, if the government are to be the ultimate possessors of the road, their officers will take pains to prevent any excessive bond issue of the payment of any exorbitant commission to those who are to dispose of the bonds or provide the cash.

Third. A foreclosure in case of default of interest to be paid by the Grand Trunk Pacific Railway Company. I am not a lawyer, and have no intimate acquaintance with the mode of foreclosure. I do not wish to add to the learned legal argument made on this question. It has been thoroughly elucidated. My effort would not tend to cast further light upon it, but rather to obscure it. But there was one singular remark made upon this subject by the leader of the opposition. That remark was to the effect that if this portion of the road should prove unremunerative the Grand Trunk Pacific Company would make default, in which case the road might be put in the hands of a receiver; but when business revived and traffic increased, making the road profitable, then the Grand Trunk Pacific Company would take the road back and operate it during the good times;—and, I suppose, they would leave it to the government again when the profits fell off. I may be bold enough to say that if there be any suspicion in the minds of the leader of the opposition or any other gentleman that this kind of sliding scale could be put in force, the matter should be made clear. It would not be creditable to the government of Canada that there should be any such alternating of control. Once default is made for a number of years, after due charity has been extended to the undertaking, if it is found that either wilfully or by reason of inability, the company does not work that section of the road, the government should resume possession of it and operate it for all time.

Fourth. Alteration in the contract as to the common stock of $25,000,000 to be handed over to the Grand Trunk. Part of that item, I have no doubt, was to provide rolling stock, part was for ships and part for other expense, perhaps to provide the balance of capital between what the government would supply and that which the Grand Trunk Company would have to furnish on the two sections. But the learned leader of the opposition goes on to say that these are concessions made to the company, but where are the concessions made to the government? Where, he asks, is the benefit that will accrue to the country? Of course, the benefit to the Grand Trunk and the Grand Trunk Pacific Companies will be in the proceeds of the traffic. They may amount to five per cent, or to seven or eight per cent, on the capital invested. But the great benefit the country receives is not this percentage on the capital invested, whatever it may be, but the opening up of the country through which the railway will pass, the establishing of collateral enterprises and the improvement in the business of the country at large, as well as in the greater facilities offered for commerce.

A speech was made in this debate by my hon. friend from East Grey (Mr. Sproule). In the course of his very acute and very forcible observation he said that the construction of this railway and the issue of the bonds would involve a very large sum which would be distributed over the farms of Ontario, and he gave the amount of the mortgage on each farm which this expenditure would represent. I object to a gentleman of the experience, industry, and dialetic ability of the hon. member for East Grey appealing to class interests in this way. I do not wish to lecture the House or any member of it; but I say that this country requires that the best services and the most sanguine views of gentlemen of experience in this House should be devoted to the interests of the Dominion as a whole.

He should not take that line, because it savours of class interest, and is not correct. The total amount divided amongst the farmers does not indicate the amount on each farm, because a large proportion of the cost is borne by the cities, by wealthy individuals and by commercial and other interests. The division of the capital sum amongst the farmers does not show that there is any such mortgage on every man's farm. But this spirit and this appeal should be discountenanced in Canada. The country looks to men of that kind to take the most liberal views they can of a great public measure, in order to bring the people up to the patriotic standpoint. Ontario has a great future in this country. It is the leading partner amongst the provinces. It has great obligations to the Dominion also. It is the central province of the confederation. Every effort should be made in Ontario, not to hoard the money and resources of the people, but to use them for the development of that central portion of the Dominion. Look at the map and see the fringe of population along the southern borders, see the vast extent of territory which is unoccupied and undeveloped at the present time. Look to the east and to the west and see the slender line connecting the several divisions of the Dominion. It becomes the province of Ontario, it becomes her sons, behind none others in intelligence and patriotism, to bend their

energies to consolidate and broaden Ontario, and fuse its interests with the provinces on each side of her by sending the life-blood from the heart out to the extremities, thus making one whole of the country. Let Ontario no longer be jealous of Quebec, nor Quebec of Ontario, let British Columbia and the western provinces be not jealous of Ontario, nor look to the south for their welfare and development. Ontario should set the example of sacrifice demanded in order to keep the country intact, in which case Ontario will become the centre of every patriotic influence, the centre of every enterprise which is for the benefit of the outlying parts of the Dominion.

Look at the United States when that country had a population no greater than Canada has now. In the early days of the United States as a nation, they spent an immense sum of money upon building what was called the Cumberland road, which was to begin on the Atlantic and run away into the interior. It was not a railroad, it was a common wagon road, and so desirable was it deemed to be to bind the various states together and to harmonize the interests of the east and the west that they spent $70,000,000 in the construction of that road. That was a great and worthy national object at the day, but for the purposes for which it was then constructed it is now worth nothing. Still it was deemed at the time so necessary to bind the east and the west together, and to develop and settle up that country, to carry the commerce of the east to those new settlements, that they spent that large sum of money to carry out this patriotic object. And they did well. That great country that we admire so much has been built up by the patriotism of the people in their early days, looking to a great national future, and each part of the country made its contribution to the welfare of the whole.

Now, Sir, there is another statement put forward by the hon. gentlemen opposite which needs to be looked into. Objection is made to the provision taking over the branch lines in case the government should elect to operate the eastern division. That is a provision which should be well looked into. I do not pretend to say from local knowledge what branch lines will be built, I do not pretend to say that they will be useful to the Grand Trunk, or what lines it may deem expedient to keep or not to keep. But if the company should desire to keep the paying lines and throw over the other lines to the government, the government has sufficient authority to take those lines which are subservient for the main purpose, and to refuse to take those which are purely incidental to the operation of the Grand Trunk and are not a part of the system which the government has assisted.

Now, the learned leader of the opposition goes on to say that this prevents the government for all time from embarking in any other transcontinental road. I would like to ask how the building of this road in part by the government, how the assisting by the government of this road which is to be built by the Grand Trunk and the Grand Trunk Pacific, will prevent the government hereafter from building another transcontinental road ? Is it for the want of money ? Is it assumed that in the future Canada will be so cramped and confined by reason of the interest which she will have to pay that she will be unable to build another road ? Have hon. gentlemen no faith in the future expansion of our country ? Or is it because the Grand Trunk Railway will operate this road, is it because they will monopolize it, is it because they will prevent by their influence any other national transcontinental road being undertaken ? I fail to see any such chimera, I fail to see any valid objection that can be urged to the construction in the future of as many roads as the government thinks expedient for the welfare of the people, of as many roads as the government can afford to subsidize out of its resources which will have grown so vast.

I would like to say a word or two upon the rival routes. On page 786, the leader of the opposition referred to an editorial in the Halifax 'Morning Chronicle,' in which the writer pretended :

> If the canals were so deepened as to permit the lake carriers to reach Montreal or Quebec from Georgian Bay, it is perfectly certain that all railways would be put out of business so far as the grain trade in summer is concerned.

Upon this the contention is made by many hon. gentlemen that this transcontinental railway will abolish the carrying of grain by the lake and river route. The writer in the 'Morning Chronicle' contends that in summer the railways cannot compete with water transportation. But what about the water stretches in winter ? Hon. gentlemen opposite have laid great stress upon the contention that the carriage of grain will depend upon the water route from the lakes to Montreal, as if that were the sole means of transportation. What will become of that means of transport in the winter ? Suppose we had in the future, suppose we had next year, or the year following, or both, a winter such as we had this year ; suppose we were to depend upon river and lake navigation in winters like this, it would be impossible to carry any grain or any commodities over that route. Now, suppose we adopted the proposition of the leader of the opposition, and carried the Intercolonial to the Georgian Bay, suppose we carried it to Depot Harbour, and suppose that was the beginning of the Canada Atlantic Railway.

What would he do to get his grain in the winter time ? Would he be able to navigate the lakes ? The absurdity of the proposition seems to have suggested itself to him. Perhaps he was reading about the

conveying of Russian troops and munitions of war over Lake Baikal because he said that navigation might be prolonged a little longer in the fall of the year by ice breakers. I would like to see the commerce of the great lakes, the commerce of the great west, the commerce which goes to the maritime provinces depending upon the water being kept open in a winter like the last one by ice breakers on Lake Superior or any other lake. How would it be in winter along the projected Grand Trunk Pacific Railway? The winter of 1904 will long be remembered in Canada and the northern states on account for the severe weather and continuous snow storms which blocked the railways almost everywhere and especially in western Ontario to an extent without precedent in railway experience, some of the lines being closed for weeks at a time and on this we are to depend to carry out the project of the hon. leader of the opposition. The following editorial from the Toronto 'Globe' on March 3, 1904, shows that northern Quebec, usually looked upon as the region of snow blockades is not so white as it is painted, the most northern railway in the province not having cancelled a single train —freight or passenger—during this exceptional winter, and its tonnage hauled showing increases every week since December last:

The Unblockaded North.

The man with the yardstick is reporting on the snow blockade. Eight feet on the level is a customary figure, but one observer, with a talent for accuracy, announces that the depth in his locality is thirteen feet three inches. Snow stories are the winter counterpart of fish stories in summer. Amid all this talk of the blockade it is pleasant to learn of some part of the country where the snowfall does not interfere with traffic, and, curiously enough, the north country furnishes it. It is now about ten years since the Quebec and Lake St. John Railway was completed from Quebec to Roberval and Chicoutimi, a distance of 240 miles, traversing a portion of the same country, northwest of Quebec, through which the government Pacific road is to pass. During all these years this road has been operated without any interruption whatever from snow. The Quebec papers tell us that during this exceptional winter and through all the storms of this northern country the Lake St. John passenger trains have been running sharp on time, there has been no delay in the freight service, and the earnings show satisfactory increases over last winter. The road has been sending all winter thousands of tons of pulp from the mills of the north to the paper mills in New England, which, owing to the scarcity of water, they cannot get from the pulp mills in their own country.

There is a good argument in all this for the new transcontinental. It shows the wisdom of the government's decision to build the road by the shortest and most direct line from Quebec to Winnipeg, north of the height of land in the James Bay territory of Quebec and Ontario. The objection has been raised that it might be difficult to operate such a road in the winter owing to the excessive snowfall.

The critics seem to have overlooked the fact that the published statistics of Mr. Stupart, of the Toronto Observatory, prove that the average annual snowfall at Moose Factory, on James Bay, is half that of Montreal, showing that the precipitation in the St. Lawrence valley is very much greater than it is north of the height of land. Sir Wilfrid Laurier knew what he was talking about when he said in Montreal a few days ago that the idea and the determination of the government is not only to get the shortest possible line across the continent, and the shortest route to China and Japan, but also to create, north of the Laurentians and beyond the height of land, new provinces of Quebec and Ontario.

I want to ask my hon. friend the leader of the opposition—I asked this question last year and I repeat it now—if he extends the Intercolonial Railway by means of the Canada Atlantic Railway to Depot Harbour where will he get his freight for the Intercolonial Railway stretching away to the maritime provinces? He cannot get it by water during the winter time. Where will he get it? In summer time if he had connections with the west and if he had elevators for the storage of wheat he might find some traffic for the road, but the owners of wheat will not suffer it to remain in storage. It is subject to loss and injury. I ask him how he would get his wheat there? He has no western connection. He has no lake navigation. What will he do with his railway in the winter time? How will he get anything to carry to the maritime provinces? Then he is driven back upon the railway to Winnipeg. He will have to purchase, first of all, the Canadian Pacific Railway connecting Sudbury with Port Arthur, and afterwards he will buy the link from Port Arthur to Winnipeg.

Now, my hon. friend the hon. leader of the opposition implores the government to abandon the great transcontinental railway project and extend the Intercolonial Railway to the Georgina Bay. I ask him what for, I ask him what purpose it will subserve. I ask him what good it will do to the maritime provinces by adding to the length of a railway which has no connections with the west, which cannot produce the traffic to carry over it, which is of no utility during the longest season of the year when it should be employed to the greatest extent in carrying the productions of the west.

My hon. friend went on with extensive and most laborious quotations from the Hon. Mr. Blair to prove that the alternative scheme was not a mad scheme. How he reconciled that with his inner consience, how he drew to himself the flattering unction that the disapproval of Mr. Blair is to be construed into approval, I am at a loss to determine. Time will not suffice to go into it. I do not believe that I have the legal acumen to extract an opinion in one direction and transform it into an opinion in another. Whe-

ther Mr. Blair said that it was a mad scheme or whether he now says it is an advantageous scheme I do not care; I will leave it to them to determine for themselves and when they have arrived at a determination I do not expect that there will be a general verdict.

But, whether Mr. Blair is or is not a competent authority on the subject of transportation and of railway construction I know one gentleman who is a competent authority on the subject of railway construction and on the subject of the most economical means of conveying a railway through any territory in which it may be prudent to allocate it. I allude to a gentleman who is now in hale and hearty old age with his faculties unimpaired. I know a gentleman who has had practical experience of a great railway enterprise that spans the continent from ocean to ocean. I allude to Sir Sandford Fleming. He has sent me a copy of his latest work 'Build up Canada' from which I beg to read this extract:

There remains to be opened up, by far the larger half of the productive Northwest. An inspection of the map will satisfy any one that unquestionably the northern half can best be served by the construction of a trunk railway on a northern route.

3. A railway built on the northern route would be the shortest line between the two oceans, besides the most direct for the products of the northern half of the prairie region to the nearest Canadian shipping ports.

4. By establishing on the northern route a modern first-class railway devoid of gradients and every other hindrances to cheap transportation, we would possess the means of carrying the products of the northern half of the prairie region to Canadian tidal ports at all seasons of the year, at less cost than by any other route whatever. The advantages of the lake route have been much extolled. Transportation by water certainly has advantages under certain circumstances, but it also has limitations due to climatic and geographical conditions. In all probability the country west of Winnipeg, and Winnipeg itself, will continue to enjoy during summer all the advantages which the lakes can yield, but there is a vast cultivated country farther north and west, from which it is believed freight may be carried to Quebec by railway on the northern route at less cost than by the lake route. Of course it will be understood that this is conditional upon the line to be constructed being free from such gradients as we find on ordinary Canadian railways, a condition which can only be definitely determined by adequate surveys. Should such a favourable line be established as is believed possible, I venture to state that owing to the reduced total mileage, and still more owing to the reduced gradients on the new line, grain may be carried to Quebec by the direct route at less cost than by the southern route, even if carried almost free of charge across the lakes from Fort William to Depot Harbour, Owen Sound or Sarnia. This of course only applies to the half year of open navigation; during the other half year the northern route would be without a rival worthy of the name.

5. A railway constructed on the northern route would, at all times and seasons, be a reliable outlet from the granary of the empire in the heart of Canada to tide-water. Moreover, at Quebec in summer, and at the open ports of the maritime provinces in winter, the ships transporting produce to Great Britain would, when necessary, be placed under the express protection of the British fleet.

6. Such a railway constructed between Quebec and the western prairies on the northern route would be a national highway in every sense. Its immediate effect would be to broaden the Dominion, to add strength where strength is so much needed, to establish many new centres of industry, and thus the country would steadily become populated and consolidated. What is now a wide-spread wilderness would be converted into one of the most important divisions of the Dominion.

Now, the leader of the opposition having bestowed upon the Grand Trunk that stunning blow upon the solar plexus by his amendment; fearing that there might be a punch left in his old antagonist, he condescends to tell the Grand Trunk, that after he has cast to the winds their contract; after he has constructed his own railway; after he has gained all the advantages; he will condescend to permit the Grand Trunk Railway to build a road to Winnipeg, and perhaps further to the west. But it must have a proviso in its charter, that none of its freight shall be carried to American ports. That is adding insult to injury.

I want to ask the hon. gentleman (Mr. R. L. Borden) how the grain of Manitoba is going to be carried out in the winter season. I want information on that point. How will the grain from north and west of Winnipeg be carried to the sea-board in the future? If there be not a railway to tap these northern territories, how will they get their grain and produce to the market? Will it not go by means of the American railways? Will not the enterprise of the American railways control the traffic which will be carried south to meet these American roads, and will not all the objects which we intend to serve by the Grand Trunk Pacific; will not all the prospects of the future be cast aside, if we allow the American railways through their enterprise to connect with these wheat fields which we neglect. Have we not now in our own hands, the opportunity to correct that evil, and should we not avail of it?

In the summarized contentions of the leader of the opposition—a choice bouquet which he flung upon the table and in that there is one orchid whose delicate fragrance I would commend to the House. I refer to his remarks about the Intercolonial Railway. He said that he would like to relieve the Intercolonial Railway—and I suppose the extensions of the Intercolonial Railway to Depot Harbour and everywhere else of political influence. What does he mean by that? Is not the Inter-

colonial Railway sufficiently Tory now? Is not almost every official on it now a Tory, and does he not think he is bound in duty to oppose the present government in every way, and to use his influence to affect all that are under the management of that railway, so as to create a grievance? All the time that the Tory government was in power, was there a Liberal official that dare call his life his own; was he not harried and persecuted, and was he not abased and treated in every way as if he were an alien and a slave? The Liberal party wants to give every man that is employed on the Intercolonial the benefit of his vote, and the free expression of his opinion; but when he canvasses and when he uses his position detrimental to the government and the department of which he is a servent, I should say that the more political influence you introduce to balance that, the better.

A little further on in the debate the gentleman from Niagara (Mr. Lancaster) said that if the Tories got into power they would cancel the contract which has been made, and I suppose that the country would have to pay damages. I would like to know if that announcement is authenticated by the leader of the Conservative party? Is it to be left for the people of the maritime provinces to consider, that if the Conservative government should come into power, they would be cut off from all connection with the west; is the consideration put before the people of Manitoba, and the Territories, that they would be cut off from all connection with the Atlantic seaboard? Is the announcement to be accepted that the province of Ontario and the province of Quebec are to be cut off from the benefit of a transcontinental railway, and that all these provinces are to have will be colonization railways within the confines of the provinces? Is that an announcement which is made in good faith? Is that the announcement which they make to the people of Canada, and to the inhabitants of these provinces affected? Is that the programme of the Conservative party? We want to know that.

Sir, we heard a great deal about what was conceded in this contract, and let us try to realize now what is actually left. The arguments of learned legal men may not affect us to a great extent; we always expect to find from them the creation of difficulties, and the invention of circumstances and conditions which may never arise. We are not so much affected by them as we are by material things, and plain men like myself and others want to know what remains then of this contract. The contract is there in all its essential features. There is the railway from Moncton to Quebec; there is the bridge; there is the railway from Quebec to Winnipeg, built by the government; there is the railway from Winnipeg to the mountains, built by the Grand Trunk Pacific; there is the section through the mountains to the Pacific; all operated by the Grand Trunk Pacific, with rates to maritime ports the same as to American ports. Are not all these essential clauses in the main contract still? Is not the 42nd clause there? Is not the 44th clause there? They are not affected by these amendments. The rest is a mere bagatelle. What shall we have seven or eight years hence, when this contract has materialized into actual work? We shall have a transcontinental railway in reality, extending from Sydney on the east to Moncton, from Pictou to Moncton, from Halifax to Moncton, from St. John to Moncton, from Moncton to Quebec, from Quebec to Winnipeg, from Winnipeg to the sea—all operated by the Grand Trunk Pacific management, all under the control of government rates, all conducted for the benefit of the country at large. What are the advantages of this road? Its plain, salient advantages are well known. Its advantages to Cape Breton will be in the furnishing of its coal to the railway and the inhabitants of the country; the furnishing of its iron, its steel, its rails, its bridge work, its materials of every kind; the furnishing of labour to the people who are engaged in the industries of that flourishing portion of the Dominion. What will be its advantages to Halifax? Ships coming with inward freight; ships going, laden with grain and other cargoes; labour to the workingman which the workingman desires; employment giving him the means of supporting himself and his family—that is the announcement we want to make to the country; improved terminals in the splendid port of Halifax, the greatest port that will be on the Atlantic at least, either north or south; advantages in many collateral ways; advantages to all branches of commerce; advantages to all the employments and business enterprises of the country and the province. There will be advantages to Pictou and to other parts of Nova Scotia, in their coal, stone, lumber, cars, machinery; and there will be the labour which is incidental to the production of all things, and the payment for skill and enterprise in the factories engaged in these enterprises. What will be the advantages to New Brunswick? St. John, with ships carrying outward grain and other produce, and carrying inward freight. New Brunswick furnishing stone, timber, lumber, produce supplies to the railway building through it; also benefiting by all the influence of the railway when it is completed through the province. What are the advantages to Quebec? Settlement of that vast continent of land lying to the north; utilization of its forest and mineral products; building up of towns and cities in the territory; through traffic on the railway; labour for the teeming inhabitants of that province in building the railway; subsequent commercial operations; supplies for construction, stone,

timber, lumber, bridge work, furniture; keeping the factories in operation, giving employment to the people; commerce revived at Quebec and Montreal—inward commerce and outward commerce; and every development which this great work will give to those portions of the country. What will be the advantages to Ontario? Is Ontario to get nothing? Is Ontario to be behind? Employment of manufacturers, setting the tall chimneys smoking; carriage of farm produce and other articles to those engaged in building the railway; interstate commerce as that proceeds; traffic on the railway as it is in course of completion; building of towns and cities in the northern part of the province; improvement of farms and lands, and the promotion of the general happiness and prosperity of the people—that is for Ontario. What are the advantages to the Northwest? Outward freight; the destruction of monopoly and excessive freight charges; prairies turned into farms; the Northwest peopled with farmers, villagers and other inhabitants; homes of millions of prosperous people; inward freight; the balance of trade with the United States adjusted, there being no longer a great excess of imports over exports; the great Northwest receiving more of the productions of Ontario and other manufacturing provinces of the Dominion. Is there anything for British Columbia? There will be a fleet of ships on the Pacific, communication with the coast; utilization of lumber for the road and materials for bridges; carriage of grain through, general development, the development of its immense mineral resources, trade with Japan and the Orient, and a general expansion of the country. Over all the line there will be increased employment for the people. There will be employment for labour in the building of the road. There will be employment for the makers of machines, for engineers and surveyors and clerks, for skilled workmen who will be required for the railway. There will be employment for our young professional men who have aspirations, and whose services are needed in the development of the country—for those who are at present studying in our colleges for engineering and other professions, which will be utilized in a great work like this; and preference will be given to qualified men who are natives of our own country—Nova Scotians, Cape Breton men, New Brunswickers, Quebec men, Ontario men, western men and British Columbia men. Those who are qualified to undertake the execution of this great work will have the preference. Their future is before them, and it is bound to be in this great work. What more? What will be the advantages to Canada as a whole? Unroll the map of Canada now. Now population is doubled along the southern portion of its territory, now it is developed at the ends with an attenuated middle, with a fringe of people along its southern border looking with wonder and alarm at the colossus to the south, with his giant limbs stretching from ocean to ocean and our commerce passing between his wide stretched feet. Look on this large picture painted by faith and hope on every patriotic Canadian heart: the sun is rising at Vancouver but it is noon-high at Halifax shining down upon a proud and prosperous land. There is the railway running through the centre, with its branch lines reaching out in all directions. There are the farms, the hamlets, the villages and towns. There are the stately homes and the cottage homes of an intelligent, industrious, contented and happy people—no longer any jealousy among them; there also is the church and the tall chimney, too. What are the causes of this great expansion? One cause, is that Providence has reserved this country for development in the twentieth century; and one cause of its prosperity is that this year the parliament of Canada gave its consent to the contract to build the National Transcontinental Railway.

Mr. W. J. ROCHE (Marquette) moved the adjournment of the debate.

On motion of Mr. Fielding, House adjourned at 9.45 p.m.

HOUSE OF COMMONS.

MONDAY, April 18, 1904.

The SPEAKER took the Chair at Three o'clock.

REPORT PRESENTED.

Report of the Northwest Mounted Police.—Sir Wilfrid Laurier.

ANTI-CHINESE LEGISLATION.

Mr. AULAY MORRISON (New Westminster). Mr. Speaker, before the Orders of the Day are called, I would like to ask the right hon. the First Minister if there is any information before the government to confirm the report that comes from British Columbia that the Emperor of China has made overtures to the imperial government seeking to interfere with the anti-Chinese legislation of this parliament at its last session?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). There is no information of such a character in the hands of the government.

THE JOINT HIGH COMMISSION.

Mr. R. L. BORDEN (Halifax). I would like to ask the Prime Minister whether or not there is any objection to placing on the table of the House the instructions or

commissions issued to the members of the Joint High Commission. We understand that it is uncertain whether or not that commission will again assemble. There is no immediate probability at least of its being convoked. I do not recollect of the instructions or commissions ever having been placed before this House, and I assume that there is no objection now to placing them on the table, for the purpose of informing the House and the country as to the authority which the members of that commission had in conducting their negotiations with representatives of the government of the United States.

Sir WILFRID LAURIER. So far as my memory serves me, there are no other instructions than those contained in the commission, which I think was placed on the table of the House some years ago. At all events, there can be no objection to its being again placed on the table.

Mr. R. L. BORDEN. My right hon. friend may be correct. If so, it is not my fault that I have not seen the commission, because I made inquiry for it in the library, and was informed that there was no such document there. If it had been laid on the table of the House, I assume that it would have been there.

THE ALASKAN BOUNDARY—CORRESPONDENCE.

Mr. R. L. BORDEN. I would like also to call the attention of the Prime Minister to the fact that the papers relating to the Alaskan boundary dispute have not yet been placed before parliament in a very satisfactory condition. My right hon. friend last session expressed himself in this way with regard to those papers :

> I am sorry to say that the whole correspondence which we have had upon this question since 1899 has not yet been placed before parliament ; I am sorry not only that we have not the treaty-making power, but that we are not in such an independent position that it is in my power to place before parliament the whole of the correspondence as it passed between the Canadian government and the British government. But we shall have that correspondence, and it will be placed before parliament at the next session—the whole of it, no matter what protest may come from abroad, we shall have the whole of it, and then this country may know exactly what has taken place, and what share of responsibility must rest upon each of the parties concerned in this matter.

I am not aware that we have the whole of the correspondence at present. I mentioned the matter once before, and at that time my right hon. friend thought it would be down in a few days, or at least later on during this session. I suggest now that we should have the whole of the correspondence, and have it arranged in such order that members of the House will be able thoroughly to understand it, and not in the way in which documents of this character are sometimes brought down.

Sir WILFRID LAURIER. I may say to the House that at ths moment we are corresponding with the imperial authorities on the subject of this correspondence. I hope that before the session progresses much further we may be able to issue a blue-book containing the whole of it, so far as we have it.

MR. BLAIR'S RESIGNATION—CORRESPONDENCE.

Mr. R. L. BORDEN. I would like also to ask the government whether or not all the correspondence between the Hon. Mr. Blair and the government respecting the causes which led to his resignation, has been placed before the House. The correspondence as it was placed before the House by Mr. Blair himself during the past session is contained in pages 6740-6747 of 'Hansard' of last session. There has been no statement so far as I am aware, that the whole of the correspondence has been brought down, and formally laid before the House. I would ask the Prime Minister whether the whole of it has been brought down, and, if not, whether there is any objection to bringing down the remainder ?

Sir WILFRID LAURIER. So far as I remember, the whole of that correspondence has been brought down ; but I will make further inquiry on the subject.

HOME BANK OF CANADA.

Mr. CLARKE moved second reading of Bill (No. 45) respecting the Home Bank of Canada.

Hon. W. S. FIELDING (Minister of Finance). That Bill is somewhat exceptional in its character. It is a departure from the general principle of the Banking Act, and these departures should only be made for special reasons. We did pass a similar Act respecting the Crown Bank a year ago. I am quite ready to let the Bill go to the committee, when further information may be obtained from the hon. gentleman who is promoting it.

Motion agreed to, and Bill read the second time.

SECOND READINGS.

Bill (No. 57) to incorporate the International Railway Bridge Company of New Brunswick.—Mr. C. Marcil.

Bill (No. 58) respecting the Imperial Loan and Investment Company of Canada.—Mr. A. T. Thompson.

Bill (No. 59) respecting the Montreal Park and Island Railway Company.—Mr. Geoffrion.

Bill (No. 60) respecting the Kettle River Valley Railway Company.—Mr. Galliher.

Bill (No. 61) to incorporate the Thorold and Lake Erie Railway Company.—Mr. German.

Bill (No. 62) respecting the Welland and Grand Island Bridge Company.—Mr. German.

Bill (No. 63) respecting the Edmonton and Slave Lake Railway Company.—Mr. Costigan.

Bill (No. 64) respecting the Strait of Canso Bridge Company.—Mr. Wade.

QUESTIONS.

SS. 'LAKE CHAMPLAIN.'

Mr. E. D. SMITH—by Mr. Clarke—asked :

1. In answer to question of April 6th, the Minister of Agriculture said : 'The ss. 'Lake Champlain' had the ordinary system of cowl ventilation.'

2. Has the government examined these cowl ventilators, and found them in proper order and of sufficient size on this boat on each outward voyage, when perishable cargo was aboard ?

Hon. SYDNEY FISHER (Minister of Agriculture). One of the inspectors for the Department of Agriculture has reported on each outward voyage of this steamship, both from the port of Montreal during the past season of navigation and from the port of St. John, N.B., during the winter season, and in each report the ventilation is described as follows :—

'Tween decks : No. 1—2 in-takes, 2 out-takes ; No. 2—2 in-takes ; No. 3—2 in-takes ; No. 4—2 in-takes ; No. 5—2 in-takes, 2 out-takes ; No. 6—2 out-takes.

Orlop : No. 1—2 in-takes, 2 out-takes.

Holds : No. 1—2 in-takes, 2 out-takes : No. 2—2 in-takes ; No. 3—2 in-takes ; No. 4—2 in-takes ; No. 5—2 in-takes, 2 out-takes ; No. 6—2 out-takes.

The ventilators in the 'tween decks were 18 inches in diameter, and those in the holds 14 inches.

Every inspector is instructed to mention in his report the fact of a ventilator being out of order if he so finds it when making his examination. The reports do not state that any of the ventilators were out of order.

RAILWAY CATTLE-GUARD COMMISSION.

Mr. LENNOX asked :

What is the total cost of the Railway Cattle-guard Commission ?

Hon. H. R. EMMERSON (Minister of Railways and Canals). The total cost of the Cattle-guard Commission was $6,828,68.

FURNISHING ELECTRIC POWER TO UNITED STATES.

Mr. CLARKE asked :

1. Has any application been made to the government, and if so, when and by whom, for permission to obtain electric power generated in Canada, to convey it to the United States ?

2. If such application has been made, what action has the government taken, or what decision has the government come to, in respect to the matter ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). No record can be found of any such application.

ALBERTON STATION AND ENTRANCE.

Mr. HACKETT asked :

1. What report, if any, has the government received relative to the survey and appropriation of a new entrance by rail into the town of Alberton, Prince county, Prince Edward Island, and the avoidance of the 'Y' nuisance, under which the place has long suffered ?

2. Before the new station is commenced at Alberton, will this nuisance be removed by selecting a proper line of entrance ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. The department has received a report from the General Manager, which does not favour the proposed change.

2. The matter is under consideration as to what shall be done.

IMPERIAL SERVICE COMMISSIONS—CANADIAN MILITIA.

Mr. SAM. HUGHES asked :

1. How many commissions in the imperial service of the British empire are allotted to officers from the Canadian militia annually ?

2. Are these commissions over and above those given graduates of the Royal Military College, of Kingston ?

3. What are the conditions under which the six commissions are supposed to be granted ?

4. What examinations are to be passed ? If this information is too detailed for a question, will the government have it laid upon the Table of the House ?

5. For the non-military examination, that is, for the literary examination, is a standing in one or the other of Canada's universities accepted in lieu thereof ? If so, what is the standing required ?

6. How many Canadian militia officers have received such commissions annually since 1899, inclusive ?

7. Are special commissions in the West African service, or other similar service, given to Canadian officers besides ?

8. If so, what are conditions required for such service ?

Sir FREDERICK W. BORDEN (Minister of Militia and Defence) :

1. Six.

2. Yes.

3. An officer of the colonial military forces who is a candidate for a commission in the British army will be required—

(a). To be unmarried, and to be between the ages of 18 and 25 on the 1st January of the year in which he is allowed to present himself for the examination in military subjects.

(b). To have served as an officer in the local military force of the colony from which he is nominated, and to have attend-

ed two annual trainings, each training to be in a distinct year, or have seen active service in the field.

The application should be accompanied by—

(a). An extract from the register of the candidate's birth; or, in default, a certicate of his baptism or other documentary evidence, accompanied by a declaration made by one of his parents or guardians before a magistrate, giving his exact age.

(b). A certificate of having served the required number of annual trainings (each training in a distinct year).

(c). A certificate from the governor that he is satisfied that the candidate is actually a colonist, that he is of good moral character, and, in all other respects, a fit and proper person to hold a commission in His Majesty's army.

(d). A certificate that the candidate has passed the prescribed literary examination, or that he has passed an equivalent examination.

4. A literary examination; an examination in military subjects; a medical examination.

Further details as regards the different subjects of the literary and military examinations in which a candidate will be examined can be furnished on application to the department. Only one copy of regulations available.

5. Yes, provided the candidate has passed the examination specified below at any of the following universities :—

Oxford—The 'First Public Examination.'

Cambridge—One of the parts of the 'General Examination,' or Part I. of any 'Tripos Examination.'

Dublin—The 'Final Examination of the Senior Freshman Year,' or the 'Final Examination of the School of Engineering.'

Durham—The 'First Year's Examinations.'

London—The Intermediate Examinations in Arts, Law, Science or Medicine.

Scotch Universities—The 'Examination of Candidates for the Army.'

The Royal University, Ireland—'The Second University Examination in Arts, or the Second Professional Examination in Engineering.'

Victoria University, Manchester—The Intermediate Examination.

Or if he has passed some other test which is accepted by the university as exempting him from the above examinations. A certificate that the examination is accepted by the authorities concerned must be produced.

An equivalent examination at the University of Malta, or one of the chartered colonial universities will likely be accepted as a sufficient ground for exemption.

A candidate is also exempted from the literary examination, except in geometrical drawing, if he can produce a certificate from a chartered university that he has—

(a). Taken his degree in Arts or Science; or

(b). Passed the examinations for the degree of B.A. or M.A. at one of the following universities :—Oxford, Cambridge, Dublin, Durham, London, Edinburgh, St. Andrew's, Glasgow, Aberdeen, The Royal University, Ireland, Victoria University, Manchester; or for the degree of B.Sc. at the Universities of Edinburgh, St. Andrew's, Glasgow or Aberdeen.

6. A total of 8.

7. Yes.

8. A candidate for first appointment as a lieutenant in the West African Frontier Force—

(1). Must be an officer of the regular army, Militia Imperial Yeomanry or Reserve of Officers.

(2). Must, at the date of appointment, be more than 22 and less than 35 years of age.

(3). Must be unmarried on first taking up his appointment.

(4). Must, at the time of application, have completed two years' of actual regimental duty at home or abroad; or, if a militia officer, three trainings with his own battalion, or its equivalent in embodied service, or while attached to the regular forces.

(5). Must, if a militia officer, hold the following certificates :—

(a). An officer's certificate in musketry, including machine guns, from the School of Musketry at Hythe, or its equivalent; and

(b). A certificate on Army Form E 516 (promotion to the rank of captain), or a P.S. certificate, Army Form E 527.

Except in special circumstances, officers serving abroad will not be accepted for service in the West African Frontier Force.

STE. FLORE VOTERS' LIST.

Mr. CASGRAIN—by Mr. Clarke—asked :

1. Did the depositary of the list of electors, for the purposes of provincial elections, for the parish of Ste. Flore, in the electoral district of Three Rivers and St. Maurice, forward to the Clerk of the Crown in Chancery, as required by the Franchise Act of 1898, section 10, a copy of the changes or modifications made to the said electoral list by a judgment rendered at Three Rivers, on the 18th January, 1904, by the Hon. Judge Desmarais, erasing eighty-seven names from that list ?

2. On what date did the said depositary of the said list forward the said changes or modifications to the Clerk of the Crown in Chancery ?

Right Hon. Sir WILFRID LAURIER (Prime Minister).

1. No.

2. These changes in the list have not been received.

RAILWAY FARES OF AGRICULTURAL DELEGATES.

Mr. HACKETT asked :

1. Is the intention of the government to reduce railway rates to a nominal figure, or admit of free passes, for agricultural delegates over public railways, in accordance with the resolution passed at the annual convention of the Prince Edward Island farmers ?

2. What is the lowest existant rate paid by delegates attending such conventions, and the fares, when formally engaged in promoting the public interests, and thus increasing railway traffic ?

3. Should not those gentlemen, giving their time and brains to the advancement of the country, be provided with free transportation ?

Hon. H. R. EMMERSON (Minister of Railways and Canals). I cannot very well understand whether this question relates to railways generally or merely to the government railway. I may say further that the deputy minister informs me that no trace of any such resolution as that referred to in the first question can be found in the department. The second question relates to special rates on railways generally throughout Canada. That information is not in the department. The third question involves the free transportation on the government railways of all those who devote their time and brains to the advancement of the country. Our rolling stock might not be sufficient to convey all of these.

GRAND TRUNK PACIFIC RAILWAY.

House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, ' That Mr. Speaker do now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904 ' ; and the proposed amendment of Mr. Borden (Halifax) in amendment thereto.

Mr. WILLIAM J. ROCHE (Marquette). Mr. Speaker, the Bill which passed this House for the construction of another transcontinental highway, which was heralded with such great acclaim by hon. gentlemen opposite, as being the very acme of perfection and a Bill that could scarcely be improved upon, beneficial alike from the point of view of the country and of the company, is to-day being subjected to criticism in this House among its own friends. We have been summoned to parliament, so we have been informed by the president of the Grand Trunk Railway, for the express purpose of amending that contract, the amendments all being calculated to confer greater advantages and greater benefits on that corporation, but not one of them to further protect the interests of Canada. When the opposition realized last session that it was the intention of this government to force that Bill through parliament, without consulting the country, they introduced a series of resolutions which were intended to further safeguard Canadian interests: In view of the vast expenditure which was being incurred by the Dominion of Canada, the opposition in the performance of its legitimate duties, endeavoured to make that contract as perfect as possible and to close up every possible loophole that might be taken advantage of by the company to the detriment of the country. These resolutions however with, I think, but two exceptions were rejected by the government and its followers on the ground that they were not in the contract, that the company would not accept them and that parliament had either to accept or reject the contract as a whole. The hon. Minister of Justice (Mr. Fitzpatrick) and the hon. Minister of the Interior (Mr. Sifton) in particular waxed indignant at the mere suggestion that this corporation might not keep faith with the Canadian people. Could we imagine a body of men, said the Minister of the Interior, a body of reputable citizens standing so high in the financial world as these gentlemen who were seeking incorporation under this charter, to have so little regard for their standing and their integrity as to break faith with the parliament of Canada, and go back upon their solemn contract ? The idea in his opinion was preposterous and but the phantom production of the imagination of the members of the opposition. But, Sir, notwithstanding this great faith on the part of the hon. Minister of the Interior (Mr. Sifton) scarcely had the ink dried on the contract, not a bit of work had been done in pursuance of it, before we saw these reputable gentlemen going back on their contract and putting up not the deposit in cash or government securities required by the contract, but a deposit of Grand Trunk Railway bonds and this only after the time limit had expired. Thus we find these gentlemen right at the outset breaking their solemn contract and breaking it, not for the reason assigned by the Prime Minister that there was a stringency in the money market, for Mr. Hays very definitely stated that they could have had plenty of money, but merely as a matter of convenience to the company. So we in the opposition find ourselves justified in the position we took last year when we wanted to tie these gentlemen down to black and white, taking nothing for granted, no matter how upright they might be. When we find how lightly they have treated their written contract entered into with all the solemnity spoken of by the hon. gentlemen opposite, we feel perfectly justified in the position we took. The right hon. the Prime Minister (Sir Wilfrid Laurier) in dealing with this matter, this session profited by the criticisms administered to his speech of last year, avoided those mock heroics and that hysterical condition that played such havoc with his mental equilibrium last year. The mountains of information which he was supposed to lay before the House last year to furnish reasons for the construction of this line were found on careful perusal to contain very little practical information. It is true that this has been supplemented by the right hon. the Prime Minister (Sir Wilfrid Laurier) this session by a quotation from a report made by a Jesuit missionary 200 years ago, wherein he had said that on a certain day in June, roses were in bloom and that they had no night in that country. That was surely most modern information on the

strength of which to build a railway, and when the right hon. gentleman (Sir Wilfrid Laurier) has to employ such an argument to bolster up his opinion he can hardly continue to call himself a practical man. It is passing strange, Mr. Speaker, to observe the treatment that has been accorded by the right hon. the Prime Minister (Sir Wilfrid Laurier) to the various gentlemen who have held the portfolio of Railways and Canals in this government.

The gentleman who occupied that position from 1896 to 1903, Mr. Blair, the only practical man in Canada so far as railways are concerned, the gentleman who knew more about railways than all the other members of the cabinet put together, the gentleman to whom the Prime Minister gives a certificate of character to-day as being the best railway expert in the Dominion of Canada—his information was lightly treated, and he himself was so cavalierly treated, that he was not even invited in when the negotiations that led up to this contract were undertaken. It is true that that gentleman was not slow in expressing his opinion of this contract when it was up for consideration last session. He denounced it in no measured language claimed that it was a mere wilful waste of public money, utterly unjustifiable, without a single redeeming feature. After hearing that expression of opinion, after hearing that strong condemnation of this railway scheme, the Prime Minister valued that opinion so highly that he immediately said, in effect: Mr. Blair, your head is level, you are just the man I have been looking for. I have looked over Canada from one end to the other to find the most competent authority on railways, to find the very best railway expert. After hearing your expression of opinion and valuing it as highly as I do, I ask you to come up higher, to accept one of the best and most important railway positions in the Dominion of Canada, carrying with it emoluments, no small matter in itself, of $10,000 per annum. It is true that if your view were carried into effect it would save the country many millions of dollars, but inasmuch as your hands would be tied so far as this particular scheme is concerned, and inasmuch as your silence would be secured for the next ten years, I think this would be a splendid move, looked at from a party standpoint, and would get a dangerous opponent out of our way. Please overlook those unkind criticisms that your erst-while Liberal friends have made on your conduct, those gentlemen who, when you were Minister of Railways and Canals, were servile supporters of every questionable scheme that has been put up by this government since 1896, lauded you as being one of the best Ministers of Railways and Canals Canada was ever blessed with; but who, no sooner had you turned your guns upon this railway scheme of mine, immediately began to speak of you in violent language, to impute the worst of motives to you, stating that you were animated by a sense of personal pique because you were not allowed to conduct those negotiations—though between you and me, you know well why you were not invited into those negotiations. That celebrated memorandum of yours dated the 10th of December, 1902, placed it out of my power to invite you to participate in those negotiations. Please forget those criticisms, such as that made by the hon. member for Hants (Mr. Russell), wherein he stated you were unworthy to unloose the latchets of my shoes, and many other criticisms of a like character. Write a letter condemning the leader of the opposition's scheme also, even though you may not be able to say anything against it save that his scheme recognizes the necessity for the immediate construction of another transcontinental line while you do not recognize that necessity. Accept this position and I, in the magnanimity of my heart, will overlook your scathing and scorching criticisms of my time and tide utterances, though I will admit you did strike a most cruel blow at my scheme. Well, Mr. Speaker, the Hon. Mr. Blair listened to the voice of the tempter, hesitated, and was lost. But in asking Mr. Blair to assume this important position, no greater compliment could be paid that gentleman's railway abilities, and at the same time no greater condemnation of the railway scheme of the premier could be made.

Now the gentleman who now occupies the position of Minister of Railways and Canals, I may say, has been treated very little better. Instead of alloting to that gentleman, in whose department this transcontinental railway scheme should be conducted—instead of alloting to him the duty, the Prime Minister took it upon himself to introduce these amendments to this parliament: instead of even asking that gentleman to defend the policy of the government against that severe onslaught made upon it by the leader of the opposition, the present Minister of Railways and Canals has been relegated to the background. His colleagues had not sufficient confidence in him to believe that he would make a good presentation of the scheme, and a good defence against attacks upon it. Therefore another gentleman was called in to whom was relegated the impossible task of trying to make reply to that crushing criticism offered by the leader of the opposition; to the Minister of the Interior (Hon. Mr. Sifton) was assigned the task, a gentleman who may be recognized as an expert in drawing a herring across the trail, and who amused himself and those surrounding him by setting up men of straw in order that he might show with what facility he could demolish them. But any person taking up the speech of the leader of the opposition, perusing it carefully, and placing it beside the speech which was made in reply by the Minister of the Interior, no matter to what political party that person might belong, could not say that it was in

any manner or sense a reply. As was stated by the hon. member for St. John (Mr. Daniel), it was an attempted reply, but no answer was contained therein to the attacks made upon it by the leader of the opposition.

Now the Prime Minister assigned as one of the reasons for the immediate construction of this road, in the speech he delivered last session, the necessity of affording relief to the grain congestion of the west, and affording the people of western Canada another outlet to the markets of the world for the products of their farms. So urgent was that necessity that the government could not wait until accurate information was supplied to the members of this House upon which they could base an intelligent opinion as to the character of the country through which it was supposed to run. So great was the haste that they could not even wait until careful surveys had been taken to see if sufficiently favourable gradients and curves could be secured to make the profitable carrying of grain a possibility by that road. There was no time for consideration, there was no time for deliberation, it was a time for action. But notwithstanding this great haste on the part of the government to rush a Bill through Parliament, we have seen the loss of a year without a single step having been taken, without a single survey party having been sent out by the government to survey that portion of the government's line from Winnipeg to Moncton, 1,900 miles in extent. Now, in order that I may not do an injustice to the government in making that statement, I desire to read some questions that were asked on this subject a few weeks ago in the House by various members and the answers that have been given thereto by the Minister of Railways and Canals. On March 17, my hon. friend from Hamilton (Mr. Baker) moved for :

Copies of all interim and other reports, plans, maps, accounts, statements, papers, documents and correspondence in possession of the government, relating to surveys for the western and eastern divisions of the proposed Transcontinental Railway.

The Minister of Railways and Canals made answer to that question :

There are no such documents on record in the department.

No reports, no plans, no maps and no correspondence—nothing in reference to either the eastern or the western division. My hon. friend from Hamilton next moved for :

Return showing :

1. The number of names of all persons employed by the government or otherwise in surveys for the purposes of the eastern division of the proposed Transcontinental Railway.

2. The date of the employment of each such person, his salary, the nature and term of his employment, and the portion of the survey on which he has been employed.

3. Whether such person was so employed by the government ; and if not, by whom ?

4. The nationality of each person, and his place of residence previous to such employment.

Hon. H. R. EMMERSON (Minister of Railways and Canals). The government have no persons employed on the eastern division of the Grand Trunk Pacific Railway and, of course, the other information is not in the possession of the department.

So here we have the distinct declaration on the part of the minister that they have had no survey parties out on this eastern extension. The hon. member for Winnipeg (Mr. Puttee), also, on the 28th March, asked the following questions :

1. Is the government aware that survey parties are at work along the route of the proposed Transcontinental Railway between Winnipeg and Quebec ?

2. Are these parties employed by the government or by the Grand Trunk Pacific Railway Company ?

3. If by the railway company, is there any understanding that the government will adopt the surveys, and pay the expenses incurred in making them ?

To which the following reply was made by the Minister of Railways and Canals :

1. The department is aware that survey parties are in the field north of North Bay and Port Arthur surveying branch lines to connect with the proposed Transcontinental Railway between Winnipeg and Quebec.

2. These parties are employed by the Grand Trunk Pacific Railway Company.

Here is an admission that the only survey parties sent out are survey parties sent out by the company to survey branch lines and having no connection whatever with the main line. Again, on the same date the hon. member for Toronto (Mr. Kemp) asked the following questions :

1. How many survey parties, if any, have been engaged upon the eastern division of the Transcontinental Railway ?

2. By whom were such survey parties employed ?

3. Upon which sections have such parties been working ?

The reply of the hon. Minister of Railways and Canals was as follows :

1. Not in a position to say how many surveying parties, if any, are engaged upon the trunk line of the eastern division of the Transcontinental Railway ?

2. If any are employed, cannot say by whom.

3. Not aware that any such parties are working on the trunk line on the said section.

Here, we find on three or four different occasions the hon. Minister of Railways and Canals absolutely denying all knowledge, in fact, stating that the government have no parties out on the eastern extension. So, we have lost a whole year without anything having been done notwithstanding that last year we were told that time was so very

precious that we could not wait a day or an hour or a minute and in such great haste was the right hon. Prime Minister that he offered up the prayer that Heaven grant it may be not already too late. How ridiculous must that right hon gentleman appear now in the eyes of the people of Canada in view of his declarations of last session when, in the very first clause of this amended contract we find that he is extending the time for the completion of the western extension from Winnipeg to the coast from December 1908 to December 1911. The last year the flood tide was upon us, we could not wait because time would not wait, but apparently the right hon. Prime Minister has gotten over a considerable portion of his haste when he now asks parliament to amend the contract so that the most important section of the road, the part through the congested area that this road was supposed to relieve, is given three years extra time for its completion. So far as the eastern extension is concerned there is no time limit in which the road shall be completed, the clause regarding that being of the most elastic character that can and no doubt will be taken advantage of particularly in regard to that portion of the line east of North Bay. In view of the company having the privilege of leasing any portion of the eastern extension as it is completed, without waiting for the completion of the whole line it is a pretty good index that the government has no serious intention of constructing that portion of the line in the near future, at any rate, east of North Bay. On the 500 miles of the mountain section upon which the government under the original contract had only a limited liability, namely, it undertook to guarantee three quarters of the cost of the construction to the extent of $30,000 a mile, that limited liability has been removed, and a new clause substituted in lieu of the same that obligates the country to pledge its credit to an amount equal to three quarters of the cost of the construction of the road irrespective of what the cost may be. In other words, if the estimate is correct that it is going to take $50,000 a mile to build the mountain section instead of the government guaranteeing $30,000 a mile it will guarantee $37,500 per mile. Nor, is that all ? The government gives a cash bonus to the amount of seven years' interest. I have been somewhat amused in listening to some of the hon. gentlemen on the opposite side of the House when they have claimed that they were giving no land grant and no cash grant in connection with this road. The very reverse is the fact. Here they are making a present, call it what you may, a bonus or anything else, of seven years' interest not one cent of which they will ever get back and which in the aggregate will amount to $4,882,500. They are granting a cash bonus of that amount of money. Nor even yet is that all. The government guarantees to pay the difference between what the bonds may sell for and their face value —an indefinite amount. We cannot tell how much it will be at this time. This will be a great concession to the company and increase the obligation which the country will be called upon to meet. On the thousand miles of the prairie section the government's guarantee remains the same as in the original contract, namely, guaranteeing the bonds for three-quarters of the cost of construction up to $13,000 per mile. But, Mr. Speaker, this will be sufficient to pay for the construction of the prairie section. Any person who has any experience or knowledge of railway construction through a prairie country knows full well that that line can be constructed for, at the most, $13,000 a mile, and the best evidence of that is, that the Manitoba government has been securing the construction of hundreds of miles of the Canadian Northern Railway through prairie country, similar in character, which is as difficult of construction as the construction of this road will be, by giving a guarantee of $10,000 per mile, $2,000 of which has to be applied towards the equipment of the road. So, by juggling the accounts there is no doubt that the government's guarantee will be made to pay the full cost of the road.

Mr. McCREARY. How much did the government of Manitoba pay for the 350 miles of railway that they secured from the Northern Pacific Railway Company ?

Mr. W. J. ROCHE. The Canadian Northern took it over from the Manitoba government at the same price as that at which the government had taken it from the Northern Pacific. The government is now securing the construction of hundreds of miles of railway with no greater guarantee than $10,000 a mile, $2,000 of which has been expended on equipment.

Mr. McCREARY. How much did the Manitoba government pay to the Northern Pacific for that 350 miles of road ?

Mr. W. J. ROCHE. I would ask my hon. friend if he thinks $13,000 a mile is not sufficient for the construction of this railway through the prairie country in the west ?

Mr. McCREARY. We only guarantee 75 per cent.

Mr. W. J. ROCHE. Under this juggling of accounts that corporations know so well how to resort to, the full limit of the government's guarantee, viz., $13,000 per mile will be utilized, which in itself will be an amount sufficient to cover the whole expenditure upon that line. The power of foreclosure which the original contract provided for if the company was in default to the amount of three years' interest, has been impaired. The government enjoyed under the original contract a first mortgage which it could fore-

close and thus secure the road if the company did not pay the interest as it fell due. This particular clause received the endorsation of hon. gentlemen opposite last year and great credit was given the government for taking the precaution to provide for the security of the people by placing in the contract a mortgage under which they could foreclose and operate the line, if it came to the worst, as a government road. But, this session, we see these very same hon. gentlemen arising in their places and actually approving of the government doing away with that provision and taking the ground that it would be a misfortune if the government did foreclose and operate the road as a government line. There is now only a remedy under this contract if this company are in default to the amount of five years' interest. The company can be in default to the amount of one, two, three, four or four and a half years' interest which the government will have to pay and it has no remedy at all. Until the company is in default to the amount of five years' interest the government has no option in the matter. Then all the government has the power to do is to appoint a receiver or manager subject to the approval of the company, whose duty it will be to take over and operate the line not in the interests of the country, but in the interest of the company as well. This will be a most convenient way by which the company can get out of operating the road, in a time of depression, and drawing on their treasury to pay any deficit that might ensue, for this road must have capital to operate it and maintain it in a period of depression, just as much as in a period of prosperity. Where is that capital coming from? The country will have to put the capital up, and then the company can take over the line again, as has been pointed out by members on this side of the House, just as soon as an era of prosperity returns,—and the company takes the profits.

Probably there were few clauses that met with more adverse criticism last session from the members on this side of the House, than that clause referring to the $25,000,000 of common stock. The reason of that criticism was, because of the danger pointed out by the Conservative members, that this common stock could be made a marketable product; put upon the market at a fictitious value; the company having acquired it for no cash consideration, but merely the nominal consideration that the support of the Grand Trunk Company would be given to the project in guaranteeing the bonds to the extent of a quarter of the cost of construction. This danger was pointed out by us on this side of the House during the last session of parliament, and it was recognized by hon. gentlemen opposite. The Minister of Finance admitted that it were open to that construction it would be a danger, but he took credit to the government because they had guarded against this danger, and had incorporated a clause which prohibited the Grand Trunk Company from putting a dollar's worth of this stock upon the market and compelled them to hold it for the fifty years during the continuance of their lease. He, therefore told us, that the danger we pointed out existed merely in our imagination. But, Mr. Speaker, under this amended contract, this danger which we were threatened with last session, has now come to be a reality. The company can place, at the very least, $12,000,000 worth of stock upon the market and speculate with it to their own advantage, and to the detriment of the country. And if they maintain a control over the policy of the Grand Trunk Pacific, by retaining their voting power, as was pointed out by the member for West Toronto and the hon. leader of the opposition, they can put the full amount of the $25,000,000 on the market, and speculate in it. Then the danger is, that the holders of that stock may insist on the payment of dividends; that those persons who innocently bought that stock at probably 100 cents on the dollar, and which was secured by the original holder for a nominal consideration, would expect the payment of dividends, and consequently, high freight rates must be charged, which freight rates must come out of the pockets of the people. Well might the Minister of Finance say: as he did when this question was under discussion last year.

> The Grand Trunk Company would be delighted to have that clause stricken out, so that they might be allowed to take that stock up and float it in the money market if they pleased, no doubt.

No doubt.

An hon. MEMBER. They are delighted now all right.

Mr. W. J. ROCHE. And the Minister of Finance continued to say:

> But we are protecting the people against any such condition, because we are refusing the company the power to put a dollar's worth of that stock on the market and sell it to any one. It is not negotiable, it cannot go in the stock market, it cannot be the subject of speculation; no innocent third party will be able to come and say: I paid in good faith 100 cents on the dollar for that stock and am entitled to get a dividend on what I paid. We have stipulated that the stock cannot be put on the market. It must remain in the hands of the Grand Trunk Railway during the term of this lease.

Can the Minister of Finance claim as much under the amended contract? Why, the very danger that was there pointed out by the Minister of Finance last year is now a reality under this amended contract, and this stock can be speculated with; and one of the avowed objects of the construction of this line, viz., the reduction of freight rates, will have been done away with, as the company will be morally obligated,

having allowed that stock to go on the market, to pay dividends on it. The hon. leader of the opposition was therefore quite correct when he stated, that the loaning of the credit of the Grand Trunk Company to the extent of guaranteeing the bonds on one-quarter of the cost of the road, received by way of compensation $25,000,000 worth of common stock with which they can speculate; the Grand Trunk Company received as well the western extension of the line from Winnipeg to the coast, over the best paying portion of the country, 1,500 miles in extent; and receiving in addition a lease of the eastern extension, ten years of which they were getting for nothing and the balance of the fifty years for the small rental of three per cent on the total cost of construction; while the country, obligating itself to the amount of from $150,000,000 to $170,000,000, is practically getting nothing in return save a huge addition to its public debt. And, Mr. Speaker, this arrangement has been called by the president of the Grand Trunk Railway Company 'a partnership,' or as Lord Welby described it: a partnership into which they had driven the Canadian government. Well, Sir, it is a partnership that is very likely to prove a most expensive one so far as the people of Canada are concerned.

Another alteration has been made in this contract is this: that if the government desires at the expiration of the lease of fifty years to operate that eastern division from Winnipeg to Moncton, as a main line, they are compelled under the amended contract, to take over any branch lines from the company that the company may have found by experience, are unprofitable; and the company may retain in its possession any profitable branches which they may desire to retain. I venture to say that a more absurd clause was never incorporated in any deed between contracting parties. What would be the result of this? Take for instance the branch line from the head of Lake Superior tapping this main line; a branch line which the company must have if they are going to haul any grain over that line. That branch will take all the large package freight that goes from the province of Ontario over the Great Lakes in the summer time, and cut through the western country. The company therefore, under this amended contract, will undoubtedly retain this profitable branch in their possession. And so with the branch from North Bay reaching to the heart of the great province of Ontario, and over which practically the greater portion of the freight will go. And so with the branch from the main line to Montreal, reaching the commercial metropolis of Canada. As a result of this, we will have the government left with a long main line of track without any feeders to support it, unless they duplicate those branches at great expense to the country; for, Mr. Speaker, the government has not even taken the precaution to secure running rights over these branch lines at the expiration of the fifty years' lease, whereas, the company has secured running rights over the eastern extension, or any portion of it they desire to utilize, and if the company owns the branch lines, the government would be without their assistance in operating the main line and without terminals as well because the company retains the terminals. And what is worse, the company has running rights over the eastern extension, but the running rights which the government has secured for the country over the western extension only extend to the expiration of the lease, and the lease expires at the end of the first fifty years. I think I am justified in stating that it is the most absurd clause that ever was incorporated in any such contract. Is it any wonder, that Sir Rivers-Wilson, in addressing his shareholders, declared that under this contract the interests of the Grand Trunk Company have been safeguarded in every particular. It is too bad that the members of the government cannot say the same thing, viewed from the standpoint of Canada. The original contract was bad enough, viewed from Canada's standpoint, but the amended contract is infinitely worse.

Here we have a contract that absolutely ties the hands of the government for fifty years, and, if the company so desire, for a century, and puts it beyond their power to respond to that growing sentiment in favour of the government ownership of railways. We cannot shut our eyes to the fact that it is a growing sentiment, and who can tell how strongly it may develop in the course of a very few years? But no matter how strong it may become, or how urgent may be the necessity for a state-owned and controlled road, the government are putting it beyond their power to have any such railroad for that length of time. What right, I ask, has this or any other government to arrogate to themselves the power of denying to future generations this great boon, as it may prove to be? Such arbitrary legislation may prove to be onerous enough in a short time; but to say to the people of Canada that they cannot have state-owned and operated railways for fifty or a hundred years, is autocratic in the extreme, and will no doubt receive condemnation at the hands of the electorate.

Now, it has been demonstrated beyond a doubt that the eastern division, from Winnipeg to Moncton, even if constructed, will never prove a grain-carrying road. The president of the Grand Trunk Railway Company has admitted that fact; the general manager, Mr. Hays, has said the same; even the Minister of the Interior practically admitted it in his speech the other day; and it is the opinion of almost every competent au-

thority on railways in the Dominion of Canada. With greater storage facilities at the head of our great lakes, with greater capacity at our Georgian Bay ports, with more elevators in the interior of our western country, and particularly with a rate of 31 cents a bushel from Port Arthur and Fort William to Montreal and Quebec, as existed during the past summer by water, the idea of this railroad competing with that route is preposterous in the extreme, particularly when you consider that rates on the railway will be treble that which I have just quoted. Owing to the large capitalization on the western extension, there can be no reduction of freight rates even to the head of Lake Superior. I am convinced that the members of the government realize that themselves; otherwise why would they call on their supporters to reject the amendment which I had the honour to introduce last session, which merely provided that the rates on the Grand Trunk Pacific to the head of Lake Superior should not be higher than those charged on the Canadian Northern system? I commend to my hon. friends from the west the reason assigned by the hon. Minister of Justice for refusing to accept that amendment, in view of the stand they took that the control which the Manitoba government had over the rates on the Canadian Northern was a mere paper control, that the actual control was vested in the Governor General in Council, and that the control by the Manitoba government practically amounted to nothing. What was the reason assigned by the Minister of Justice? He called on his supporters in the House to reject that amendment on the ground, as he said, that under the contract existing between the Manitoba government and the Canadian Northern Railway that government could compel that railway to carry grain at as low a rate as 5 cents per 100 pounds, which he stated would be a ruinous rate for the Grand Trunk Pacific. It ought for ever to silence these hon. gentlemen on that particular point, when we have the law officer of the Crown, the Minister of Justice himself, admitting that this contract between the Manitoba government and the Canadian Northern can compel the company to carry grain at that low figure. But, Mr. Speaker, I would ask the Minister of Justice if he thinks the Manitoba government are going to be so foolish, notwithstanding the power they have, as to exercise that power so as to make the company carry grain at a losing rate, when under the contract the province would be liable for any deficit that might result after once the rate is below 10 cents per 100 pounds? Does he think they are going to be so unbusinesslike as to enforce such a rate as that? Not at all: and when the sincerity of hon. gentlemen opposite was put to the test, and they were called on to adopt this most moderate amendment, providing that the rates on the Grand Trunk Pacific should not be higher than those on the Canadian Northern, they asked their followers to reject it, which is the best evidence that they have not the least idea that this road will cause a reduction of freight rates.

Now, under this amended contract, the control of rates upon the proposed new line of railway is not one whit greater or less than that already enjoyed under the General Railway Act of the Dominion; and we know how much benefit we have derived from that in the past. What will happen? The company will fix the rates themselves, those rates will be submitted to the board of Railway Commissioners, who will approve of the same, and then they will go into effect. Exactly the same procedure would be followed if the country had not pledged its credit to the extent of guaranteeing a single bond, or putting up a single dollar in aid of the enterprise, or building a single mile of the railway. The control exercised by the Manitoba government over the Canadian Northern is of a vastly different character. It is an effectual control, the proof of which the people themselves have witnessed, saving as they did over $1,000,000 on their incoming and outgoing freights during the past year. This is a control of rates such as is not enjoyed under this contract. The Manitoba government exercises not merely a control of rates, but it actually fixes the rates, notifies the company that on such a day certain rates will come into effect, and the company accepts them. The Board of Railway Commissioners, in taking into consideration what the rates will be under this contract, must also take into consideration, in fixing those rates, the amount of stock issued by the company. Mr. Blair, in his celebrated memorandum dated the 10th of December, 1902, recognizes and practically admits this. If this is not going to be the effect, if the argument of the Minister of the Interor is a genuine argument, and if it is not the intention to have that stock taken into consideration in the fixing of the rates, then this is the time and the place to say so. Why not incorporate such a provision in this contract? Why not put it there in black and white? We know exactly how much reliance we can place upon anything from this corporation that is not in the written contract, particularly in view of our experience with it thus far; and if it is our intention that this stock should not be taken into consideration, let it be so expressed in plain terms. Let not the stock go into general circulation as something of value which will be a burden upon the earning powers of this road.

I was pleased to see that the Prime Minister and the Minister of the Interior did simple justice to the Conservative party when they admitted in their speeches that the Conservatives, like themselves, were anxious to see another transcontinental railway constructed, and further railway development in the west, but that the great bone of contention was in reference to the eastern portion of the line from Winnipeg

to Moncton, under the contract as it passed parliament last session and in referenece to the method of its construction. I regret, however, that some of the more unscrupulous organs of the Liberal party, notably the mouthpiece of the Minister of the Interior have not been so honest in this particular, but have been steadily endeavouring to create the impression on the minds of the people of the west that the Conservative party are opposed to another transcontinental railway and to further railway development in western Canada.

Sir, we challenge these gentlemen to point to one expression by any Conservative member which will bear out that contention. The whole record of the Conservative party is opposed to any such contention. What would western Canada be to-day were it not for Conservative statesmanship? Who opened up and developed that western country? Who was it bound together the several provinces of this great Dominion into one mighty whole by means of that great band of steel, our present transcontinental line? Who was it developed other railway systems in that country? It was, Sir, the Conservative party, and that in the face of the strongest opposition from our opponents. Therefore these gentlemen, when they make a statement of the kind I have referred to, are certainly saying something which has not a tittle of foundation, The Conservative party has developed this country in the past, under its great leaders, and if it be given the opportunity, under its present able and gifted leader, the noble traditions of the past will be adhered to and the interests of Canada be made paramount in railway as well as in all other matters. The very best evidence of the good faith of the Conservative party in this respect is to be found in the alternative policy propounded by my hon. friend the leader of the opposition. That gentleman has the courage of his convictions. He was not called upon to propound any alternative scheme, and most assuredly, were his opponents in his position, they would not have done it. They would instead have retired behind the lines of Torres Vedras and refused to prescribe until called in. But our leader, having every confidence in his policy, placed it before the Canadian people and challenged comparison, in the interests of this country, with the policy of the government.

Mr. McCREARY. Which policy is it—the policy of last year or the policy of this year?

Mr. W. J. ROCHE. There is practically no difference, no contradiction between the two, but there is a vast difference between the contract of last year and the contract of this year. But if, for the sake of argument, we would admit that there is some difference, are the hon. gentleman and his friends to have the monopoly of changing their views? The hon. gentleman is very considerate of his opponents when he takes that ground, but there is in reality no distinction between the policy propounded last year by the leader of the opposition and that given to him this year, save what was necessary to meet the altered conditions of the original contract. That policy is one which is not meant to stifle our already existing government system of railways from Halifax to Montreal, but one intended to further develop that system. It is one which recognizes the vast amount of capital that Canada has expended already —some $70,000,000—in the enterprise of the Intercolonial Railway, $15,000,000 of which was expended a few years ago for the purpose of introducing that line into Montreal, the commercial metropolis of Quebec, in order, as stated by the present government, that it might be placed on a better paying footing and be able to cope with its competitors, the Grand Trunk Railway and the Canadian Pacific Railway. But contrast that with the policy of the government to-day, which proposes to nullify to a great extent the capital expended on the Intercolonial Railway, which proposes to put that road back again into the position of a local line, by building at the country's expense another line to parallel it through the wilds of New Brunswick and thus take away its traffic. The policy of the opposition, on the other hand, is to increase the importance of the Intercolonial Railway by extending it to Georgian Bay and thus secure to it a share of the traffic coming down over the great lakes. And our policy does not stop there, but goes on to extend our own line to the city of Winnipeg, and that at once. As was pointed out by my hon. friend, the leader of the opposition, last year, if his policy had been adopted, the Intercolonial Railway would be inside of this year into the city of Winnipeg, whereas, under the proposition of the government, it will take seven or eight years for their new line to get there. But the policy of the leader of the opposition does not even stop there. Under the proposition of the government, the greater portion of the liability for the new transcontinental line will have to be borne by the government, amounting to $150,000,000 at the least, and the other portion, amounting to $14,500,000, will be paid by the other partner. My hon. friend the leader of the opposition proposes that, in view of the enormous liability which the government is about to assume, it should as well take over that $14,500,000 and construct the line west of Winnipeg at once, to be operated as a government road in the interests of the country. Then we would have a truly national highway.

Mr. SCOTT. Might I interrupt the hon. gentleman?

Mr. W. J. ROCHE. When we touch on the question of government ownership, these gentlemen, who have been advocating it in the past, but who, when the opportunity comes, have thrown it over, become very restive.

Mr. SCOTT. Will the hon. gentleman explain how the appointment of a commission can be reconciled with the plan he suggests?

Mr. W. J. ROCHE. My hon. friend imagines that when the leader of the opposition suggested the appointment of a commission, that commission would be as slow in acting as his own government. He actually supposes that it would take seven or eight years to report. But did not the leader of the opposition point out, both last session and this, that, had his policy been followed, the report of that commission would have been laid on the table at the beginning of this session and would not have delayed construction one month. The commission would have reported and the policy of the leader of the opposition be put into effect, so far as the city of Winnipeg is concerned, inside of this year. That policy would give us a national road, every foot of which would be through Canadian territory, a road which would be the very best controller of rates, and we would not find the government road pooling its rates with any other rival enterprise. These hon. gentlemen were wont to contend in the past that there is nothing would have such a power for dictating rates to other railways as a government system, and with the Intercolonial Railway extending from the Atlantic to the Pacific—as it would, if the policy of the leader of the opposition were carried out—we would have the best control of rates and the best guarantee for low rates you could possibly imagine. We would have a national highway on Canadian territory, and there would be no question of Canadian products going to American seaports. Being deprived of American connections, every pound of traffic over the Intercolonial would go to build up our great ports of Montreal, Quebec, St. John and Halifax.

I was somewhat surprised to hear the reasons given by the hon. member for Alberta (Mr. Oliver) the other day for supporting the policy of the government. I asked myself, can this be the same man who has been, through the Edmonton 'Bulletin,' disseminating his views among his constituents as the only champion of government railways in parliament? Can this be the same gentleman who last session told us that he preferred government-owned railways, but that inasmuch as he did not get any support, he would take the next best thing? I had to admit that it was the very same gentleman. But, when he gets an opportunity of voting for the policy he advocates, he performs the crawfish act and absolutely refuses to vote for it because it is proposed by a political opponent. I am going to read from a pamphlet which has been circulated in the west as Liberal literature, containing the speech delivered last session by the hon. member for Alberta (Mr. Oliver) on the Grand Trunk Pacific, in which he gave twenty-two becauses why he should support that road. But not one tittle of evidence did he give to support one of those becauses. He merely, in his somewhat dictatorial style, laid down the proposition that this road was going to do so and so, but never advanced a single argument to back up his assertions. I would ask the House to follow closely what my hon. friend said on this question last session. He did not speak at length but to the point and pungently as usual, and I notice that he has adopted a different practice recently. Probably he has recognized his weakness, not in the manner in which he addresses the House, but in the arguments he uses and the vehemence and extravagance of his language. He probably recognizes that when he speaks off-hand he is apt to defeat the object he has in view of converting political opponents to his way of thinking, and has therefore taken to writing down his speeches and reading them word for word to the House lest he might err in this regard.

I must admit, after listening to his essay of the other day, that I do not think he has improved in this respect for his language teemed with such expressions as 'steal' and 'Canadian Pacific Railway.' The expression Canadian Pacific Railway seems to have the same effect on that gentleman as the proverbial read rag has on a bull, or as the name of the hon. member for West Toronto (Mr. Osler) has on the hon. member for Saskatchewan (Mr. T. O. Davis) or the hon. member for West Assiniboia (Mr. Walter Scott). The hon. gentleman I say did not improve his language by committing it to paper. This is what he read to the House last session:

> I believe Canada's further national development and welfare demands a second transcontinental railway.

So far so good.

> I believe that government ownership throughout of such a railway would be in the best interests of the country and people, both present and future.

And still he is going to vote against the policy of the hon. leader of the opposition (Mr. R. L. Borden) which provides for this very thing.

> But as it has been shown——

And here is the amusing part.

> —that only one member of the cabinet as it was supported government ownership throughout and as the feeling in parliament in its favour is confined to a few members of the Liberal side——

Now I never knew the hon. member for Alberta (Mr. Oliver) whatever else he may have posed as in this House, to pose as a wag, but surely he is doing so in this case in view of the fact that every member of the cabinet except the hon. Minister of Railways (Mr. Emmerson) who last year declared himself in favour of government ownership, on this occasion declared against government ownership while hon. gentlemen on this side approved of it. The hon. member for Alberta (Mr. Oliver) said :

> The feeling in parliament in its favour is confined to a few members on the Liberal side, to wait until belief in government ownership had grown sufficiently to ensure the building of a transcontinental railway as a government work, would mean leaving the western country without a competing outlet, either east or west, too long for the good of either west or east. If we cannot get what we want, the next best thing is to get what we can, on the best terms we can. That being the case, I support the present arrangement.

The hon. gentleman's statement there of the policy of the opposition is directly opposite the facts. The policy of the opposition is in favour of government ownership, the policy of the government is opposed to it, and where is the hon. member for Alberta (Mr. Oliver). That hon. gentleman (Mr. Oliver) has stated that he cannot support the amendment of the hon. leader of the opposition (Mr. R. L. Borden) because it means delay. If the hon. member had looked at the speech of the hon. leader of the opposition (Mr. R. L. Borden) at page 824 of 'Hansard' he would have seen this declaration.

> I say that the government itself should build this road, it should build it promptly, not within seven or eight years, but within a very much shorter time ; at least so far as that portion of it outside of the mountain section is concerned, and I say that it should build the mountain section as speedily as possible.
>
> Another important advantage which would be secured to this country by adopting that policy is : that it will put to one side any future application by any other transcontinental railway for aid for a line from Edmonton to the Pacific coast. We will have another application before many years ; we will have it made on the basis upon which this aid is given to this company.
>
> The government, building the line from Edmonton to the coast can give running powers, controlled by this country, to any other transcontinental railway—and let me say in passing lest I should forget it—that when I advocate the building by the government of this line into the Northwest of Canada, I should desire to express my conviction that the government should by means of that national line, admit the Grand Trunk Railway of Canada into the Northwest ; but it should admit it under such restrictions as will not permit our traffic to be carried to a foreign seaport.

Does that look like delay ? Does that not condemn the government's policy on account of its delay and urge the immediate construction of that line ? Further than that these gentlemen have been claiming that they can get the Intercolonial into that country by the clause providing for running rates over the company's system. If that is the case and if it is feasible, would it not be equally feasible to extend the Intercolonial to the coast and give the Grand Trunk Railway running rights over it ? So, if the one scheme is feasible most assuredly the other is, and then we would have the Intercolonial, the more important road of the two, in the western country and the Grand Trunk Railway enjoying running rights over that portion of the road. The policy of the government is the one that involves delay because the Grand Trunk Railway Company are not called upon under this guarantee to assume a dollar of liability until eight years after the commencement of construction. Mr. Hays and Sir Charles Rivers-Wilson, in addressing the shareholders, have admitted that their liability does not begin until eight years after the beginning of construction of their line. It would be to their advantage to delay completion of the road because their liability only begins when the line is completed. A change has come over the spirit of the dream of the hon. member for Alberta (Mr. Oliver). I sat beside him in the Railway Committee and heard him condemning that foolish scheme the Quebec Moncton extension ; he was opposed to it then, but now he lauds the government for having adopted that line.

My namesake the hon. the junior member for Halifax (Mr. William Roche) in that beautiful peroration of his the other day, in which he painted in glowing terms the beauties and advantages to be derived by Canada from the construction of this line, enumerating amongst other advantages the benefit of opening up new avenues for our young men to obtain employment in Canada. If that hon. gentleman (Mr. Roche) had read the circular which has been issued by the Canadian engineers, he would have decided that if the same policy is to continue that has already been inaugurated by the company, a more suitable motto might be 'no Canadians need apply.' These Canadian engineers state that with one exception every important office has been filled by the importation of aliens from the United States. I shall not however burden the 'Hansard' by reading extensively from that document.

There is practically no comparison between the two policies, that propounded by the government and that propounded by the hon. leader of the opposition (Mr. R. L. Borden). The policy of the hon. leader of the opposition (Mr. R. L. Borden) does not provide for a one-sided partnership. It does not provide that Canada should furnish ten times the amount of capital that is to be furnished by the other partner, and get practically no benefits, while the other partner shall put up one-tenth of the capital and receive 1,500 miles of railway from

Winnipeg to the coast through the heart of the country that will pay from the very first day of its operation, and a lease of the government's extension for 3 per cent on the total cost of construction. On the other hand if the company were to drop out of this enterprise entirely and the country were to take over their liability, we would have the whole line a national line from one coast to the other. Even the branch lines that must be constructed by the company will be constructed largely out of public moneys, for have we not seen that the Ontario government have already voted or are voting large subsidies in land and cash towards building branch lines from North Bay and Port Arthur to tap the main line, and Sir Charles Rivers-Wilson has informed his shareholders that it is the intention of the Dominion government to supplement that grant by the usual subsidy of $6,400 per mile, which in the aggregate will be nearly three million dollars to be paid out of the treasury for the construction of a branch line which the company must have in order to furnish feeders for its main line, and the government has not even secured running rights over those branch lines. Last year we challenged the government before entering into this contract, to go to the country to allow the people to have the privilege of hearing a full and free discussion of that contract, and if the electors of this country, after hearing the discussion from all sides should return this government and approve of the contract, the opposition would be the first to submit to that verdict and would join with their opponents in trying to perfect the contract to the best advantage of our common country.

That challenge was not accepted by the government, they dared not accept it. This amended contract is vastly inferior, and vastly more injurious to the interests of Canada than was the original one. Again we renew that challenge, and we ask the government to go to the country to place the two policies before the people, the scheme propounded by the leader of the opposition and the scheme propounded by the government; and, Sir, so far as the opposition is concerned, we have no fear of the verdict of the intelligent electors of this Dominion.

Mr. McCREARY. Before the hon. gentleman sits down, I would like to ask why the Conservative government in Manitoba did not go to the people before they committed that province to a railway deal guaranteeing $20,000,000 ?

Mr. W. J. ROCHE. Of course, Mr. Speaker, there is a time and place for everything. I am not here at this time for the purpose of entering into a discussion of the railway policy of the Manitoba government. I leave that to the people of Manitoba, who expressed their verdict last July, which verdict was 31 to 9 in favour of the Conservative government.

Mr. JOHN H. SINCLAIR (Guysboro). The hon. gentleman who has just sat down (Mr. Roche, Marquette), in common with other hon. gentlemen opposite who have spoken in this debate, seems to be very much alarmed at the extent of the liability the government is undertaking in connection with this railway scheme. They have placed the amount at something like $150,000,000. Now I do not intend to discuss that question, because it has been very ably dealt with by other gentlemen who have preceded me in this debate. I consider, however, that their figures are very greatly exaggerated. I desire to point out that the liability this country is to incur in regard to this railway measure will only arise in the event of the Grand Trunk Pacific Company turning out to be a financial failure. If that company turns out to be successful like the Canadian Pacific Railway Company, it will not only pay working expenses and interest on the capital that will be invested, but it will also pay dividends to the shareholders who will invest their money in this scheme. If, I say, it turns out to be a scheme of that kind, then the liability of the country cannot arise at all. Now in order to ease the mind of the hon. gentleman who has preceded me, and of other hon. gentlemen who feel alarmed on this question, I wish to quote some authorities. I will quote from a source that they will not feel at liberty to question. The source I refer to is that of the leader of the opposition, in the speech he delivered on this question. I did not have the pleasure of hearing that speech, as I had not then the honour of a seat in this House. But I have given myself the pleasure of reading that speech, and I find that the leader of the opposition calls a number of witnesses to prove that the Grand Trunk Pacific Company has excellent financial prospects, and that it is likely to turn out to be a very successful venture, not only for the country but for the shareholders. These are the words the hon. leader of the opposition puts into the mouth of Sir Charles Rivers-Wilson :

> Passing as it will do through the most fertile and promising belt of country in the whole of the Northwest Territories, there cannot be the slightest doubt that this portion of the road, built, as I have said, under such favourable and economical conditions, will immediately produce excellent results, and will itself more than justify the adoption of the scheme in its entirety.

Further on he quotes Sir Charles as saying :

> As regards the prairie section, the government, not unfairly, held that it would be self-sustaining from the day of its completion, and in this view we are willing to concur.

Then we have a quotation from Lord Welby :

With the rapid settlement of the country, which will follow the establishment of the line within a very few years, it will be a very profitable line.

Then we have an opinion from Mr. Hays :

Here is the Grand Trunk, the parent company, standing with a large traffic ready to deliver it west bound. This traffic is now given to a competitor. It does not have to wait five, ten or fifteen years to build up a traffic ; it starts with a traffic right from the beginning, and that is of a most remunerative character. This enterprise which we are advocating to-day, ladies and gentlemen, combines points and advantages that no other transcontinental line in the United States or Canada can have.

Now, Sir, these gentlemen, from whom the leader of the opposition quoted, are railway experts, they are men of very large experience in the management of Canadian railways, they have made a special study of the question for the purpose of embarking their own capital in the venture ; and it is especially gratifying to hon. members on this side of the House to have this point made so clear on such high authority as that of the hon. leader of the opposition. I do not think that the hon. leader of the opposition could have intended to make this point so clear to the House. He reminds me of an old Bible story. A prophet who climbed the mountain side and stretched forth his hand to curse the children of Israel. But instead of cursing them, 'behold he blessed them altogether.' He did not want to bless them, he wanted to curse them, but somehow when it came to the point he couldn't do it. Now we on this side of the House are especially grateful to the leader of the opposition for having made this point so clear. It completely relieves our minds of all anxiety in regard to our liabilities under this contract, in regard to the payment of interest on the bonds, in regard to the mortgage on the rolling stock, in regard to the receiver, and all these other bogeys with which hon. gentlemen opposite have endeavoured to frighten us in this debate. This measure, Sir, whatever may be said about it by hon. gentlemen opposite, is an attempt to do two things : To open up for settlement a very large section of country, some 3,000 miles of new Canadian territory, and to divert the trade of the west into Canadian channels and by way of Canadian ports. Now we all agree that this scheme will accomplish the first of these objects. It is admitted to be one of the greatest colonization schemes that was ever proposed in Canada ; and I submit, without going to the trouble to prove it, that it will also accomplish the second object better than any other scheme that is now available to the people of Canada.

I confess to a feeling of disappointment at the attitude of the Conservative press and leading members of the Conservative party in this House with regard to this measure. There were moderate Canadians of both political parties who, at the inception of this project held the view that we might in a question of this kind, involving such vital interests to the Canadian people, rise above party politics and deal with it as a business proposition in the interests of the whole Canadian people. Everybody will admit, or most people will admit, that it is at all events a progressive measure. We have been reminded by the hon. gentleman who preceded me that the Conservative party claim, or did claim, to be the progressive party of this country. He reminded us that the Conservative party claimed credit for having brought about the Confederation of the provinces, for having built the Canadian Pacific Railway. Now, Sir, we are willing to concede to the great Conservative party any measure of credit that may be due to them in connection with these important national events. But supposing we admit that the Conservative party of thirty years ago was a live and progressive party, what shall we say of them to-day ? Will it be contended that the mantle of the late Sir John A. Macdonald in so far as he was a progressive statesman, has fallen upon the shoulders of any of the hon. gentlemen opposite ? Why, Sir, every argument that they are using to-day against the construction of the Grand Trunk Pacific could have been used thirty years ago against the Canadian Pacific Railway. There were certain things done in connection with the Canadian Pacific Railway that will not bear investigation, and the less we say about them the better. At the same time, Sir, we all admire the courage and the foresight of the public men who showed their faith at that time in the future of Canada by putting that measure through parliament. The men who are still living, if there are any such, who opposed the construction of the Canadian Pacific Railway in 1874, are all of one mind to-day.

If hon. gentlemen opposite should live for twenty years longer, and we hope and trust that they will live much longer than that, they will be so delighted with the splendid development that will have taken place in this country, both east and west, as a result of the railway policy of this government, that they will be surprised that they should have ever raised their voices or recorded their votes against it. At the time the Canadian Pacific Railway was projected, a great deal of doubt existed in the minds of the Canadian people as to whether the country could afford the enormous expenditure involved in that venture, but no one worries to-day over our ability to meet our obligations. There never was a time in the history of this country when we could so well afford to face the expenditure connected with a second transcontinental railway, as we can to-day. The late government in the depressed condition in which they found themselves prior to 1896, could not have very

well undertaken it, but instead of the stagnation of eight years ago, we are now living in prosperous times. The trade of the country has doubled, the treasury is overflowing, farm mortages have been paid off by thousands and the farmers' homes are now their own, the exodus has gone for ever, let us hope, and in its place we have the flowing tide of men from the United States and Europe, seeking and finding homes in our western land and eager to help us bear the white man's burden on this continent. With such prospects before us, why should we hesitate? Should we not show our confidence in the future, by taking this forward step? This scheme is especially attractive to the Nova Scotian and he sees in it, increased prosperity for his province. We are all selfish to a certain extent, and while we wish for the general prosperity, we still wish to feel assured that our own people shall share in the benefits of a venture of this kind. The construction of the section between Quebec and Moncton, will involve a very large expenditure. It is estimated that this section will be 400 miles long, and in the able speech of the Minister of Finance (Mr. Fielding) delivered last session, he estimated the cost of that road at about $25,000 a mile. In that case it will involve an expenditure of $10,000,000, which will go for wages and materials, and will largely find its way into the maritime provinces. Then, the coal industry of Nova Scotia will be very much benefited by this venture. The coal used for steam purposes, for the work of the railway, will in itself be a very large item. I estimate that if this road uses Nova Scotia coal as it will no doubt use it between Moncton and Quebec, and also 500 miles west of Quebec, it will use about 300,000 tons of coal each year, which at $2 per ton, means $600,000, distributed in cash in Nova Scotia alone, for coal each year in connection with this road. It will also build up the iron and steel industry of Nova Scotia, and prove a home market for our iron and steel products at the present time, when a home market is very much required indeed. The hon. Senator McGregor, in a very able and interesting speech made in the other chamber of this legislature last session, made a calculation, that it would require all the iron and steel factories in Canada, running full time, over four years to produce the rails and other products of steel that would be required for this railway. It will also be a through line to carry the fresh fish from the maritime provinces to the western provinces. This fresh fish business has immense possibilities, and it has been greatly stimulated within the last two or three years, by a change made by the Intercolonial Railway. A fast freight train has been put on the railway from Mulgrave to Montreal, so that perishable products can be sent forward to that market on schedule time, and this has very largely increased the trade of Nova Scotia. Given improved railway facilities in the west for our fresh fish trade, given a fast freight train between the sea coast and Winnipeg, there is no reason why Winnipeg should not be made a distributing point for Nova Scotia fish. We have on the coast of Nova Scotia some of the finest harbours in the world, some of them in the county which I have the honour to represent, and if a policy of that kind can be carried out, as the west fills up and as our population increases, all these harbours will be required to handle traffic which must find an outlet in that direction. The construction of this railway means prosperity for our farmers, fishermen, miners, artisans and for every other class of our population. The hon. gentleman (Mr. W. J. Roche) who has just sat down, complains that the Dominion of Canada has gone into partnership with the Grand Trunk Pacific Railway Company. Now, Sir, let me say that that is largely a figure of speech, that we are not in partnership with the Grand Trunk Railway Company in any legal sense of the term. We are rather in the position of landlord and tenant. We propose building a railway 1,850 miles long, and when we have that railway constructed, we propose renting it to the Grand Trunk Pacific Railway Company. We own the road, we control the rates, we take the rent, while they run the road and look after the details of working it. The position is that we are their landlords and they are our tenants. There is a sense in which the people are partners with the Grand Trunk Pacific in this venture. Who is to reap the benefit from this large expenditure of money or from the construction of this road? If I held the view that the shareholders of the Grand Trunk Railway Company were only to be benefited by the construction of this road, I would see no reason why the people should share any part of the risk, but I remember that the country stands to receive enormous dividends from this venture in the shape of increased population and an ever increasing home market for manufactures of the eastern provinces, opening up vast areas of agricultural and timber land in New Brunswick, Ontario and Quebec, the widening of the habitable belt across the prairie region of the west, and opening up the rich mineral lands of British Columbia; with all these splendid prospects ahead, we can very well afford to take a share of the risk involved in this venture.

The hon. gentleman who last spoke also stated, as a number of hon. gentlemen have stated in this debate, that this new venture will destroy the Intercolonial Railway. I take issue with these hon. gentlemen on that question. I say that it will not destroy the Intercolonial Railway, but that it will tend to benefit the Intercolonial

Railway, that it will build it up and make it a more profitable road than ever it was before. Hon. gentlemen opposite, must not think that the Intercolonial Railway consists of the section between Moncton and Quebec. That is only an insignificant part of the Intercolonial Railway. The government railways of Canada are 1,571 miles in length. Suppose we take off that part of the government railway which is in Prince Edward Island, 211 miles in length, which will not be affected so much by this venture. That leaves a mileage for the Intercolonial Railway of 1,360 miles. What part of that will come into competition with the railway that is proposed to be built? The only part that can compete with the Intercolonial Railway is the section between Moncton and Quebec. The section of the Intercolonial Railway between Moncton and Quebec is 488 miles long. You still have 872 miles of the Intercolonial Railway that will be immensely benefited by the construction of the new road, because it will receive an enormous amount of traffic from the new road. Every passenger that the Grand Trunk Pacific Railway will carry from the west will also be delivered over the Intercolonial Railway at Moncton. Every pound of freight that it will carry from the west will also be delivered over to the Intercolonial at Moncton, and this will swell the receipts of the Intercolonial Railway upon its eastern section.

Railway experts say, that it is an accepted doctrine in railway operation, that it is the local traffic which pays best; and that if a railway does not have local traffic it is difficult to make it a paying venture at all. Now, Sir, we do not take away any of the local traffic of the Intercolonial Railway by the project we propose. Any local traffic that exists on this 1,360 miles of railway would still remain. The local traffic that exists on this 488 miles between Moncton and Quebec will remain as it is at present. We do not take that away. And what do we take away? The only two points where competition will arise at all are at Moncton and Quebec, but the traffic originating at Moncton and Quebec would be competed for by both lines as at present, and the return derived from that traffic is a very insignificant part of the profits of the Intercolonial Railway. On the other hand the new transcontinental railway will hand over to the Intercolonial Railway an immense amount of traffic that it does not now receive, so that any injury that could possibly be done to the 488 miles between Moncton and Quebec, will be more than compensated for by what the Intercolonial Railway will receive from the construction of the new line.

Hon. gentlemen opposite seem to have the impression that because less is said this year than last year about the bonding privilege, that it is not considered important on this side of the House. That is a mistake. It is considered of the very first importance by hon. gentlemen on this side of the House, that we should secure the construction of a great national highway across Canada from ocean to ocean, free from any entanglements with the United States. That is important not only in connection with the bonding privilege but from a great many other points of view. On this side of the House we stand by the motto: Canada for the Canadians; not Canada for the Yankees; not Canada even for the Canadian Pacific Railway; but Canada for the farmer, Canada for the fisherman, Canada for every man and for every interest on the north of the boundary line. That is our policy. We have no quarrel as Canadians with the people of the United States. I trust we will always be able to maintain friendly relations with that great people. I confess, Sir, that I have had my dreams of reciprocity and of better commercial relations with the people to the south; but the more I think of it, and as time passes on, I am led to the conclusion that our future, even in trade matters, is not with the United States but with our own people. I believe, Sir, that the best contribution we can make to-day to the consolidation of the empire is to build this railway and to place Canada in a position of complete independence from our great neighbour to the south.

I was much interested by an admission made during this debate by the hon. member for Hastings (Mr. Northrup), in reply to a question put by the hon. member for Selkirk (Mr. McCreary). The hon. member for Hastings said:

> The hon. gentleman (Mr. McCreary) has asked a fair question and I will give an answer. I do not of course profess to speak authoritatively for the opposition, but from the views I have heard expressed by dozens of members of the opposition, and speaking my own views, I have no hesitation in saying that I believe that every member of the opposition was in favour then, and is in favour now, of assisting the Grand Trunk Railway Company to build west from North Bay; let them put their line wherever they like providing only that it is a reasonable distance from other lines.

And as the hon. gentleman from Hastings (Mr. Northrup) made that statement, he was cheered by the gentlemen who sat behind him; and looking across the floor triumphantly at the hon. member for Selkirk he continued:

> The hon. gentleman (Mr. McCreary) will see from the expression of assent which has greeted my statement, that I have not altogether misvoiced the opinions of the gentlemen with whom I have the honour to sit.

Now, Sir, that clears the atmosphere, and it shows where the Conservative party stands on this question, and it shows that the determined and persistent opposition that they have offered to this measure last year and this year, arise solely on account of the eastern section. Cut off that section

from Moncton to Winnipeg, and hon. gentlemen opposite, according to the member for Hastings will unanimously endorse it. Well, perhaps I should qualify that word 'unanimously' because I do not think that the hon. member for Colchester (Mr. Gourley) would vote for it. What then are we to think of the patriotic sentiments of the hon. leader of the opposition, expressed in his speech and in his resolution, in regard to building up and equipping the ports of the maritime provinces? I suppose they will have to go to that historic scrap heap like so many other things. What is the use of equipping ports in Nova Scotia and New Brunswick; to handle traffic that will not come further east than North Bay? Let me remind the hon. member for Hastings (Mr. Northrup), and the gentlemen who cheered him, that the policy they endorse is altogether too narrow to suit the whole Canadian people. Ontario is a great province, and there is no Canadian living outside of Ontario who is prouder of that province than I am; but I wish to remind these gentlemen opposite, that there are four other important provinces lying to the east of the Ottawa river and I venture to say, that no transcontinental railway can be a national scheme in the true sense of the turn that does not take into account the maritime provinces and the great province of Quebec. Besides, Sir, a railway starting at North Bay, and working in conjunction with the existing Grand Trunk system, would divert the whole traffic of the west into American channels. What would be most likely to happen would be, that the Grand Trunk Pacific would deliver its traffic at North Bay to the existing Grand Trunk, and the Grand Trunk would deliver it to the ships at Portland; and so the eastern part of Canada would have no share in it. That is the policy of hon. gentlemen on the other side of the House; and if they had their way, two things would happen: the eastern provinces of Canada would be deprived of all share in the future advantages of this railway, and the whole traffic of western Canada would be diverted into American channels.

Referring to the amendment of the leader of the opposition, there is one clause that I wish to speak about for a moment. He proposes to free the management of government railways from political control and interference. Now, Sir, we were jocularly reminded the other day by a member opposite, that great changes come over the spirit of men when they move from one side of the Speaker's chair to the other. That apparently is a fact, and hon. gentlemen on the opposition benches are undergoing a great change. We all remember how the Conservatives managed the Intercolonial Railway when they had control of it. If ever there was a time when the government railways were exploited for political purposes, it was during the eighteen years that the Conservative party had control of its patronage. All sorts of irregularities were rife; passes were used so indiscriminately, especially in Nova Scotia, that they went by the name of shingles. When a prominent Conservative committee man wanted to pass his friends over the line to vote for the Conservative candidate he telegraphed to Moncton: send me another bundle of shingles—and the shingles came. Another diversion was the running of special trains to suit the convenience of the Conservative party. There was a regulation of the Intercolonial Railway then, and perhaps it exists now, by which special passenger trains had to be ordered from the head office at Moncton, but a special freight train could be put on the track at any time by order of the district superintendent. One ardent district superintendent, in the election of 1896, took advantage of this regulation to suit the convenience of the Conservative party, and special freight trains were a very common feature of that campaign. If a Conservative wanted free transportation a freight car was loaded up, and it was attached to an engine, and a passenger car was put on behind, and the freight car and the passenger car were hauled by the engine from point to point, in the interests of the Conservative party. It was seen one morning at Pictou, the next morning at Tatamagouche, and the next morning some place else, until the farmers along the line became so familiar with it, that they recognized it at first sight. It was nothing more nor less than a portable Conservative committee room with a car load of deals in front and another carload of 'deils' (of a totally different description) in the rear. I do not know whether we should hold hon. gentlemen opposite responsible for the sins of the predecessors; but they are the lineal decendants of the men, some of them are the men themselves, who did these things or permitted them to be done. And still these gentlemen cry out for government-owned railways. Why, Sir, the memory of those eighteen years is enough to have settled the question of government ownership of railways in Canada for a generation.

Reference has been made in this debate to a remark made last year by that hon. gentleman, who for the last twelve years so ably represented the county of Guysborough in this House. That hon. gentleman was represented as saying that there are no weak-knees on this side of the House. Now, Sir, that was a pertinent remark, and it is as true this year as it was last year. I fear that the same cannot be said of hon. gentlemen on the other side of the House. I think there are some weak-knees among them. I do not mean this in an offensive sense at all. What I mean is that hon. gentlemen on the other side of the House are not so settled in their opinions; they are not so united on any policy; they have not the same confidence in the policy of their leader that hon. gentlemen on this side of the House

have. Let me read an extract from the closing sentence of a very able speech delivered the other day by the hon. member for South Lanark (Mr. Haggart). After reviewing the whole question, that hon. gentleman said :

> I am not here pledging myself to the support of government railways, but I say this, that the money of the country could be expended as proposed by the leader of the opposition in a more economical and better way and in a way that will do more for the betterment of this country than by the scheme which the hon. gentleman proposed to this House.

You will notice that he says : 'I am not pledging myself to the support of government railways.' If the policy of the hon. leader of the opposition, as set forth in the amendment which we are now considering, means anything, it means government railways. Possibly it does not mean anything, and possibly the hon. member for South Lanark knew that it did not mean anything ; but if it does mean anything, it means government railways ; and here is an hon. gentleman who is the railway critic of the opposition, who occupied the important position of Minister of Railways at one time, and who, if anybody, ought to be able to make up his mind on a question of this kind. But that is the condition of mind in which these hon. gentlemen seem to find themselves. We on this side of the House are not like that. We have the courage of our convictions. We know what we want, and we think we know what the people of Canada want. We have a clean-cut proposition to put before the House and the country, and we are not afraid of the result.

A good deal has been said by hon. gentlemen opposite about the adverse feeling that exists among the people of this country in regard to this measure. I do not think there is any such feeling in the country. If it exists, I have not discovered it. I had occasion to discuss this question before my constituents only a few weeks ago, and I assure you, Sir, that the railway policy of the government was well received by the people. My message to this House from the electors of Guysborough is that they are in favour of this policy, and I have not the slightest doubt that the other counties of Nova Scotia—aye, and the other counties of Canada—by an overwhelming majority, when the opportunity offers, will give the same verdict as was given by Guysborough on the 16th of March. This policy, Sir, means progress, it means expansion, it means prosperity to Canada. It is calculated to awaken the patriotism of the Canadian people. It is the well-thought out plan of one of the ablest and most brilliant statesmen that Canada has ever produced. Some writer has said, and truthfully said, that there is nothing paltry about the aims of the right hon. gentleman who leads this House. He works in these days of national prosperity and national expansion for results that will mature later on in days of national strength. Let us stand by him in this emergency. Let us do our part as representatives of the Canadian people in assisting to build up on the northern half of this continent a state worthy of ourselves, worthy of the great heritage left us, worthy of the splendid stock from which we have sprung—a state where in the eloquent language of a great Canadian there will be justice for all, free scope for all, a fair reward for labour, a new home for freedom, and where the hundreds of thousands of new settlers who year by year find homes for themselves in our western lands may be kept in touch with the trade of the older provinces, and may find a road to the sea for their produce over Canadian soil and by way of Canadian ports.

Mr. R. A. PRINGLE (Cornwall and Stormont). Mr. Speaker, having devoted some time during last session to discussing the original agreement that was then before the House, I do not intend at the present time to detain the House with any very lengthy remarks. I wish to congratulate the hon. member for Guysborough (Mr. Sinclair) upon the able manner in which, on this his first occasion of speaking in the House, he has presented his views. The hon. gentleman devoted a good deal of time to discussing the policy of the Liberal party. He stated that it was a policy of Canada for the Canadians. I think that the policy embodied in this contract, which the Liberal party has entered into with the Grand Trunk Pacific, is not a policy for the Canadians, but a policy for the Grand Trunk Railway Company. The policy of the Liberal party for the last few years has been, to my mind, a policy to the detriment of Canadians. We have the Liberal party advocating a lowering of the tariff, with the result that some of our largest manufacturing industries have had to close their doors. As this is not the time nor the occasion for dealing with that question, I will not now pursue the subject any further than to say that to-day the woollen mills of Canada are closed, owing to the fact that this Liberal government, who the hon. member says are legislating for Canadians, have legislated in favour of foreigners instead of in favour of their own people.

Hon. W. S. FIELDING (Minister of Finance). Will my hon. friend permit me to say that I have a circular from that woollen company stating that they are not closed, and inviting orders ?

Mr. PRINGLE. Will the hon. minister permit me to say that the Cornwall Manufacturing Company has closed its doors, that it has been sold out, lock, stock and barrel, and that 150 employees of that town have left for the United States to get employment ; and that the woollen mills in other portions of the country are closing down. Now, that the hon. Minister of Finance has brought that question up, let him go to the returns, where he will see that

over $13,000,000 worth of woollen products have been imported into this country, owing to the lowering of the tariff on these goods, to the detriment and destruction of the woollen industry of this country. However, there will be another occasion on which we can discuss that matter.

The hon. gentleman (Mr. Sinclair) has referred to the bugaboo of the bonding privilege. I thought that that was dead. We heard a good deal about it last session, but not a word this session. Last session we had the First Minister making an impassioned speech on the danger of the bonding privileges being abrogated, but when the people saw the question in its proper light, they realized what a ridiculous bogey had been dangled before them, and hon. gentlemen opposite apparently have come to realize this, for they carefully refrain from any further allusion to the subject and have let it drop out of sight. The hon. member for Guysborough (Mr. Sinclair) is an exception. He has ventured to revive it, and since he has done so, let me give it a passing reference. I shall simply quote from the language of an eminent American, who disposes of it in these words :

Nature has bound the transportation system of Canada with that of the United States. The waterway extending into the heart of the continent is common to both countries. The southward dip of the boundary allows a portion of the province of Ontario to project far south, with the result that the most direct line between Michigan and northern New York runs across Ontario. Further north it is found that the most direct communication between the northwestern states and New England is by way of Sault Ste. Marie and across Canadian territory. The Canadian territory occupies a position of advantage with regard to combination lake and rail lines. In the portion of Canada lying east of Montreal the conditions are reversed. The northern trend of the boundaries makes the Canadian railway system dependent in some degree on the United States territory. The northeastern portion of Maine divides New Brunswick from Quebec by an intervening neck of United States territory.

The most direct line between Montreal and the maritime province ports is of course the short line of the Canadian Pacific Railway through Maine. When this question was under discussion in the United States, what do we find ? The contention was made that the Grand Trunk Railway and the Canadian Pacific Railway occupied a radically different position. In a great degree the Grand Trunk Railway is part of the American transportation system, while the latter is a much more independent system, in fact entirely a Canadian system with the exception of the short line through the state of Maine. This writer says :

The commercial interests of the eastern states are bound up with the retention of the bonding system both as regards the domestic transit trade and the foreign transit trade. Through the existence of the Grand Trunk, Massachusetts and Boston, which would otherwise have been helpless, were insured the benefit of natural geographical advantages of the position.

I am quoting from the report of the Massachusetts Board of Railway Commissioners, from which I shall make one other quotation :

The Grand Trunk has had a great deal to do with making Boston a competiting point..... Before Canadian lines were established it was practically impossible for shippers of Boston to obtain through rates from western points.

I might go on and give many quotations from leading authorities in the United States, such as the Portland Board of Trade, the Committee of Transportation Interests, the Chicago Board of Trade and several responsible bodies in Canada and the western states, all to the effect that the United States could not afford to interfere in any way with the bonding privileges as they now exist between the two countries. For instance, the Portland Board of Trade says :

The interest of Maine in the maintenance of the bonding system is equally great. When the system was threatened in 1888 the Portland Board of Trade addressed their remonstrance to Congress.

Regarding Detroit, the Board of Trade declares :

The interest of Detroit in the maintenance of the system is similar. The abrogation of the bonding system would impose upon the citizens of Michigan a burden destructive of their material interests.

That is from evidence taken before the Committee on Transportation. Let me also quote from the statement of Mr. G. F. Stone, secretary of the Chicago Board of Trade :

It would also be disastrous to the interests of the railroad systems of Michigan to interfere with the bonding system. The Canadian roads have protected Chicago's interests. The competition has caused the American roads to discontinue the unjust arbitraries charged by them on shipments to New England points.

The 'Journal of Political Economy' has this to say on the subject :

The bonding system rests, not upon sentiment or one-sided favour but upon common interest. It is absolutely necessary to both nations.

I shall not detain the House longer by reference to this bugaboo of the abrogation of the bonding privileges.

My hon. friend said the policy of the opposition would have the effect of connecting the Grand Trunk Pacific at North Bay with the Grand Trunk Railway system as it now stands, and would divert the traffic of the west to the Grand Trunk Railway terminal at Portland. I cannot understand how the hon. gentleman could make any such statement. If he had said that the effect of the amended agreement would be to con-

nect the Grand Trunk Pacific at North Bay with the Grand Trunk Railway, and in that way divert the trade of this country to the American port of Portland, he would have said what was absolutely true. But in making the other statement, he has committed himself to something absolutely improbable. I cannot imagine for a moment how he could construe the policy of the opposition as one which would in any way divert Canadian traffic to Portland. It seems to me that hon. gentleman is not taking that interest in the welfare of his native province which he should. Let me refer him to the Canadian Year-book of 1902, in which he will find that a large quantity of our exports and imports went through American channels and that our ports of St. John and Halifax were being deprived of that traffic to which they are entitled, and which we desire them to have. If he will look at page 294 of the Year-book of 1902, he will find that there was imported into Canada from the motherland and sister colonies, through United States ports, goods to the value of $13,415,052, and from foreign countries $8,898,699, making a total of $22,313,751. He will find also that there was exported to the motherland and sister colonies, through United States ports, $44,860,785 worth of goods, and to foreign countries $3,332,065, making a total of $48,192,850, the grand total being $70,506,601, representing 17 per cent of the whole export and import business of Canada which passed through United States ports.

Now that is a state of affairs which we on the opposition side of the House would like to see corrected. We would like to see that 17 per cent going through Canadian ports. We have in the lower provinces, Halifax and St. John, both grand ocean ports, and we have also our ports of Montreal and Quebec. I contend that the policy of the opposition of extending the Intercolonial Railway from Montreal to Parry Sound will, in a large measure, if not altogether, bring these products to the ports of the lower provinces during the winter months, and to Montreal and Quebec in summer.

We had a speech the other day from the hon. member for South Essex (Mr. Cowan). I do not wish to follow his example and say anything unkind of any member on the opposite side of the House, but the hon. member devoted a great deal of his time to that part of the policy of the hon. the leader of the opposition (Mr. R. L. Borden) which deals with the extension of the Intercolonial to Parry Sound and then the acquiring of running rights over a portion of the Canadian Pacific Railway to the west. He opposed that on the ground that the Canadian Pacific Railway wanted to sell that portion of their road to the government at a large price and then to build a line connecting with their Soo road. The argument was rather a weak one because if the Canadian Pacific Railway are now operating that section of their road would it not be more in their interest if other roads were also using it, so that instead of having to pay the whole cost of maintenance they would pay only a part of it? But the hon. gentleman (Mr. Cowan) wants to do what? To build another line of railway through that very country. And how does he describe the country north of Lake Superior? He says that there is not a dollar's worth of local trade that the company will ever draw from North Bay to Fort William. He says:

> One eloquent writer described this section of the country as the one over which a crow dare not take flight without carrying a knapsack because there is not enough in it to feed him in his passage.

And yet the hon. gentleman wants to build another road through that section of country. The Prime Minister (Sir Wilfrid Laurier) has told us that this section of the country is an uninhabited and hardly habitable land. That is the very contention of the opposition. We say that in that portion of the country there is no local traffic, that it is uninhabited that it is in the language of the Prime Minister a hardly habitable land. Why then have four or five railways built at the expense of this country through that section when they are entirely unnecessary? Would not the scheme of the leader of the opposition (Mr. R. L. Borden) be far better, that running rates be secured through that section of the country and that the Grand Trunk Railway, the Intercolonial Railway, the Canadian Northern and the Canadian Pacific Railway all use that section of road and bear an equal portion of the expense of its maintenance? It seems to me that that scheme is a very much better one and more in the interests of this country.

A great deal has been said about this northern country, I do not wish to say a word detrimental to our country, but in speaking the other day to a gentleman who had been through that district I was told that the country north of Lake Superior is absolutely no good. I was rather astonished to hear that and I am not giving this as my own opinion at all, because there may be here and there a patch of good country. I said: What is it like?

He said: Well, it is largely muskeg and you will find 12 to 15 inches of moss, then you will find a layer of clay a couple of inches thick and then ice.

I said: You don't find ice there in July, do you?

He said: You will find ice there all the year round, and it has been there from time immemorial.

I thought that peculiar and I looked up the reference in the report of the Survey and Exploration of Northern Ontario, 1900, printed by order of the Legislative Assem-

bly of Ontario. In this report issued by our Liberal friends in Ontario, I found this reference :

District No. 1.—In general, the land back from the rivers is low-lying and marshy, and the impervious nature of the soil prevents filtration and promotes the growth of moss, with which much of the land is covered. The effect of this is to absorb moisture and retard evaporation and also to preserve the winter ice through the summer season.

This gentleman was evidently telling me what is absolutely correct, that the ice stays there both winter and summer. I am not an agriculturist and I cannot tell you whether that would be good farming land or not, but those who are agriculturists tell me that it would be absolutely useless. Yet that is the country in which the hon. gentlemen are going to spend millions for the purpose of colonization, for, Sir, it is idle in this day to talk of this road being built through that country for the purpose of carrying the products of the west to the seaports of the east. We have had during this debate an admission from the hon. the Minister of the Interior that 90 per cent of the products of the west will go out from that country in the summer months and will go by the water routes. But if we had not this admission common sense would teach us that when grain can be taken from Port Arthur to Quebec at from 3 to 3½ cents per bushel and cannot be hauled from Port Arthur to Montreal at 15 cents a bushel the grain will go down the water route. But the best indication of what will happen is to see which way the grain is going now. During the season of 1902, there passed through the Soo canal 76,730,695 bushels, showing that almost all the grain which came from the west to the east came down via the water route. One railway man told me that it is a physical and absolute impossibility to haul grain by rail in competition with water route. He said: I have started my train from Port Arthur with 27 cars holding say 27,000 bushels of wheat, and as I started it I have seen a vessel coming into Port Arthur harbour at eight o'clock and leaving again at 12.30 o'clock loaded with 140,000 bushels of grain, for Parry Sound, and that vessel would be at Parry Sound before my train would be at White river. I asked him what it cost to haul a train say to Carleton Place, over six or seven divisions ? He said that the cost of coal was $240, the cost of the crew $30 for each division, and the total cost of hauling that grain was three times the amount charged for hauling it from Port Arthur to Quebec by the water route. Therefore I say it is idle and a mere waste of time to discuss the question of the products of the west being carried to the sea-board by the all-rail route. But, Sir, we find this, and it has been proved, that where you can combine the rail and water route then there is an advantage. We find that grain to-day is taken to Parry Sound and from Parry Sound on the Canada Atlantic Railway down to Montreal, at a comparatively low rate, but still not quite as low as that by the water route.

Now, the hon. gentleman for Guysborough (Mr. Sinclair) referred to statements made by Sir Charles Rivers-Wilson to show that this enterprise would be a profitable enterprise. Those statements I have looked at, and they certainly do show that it would be a profitable enterprise. But profitable to whom ? Not profitable for the people of Canada, but profitable for the Grand Trunk Railway Company. Let me refer to one on two things said by the president of the Grand Trunk Railway Company :

It is calculated that the present uninhabited area of the province of Manitoba and of the territories of Assiniboia, Alberta, Saskatchewan and Athabasca, amounts to nearly 300 millions of acres, the greater portion of which is excellent farming land, and that the unoccupied portion of British Columbia amounts to some 200 millions acres, much of which is also suitable for farming and grazing. There is no time to be lost if we are to avail ourselves of the great opportunities presented. Prosperity is flowing rapidly from the east to the west outside and beyond the territory covered by the Grand Trunk. Thus surrounded on all sides by elements of progress, it is absolutely impossible for our company to stand still. We must either continue to advance or we must recede and yield the offered advantages to more enterprising and far-seeing competitors.

I quite agree with every word that the president of the Grand Trunk Company has said. We have a great country, we have a country which, from the moment the first wheel turns on this new road, will make that road a profitable one. For that reason I do not see why the people of Canada should be called upon to pay for the railroad and then hand it over to the Grand Trunk Railway Company. We also have the statement of Mr. Hays in regard to the possibilities of that country. But Sir Charles Rivers-Wilson in referring to the contract which they are entering into with this government, says :

The result therefore of the agreement was a combination of these two interests for the construction of the proposed road, which would thus be carried out, as I have said, by means of a partnership between the government and the Grand Trunk Pacific, supported as that company would be by the influence and connections of the Grand Trunk Company.

Well, Sir, I am opposed in the first place to entering into a partnership with any of these large corporations. But if we are going to enter into such partnership, why do we pay nine-tenths of the expense of that road, the Grand Trunk Railway Company only paying one-tenth and then taking over the road practically as their own ?

I was looking at a little pamphlet which has been sent all through the western country with the frank of the hon. the Minister of the Interior. This was sent out just about when it was understood this government was going to the country last winter, and before the 12th day of January when they got rather panic-stricken over the hitch in the Grand Trunk Pacific proceedings and decided, instead of going to the country, to call on the session which Sir Charles Rivers-Wilson wanted called on for the purpose of completing this agreement. In this little pamphlet I find the following :

> The feature of the bargain in regard to which most of this is done, is the financial arrangement.

I should think so.

> It is an actual fact, an indisputable fact, that $13,000,000 will cover every cent of the country's expenditure in connection with the railway.

Now, Sir, this is the pamphlet which these hon. gentlemen sent forth to the electors of this country, and when we have the election on, speakers will be going up and down the side lines and telling the people of this country : Why, here is a road for $13,000,000. Evidently they have made a mistake. What they should say is this : We are building a great road from the Atlantic to the Pacific and we are giving it to the Grand Trunk Pacific Company for $13,000,000. It is true it will cost us $150,000,000 to $170,000,000, but we are making it a present to them, we are handing it over to them for $13,000,000; although they try to make the people believe it is going to be a transcontinental line, all it is going to cost is $13,000,000. I see sitting before me the hon. the Minister of Finance, and I would like him to say whether the statement that this road is going to be built for $13,000,000 is true or not. He has already told us that this road will cost $70,000,000 or $80,000,000, yet this pamphlet is sent broadcast throughout the country stating that it is only going to cost us $13,000,000. I say it is a ridiculous statement, and one that should not be circulated. Then the pamphlet goes on to say :

> As the premier said in the Commons, there are mountains of information available about this country.

We would like to see these mountains of information. I have been here since parliament opened, and I have heard no information whatever in regard to that country except the statement which was casually made by the Prime Minister in regard to this trip taken, I think by some gentleman who started from Tadousac and went up the Saguenay river and continued on in that direction, and they told us something about roses being found up in that country. We have not yet had any information in regard to that country through which this proposed road is to run. Then the pamphlet goes on to talk of the elaborate surveys that have been made of that country where this railway is to pass. Where are these surveys ? We have asked in this House for these surveys, we have asked hon. gentlemen to say what surveying parties are out, and we have not been able to get any answer. If there are any elaborate surveys, surely the members of this House are entitled to see them, to see the reports from the surveyors that have been on that line.

Then, Sir, I was amused also at their description of the Conservative proposal. While they were going to build the Grand Trunk Pacific for $13,000,000, the Conservative proposal was to cost $266,000,000. That is the statement in this pamphlet which is circulated to all the electors in the western country. Only $266,000,000 was the cost of the opposition proposition. Now, I do not intend to deal with that. It is so absolutely ridiculous on the face of it that I would only be wasting the time of the House if I took up the time to show how ridiculous and unfair a statement of that sort is. But, Sir, they have sent up a mass of these pamphlets, and I am not going to refer to many of them. Just let me refer to one, more because it is one which has interested us in the eastern part of Canada. We have had the hon. Minister of Marine and Fisheries (Mr. Préfontaine) going to Montreal and other places and stating to the manufacturers of this country that the policy of this government was to give a fair amount of protection. In my constituency we have 1,200 or 1,500 men employed in the cotton industry, which is now depressed owing to the tremendous increase of imports under the preferential tariff. We have in Valleyfield a portion of the mills closed down because of the competition under this preferential tariff. These hon. gentlemen opposite say : Oh, that is going to be all right. The hon. Minister of Marine and Fisheries says that the duty on cottons will be increased so that the industry will be protected. I am told the same thing ; I am told that the government are going to take care of these industries, but when they are circulating their pamphlets they say distinctly that the Liberal party stands for a low tariff, and that the Conservative party stands for a high tariff, and they say that no matter what individuals may say, their party stands distinctly opposed to the Conservative high tariff, and that no voter who is interested in tariff matters can have any difficulty in expressing his opinion at the polls. I think that if hon. gentlemen opposite will go to the country and state this, as they are stating it in this pamphlet, and will go into the manufacturing centres and say : We stand for a lowering of the tariff and the other party stands for a protective tariff, it would

not be difficult for the voters to mark their ballots in the proper way. But our experience has always been that there is one of these hon. gentlemen who is a protectionist and who goes to t he manufacturing towns and cities and favours protection, while there are other hon. gentlemen who are free traders who go out to the country and speak in favour of free trade. I see that in this pamphlet they do not say anything about the hon. Minister of Customs (Mr. Paterson). The great stalwarts for free trade are Sifton, Fielding and Fisher. I suppose it must be assumed from this that the other members of the government are in favour of protection.

Now, I am not going to take up the time of the House by referring to the manifesto of the hon. ex-Minister of Railways and Canals. I see it has been put on 'Hansard,' and I have no doubt everybody is thoroughly familiar with it. I will just say in regard to it, that it was before Council in December, 1902, that in March, 1903, in the speech from the Throne, there was no foreshadowing of any such scheme as we afterwards had brought down to us in the month of July. In the month of May we had the report of Council in favour of a commission to investigate the transportation question. I see, Sir, that the manifesto of Mr. Blair is a very strong one. It is one which, I think, will meet with the favour of the people of this country. He proposes the extension of the Intercolonial Railway to the Georgian Bay, which is exactly the proposition which is made by my hon. friend the leader of the opposition. Now, we have heard a good deal about government ownership of railways, and we have had hon. gentlemen in this House speaking in favour of government ownership. But, when the opportunity came, they have voted against that principle. I am not going to say that government ownership in this country has proved to be the success that it might have been, owing, perhaps, to the manner in which the government railways of this country have been managed. I think the ex-Minister of Railways and Canals, in his manifesto, shows very clearly the reason why the Intercolonial Railway has not been a paying investment. We find, as he points out, that there are some 400 or 500 miles of the Intercolonial Railway that have always paid and that are paying to-day. The hon. member for Guysborough (Mr. Sinclair) referred to that portion of the road. It is not th busy portion of the road that is to be paralleled by this new road. The portion of the road which is to be paralleled by this new road is the portion which Mr. Blair says has not been a very paying road, because there has been little or no local traffic. It simply carries the through traffic.

At six o'clock, House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. PRINGLE. Mr. Speaker, when the House rose at 6 o'clock, I was dealing with the manifesto or memorandum of the ex-Minister of Railways and Canals (Mr. Blair) addressed to the cabinet council in the fall of 1902. I do not intend to quote at any very great length from that memorandum, as it is now published in 'Hansard,' and has also been very thoroughly circulated throughout the country. But let me say, Sir, that the memorandum is important in this respect; that it points to a continuation of the policy which was adopted by this government in extending the Intercolonial Railway system to Montreal. We find from the memorandum that Mr. Blair proposed to continue the work of improving the Intercolonial Railway by extending it to the Georgian Bay, so that the government railway might share in the growing grain trade and carry western business to Canadian seaports. That was the policy of the Liberal government until the month of June or the month of July, 1903. On January 22, 1897, the Prime Minister addressed a public meeting in Montreal, and he pointed to the Canada Atlantic line and he said:

> The Canada Atlantic Railway extending from Parry Sound to Ottawa, is a road that would bring down to Canadian ports the greater part of the grain of the Canadian Northwest, and of the American northwest as well.

There, we have Sir Wilfrid Laurier in 1897, practically endorsing the scheme proposed by the leader of the opposition, and what he and his government and his supporters are now opposing. We also have the utterance of the Hon. Mr. Blair, then a minister, made in the hearing of the Finance Minister and in which Mr. Blair advocated the extension of the Intercolonial Railway to the Georgian Bay and ultimately its extension to the Pacific coast. That speech was delivered by Mr. Blair on March 22, 1899, at a banquet given to the Hon. Mr. Fielding at New Glasgow, N.S. Mr. Blair there expounded the government programme. He pointed out that the Intercolonial Railway had reached Montreal and he said:

> It appears to be in entire accord with the national idea to furnish a highway to the sea, for our products all over the Canadian west, and at all seasons of the year to avail ourselves of the Intercolonial Railway.

There are a number of prominent Liberals, and among them members of the present government who are in favour of the very scheme which has been propounded by the leader of the opposition. I feel like apologizing to the House for continuing my remarks at any length, but, Sir, when

I know that this scheme is going to involve the country in an expenditure of from $150,000,000 to $170,000,000; when I know that the constituency which I have the honour to represent will have to bear its share of that burden to the extent of some $800,000; I feel that it is my duty to my constituency and to my country to oppose in every possible way a scheme which will place such an enormous burden upon the people of Canada.

We have had some strong speeches in this House; we have had the Minister of the Interior (Mr. Sifton) get up here and in the strongest possible terms advocate this scheme. Why, Sir, he pounded his desk and he said: If there are any weak-kneed Liberals we want them to understand that the Liberal party stakes its political existence upon this scheme. Well, are there any weak-kneed Liberals?

Some hon. MEMBERS. No.

Mr. PRINGLE. There are none; are there not?

Mr. LANG. No.

Mr. PRINGLE. Was the ex-Minister of Railways and Canals, a Liberal; is the present Minister of Railways and Canals a Liberal?

Mr. ALEX. JOHNSTON. You bet your life.

Mr. PRINGLE. Are any of the electors of East Lambton, and East Bruce and St. John city who voted for the Conservative candidate in the by-elections; are any of them Liberals? I know very well that some of the men whom the hon. member from South Essex (Mr. Cowan) was so loudly applauding because he thought they had been attacked; I know that these men are not weak-kneed on this scheme. We learned from the ex-Minister of Railways and Canals nearly a year ago: that Cox can't wait. He and his friends are not weak-kneed Liberals. The men who today, if you go to the Department of the Interior, have located all the timber limits west of Winnipeg; the men who are friends of the hon. Minister of the Interior; they are not weak-kneed Liberals, they are ready to have the road go on. The men who will form a construction company to build this road from Winnipeg; they are not weak-kneed Liberals; they are ready to have the scheme go on. The very men that the ex-Minister of Railways (Mr. Blair) warned his colleagues about; they are not weak-kneed Liberals; they are ready to have the scheme go on. But how about the agriculturists of this country; how about the ratepayers of Canada who are going to bear the burden for these men who will form the construction company? They may be a little weak in the knees; they may say the day has come when those railroads that are not pioneer roads entering into those fertile fields of the west, should pay for themselves, rather than that the people of this country generally should pay for them. These people may say that we have given to railway corporations in Canada $233,000,000, and that we have given enough. Let me give you the exact figures from the government blue books as to just what we have given to railways in the way of bonuses. It is only fair to say that part of it was a loan; part of it was a loan to the Grand Trunk Railway Company, but I never saw that any of that loan has ever been returned. They have still got it, and I do not suppose that they will return it. Now, Mr. Speaker, we have given the railroads in this country $233,239,876. We have to-day in Canada 18,868 miles of railway. We have given absolutely to the railroad corporations of this country (not including the 1,333 miles of the Intercolonial Railway), $14,000 per mile for every mile of railway in the country. So far as I am concerned, I believe the day is past when the people of Canada should burden themselves to the extent of $14,000 per mile for new railroads. The hon. member for South Essex (Mr. Cowan) referred to the transcontinental lines in the United States, and I quite concede that the United States have been generous to their pioneer roads. But go to the United States to-day and try to get a bonus for a railroad, or try if the government will build a mile of railway for any corporation. Not at all. I say that so far as Canada is concerned we are ahead of the United States in railway development, as the figures prove. In the United States in 1900, they had a population of 76,300,000 with 196,250 miles of railway open for traffic, or 25,257 miles of railway for each 10,000 inhabitants. We have in Canada 18,868 miles of railway, with 6,000,000 people or over 30 miles of railway, for every 10,000 inhabitants.

Then why go to the expense of building a road to parallel the Intercolonial, and build another road from Winnipeg to Quebec? Mr. Speaker, I have not a word to say against the Grand Trunk Railway; I have not a word to say against the officials of that railway. I think the president of the Grand Trunk Railway is a very able man; the general manager, I know is an exceptionally able man. He has shown that in the concessions which he has obtained from the government of this country. When the original agreement was made, we were told by the government that it was final, and would be carried out; but the general manager of the Grand Trunk Railway had to have the last say. He knew that he had these hon. gentlemen in a position where he could squeeze them, and, Sir, he has succeeded in squeezing them pretty effectually. While I am in entire accord with the Grand Trunk Railway getting access to western

Canada, I am utterly opposed to the amendments to the agreement under which this road is to be constructed. The general manager knew very well what the Grand Trunk wanted, and what an enormous benefit these amendments would be to his company. He said at the meeting of shareholders :

To my mind it is difficult to conceive that there can be any objection to this scheme which promises so much to the Grand Trunk Railway.

It does promise very much to the Grand Trunk Railway, but it promises very little to the people of Canada.

The ex-Minister of Railways and Canals (Hon. Mr. Blair) has dealt in his memorandum with the question of the government ownership of railways ; and, Sir, I support in its entirety the platform laid down by the hon. leader of the opposition. If we are to expend $150,000,000 or $160,000,000 while the Grand Trunk Pacific Company expend only $14,000,000, we had better spend the other $14,000,000 and own that road whether we operate it as a government road or lease it to a company.

The experience of other countries with government-owned railroads has not been so very bad. Let me just refer you for a moment to the experience of Australia. Owing to the absence of reliable natural waterways in the interior of that country, an extensive railroad system has been built up ; and, as I shall not have time to go into statistics on the subject, I would like the hon. gentleman to examine the report of the commission which was appointed under the Act of 1901, and see whether that railroad has been operated to the advantage of the people of Australia. Now, Australia has made very rapid strides in railway construction. It has 13,497 miles of railway for a population of 3,771,000, which is equal to 35 miles of railway for each 10,000 inhabitants. It exceeds Canada a little in mileage according to population, for the simple reason that in that country they have not, as we have, great natural advantages in the shape of waterways. Notwithstanding the fact that in the year 1902 that country suffered from a drought which made it most expensive to operate the railways, and that they had to reduce the freight rates, they were able to show a net revenue almost equal to the interest which they had to pay on the money which constructed those roads. The same thing has been done this year largely under the management of a Canadian, Mr. Tait. If Australia can do that under government ownership, how much better could we do it in this country.

I might refer you also to the progress which government-owned railways have made in other countries. In Belgium the state roads give the lowest freight rates in the world. On this subject let me quote what Mr. Jeans says :

Notwithstanding the superior financial result the lines worked by the state are those kept in the best order, and the working of which gives the greatest satisfaction to the commercial world and the public in general, as regards regularity of conveyance, cheapness of transit and the comfort of the traveller, state management offers certainly some decided advantages to the public. Above all the position of the road is not conducted for the pecuniary advantage of a few, but for the common good. New lines are not built for speculative purposes, but for the development of the country. Rates are passed more upon the costs of service than upon what the traveller will bear, and the ultimate object of a state policy is not high profits, but a healthy growth of the country's commerce, while the sole aim of a private company is to get the largest revenue possible.

Let me refer to the railway regulations of Austria :

The railroad history of Austria has much in common with that of other nations of Europe. Two truths which are shown by the experience of other countries of Europe are brought out in an especial clearness in that of Austria. The first is that whenever a nation, after leaving to private enterprise the development of a part of the network, itself embarks in a railroad construction, either of two things will happen. Either the private companies will get the most productive territory, the unpaying districts being left to the state, or the private company will in some way make it profitable or necessary for the state to shoulder the whole system.

Well, Sir, that is just our experience here. Mr. Hays, with his great ability, has been able to put this country in the position that the Grand Trunk Railway Company will get the absolute ownership of the productive part of this railway, while the Dominion of Canada will be left with the unproductive part. History will repeat itself in Canada.

I read with some interest the very able lecture delivered by Sir Sandford Fleming to the Canadian Club. That gentleman has been referred to by several speakers in this debate. I have nothing whatever to say against the statements that he makes. In one part of his lecture, he says :

A great statesman of the neighbouring republic, Mr. Alexander Hamilton, bequeathed a precious legacy when he said to them, 'Learn to think continentally.' The late Secretary of State for the Colonies gave an equally precious message to those whom he addressed when he said, 'Learn to think imperially.'

The Conservative party of this country has always thought continentally. We remember the day when the vision of the Liberal party of this country did not extend beyond the Georgian Bay. We remember the day when they stood up in this House and made it almost impossible for the Conservative party to carry through that great national highway which links all the provinces of this Dominion. It is idle, therefore for these hon. gentlemen to say that the Conservative party are afraid to think continentally or imperially. We have always taken the broad point of view and are to-day advocating a scheme with which the continental idea has inspired

my hon. friend the leader of the opposition. We are advocating a scheme which will bind together still more closely all the different provinces. We are advocating a scheme which will enable the Intercolonial Railway to make the seaports of Canada those through which the products of this country will naturally flow. The scheme advocated by the leader of the opposition is one which will send Canadian products through Canadian seaports, whereas that of hon. gentlemen opposite is one which will enable the Grand Trunk Railway to carry those products to the American port of Portland. Go to the city of Toronto to-day and ask for a rate on flour, for instance, which is one of our staple exports, via Portland, St. John or Halifax, and the Grand Trunk Railway will give you a rate from two to three cents higher by a Canadian port than by an American port. They favour Portland to-day, and they will always favour that harbour where they have from $20,000,000 to $25,000,000 invested in terminals.

There is another great interest to be considered, the agricultural interest. In what way would that interest benefit if we had a government line from the Atlantic to the Pacific? Take the position as it is to-day. I do not care whether you have one, two, three, or even five transcontinental lines, the same thing will occur here which has taken place in the United States. The railway companies will fix their rates so as to enable them to pay interest and dividends, not upon the money which went into the construction of their roads, but upon their capital stock, and the only way we can control and regulate these rates is to build a national highway from the Atlantic to the Pacific. Let me give you some figures to show the money earned by the railways of this country. In 1902 I find that on a capital of over $900,000,000, which includes watered stock, the railways of this country earned 5·72 per cent. In order that I may make no mistake, let me give the exact figures from the government returns. The net earnings of railways in Canada for the year 1902 were 5·72 per cent. In 1901 they were 5·31; in 1900, 5·62; and in 1899, 5·76. That is upon the capital shares and preferential stock and bonded debt, but if you take simply what it costs to construct these roads, the net earnings during last year amounted to from 10 to 12 per cent on the actual money spent in construction. I only quote this as an evidence to show that the Intercolonial Railway extended to Georgian Bay and thence into the Northwest could earn good interest on the money invested and give to the people lower freight rates than they have ever had. This would be a great boon to our farmers. Why, Sir, the people of the province of Ontario have lost millions of dollars through having been charged higher rates than are charged by the American railways, which are paying dividends on heavily watered stock. In speaking to a merchant in my own town the other day—who, by the way, was a supporter of my friends on the other side—I was amused to hear him tell me that the moment water navigation ceased, the rates of the Grand Trunk Railway went up. I said to him: Why have you not competition over the Canadian Pacific Railway? Well, he said, the rates of the two lines are identical. We thought we would have competition, but I tell you I can take a team of horses and a sleigh and can haul freight from Montreal to Cornwall cheaper than I can get it over the Grand Trunk Railway. A state of affairs such as that should not exist. We should have better control over the rates.

Our Intercolonial Railway has not done so very badly, when we consider that a large portion of that line has no local traffic. On its eastern section it has always paid, not only operating expenses, but a fair interest on the money invested. On the western section it has not been so fortunate, owing to its passing through a country in which there is not a very large local traffic, but we find that the Canada Atlantic has earned good interest on the capital invested, and is doing a very large and profitable business. Then, if that road were added to the Intercolonial Railway, is there any reason to doubt that the Intercolonial Railway, even under its present bad management, would show a fair return on the investment? If that were accomplished, the harbours on the Georgian Bay would do a largely increased business. It has been hinted across the House by some hon. members that the province of Ontario is somewhat selfish in opposing this measure. Sir, Ontario is not opposing this measure, because the burden falls heaviest upon it. Ontario is just as willing to do to-day, as it has always been to bear its share of the burden of any enterprise which is for the benefit of this country, but I say that between this government and the government in Toronto our province is going to be pretty badly hit. We have in the province of Ontario a government which is giving away money by the hundreds of thousands, aye, by the millions. It is endeavouring now with its narrow majority—and I dare say the narrowness of its majority has something to do with it—to give $2,000,000 to an enterprise at the Soo, and is going into partnership in the iron and steel business as this government is going into partnership in the railway business. And as has been said, Mr. Speaker, in each case, it is the partner who puts in the cash who will come out with the experience, and nothing else, and the one who puts in the experience who will get all the profit. And this government are going into the railway business. They are going to guarantee the bonds of the

James Bay Railway to the extent of $5,000,000 and they are going to subsidize a branch line of railway, 200 miles long, extending from the main line of the Grand Trunk Transcontinental Line to Port Arthur to the extent of $400,000 in cash and 1,200,000 acres of land. Hon. gentlemen get up in this House and say that the policy of the Liberal party has always been not to give subsidies in land, but our friends in Ontario are giving a small slice of the province to this company.

I do not know that it will injure any hon gentleman if I quote from a paper published in Toronto in the interests of the farmers of this country, 'The Farmers' Sun.' It is true it is only a farmers' paper, and I do not think that these gentlemen opposite take any interest in the farmers of Canada, and perhaps would not care to hear me read this article from their organ, but I shall quote from the issue of last week :

THE RIVAL TRANSCONTINENTAL RAILWAY POLICIES.

The government and opposition policies, in regard to the building of a second transcontinental line through Canada, are fairly outlined in our parliamentary summary.

The government, in brief, is pledged to build a line of railway from Moncton in New Brunswick to Winnipeg in Manitoba at the public expense. The Grand Trunk, on its part, agrees to extend the line from Winnipeg to the Pacific coast, the government agreeing again to guarantee the bonds of the prairie section of this extension to the extent of $13,000 per mile and the Pacific section to the extent of 75 per cent of the cost, whatever that may be. The whole line is to be operated, when built, by the Grand Trunk. For the first ten years the government will receive no rental for the portion of the road which it is to build, and for the remaining 40 years a very low rental. The opposition proposes, as an alternative policy, to abandon the Moncton to Winnipeg project altogether ; to build, as a national work, such lines of railway in the west as the necessities of the case call for ; to extend the Intercolonial to Georgian Bay and thence to Winnipeg ; to improve our waterways, and explore the country between Winnipeg and Quebec, with a view to such future railway construction in that quarter as the necessities of the case may call for.

The criticism which Mr. Borden offered of the government plan was rather too sweeping, and the effect of what he said was thus made weaker than it otherwise would have been. He did not differentiate with sufficient clearness between the government's obligations in regard to the eastern and western sections respectively—the obligation to spend its own money in construction in the one case and merely to guarantee the money borrowed by the Grand Trunk for construction in the other. But, even after allowing for all this there can be no doubt that the government's partnership scheme with the Grand Trunk is one of the most one-sided bargains which has ever been proposed, even in a country where railways always play a game of 'heads I win, tails you lose.' The government is to build, at a cost of least $118,000,000, the greater half of the whole road (the greater half both in cost per mile and length of line), and is to guarantee to the extent of 75 per cent the bonds required to provide the money for building the other half. In return the country gets nothing save such benefit as will come from the building of a second transcontinental line. It will not become owner of the whole road even in case of default by the company, and it will have no greater control over the rates than it has, in the general law, over all roads. If the government is to assume all the cost of public ownership so far as half the line is concerned, and three-quarters of that risk in the other half, it might better go the whole length, and build and operate the entire road, and thus secure for the people of Canada a transportation service at actual cost.

But there is no reason why the whole road should be built—at least just yet. Concerning the great stretch of country between Quebec and Winnipeg, Sir Wilfrid Laurier says he has 'mountains of information,' but it was an exceeding small hill he placed before the House. He told what a Jesuit missionary reported of the character of the country 200 years ago. That story is interesting, but it hardly affords a sufficient basis on which to spend $118,000,000 of public money. The time probably wil come when all the hinterland of Quebec and Ontario will be required to support our population ; but that time is not yet. The policy of to-day is to provide for the people of to-day ; to consolidate where development has already begun, rather than spread out over a vast area we are not yet in a position to effectively occupy. Looking at the matter in this light, as we think most reasonable men will, the proposal to leave the Winnipeg to Moncton line in abeyance, to extend the Intercolonial to Georgian Bay and thence to Winnipeg, meantime pushing the Winnipeg extension westward seems the wiser plan of the two now before the country. This plan would utilize Georgian Bay and Lake Superior—and it is over this magnificent water stretch the great bulk of western grain must be moved ; it would give us a second completed line from sea to sea at not more than the cost of building the Moncton to Winnipeg line, and it would give us public ownership of an all-across-Canada line—the only really effective means by which transportation charges can be controlled.

I admit frankly that the Intercolonial Railway has been badly managed by the hon. gentlemen. There is no question about that, and we have heard the hon. member for Guysborough (Mr. Sinclair) tell us how badly it has been managed. But, notwithstanding all that, they made a profit last year of $130,000, leaving out the Prince Edward Island Railway, on which they made a small loss of some $72,160. Their percentage of expenses to earnings was a little high, 99·02 ; but under proper management—and there is no reason why it should not be managed, if we had a transcontinental government line, by a commission, just as they are managing the Australian system of railways. There is no reason why the road should not be a great success and a great advantage to the people of Canada. We find Canadians going to other colonies and making a great success of railroads ; we find a Canadian at the head of a large system of railways in South Africa ; we find

a Canadian, Mr. Tait, in Australia, and we have Canadians in our country who could manage our roads and make them a success.

I take very strong objection to the company having the revenue producing part of this line and the country having the non-productive section. I feel, as the ex-Minister of Railways and Canals (Mr. Blair) has stated, that the government are acting altogether too hastily in pushing the eastern section through an unsurveyed and unexplored district of country of which we know very little. There may be parts of it, and I hope there are, that will turn out to be valuable country for agricultural purposes, but we have millions of acres of land awaiting settlement that have never been, as I may express it, tickled by the plough. Let those lands be filled up before we consider the advisability of building another line into that northern country for colonization purposes. The hon. member for Marquette (Mr. Wm. Roche) has dealt very fully with the weaknesses in the amended contract. He has emphasized the fact that although the government advances practically all the money for the construction of that western road, they are powerless to foreclose their mortgage. The company may be in arrears for five years before anything can be done, and after that the government cannot foreclose, but the road passes into the hands of a commission, who operate it practically for the Grand Trunk Railway Company, and hand it back as soon as they have earned the fixed charges. I feel that there is nothing to prevent the company's western traffic going to American ports, and it is certainly decidedly in the interests of the Grand Trunk Railway that it should go to American ports. The hon. member for Bothwell (Mr. Clancy) has pointed out that there is a difference of only 18 miles between the distance from Quebec to Portland and from Montreal to Portland. What is to prevent the Grand Trunk Pacific from taking Canadian products from Quebec to Portland? The 18 miles is only a trifle, it is a much shorter haul than to St. John or to the Canadian ports, and all they are bound to do is to give the same rate through Canadian ports as they would give through American ports.

Now, Mr. Speaker, I am very strongly opposed to this scheme, and will have to vote against the resolution introduced by the hon. Prime Minister. Our aim, the aim of the Conservative party, is to make this Dominion of Canada compact, strong and prosperous, and I believe that aim will be carried out much better by the scheme proposed by the leader of the opposition than by the scheme proposed by the government.

Mr. RALPH SMITH (Vancouver). Mr. Speaker, I had not an opportunity last session when this question was being debated in this House, of giving an opinion upon it. At the present time, after it has been discussed at so great a length, it is difficult for an ordinary member of the House to present any new argument. In listening to the debate on this question as carefully as I was able, I think I have noticed that whilst the government party are united, great difference of opinion exists in the opposition. If I thought it proper to follow for instance the arguments of the hon. gentleman who has just taken his seat (Mr. Pringle) I think it would be easy to prove that he is not at all satisfied in his own mind as to the scheme put forth by the leader of the opposition. One part of his speech was undoubtedly against the idea of building a second transcontinental railway; another part of his speech was positively in favour of the government owning and operating a transcontinental road; another portion of his speech seemed to indicate that he would support the proposition of the government if the conditions were suitable to his own opinion. So far as the position of the government is concerned, I think it is clear that they have taken it up after having thoroughly thought the matter out, and they have concluded that the scheme is in the interest of the country, and they have determined to put it through. There is almost a complete agreement in the House on the necessity of a second transcontinental railway with the exception perhaps of one or two members who have spoken from the other side of the House. No substantial argument has been presented, with the exception of those of one or two members, against the necessity of a second transcontinental railway.

Now, Mr. Speaker, as I have said, I have followed this discussion as closely as I was able, and I have arrived at certain conclusions in my own mind with regard to this question. I desire to say that I have arrived at those conclusions altogether apart from and independent of any considerations other than those of the public interest. In considering this matter I am impressed with the necessity of every member having an individual opinion on a question of such magnitude. Every member representing a constituency ought to have some well founded opinion on this question. In the second place, every member ought to have some clear idea as to the opinion of the district that he represents in this House; in the third place, it is the duty of every member to have some clear idea of the general opinion of the people of this country as a whole in regard to this proposal. The individual opinion of a member of this House ought to be controlled by the general opinion of the district he represents, the aggregate opinion of all the members of the House ought to represent the aggregate opinion of the people of the whole country on this and every other question.

Now, Sir, in coming to a conclusion on this matter I must admit that I have done so as a representative from British Columbia. I have endeavoured to ascertain what the people of the district I represent think of this matter, and also what the people of the whole province from which I come think of it. During the recess between the two sessions of parliament I have had some opportunity of finding out what the opinion of the people of my district was and, to a considerable extent, what the opinion of the people of British Columbia was on this question. I took the opportunity, I may say, of going through my own district for the very purpose of finding out just what the people thought of this great scheme.

Now, Sir, I think it is right to say that if I discovered in my inquiry that the people of my district, or the people of the province, presented certain complaints against this proposal, if I found out that they considered that certain provisions ought to be attached to it to make it more secure in the public interest, it is my duty to present the opinions of the people to this House, and I may say that I am prepared to do so. Before I do so, I desire to say that I found an absolutely unanimous opinion in the whole of my district in regard to one or two important omissions from the agreement, and I shall mention these points. The people of British Columbia consider that some provision should be made in this agreement for commencing the work of construction on the Pacific coast. There is no such provision. They consider that such a provision is necessary, and I may say that I agree with that opinion. One of the important benefits to accrue from the construction of the transcontinental railway is the benefit that results from trade in the several sections of this Dominion during the period of construction. There ought, in my opinion, therefore, to be some provision in the agreement that would give some amount of certainty to the people of the province of British Columbia as to the commencement of the construction work on this railway at its western terminus. The House will be able to see clearly the benefit of such a provision. The furnishing of the supplies necessary for the construction of this work will be guaranteed to the province of British Columbia by such a proposal, and the very surety that this great work is to commence at the Pacific terminus and go eastward through that province is an assurance that would give a stimulus to the trade of that province and promote the financial interests of the merchants of that part of the country. So that I agree with the position taken by the people of British Columbia and the public men of that province on this question.

Another important question that has been the subject of a great deal of discussion in the provincial legislature during the recess of the Dominion parliament is as to the necessity of an amendment to this agreement defining the class of labour to be employed on the construction of the work in that province. There is, perhaps, a considerable number of the members of this House who do not appreciate the importance or necessity of adopting exclusive measures against the employment of Oriental labour in British Columbia. I know from my own experience that the seriousness of this question is not realized by a large number of the members of this House, and I am presenting to this House the objection which is taken in the province of British Columbia to this agreement. In my opinion, such a provision as that which I have indicated is a necessity. But I am bound to mention the precaution that the government has already taken in regard to this matter. The hon. Minister of Justice (Mr. Fitzpatrick), who had charge of the Railway Commission Bill last session, provided in that Bill for the application of the fair wage principle. That would mean that if Oriental labour were employed on the British Columbia section of this railway, the contractors having charge of the work would have to pay the current wages of the district even to Orientals. It is fair to mention also that the government, as if in anticipation of this great work, placed an exclusion against the importation of Orientals last session, and I desire to say that the measure has proved to be absolutely exclusive, for this government has not derived a single dollar from the importation of Orientals since the beginning of the operation of the law of 1903 in British Columbia. So far as this matter is concerned I do not think there is very much in the contention of the people of that province in this matter. But I would present this question to the House from another standpoint. In the construction of this railway right through the whole of the Dominion of Canada we have the means of bringing to this country a large number of settlers who may be necessary over and above the present supply of labour to prosecute the construction of this road. It is part of the policy of the present government, and has been for some time, to spend large sums of money upon the importation of agricultural settlers to settle the lands of the Northwest Territories. I do not know of any better opportunity that has ever been presented to this country of encouraging the immigration of people from the British islands than that which the construction of this railway affords, or one which will be more likely to bring to this country a desirable class of British subjects who will become Canadian subjects, and who will settle upon the great areas of land which will be developed by the operation of this great railway. It is for this reason that I will support the proposition. I do not believe that the difficulty in regard to the employment of Oriental labour that our friends anticipate will be met with, but they have learned such a lesson on this

question as a result of the policy that the Conservative party pursued in bringing Chinese to British Columbia by the thousands for the construction of the Canadian Pacific Railway that they are naturally apprehensive. They have learned such a lesson that they do not want to have to deal with the difficulty of a second Oriental invasion in that province. The one great influence that brought this undesirable class of people to British Columbia was the construction of the British Columbia section of the Canadian Pacific Railway. Oriental labourers were brought into the province by the thousands from San Francisco. No restrictive principle as against the importation of these people, no fair wage condition, no obstruction of any kind was provided for when the construction work of the Canadian Pacific Railway was going on, and as a consequence we have been flooded with them up to a recent time, and they would still be coming but for the fact that we have adopted a principle of restriction.

Now, Sir, it is very important for a British Columbia member to know just what the people of that province think of this railway policy. I can conceive of a member of this House having an opinion favourable to an abstract question, but that the demands of his constituents might force him legitimately to support a measure which in his own mind he might not be favourable to. I do not mean to insinuate that that is my position. I wish to say that I have looked into the question to my own satisfaction; that I have investigated as to the opinions of the people of my district; that I have taken an opportunity of testing the people of British Columbia on the question before the House, and I have concluded to support the measure presented by the government, because I believe in it myself, and I believe that my action will be endorsed by the opinion of the people of British Columbia generally. I defy any member in this House to point to a single complaint coming from British Columbia against this proposal, except in regard to the two matters I have mentioned. I have evidence here which will demonstrate to this House what the people of my province think about this scheme, as presented last session. Nay, more, I have the evidence, not of the friends of the Liberal party, but the evidence of the Conservative press of British Columbia, in favour of the policy of the government. Last session when this question was being discussed here, my friend, Mr. Riley, from Victoria, repeatedly received letters and telegrams from the Conservatives of British Columbia, requesting him to support the national transcontinental railway. Here is one telegram, signed by Mr. Helmcken, the president of the Conservative association of the capital city of the province :

Mr. RALPH SMITH.

Victoria, B.C.,
August 19, 1903.

Geo. Riley, M.P.,
Ottawa.

Railway project warmly appreciated here, push her through.

H. DALLAS HELMCKEN.

I do not think, Sir, that any member of this House can take a higher position than to support a national proposal, when he has reason to believe that it is supported by the general sentiment of the people he represents. I shall test the proposal of the Liberal government on this matter in the light of the opinion of the two leading Conservative papers on the Pacific coast, and the extracts which I shall read have special reference to the question as it was discussed in parliament last session. The Victoria 'Daily Colonist,' the leading Conservative organ of Victoria, on January 5th, 1904, says, editorially:

Although the government carried the Grand Trunk Pacific scheme safely through parliament, the enterprise seems to be still the object of attacks, both open and covert. Undoubtedly there is a good deal to be said against the extension of the proposed road to Moncton, and it is almost impossible to avoid the belief that political reasons and not considerations of a business character were the grounds for the selection of that route. It is almost equally certain that a good deal of the opposition that manifests itself to the enterprise from time to time in the public press, is instigated by the promoters of a rival scheme who see in the carrying out of the Grand Trunk Pacific project the creation of a powerful rival to their own scheme, and the certainty that in such case further aid to them, either from the Dominion or the provinces, would be impossible. It is, however, satisfactory to see that Mr. Hays, the general manager of the Grand Trunk Railway, asserts positively that the enterprise will be carried out, and that the construction will begin in earnest this year. A great deal is being made in certain quarters of the fact that the company has not exactly fulfilled its part of the agreement, because it has made the required deposit of $5,000,000 in guaranteed preference stock of the Grand Trunk Railway Company, instead of in Imperial or Dominion government securities. To our mind, if a deposit be required at all, the form in which the company has made it, should be deemed perfectly satisfactory, and if there be need of parliamentary approval of the modification, it should be given. Not only is the stock a good security, but the fact that it is forthcoming shows that the Grand Trunk Company is behind the new enterprise beyond any doubt. That the money will be secured to build the line to the coast, we have it on the authority of such a competent person as Mr. Clouston, the general manager of the Bank of Montreal. Here, in British Columbia, it is, in our opinion—

I want hon. members opposite to listen to the statements of this representative Conservative paper:

Here, in British Columbia, it is, in our opinion, the duty as it is the interest of every one to avoid doing or saying anything that may put

an obstacle in the way of this great enterprise. It is a most extraordinary thing to us that men who two years ago were willing to burden the people of this province with obligations of millions in money and millions of acres in land, in order to make a gift of the same to promoters to build a line to the coast, should now be attempting to oppose a scheme that will give us the desired line under the auspices of one of the great transportation companies in Canada, without costing British Columbia one dollar in money or one acre of land.

The 'News-Advertiser' is the leading Conservative organ of the mainland, and I shall quote its opinion. I do not know anything of greater interest, or greater security to a member of parliament who has to form an opinion on this great question, than to know that both sides of politics in his province are prepared to support the scheme now before the House. The 'News-Advertiser' on the 9th of March, 1904, wrote as follows:—

An opportunity like that which the government's offer now presents, is not likely to recur. Indeed, the chief criticism we have to make against the government's scheme is the doubt as to whether the rapid development of western Canada makes it necessary that anything but the prospect of the abundant traffic being developed should be required to induce capitalists to build railways in order to share in the business now practically a monopoly in the control of the pioneer transcontinental line. Certainly were the offer rejected now, it would never be repeated.

Let me read an extract from the Victoria 'Colonist' of March 10, 1904:

The Dominion parliament meets to-day, and one of the most important matters that will occupy its attention at this session will be the ratification of the amended agreement between the government and the Grand Trunk Pacific Railway Company. There can be no reasonable doubt that this will be done, with the result of the actual preliminary work of construction being commenced during the coming season. A few days ago we discussed the details of the proposed amendments in the agreement, and it is not necessary to refer to them again. The most important to British Columbia is that by which the government, instead of limiting its guarantee on bonds for the construction of the mountain section of the road to $30,000 per mile, is authorized to guarantee 75 per cent of the actual cost of that section. The value to British Columbia of a line opening up the northern part of the province can scarcely be over-estimated. That such a scheme was desirable was shown by the action of the provincial legislature three years ago in voting millions of dollars as a subsidy in aid of such a project. Many people questioned the ability of the province to incur such an obligation under its financial position and held that such a work was really a national one and not a provincial affair, and should, if aided at all, be assisted by the Dominion. By the agreement with the Grand Trunk Pacific Company this is now being done without the addition of one dollar to the financial obligations of the province or the surrender of one acre of its lands. Nor can the people of eastern Canada fairly object to this arrangement. While the aid will come from the Dominion as a whole, the people of British Columbia will contribute their share—a share, which it may be pointed out, in passing, is larger per capita of the population than the people of other provinces contribute to the Dominion treasury.

I considered, Mr. Speaker, that in presenting my views to the House on this question, it was very important that I should show what are the views of the Conservative press and people of British Columbia; so that in supporting the proposal of the government, I feel absolutely confident that I am supporting a measure which the people will endorse when I present myself with the other members from that province for re-election at the proper time. The proposed amendment of the leader of the opposition has been reduced by the opposition generally to the principle of government ownership and operation. Now, Sir, I belive that there is at the present time in this country a considerable sentiment in favour of that principle, and I believe that when the government thought out the details of the proposition which they have laid before the House, they took that question into consideration. I think the measure itself demonstrates clearly that the government had in their mind the sentiment existing in this country on the important principle of public ownership. The very fact that they retained the ownership of the railroad from the Atlantic to Winnipeg is an evidence of that. Another evidence of it is the fact that they have provided in these proposals for government regulations which never existed in this country before to any extent, if they existed at all.

Now, Sir, I want to present frankly to the House my view of this question of government ownership. I think hon. gentlemen opposite who have taken a strong position in favour of national ownership and operation of railways have read that principle into the amendment of the hon. leader of the opposition. I do not think that they extracted it from the amendment itself. I do not think that there is anything in the speech which the hon. leader of the opposition delivered at the beginning of this discussion, or anything in his amendment, to indicate that hon. gentlemen opposite were prepared to take the responsibility of inaugurating that tremendous system in this country. Now, I believe in the principle of government ownership. I believe there is a right and a wrong way of initiating it; I believe there is a right and a wrong way of educating the people of this country with regard to it. If I were a member of a government, and had to think out an important national proposal of this kind, I would want to know just what the public sentiment of the country was with regard to a principle that had not yet been brought into practical operation in the country. Why, Sir, if the speeches of certain hon. gentlemen opposite are to be taken seriously, it is surprising that they have so suddenly changed from a

policy which handed over to the railway corporations of this country immense privileges without a particle of government regulation, and from a position of extravagantly bonusing and assisting a railway corporation to build a transcontinental railway the operation of which is to-day not subject to any government regulation whatever. These hon. gentlemen have leaped right from the position of giving abundant national assistance to railway corporations to the position of owning and operating the projects ourselves. Now, Sir, the men who cannot regulate cannot own and operate. The man or the party who cannot do small things are not likely to do large ones. The party in this country which has demonstrated by its history that it has not been prepared to regulate the operation of railways in favour of the people, is not likely to inspire the people with confidence that it is willing, if it had the responsibility, to go to the other extreme of owning and operating. In politics, as in everything else, the people do not want to know what you say, but what you really do ; and the public, in forming a conception of what hon. gentlemen opposite are likely to do if they had the power to do it, will look up their record with regard to these projects, and will form their judgment of what they are prepared to do in the future, not from a theoretical amendment which they present at a time when they have not the responsibility of putting it into operation, but from the way they have conducted themselves with reference to these projects when they have had the power to do something.

What is the public sentiment of this country on the question of national government ownership? I believe in municipal government ownership ; I believe in an extension of provincial government ownership : I believe that this government, in coming to a conclusion on this question, were in duty bound to look over the several factional powers in this Dominion and see what these powers have done in relation to projects of this kind. How are we to find out whether the people will endorse the principle of national ownership ? Could I safely arrive at a conclusion by a theory in my own head? Should we endeavour to put into operation an important principle of that kind without first ascertaining the opinion of the people and obtaining some assurance that the people would endorse it? By what process could the government arrive at the conclusion that the people would be willing to support the idea of government operation and control? There is just one way in which that question could be solved. This is my opinion as to the way in which the government could find out what the people think about this matter. There is a large number of municipalities in the Dominion. These contain within themselves given areas, powers just as complete within those areas as are the extensive powers of this parliament within its federal jurisdiction. There is a certain number of provincial parliaments, which have within the areas of their own jurisdiction, powers just as complete as those which the Dominion parliament enjoys within its constitutional limits. If I wanted to know what is the public sentiment of this country on the principle of government ownership, I would try to find out how many municipal railways there are owned and operated by municipalities and how many provincial railways there are owned and operated by the provinces. And if, as I think I can demonstrate, there are not more than two or three municipalities in this Dominion which actually own and operate their own street railways, by what line of reasoning could I conclude that the people would be willing to build and operate a national railway? If I find that in all the provinces there is absolutely not one owned and operated government railway, by what process of reasoning could I conclude that the people of this Dominion in the aggregate would be willing to support the principle of a national owned and operated railway? I consider that that is an unanswerable argument. The right way to find out what the people of this country would endorse as regards the policy of this government would be to find out just what the people are doing to-day in this regard on similar projects concerning which they have very extensive powers, which they could use in the direction in which we are asked now to legislate. In my opinion, the government have adopted the principle of government ownership in the proposal before the House to a greater extent than that principle is applied in any of the municipalities and provinces of this Dominion. I do not think you will find that principle put into effect in any municipality, except the city of Port Arthur, which owns nine miles of government owned and operated railway, and the city of Nelson, which owns a few miles of government owned and operated railway. Apart from these two, I do not think there is a municipality which operates to any extent the principle of government operation, to the extent of spending their own money in building and owning their own railways. I believe that there will never be a national owned and operated road in the Dominion until the people, in the exercise of their own local and municipal powers, endorse this great principle of government ownership. So long as the people of the Dominion refuse to exercise the power which is in their own hands in their own provinces and municipalities, their representatives in this parliament can have no reason for believing that they will endorse the principle of government ownership in federal matters. What they do in their local capacity is a clear indication of what they want us to do in our federal capacity. In England, the government does not own a foot of railway, but there you

have the most perfect system of municipal ownership. In England, on this great question, they began at the right end, they put the horse before the cart, and are doing the little things before undertaking the big. They have inaugurated the system of government ownership in Glasgow, and Liverpool, and Birmingham, and will, no doubt, come in time from the smaller experiment then be a public demand from the public in favour of the operation of this system. That, in my opinion, is the course we ought to follow. The example of the old country should, in my opinion, guide our ministers in coming to a determination with regard to this important matter. The first step should be a system of government regulation, and as I have said before, that party in this country which has refused to regulate corporations, which has refused to hold the corporations to their duties, is not in a position to operate and own a railway system themselves. What party was it in this country which inaugurated the system of government control, government system and government regulation? I think I could easily demonstrate that the Liberal party, in 1897, when discussing the charter of the application of the Canadian Pacific railway for an application to build the Crow's Nest Pass railway, was the first to insist on a system of government regulation being inaugurated. In 1885 a charter was obtained from this House by certain mine owners to build a railway in the Northwest. An enormous land subsidy was given them by the Conservative government then in power, as well as large financial assistance. The reason assigned for this was that the government wished to secure for the settlers of the great Northwest a supply of cheap fuel. In 1889 that company came back to this parliament for further assistance, and its land subsidies and financial assistance were both increased. At that time one of the Liberal members, the present Hon. Senator Watson, offered an amendment to this House which sought to force the government to regulate the rates of transportation from the mines, so that the settlers would be enabled to obtain cheap coal. But what attitude did the Conservative party take on that occasion? I could read from the 'Hansard' the declaration of the hon. member for East Grey (Mr. Sproule), that any system of regulation proposed as an amendment, which would put a restriction on that company, would be an unreasonable imposition. In 1897, the question of the authority of the government over these corporations was again brought up in this House when the Canadian Pacific railway applied for a charter to build the Crow's Nest Pass railway.

The Liberal party gave that company a tremendously large cash subsidy. They gave them $3,600,000 as a cash subsidy to assist in its construction, but important regulations were associated with that grant with regard to running powers and the regulation of rates. In fact the only portion of the Canadian Pacific Railway in the west over which there is any government regulation to-day is that portion of the road which was built under that charter. So important were these regulations that the people of the Kootenay District, the consumers of the products of the Crow's Nest Coal Company, received back in three years' time an amount equal to the whole of this subsidy. Let me show what was done. The Conservatives of British Columbia handed over to private persons and to private members of the government of that time the important coal fields of the Crow's Nest Pass, and when the Canadian Pacific Railway Company took possession of the British Columbia Southern charter, and came to this government for an extension of powers, this government appropriated in the interest of the people 50,000 acres of these coal lands given by the Conservative party of British Columbia. They made it a condition in the granting of its charter that they would return to the Crown 50,000 acres of these lands which have proved themselves to be so important. But they went further. They made it a condition that that company should supply coal on the cars for $2 a ton. I am altogether against land subsidies, and against cash subsidies if there is not associated with the granting of such subsidies a guarantee that the public will benefit as a result of this assistance. A cash subsidy given to a company should be an investment on the part of the people, and if it is given to a company without the necessary regulations that would make it a good investment for the people, I contend that the money has been misappropriated by any government that gives it. Now what has been the result in this case. The average output of coal in the Crow's Nest Pass mines has been 2,000 tons a day The price of coal at the mine on Vancouver Island is $4 a ton, so that we have the difference between $2 and $4. If that regulation had not been provided, the Crow's Nest Company could have charged the consumers $4 for every ton of coal, but by a regulation adopted by the Liberal party in 1897, they are compelled to put coal on the cars at $2 a ton. $2 a ton on 2,000 tons a day for 320 days in the year would in three years return to the consumers of the Kootenay far more than the enormous cash subsidy given by this government to assist that great project. That is what I call wise legislation. There is assistance to which you might have an objection but when the assistance is associated with the wise precaution of seeing that it is returned in another form for the public benefit, hon. gentlemen must see that it is money well spent. The same principle of regulation has been continued; the Liberal

party seems to have inaugurated the principle of authority over these corporations. They established the principle in 1897 with regard to the project I have been discussing and to a considerable extent the principle of government ownership has been endorsed by the building and ownership of this new railway half way across the continent and by more strict regulations in the public interest than have been included in the case of any other company in Canada. No proposal has emanated from this parliament since confederation, with equal provision for control and regulation of railways. For these reasons I have great pleasure in endorsing the proposal and I believe the people of this country will endorse it. In this proposal there are not only the safeguards and regulations which guarantee a proper return for the investment made by the people of this country, but if the public sentiment of this country ever rises, as some hon. gentlemen think it may, to the position of demanding an absolutely government owned and operated railroad, there are provisions in the charter of the Grand Trunk Pacific Transcontinental Railway that will make it possible for the people of Canada to take over the Transcontinental Railway even against the will of the company. That is a position that will be endorsed by the people of Canada, a principle that has been arrived at by a process of evolution. The Liberals in 1897 saw the folly of the absence of regulations in these matters, and secured a measure of control that will give many of the advantages to be derived from the building and operating of a government owned system of railways, and at the same time will give an opportunity of acquiring the ownership of this railway if the time comes when in their own interest the people feel they should take it over. When hon. gentlemen opposite revile, criticise, and oppose the conditions inserted in this charter by the party who have adopted the principle of government control of railways, they should remember the contract which they made with the Canadian Pacific Railway. No one doubts the importance of that railway throughout the west and the thorough and businesslike management of that railway, but I wish to state that under that charter, in contradistinction to the present transcontinental scheme, you have not a single particle of authority over the operations of that road and when men whose policy has been to support the principle of granting immense subsidies without government control come before this House with the extraordinary proposition to own and operate railways before they have learned to regulate them, I am quite certain the people will judge them from what they do and not from what they say.

Mr. DAVID HENDERSON (Halton). Mr. Speaker, the hon. gentleman from Nanaimo (Mr. Ralph Smith) who has just taken his seat, if I understood him aright declared, that after carefully listening to the discussion of this question, whether in or outside of this House, I am not very sure, but I rather think outside, he was unable to ascertain where we on this side of the House stood on this question. The hon. gentleman has discussed this question from what he calls an independent standpoint. He talked about everything except what pertained to the construction of the road. He told us something about Chinese immigration, he discussed the construction of the Crow's Nest Pass Railway, but Sir, to my mind, if he was at a loss to determine where we on this side of the House stood on this question, I can assure you, I am much more at a loss to understand where the hon. gentleman stands on the question. I feel, however, that when the vote is taken there will be no question as to where the hon. gentleman will be found. Notwithstanding his declaration of independence which we have heard from him to-night, you will certainly find him voting with the government for the road that will cost the most money, voting for the road that will delay construction the longest time, and voting for the road which will charge the highest rates of transportation to the people of western Canada.

Mr. Speaker, the name of the Grand Trunk Railway Company has been a household word in the older provinces of Ontario and Quebec at any rate for well on to half a century. This railway possibly was the pioneer railway, especially in the province of Ontario, and certainly the people of Ontario and Quebec owe a great deal to the Grand Trunk Railway Company. It was through this railway in the earlier days that these provinces were developed. As we all know, the construction of the Canadian Pacific Railway was of a later date. But all over the western part of Ontario, we may say, we have ramifications of the Grand Trunk Railway. Its lines are running east and west, north and south, and both Ontario and Quebec, as I say, are indebted to the Grand Trunk Railway for its aid in developing those provinces. It was only natural therefore, in view of this company having extended its system throughout the older provinces, that it should desire to reach out into the new country which is now being developed and to secure some share of the trade which is now arising in the great country to the west of us. I say it was only natural that such men as the enterprising president of the Grand Trunk Railway Company and its general manager should desire to extend their system, and I must confess that I scarcely think the government of the day has treated this company with the courtesy that it demanded. I sympathize with Sir Charles Rivers-Wilson in what he said in the speech which he

made to his shareholders in London on the 8th of March last :

Let me recall to you the reasons which prompted the board to enter upon this important scheme. The history of the Grand Trunk Company shows how it has grown with the growth and prospered with the prosperity of Canada. It shows how the company has itself been largely instrumental in promoting the prosperity of the country, and how it has been one of the leading factors in knitting together the various provinces which now constitute the great Dominion of Canada. As it has been in the past, so it should be in the future, and as Canada continues to develop, so it becomes an absolute necessity for the Grand Trunk Company to lend itself to the circumstances which surround it, and not neglect the opportunity of obtaining a share in the growing prosperity of the country.

I say it is only natural that such men as Sir Charles Rivers-Wilson and Mr. Hays should have desired to extend their system, and I say that I do think the company are entitled to better treatment at the hands of the government of the day than they actually received. Let us look at the inception of this scheme. We find on the 10th of January, 1903, in the 'Canada Gazette,' that the Grand Trunk Pacific Company gave notice that they would apply for a charter. That charter was to construct and operate :

A line or lines of railway from a point at or near either Gravenhurst or North Bay, in the province of Ontario ; thence in a north-westerly and westerly direction through the provinces, districts and territories of Ontario, Keewatin, Manitoba, Saskatchewan, Alberta, Athabasca and British Columbia, or any other province, district or territory of British North America to the Pacific ocean, &c., with power to construct and equip branch lines to Winnipeg, Regina and other points.

There, Sir, was a modest application, something that to my mind should not have been interfered with. Why, the most ordinary application for a charter for the construction or extension of a railway in this country is acceded to by the government of the day. It is seldom indeed that we find a government offering strong opposition to any application for a charter, as long as it believes that the promoters of the scheme are prepared to construct the railway. But what do we find later on ? On the 31st of March, 1903, the company introduced a Bill into this House—

For the purpose of constructing and operating a railway of the gauge of 4 feet 8½ inches from a point at or near the city of Quebec to a point at or near either Gravenhurst or North Bay in the province of Ontario ; thence in a north-westerly and westerly direction passing to the north of Lake Nipigon to a point in or near the city of Winnipeg, &c.

I need not tell you, Mr. Speaker, that this is not what the Grand Trunk Pacific desired. This is not in accordance with the notice they gave in the 'Canada Gazette,' and the present scheme has practically been forced upon them by the government of the day. I refer to this fact because hon. gentlemen to your right have not hesitated to say that the opposition complained of by the president of the Grand Trunk Railway Company at the meeting of the shareholders in London, was the opposition in this House. But reading the speech of Sir Charles Rivers-Wilson it is clear that the opposition to which he refers was not the opposition in the parliament of Canada, but the opposition coming from the government of the day. Well, even this charter had to be amended when it came before the Railway Committee, and at the suggestion of supporters of the government, receiving the endorsement of the government, it was made to read that this railway should be constructed—

From a point at or near the city of Moncton, in the province of New Brunswick, through the central portion of said province, and through the province of Quebec to a point at or near the city of Quebec, thence in a north-westerly and westerly direction to a point on the boundary line between the provinces of Quebec and Ontario within fifty miles of Lake Abitibi, thence in a north-westerly and westerly direction passing to the North of Lake Nipigon, in the province of Ontario, to a point at or near the city of Winnipeg.

A very different scheme indeed from that which was propounded by the Grand Trunk Pacific Company in the first instance, a very different scheme from that which the railway company itself desired to construct. As I said before, the president of the Grand Trunk Railway Company very fairly complained of the opposition that was presented to the scheme which the Grand Trunk Pacific desired to carry out. They had new conditions imposed upon them, not permitted merely to construct a road from North Bay to Winnipeg and then on to the Pacific coast, but new conditions, that no doubt had never been considered by the promoters of this railway, were imposed upon that company, and Sir Charles Rivers-Wilson justly complains of these new conditions. He said in addressing his shareholders :

Having arrived then at the conclusion that the best interests of the company necessitated some early measure in the direction I have indicated, we caused a Bill to be introduced into the Canadian parliament for securing a charter of incorporation for the creation of a company with an independent organization, but in close connection with and under the control of the Grand Trunk Company, for the purpose of building a line of railway from a point of junction at or on the Grand Trunk line, passing through the most fertile districts of the Northwest, and terminating at a port on the Pacific coast. Under the natural impression that a scheme of this nature would commend itself to the approval, and would obtain the support and encouragement of the government and parliament of Canada, so liberally accorded to other railway enterprises, I ventured to suggest to

the shareholders when I addressed them in the month of April last year, that it might reasonably be expected that such a scheme might be carried through without engaging in any way the credit of the shareholders of the Grand Trunk Company.

And then he added :

I must confess that when I made that suggestion I appear to have been somewhat over sanguine, not sufficiently considering, perhaps, the weight of political and interested opposition which the scheme was destined to encounter.

I think, Mr. Speaker, I have clearly settled the question as to where the opposition came from, that is complained of by the president of the Grand Trunk Railway Company at the meeting of the shareholders in London. It is not from the opposition in this House. We have no quarrel with the Grand Trunk Railway Company in this country. I contend, and I believe every hon. gentleman on this side of the House will say, that the Grand Trunk Railway Company has been a great institution for the older provinces especially where its lines now run. No one desires to interfere with the operations of the Grand Trunk Railway Company. No one, I think can fairly interfere with, or oppose, any desire on the part of the Grand Trunk Railway Company to extend its operations even into the wheat fields of the great prairie country with the view of securing the additional trade and profit that would accrue from the traffic in that country. I say then that I have, I think fairly settled the question as to where the opposition comes from that has interfered with the project that was set forth by the Grand Trunk Railway Company when it gave notice of its application for a charter. Sir Rivers-Wilson says :

Our original idea was to build from a point on the Grand Trunk Railway to the Pacific coast. The intention was that the point of junction should be at or in the neighbourhood of North Bay. It was made, however, by the government a condition of a grant of the charter of the Grand Trunk Pacific Company that the line should be extended eastward from North Bay to Quebec into the city of Moncton in New Brunswick, the point of junction on the Intercolonial Railway, communicating with St. John, New Brunswick to the south-east, and Halifax, Nova Scotia, to the south-east.

Sir Rivers-Wilson plainly states the condition that was imposed upon him and states that that condition was imposed by the government of the day. Was this proposal a reasonable one, because, I think in all fairness that the Grand Trunk, the pioneer railway of Canada, ought to have received the same treatment from the people of this country as any other railway system would receive or any other applicant for a railway charter would receive when making an application to this parliament. Why these new conditions, why these extra conditions imposed upon this railway company ? What was the cause of them ? Whence did they emanate ? The Grand Trunk Railway Company had a road from Quebec to Montreal, from Montreal to Toronto, and from Toronto to North Bay, and all that the company modestly asked was that it should be permittted to construct a road from North Bay to Winnipeg and thence extend it through that vast country to the Pacific coast. That was its modest application ; it wanted to extend to Winnipeg and thence to the coast. If the government desired a new transcontinental railway from ocean to ocean on Canadian soil and if it desired to impose new conditions upon the Grand Trunk Pacific Railway beyond what it has asked for, the government could have given the railway company running rights over the Intercolonial Railway so that this new system would have been a transcontinental railway from the city of Halifax to a port on the Pacific coast. Why did the government intervene, because I think it is only fair to inquire and ascertain what the reason was that prompted the government to do so ? The charter was to be granted only on certain conditions, first, that the Grand Trunk Pacific Railway Company should build the road from Winnipeg west to the coast, and second, that the government should build the road from Winnipeg east to Moncton. These were the new conditions made by the government of the day. True, this would appear to be a saving to the Grand Trunk Pacific Railway Company, because it would oblige it to build, not a line from North Bay to Winnipeg, but only to commence at Winnipeg and thence build to the coast saving the construction of possibly a thousand miles of railway, but if it were a saving to the Grand Trunk Pacific Railway Company, it was certainly a saving secured at an enormous cost to the people of this country, at a cost which has been variously estimated and I think very fairly estimated by my hon. friend the leader of the opposition when he said that the construction of the road from Moncton to Winnipeg would cost, all told, principal, interest and discount and all other charges in connection with the construction, $130,000,000. I say, that, whilst the Grand Trunk Pacific have been saved the expense of constructing a road from North Bay to Winnipeg the country has been called upon to pay out a great deal more money in order to relieve the Grand Trunk Pacific from the construction of that road. The Grand Trunk Pacific Railway Company did not ask for the credit of this country to be pledged for the construction of this road. It had, at any rate, not reached that stage and possibly the company did not anticipate anything more than the usual subsidies granted for the construction of roads through new countries. I say then that it was not surprising, with a project of this kind before the government, that the ex-Minister of Railways and Canals showed

his determined opposition to the proposal of the government. We have some of his reasons assigned and I propose to read one or two of them because I think they are very cogent and worthy of consideration. The hon. Mr. Blair discussing this question said :

> The only cause that has led me to take that regrettable step——

The step was that he severed himself from his political associates of the government—

> —is because I have been unable to justify to my mind, to my own conscience, and to my own duty to my people, the support of the proposal which the government have decided upon making to this House, and the asking of legislation to pass with respect to the project known as the Grand Trunk Pacific Railway.

He further said that he objected to the government constructing another government road from Lévis to Moncton. He proceeds :

> I objected to it because it paralleled the Intercolonial Railway in my opinion without a doubt.

He added :

> Another objection was that I thought we were proceeding with undue haste.

The road not having been surveyed, and no proper estimates having been made as to what the cost would be.

He also said :

> But I am not in favour of impetuously rushing into the construction of a transcontinental line from Quebec, through an unknown country to Winnipeg and the west, until we know something about it—until we have the fullest information about it. The project is one of very great magnitude, and should be dealt with only after the maturest deliberation.

Mr. Blair calls it an unknown country. Is it known to-day any more than it was a year ago ? It may be to some hon. gentlemen. I do not know who they are. I confess that it is unknown to me. The right hon. Prime Minister has told us of the visit of a missionary to that country over 200 years ago. Well, at that time railways were not in contemplation, and the report of this missionary, no doubt made to those who sent him out there, had no reference whatever to the feasibility of the construction of a railway, because practically, railways were unknown in those days. The right hon. Prime Minister told us that it was a country in which wild roses were found to grow in June. This has been frequently referred to and I may be pardoned for referring to it again because I do not regard that as an evidence of the fertility of the country or of the suitableness of the country for settlement or the production of grain and other cereals such as people going into that country to settle would desire to produce.

Botanists tell us that the blooming of flowers in a high latitude is not evidence that if you take a similar flower from a warmer climate and transplant it to the high latitude, it will flourish as would the native flower. The fact that a country would produce native roses is no evidence that it would grow wheat, or barley, or any other of the cereals. I remember once standing within thirty feet of the foot of the Illecillewaet glacier, and in the month of August I saw a bush covered with beautiful flowers, but the cold from the ice of that glacier was so intense that I could only endure it for a few moments, and notwithstanding that flowers were growing there, I am quite sure that you could not produce wheat or barley in the locality. I desire not to say one word derogatory of this country : I hope that the northern part of Ontario and that the northern part of Quebec is all that it has been pictured by those who have spoken favourably of it. I am not here to speak ill of our country ; I would rather speak well of it, but I say that it may perhaps be folly for us to expend the amount of money that we are called upon to spend in building a railway through that country. Even the Prime Minister seems to have doubts as to the character of that territory, because on the 5th of March, when he introduced this resolution, referring to the one section in Manitoba and the other in older Ontario, he said :

> Between these two sections of population, however, there is a gap of several hundred miles of uninhabitable and hardly habitable land.

Even the Prime Minister himself is not so much delighted with the character of this country as are many of his supporters who have spoken. The Minister of Trade and Commerce (Sir Richard Cartwright), speaking in Toronto on the 10th of December last, expressed his opinion of this country. After drawing an imaginary line across the continent from New York to Winnipeg and thence to Edmonton, he spoke of the country lying to the south and, referring to the country on the other side of the line, he said :

> On the east there extends an inhospitable region which lies between Winnipeg and Quebec.

And this is the region, Sir, through which the government are proposing to construct a railway at a cost of possibly $130,000,000 ; a region described by Sir Richard Cartwright as being inhospitable.

I am at a loss to understand why the Grand Trunk Pacific Railway Company should not have been treated, with respect to its charter, along the same lines that we treat railway projects generally when we consider them in this House or in the Railway Committee. Goldwin Smith, on the 5th of August, 1903, writing on this matter, said :

> But the undertaking is another attempt to force communication and transportation out of their natural and commercial lines into those of political centres. It will ultimately share the fate of other attempts of the same kind.

In the speech of the Minister of Trade and Commerce to which I have already referred, and as published in the 'Globe,' he discloses some reasons why the government should construct this costly road from Winnipeg to Moncton, and perhaps some of those reasons tell us why the government has imposed these new and uncalled for conditions on the Grand Trunk Pacific. In connection with the construction of this road, Sir Richard Cartwright ('Globe,' 11th December, 1903), said :

> Now, I desire to point out to you what the ends and the aims of the government are in this matter. We desire and we have the right to desire, to open up new territory. We desire to add to our population. We desire to add to our wealth, but over and above all these reasons, important and valuable as they undoubtedly are, there are grave political causes at work which have induced the government to propose this policy for your adoption.

We have here the statement of a leading minister of the Crown as to why these new conditions were imposed. The object of opening up new territory is, to my mind, a very excellent reason, although with reference to that there may well be two opinions. I have my own view as to whether it is wise at the present day to open up that territory for colonization. It is alleged that there is to be found there valuable timber, which fifty years or a century hence will be much more valuable than it is to-day, and which will be required by those who come after us. But, Sir, we have in our western prairies an immense country ready for the hand of the tiller of the soil, and why expend our resources now in developing a wooded country and allow our prairie lands to go unpopulated, or allow American citizens or others to take possession of that fertile land, while we are endeavouring to send our sons from Quebec and Ontario into the northern part of these provinces, where in fifty years they cannot produce the results that a pioneer in the wheat fields of the west can produce in ten years ? The Minister of Trade and Commerce further tells us in this extract that the object of the government is to add to our population. Well, it is wise for us to secure population, so long as the immigrants are of the right class. But I ask hon. members to note the further reason which the Minister of Trade and Commerce gives as one which has incited the government to this adventure. He says : There are grave political causes. I confess I am at a loss to know what these political causes are. In this seems to lie the crux of the whole thing. What induced the government to take away from the Grand Trunk Pacific the construction of the road from North Bay to Winnipeg, and to determine that it should be at the cost of the government ? What are these grave political causes ? If it means that the construction of the Grand Trunk Pacific is going to benefit one political party at the expense of the other, it is not a justifiable reason. It would seem to me that the expenditure of $150,000,000 for such a political reason is something that Canadians will not approve of. It may be, as has been hinted by one speaker this afternoon, that fat contracts for the friends of the government would be a very good political reason, and I have no doubt that there is a great deal of that kind of thing in view.

It is said there are people who cannot wait. Possibly, there are a great many people who cannot wait. There are people who are anxious to get fat contracts in the construction of this road. That would be a political reason, because it would be helping friends of the government; but that is not a reason that would justify us in voting for this scheme. Another political reason has been suggested. You know how desirous the government are to have aid at the time of a general election. They have no doubt realized that, and possibly look to this scheme as a means of replenishing their exchequer. That would be a political reason. What are we to understand from the speech of the hon. Minister of Trade and Commerce, if such reasons as these are not the political reasons to which he refers? Then, there are great fortunes in sight for political friends—fortunes for the promoters of the scheme. That is an undoubted fact, because $25,000,000 of common stock is to be let loose amongst the promoters, to be disposed of in any manner they may see fit and at whatever price they may determine. If there are fortunes in sight for the promoters of this scheme, and they are prepared, in return, to render to the governmen such services as they may require, that would be a political reason. But I fail to see that any of these political reasons are reasons that we can offer to the people of this country in justification of a vote in favour of this scheme. Sir Charles Rivers-Wilson, in his address to the shareholders, said :

> The result, therefore, of the agreement was a combination of these two interests for the construction of the proposed road, which would thus be carried out, as I have said, by means of a partnership between the government and the Grand Trunk Pacific Company, supported, as that company would be, by the influence and connections of the Grand Trunk Company.

This is a partnership in which the government are to build the most costly part of the road and that part which is likely to produce the smallest results, while the Grand Trunk Pacific Company are to build the road across the prairies, the most easily constructed portion, and also the road through the mountains, but altogether the shorter part of the road. It is an unfair partnership, and I do not think the government acted wisely in going into it. I can understand Sir Charles Rivers-Wilson going into the partnership when it was forced upon him. In going into a partnership, a shrewd man would see that his partner had abundant means to carry on the busi-

ness. I would always decline going into partnership with a man who had no money or very little, and who would not be able to take his share in carrying out the obligations of the partnership. Sir Charles Rivers-Wilson acted wisely in going into this partnership, when it was forced upon him, with the Dominion of Canada, which has unbounded wealth and is able to meet all the obligations that may be incurred by the partnership. Canada is to put up the larger portion of the money. Practically, as has been demonstrated during this discussion, Canada will be called on to put up, all told, in the neighbourhood of $170,000,000, whereas it is admitted that the Grand Trunk Pacific will be required to put up only $14,500,000. But that is not the most serious part of it. To boil down the conditions of the agreement, it practically comes to this, that the country is to make good all the losses of this partnership, and the railway company is to get all the profits. A more unfair partnership, to my mind, could not be conceived.

Now, why was this railway charter applied for, or why is there a demand for a new railway across the continent at the present time? This is an old question. We had it thoroughly threshed out in the debate on this question last year. We all know that the demand for more railway facilities came from the great west. The complaint from that country was that traffic was congested, and that there were not sufficient facilities for removing the products of the country from the west to the east, or for taking into the country what was required for the comfort and convenience of the people who went in there to settle. Therefore, the Prime Minister, last session, and I am not sure but this session also, stated that the object of this Bill was to provide immediate means for carrying the products of the west to the ocean. Observe his words—the means were to be immediate. We did not want to construct a railway that would not provide immediate relief from the congestion that prevailed; we wanted one that would afford immediate relief. This was the Prime Minister's idea. But we are surprised to find, when the amended project comes down, that the time for the construction of this railway is extended for some three years more than was proposed a year ago—that the road is not to be completed until 1911, or, at any rate, that the time for the completion of the western section is extended to some seven or eight years, instead of being the means of granting the immediate relief to the people of that country which they demanded.

Now, an alternative scheme has been proposed by the hon. leader of the opposition—a scheme which will provide immediate relief; and for that reason that scheme commends itself to me very much more strongly than does the proposition of the Prime Minister. I propose for a moment to lay these two schemes side by side, because I believe that in this way we shall be the better able to decide which of the two we ought to support. The government propose to construct a railway from the city of Moncton, through the province of New Brunswick and the province of Quebec, to the city of Quebec, thence through northern Quebec and northern Ontario, keeping hundreds of miles beyond civilization, to the city of Winnipeg, thence across the great prairie country to Edmonton, and from that point through the Rocky Mountains to the Pacific coast. How does that scheme contrast with the plan suggested by the leader of the opposition? The leader of the opposition says: Canada already owns a railway extending from several seaport towns, including Halifax, St. John and Quebec, to city of Montreal, and it should extend that system from Montreal to the Georgian Bay, where it can make connection with the system of water transportation between Depot Harbour and Port Arthur and Fort William. This can be done, he says, by constructing a short line of railway, about 35 miles in length, from Montreal to Coteau Landing, to connect the Intercolonial railway with the Canada Atlantic railway.

I do not say that you can purchase the Canada Atlantic Railway, but I have not the least doubt that arrangements could be made to run the Intercolonial Railway trains over that road to Depot Harbour. Thus you would have, during all the season of navigation, a road which would carry grain from Winnipeg to the Atlantic coast at the cheapest possible rate over a route partly by water and partly by rail. But if we desired to continue that system so as to have a railway under the control of the government during the winter months, that would only entail the construction of a hundred odd miles from Depot Harbour to Sudbury, where you strike the Canadian Pacific Railway, and no doubt running arrangements could be made over that road. I do not suggest the purchase of that section of the Canadian Pacific Railway road. I have no knowledge that the Canadian Pacific Railway desire to sell it. That section is just as necessary for the continuation of their system as it would be for any other system, but you could arrange with the Canadian Pacific Railway to run trains over that line to Port Arthur and thence to Winnipeg, and you would thus have an extension of the Intercolonial Railway system from Halifax all the way to Winnipeg. To my mind that is something which would cost only a fraction of what the government propose to spend. It would not cost within $75,000,000 or $100,000,000 of what the government project will entail on this country, and would consequently leave us large sums of money with which to im-

prove our great waterways and deepen our harbours and perfect our water transportation generally. This scheme commends itself to my mind in these various ways. It opens practically and immediately a route by which the products of the west can be moved to the east and the congestion that prevails in the west relieved. It provides that means at the lowest rate of freight, because we must all concede that an all-rail route can never carry the products of the west to the east as cheaply as a route partly water and partly rail. Not only would we gain in time and cheapness, but enormously in the cost of construction, and by the saving we would thus effect we could procure greater benefits to the country than can possibly accrue from the carrying out of the government project.

Last year we were told that this government scheme of construction from the town of Moncton to the Pacific coast was only going to cost the people of this country some $13,000,000. I have often wondered whether the right hon. the Prime Minister was really serious when he made that statement. At any rate, we have this fact, that not more than one or two hon. gentlemen on that side have during the present debate made any reference to that $13,000,000 as being the entire charge on the revenue of this country for the construction of that road. Either they were unwilling to risk their reputation or had a little bit of conscience left. The Prime Minister himself did not repeat this session what he said last. Nor has the Finance Minister told us that through a trust or an insurance company he could raise enough money by means of a deposit of $8,000,000 to put through this gigantic scheme. The present Minister of Railways (Mr. Emmerson) has not ventured to make any pronouncement on the question. I do not think for a moment that he would support any such contention. I do not think he would risk his reputation, because he has a reputation as Minister of Railways. He has distinguished himself by keeping out of this House for two weeks while this important project is being discussed. I think I may dismiss this matter, because I fully realize that the country takes no stock in the statement that this road could be constructed without imposing a greater burden on the country than $13,000,000.

We are told by hon. gentlemen opposite that one of the great advantages of their scheme is that the government will control the rates. To my mind such a contention is absurd, because the Grand Trunk Pacific would be called upon to pay three per cent on the cost of construction of the eastern section. That would amount to possibly between $3,000,000 and $4,000,000 rental per year. How is the government to keep down the rates if they are to insist on the company paying the rent? The fact is that the company will charge such rates as will enable them to pay the rent. The rental is to be three per cent on the cost of construction, to be paid annually, so that it is absolutely absurd for us to speak of the government controlling the rates. No one supposes that the eastern portion will be for many years a revenue-producing road. The company will have to do a great deal of business on that section for practically very little and its revenue will be derived chiefly from the western section. But the revenue from that section will not be sufficient to pay dividends to the shareholders and also pay more than a mere fraction of the rental of the eastern section. Therefore, it is useless to expect that this company will ever be able to pay the rental required, if we fix the rates at such a point that they will not furnish sufficient revenue. I need not discuss further the difference between the cost of an all-rail route and a rail and water route, but I desire to place on 'Hansard' my opinion with respect to that difference. From Winnipeg to Fort William, the Canadian Northern is carrying wheat at 6.60 per bushel. From Fort William to Montreal by way of Depot Harbour, grain has been carried for 3·75, making 10·35 as the rate from Winnipeg to Montreal. Again, make another comparison. From Winnipeg to Fort William the rate is 6·60 and from Fort William to Montreal by way of Port Colborne it is 3½. With the proper facilities at Port Colborne and elevators, the rate could be lowered to three cents. This would give the cost of transport by rail and water route by Port Colborne 10·10 cents. From Winnipeg to Fort William, the lowest rate at which grain has been carried yet is 6·60 cents per 100 pounds. Taking as a basis the rate from Winnipeg to Fort William, 425 miles, the rate which the Grand Trunk Pacific Railway would receive for carrying grain from Winnipeg to Quebec, 1,475 miles would be 23 cents, or practically double what it can be carried for by a route partly water and partly rail. I say, therefore, extend the Intercolonial Railway to Depot Harbour, give us the advantage of the double route, the rail and water route, we would then have the Intercolonial to Depot Harbour, then across the water to Port Arthur and Fort William and thence to Winnipeg or we could extend the Intercolonial Railway from Montreal to Depot Harbour and then, by the construction of 100 miles of railway, connect with the Canadian Pacific Railway, obtain running rights over that road and so have the means of carrying grain at a season when it cannot be carried by water. Thus you would conserve the resources of this country; do not spend them in this gigantic

scheme, unless it is going to be feasible, but utilize these moneys to improve our waterways, harbours, canals and rivers, and give us the cheapest possible transportation from the west. Thus we would really accomplish the great purpose we have in view of providing transportation for our western country.

We come now to perhaps the essence of the resolution, that is the supplementary agreement, and I am surprised that so little has been said about that in all the discussions that have taken place. We have heard very little of it from hon. gentlemen on your right, Mr. Speaker, I fancy there are few on that side who are prepared to endorse it by a speech. They may be willing to support it by a vote, because you can always explain that a vote is given for party reasons, but no man can ever explain away a speech if he makes a mistake. What is there for Canada in the supplementary agreement? First the time is to be extended to 1911. The people of the west are calling for increased transportation, demanding immediate relief from the congestion of traffic in that country, and the government says to those people in the west: We cannot give you relief this year; we cannot give you relief next year; but we have propounded a big scheme and we propose to help you in 1911 to get out the wheat crop of 1904. What satisfaction would that be? Are these people going to hold their crops, five, six or seven years? These people will still be demanding increased transportation and even with this gigantic scheme before us and with the credit of the country pledged to such an enormous sum, we will be compelled, in order to secure peace, to find some other means of getting out the crop. If there were nothing else in the agrement than that clause providing for the extension of time for the completion of the western division to 1911, I would be compelled to vote against the supplementary agreement.

Another clause provides that the guarantee for the mountain section shall be increased to 75 per cent of its cost. I am not aware that the right hon. the Prime Minister (Sir Wilfrid Laurier) in proposing this supplementary agreement, gave us any substantial reason why the resolution brought down this session should be anything different from that of last session. Last year it appeared to be perfectly satisfactory to the Grand Trunk Pacific if their bonds were guaranteed in the extent of 75 per cent, that guarantee not to exceed $30,000 per mile of the mountain section. But now we are to be called upon to guarantee 75 per cent of the entire cost of the mountain section, even if it costs $60,000 per mile. I have been furnished with no reason why the change in these conditions should be made, for that reason I would be obliged to vote against that clause. Another reason which is referred to by the hon. member for Stormont (Mr. Pringle) is the fact that in the event of the failure of the Grand Trunk Pacific to meet the interest charges or the rental of this road, the government is not to be permitted to take possession of the road, to foreclose the mortgage or to sell the property which is an ordinary condition of any common mortgage, but the railway company is to be permitted to continue accumulating indebtedness for five years. This rental is to remain until it has increased to an enormous sum, possibly from $15,000,000 to $16,000,000, and then the government will be able to claim the right to interfere. But the government, under the supplementary agreement, surrender the right to foreclose the mortgage, and realize their money; they simply make a condition that the road is to be put into the hands of a receiver who is to run the road, pay 75 per cent of the proceeds to the government and 25 per cent to the railway. Notwithstanding this large accumulation of rental only 75 per cent goes to the government and 25 per cent of the net earnings during those years goes to the railway. Is this an ordinary condition or a common practice? When you take a mortgage on a piece of land to secure a sum of money, do you enter into a condition that you allow the arrearages to accumulate for five years before you can take any proceedings and then that you will not pe allowed to foreclose or to sell under the mortgage, but will simply have power to place your agent in possession of the property and that he will be compelled under the agreement to hand over 25 per cent of the earnings to the mortgagor while the mortgagee will be entitled to receive only 75 per cent. It is a condition such as I venture to say no lawyer, no farmer, no member of this House ever before knew to be inserted in a mortgage.

Then we come to the clause with regard to the distribution of common stock which I think is a most objectionable clause. Under the agreement as it was approved of by parliament last year, the $25,000,000 of common stock was to be held by the Grand Trunk Railway Company as a security against the guarantee by the Dominion of Canada of the bonds of the Grand Trunk Pacific and this $25,000,000 of common stock was to be held by the Grand Trunk Railway intact so long as any portion of these bonds remained unpaid. It looked to us as if we had some security in the event of the non-payment of the bonds. What does the supplementary agreement do? It absolutely wipes out that security and permits the Grand Trunk Railway Company to dispose of every dollar of this $25,000,000 of common stock of the Grand Trunk Pacific. I ask where is the fairness of it? I ask where the security that we considered a year ago so essential to

the country now is ? We permit the Grand Trunk Railway to dispose of every dollar of that stock without imposing any conditions as to how it shall be disposed of.

Now, Mr. Speaker, it always was a trouble to me to discover where the promoters of this road were to be recouped for the use of their name. There are names associated with this project—I do not wish to be personal, I do not wish to mention names—but we all know there are men who do not lend their names to any financial scheme unless there is lots of money behind it. We know there are men whose names are mentioned as promoters of the Grand Trunk Pacific Company who would never for one moment think of allowing their names to be used unless they knew perfectly well they were going to be amply recouped. Now here are $25,000,000 of common stock. Of course, when the scheme is projected this common stock will have very little value, and the Grand Trunk might be perfectly justifiable in putting it on the market and selling it at 5 per cent or 10 per cent. That stock, before the term of 50 years expires, perhaps before 20 years expires, might be worth 50 per cent. At any rate, if the road is a success at all that stock will have a vastly increased commercial value, will have a commercial value that will bring rich returns to those who may be fortunate enough to secure it. I have no doubt that in this way the promoters of this scheme are going to be recouped for allowing their names to be used as promoters of the undertaking. If so, it is simply an attempt to make millionaires of certain men at the expense of the taxpayers of this country. There is no doubt about it, that is what is meant, and those men would never have entered into this scheme unless they believed that large profits were going to come to them out of it as a result of their association with it.

Now, Sir, were it only for that alteration in the original contract, I would be compelled to vote against these resolutions. But there is another objection, there is a clause which provides that the government of Canada, at the expiration of fifty years, shall be obliged to take over such branches of this road as the company desires them to take. In other words, the Dominion of Canada will be compelled to take over at a price to be fixed, all the non-paying branches, and we can readily understand that there may be non-paying branches. In the course of fifty years, if this road is built through large portions of the province of Quebec and a portion of the province of Ontario, branches may run towards the St. Lawrence, towards the great lakes, towards the Georgian Bay, the profits of which would be nothing more than the traffic in timber along these roads. When that timber is once exhausted the revenue of that road would be reduced to practically nothing, and the government of Canada, notwithstanding that fact, would be compelled to take over those useless branches and allow the Grand Trunk Pacific for them, whilst they retained the paying branches for their own benefit. I say this is another reason why we should reject the supplemental agreement that is presented to us by the Prime Minister. Therefore, Sir, viewing this whole project from all standpoints as representing a constituency in Canada I must oppose it. I have avoided speaking of this scheme from a provincial standpoint, I do not want to refer to it for one moment from the point of view of the province of Ontario. I believe the scheme outlined by the leader of the opposition is one that will benefit the province of British Columbia, the Territories and the province of Manitoba, it will benefit the province of Ontario, it will benefit the provinces of Quebec, New Brunswick and Nova Scotia. Perhaps the only one that would not be directly benefited, is the province of Prince Edward Island. But the scheme of the leader of the opposition is not a provincial scheme, it is a scheme that would help all the provinces of the Dominion, though I am sorry that I cannot say that the scheme projected by the government will be of much advantage to my own province. Therefore, looking at the scheme from all points of view, more especially considering the supplemental agreement that we are called upon to vote—because practically we are not called upon to vote on the question we voted on last year as to whether the scheme itself is feasible, at this time we are only called upon to vote approval or disapproval of the supplemental agreement—I say therefore that viewing the situation as a whole, viewing all its merits and demerits, and taking into consideration the character of the supplemental agreement, I am compelled to vote against the proposition of the government, and will heartily support the proposition made by the leader of the opposition.

Mr. ROBERT D. WILMOT (Sudbury and Queen's). At this advanced hour of the night I would prefer not to make the remarks I desired to make, but to move the adjournment of the debate. However I stand in the judgment of my colleagues, and if the government is willing to adjourn the debate now I would prefer to do so.

Hon. L. P. BRODEUR. If the hon. gentleman thinks he cannot complete his remarks to-night we might as well adjourn now, but I thought there were some understanding by which some hon. member on this side of the House would move the adjournment of the debate.

Mr. TAYLOR. The understanding was that my hon. friend would speak to-night, and the hon. member for Toronto East (Mr. Kemp) would move the adjournment of the debate.

Mr. WILMOT. Then I will have to go on, but I shall not make a long speech, I think,

Mr. Speaker, that the matter under consideration is one of the most important that has ever come before this parliament, involving as it does the expenditure of such a vast amount of money, unknown to any member of this House, unknown to any man in this country. In my opinion it is a most unbusiness like transaction. In the ordinary affairs of life we never undertake any business or operation in the manner in which this country is asked to undertake the building of this Transcontinental Railway. The country to-day is simply paralyzed. Public opinion is like a man who has been sandbagged. The people are stunned, they don't know what to think, they don't know what to say. Ignorance of the scheme and its possible consequence prevails not only in the minds of the people but in the minds of the government. But, if I am not mistaken, public opinion will rise to the occasion and, if it be not too late, will correct the mistake that is now being made. It may be at an increased cost, but I have great faith in the sober common sense of the people of this country, and I believe that right will be done. The principal reason why this measure was placed before this parliament was that there was great pressure from the west. We all know that our western country is filling up very rapidly, that the products of the west are increasing to such an extent that in a few years all the means of transport will be overtaxed. As far as that is concerned, I am fully in accord with the opinion of the government. I believe it is necessary to find further transportation facilities for getting out the products of our great western country, but why we should include in this great scheme the eastern section of the Dominion is more than I can understand without further knowledge. Now, Mr. Speaker, coming from the province of New Brunswick, and being very much interested, as we are in that province, in the utterances of a man occupying the position of Minister of Railways and Canals, I may say that we were very much impressed with the statements of the Hon. Mr. Blair. I may say that I was more than impressed with the statements which that gentleman delivered on the floor of this House. I have been here a number of sessions, and I possess a fair knowledge of the transactions of this parliament and of the important measures that have been passed here, but I never heard or never read a more monumental speech than that made by the Hon. Andrew G. Blair, a speech that appealed to the common sense of every man in this country, including the members of the government. I am bold to say that. The merits of that speech appeal to the people of this country and to the members of this House. Now, it may be said that Mr. Blair's action after the delivery of that speech took from the merits of it. I am here to say that it lessened the merits of that speech not one tittle. I will not say how it affected the position of the man but there is the speech. That speech, in my opinion, should be cut in stone. That is a figure of speech, of course; but I mean to say that it was a most important speech, and that every word of it, to my mind, was befitting the important occasion on which it was delivered. It has been said that this parliament is called together to consider the amendments to this contract. I believe that is a most important consideration. I am not going to deal with these amendments. I am not a business man, and I am not in a position to deal with them in the way they should be dealt with, but there are hon. gentlemen who are thoroughly competent to deal with the questions of a financial nature that apply to this matter who occupy seats on the floor of this House, and some of these hon. gentlemen have already dealt with these considerations of the Bill in a masterly manner, and in a manner that will appeal to the people of this country, and I believe there are others to follow. As far as discussing the main Bill is concerned, my hon. friend from Halton (Mr. Henderson) was of the opinion, and he may be correct, that we are here to consider mainly the amendments. I contend that time is a great factor in this matter, and that if we were to consider the whole Bill, amendments and all, the time would not be lost. I was almost pained when I heard the right hon. premier state in this House that there was no time for deliberation. What, no time for deliberation! That expression appeared to me to be a terribly reckless one, coming especially from a man in the responsible position that the right hon. premier occupies. Now, I am going to take up a little time in the consideration of this question. It will not be lost in one sense. While it will not perhaps afford much edification to those around me, yet I believe that the more time that is occupied in discussing this matter the better will be the opportunity which the people will have in making up their minds as to this measure. Now, I will quote from that great speech a few of Mr. Blair's sentiments, and I feel that I am justified in doing so. Speaking of the scheme itself, he said:

> The thing was never mooted before, and the government took no action, until the Grand Trunk Railway Company conceived that it would be to their own interest to have the railway project liberally aided by the parliament of Canada which they desired to promote. That is the secret of the whole business; that is where it originated. All the other considerations fell upon unheeding ears. All these dangers never struck our minds, never seem to have entered into our calculations; it never occurred to us that we were under such imminent peril; it never was suggested by any one that the great future of Canada, the very life of Canada was at stake—until the Grand Trunk Railway Company made a call and laid their proposition before my hon. friends and colleagues of the government.

In another part of his speech he says:

I think that a different scheme might have been with greater advantage to the country devised. If we were to consider the interests of the country as being paramount to any desires or any wishes of any railway company, I think a different scheme from this could have been and would have been devised. The whole proposal strikes me as ill-considered. There are facts which should have been ascertained and which when ascertained would have sufficed to show us whether the step to which we were committing ourselves was one which we could safely take.

But we are in the dark. We cannot say that things are not so, because we do not know; we cannot say they are so because we have not any information which would justify us in saying it. We may find, if this thing goes on, that it is a huge blunder, that it is a grave mistake. We may find when it is too late, that the best interests of this country would have been better served by waiting, by putting off till tomorrow, by delaying long enough to make a proper investigation and inquiries.

Now, we have this session—and I think that ought to be borne in mind—made large provisions for a western railway extending through almost the whole of the fertile belt to Edmonton at all events. We are providing this year a guarantee of bonds for 600 miles, and another additional 100 miles in another direction. Now, that is a considerable thing for parliament to have done in one session, seeing, if I am not incorrectly informed, that the country through which that railway passes is not settled, that it remains to be settled, and we hope to invite settlement by means of it. That railway 600 miles long, benefiting a tract of country 15 to 20 miles on each side of it, will ultimately be settled, but it will take a great many people and it will take some time to settle it, even with all the railways to the south of it. It will be some time before you need to make a new railway to the north. I think the case is abundantly clear that we have done amply well this year, at all events, in the way of giving a guarantee amounting to $9,000,000 towards the construction of the Canadian Northern. We have done that after two years of consideration, and only came to a final conclusion during the present session of parliament. Now, my own view would be that if we wanted to do something of advantage for the transportation of the country, if we wanted to secure to our Canadian seaports the transportation of western products, we would have extended the Intercolonial to Georgian Bay by acquiring the Canada Atlantic. Of course, Mr. Speaker, that involves a continuation of the principle of government ownership, a principle to which I know a great many people are hostile. . . . My quarrel with the government so far as this portion of the undertaking is concerned, rests almost entirely upon the consideration that they are plunging headlong into this thing, in a most unwise, injudicious, and unbusinesslike way, when by a little pause, by a year or two of delay to get information, we might be put in possession of facts which would justify us in proceeding. And surely a year or two is not a long time in the life of this Canadian nation; surely Canada is not going to come to an end so soon that two years is a term of any importance to be considered in our national life. I apprehend that we would have needed two years in order to have obtained a thorough, complete, and correct survey and exploration of that whole country. And having that, the government could have come to parliament, and they could have gone to the country and given reasons for the faith that is in them, and given substantial ground for asking the people to encumber themselves with a liability of $40,000,000, or $50,000,000 or $60,000,000, or perhaps more for the construction of this railway. If you delay it in order to obtain this information, you could have come to parliament upon solid ground with your proposition, and if you had that solid ground the country would, I am sure, heartily and readily sustain you. But as you are going now, as you are plunging into it, you may possibly plunge into what is going to be a disaster. I cannot say; no man can say that that country is not of abounding fertility. No man can say that that country will not afford the amplest amount of traffic. No man can say that it is not rich in all the varied resources which distinguish other portions of Canada. No man can say that there would not be a mint of money made by any company that would operate a railway through that country. But the fact of the matter is, that we know nothing about it. We have no information about it. The government is not in possession of any information about it, or at all events if they are I have never known of it and they have not put this House in possession of it. And if it be that this country is not a fertile conutry; if it be that there is no local support for a railway; if it be that settlement cannot be successfully invited into the country; if it be that the rest of Canada will fill up with settlement before settlement will go into it; if there is nothing but pulp wood in that country which will not be hauled out until after all the pulp wood which is handier to the market is taken away from the other vast areas of Canada in which it is to be found; if there is no lumber there except the lumber of British Columbia which is much handier to get and better in quality; if that is all the business that a railway can take out of that country, what a calamitous plunge this government and this parliament would be taking in lending support to this scheme. . . . At all events, I am entitled to ask so far as I represent the people of my own constituency and the people of New Brunswick; I am entitled to ask as any other member of this House is entitled to ask, that I should have enough evidence before me, that I may be satisfied in order to arrive at an honest judgment, so that I shall feel that I am not by any possibility committing a grave and an egregious error which will deal disaster to the future of this country.. . . . .Now, Sir, my proposition is this: We ought to have come before parliament as a government, and we ought to have said to parliament and to the country: We are favourably impressed with the importance of the early construction of another transcontinental railway; but, as business men, as prudent and cautious men, we think that the proper course for us to take is to get an appropriation from parliament in order that this whole country which it is proposed the railway shall traverse, in so far as it has not been officially explored, and in so far as we have not been made familiar with its conditions; shall be ascertained and made known to the people of Canada, laid before parliament at a later day; and then if these reports are favourable it is our fixed purpose to ask parliament to authorize us to go along with railway construction in that terri-

tory. My idea would be that we should go as far as we could reasonably and as the necessities would justify, and when we got through to the prairie, that we should then call a halt until the necessity arose for further extension through the western country. We would have our officials on the alert and they would see when the growing needs and prospects of the country would justify a further extension, and when that time came, then if nobody else entertained it, and even if they did, my idea would be that we should continue our road along ; go right along through, go along just as we required to do it in the true interest of the country. Then this discussion, which I have said was so necessary, would have taken place. The public press would take the project up ; the public platform might, perhaps, be used to some extent, parliament would discuss the matter in all its bearings, and you would get the ideas of the people as to whether government ownership and government operation or company ownership and company operation would be the most desirable, and the arguments would be brought pro and con, and you would have the people of Canada put in possession of all the facts of the scheme which was to be adopted, before they were irrevocably committed to it.

The points that I think ought to be inquired into are : Is there a feasible and practicable route north of the height of land between Quebec and the prairies ? What will the railway cost ? What are the prospects for settlement ? What are the natural resources of the territory? Is there a good reason to believe that there will be a local traffic to sustain the road ? These, and cognate questions should, I think, be first inquired into before we are asked by the responsible government of this country to commit ourselves to a work of this magnitude.

The House, I know, will pardon me for reading at some length from the speech of Mr. Blair. He is a New Brunswicker, and some very interesting people come from that province. No public man—I make no exception—could express more clearly and in a more convincing manner than did Mr. Blair, the objections to this extraordinary scheme of the government. But so far as Mr. Blair is concerned, there occurred one of the most remarkable episodes in the political history of this country. He was a representative man, a man who held one of the most important portfolios in the government, a man occupying a high position in the council of the nation; he came forward and he made a speech, the most important speech of his life, and then he suddenly subsided; he took the crawfish movement. But Mr. Blair's subsequent conduct does not lessen the importance of that speech. His words speak to the nation to-day, even though their author is silent. Mr. Blair delivered that the greatest speech of his life, and then he died politically. In my opinion, political heart failure was the cause of his demise. When he resumed his seat after that speech, I counted him the strongest man in Canada. Had he gone out to the people of the country then, he would have defeated this scheme. The government knew it, and they considered that he was too dangerous a man to run at large. Even at the expense of their dignity, they thought they had better secure Mr. Blair's good-will, for they knew that he was in a position to defeat the measure and to defeat the government with it. But, Sir, I believe that it will all come right in the end. I have an abiding faith in the maxim that the thing that is right. Here we are placed face to face with a measure that I believe the majority of Canadians consider not to be in the interest of the country. True, it is backed up by a powerful government supported in this House by every member of the Liberal party, and yet I doubt if that policy is going to be endorsed by the people of Canada. I consider that this government and the Liberal party, which they represent in this House, have abused their power in this matter. They had no moral or political right, under the circumstances, with the little information in their possession, to commit the country to this gigantic scheme, or to impose such a burden upon the people. We hear a great deal about what the Grand Trunk shareholders think, but we do not hear much about what the people think, or what the people are going to do. When the opportunity offers, we shall find out what the people think of this matter. Their turn is to come. They are stunned now. They feel very much as the members of the railway committee felt, when this project was first brought before us, and when we saw that great map stretched across the wall of the room. The members of the committee looked at each other, Liberals and Conservatives alike, with a certain feeling of surprise and shock. I ask any man if he thinks, in his calm moments, right down at the bottom of his heart, that this is a wise and businesslike transaction. I do not believe I could find a man of the Liberal party in this House who would say that he would conduct his private affairs in a similar manner.

Now, we do not get credit for opposing this scheme on its merits or demerits. Hon. gentlemen opposite cast upon us the slur that, in opposing it, we are opposing the development of the country. Well, Mr. Speaker, to say that is like pouring water on a duck's back, because it rolls off of its own accord. The record of the Conservative party is such that a charge of that kind will not stick. The present position of the country in the eyes of the world is due to the policy initiated by the Conservative party in laying the foundations that went to make Canada a great country. In a clever speech the other night by a member on the Liberal side comparisons were made between the cost of the Canadian Pacific Railway and the probable cost of the present scheme ; but it is impossible to make any fair comparison between the two schemes. We all know the difficulties and obstacles which were thrown in the way of the Canadian Pacific Railway project. The country

through which that railway was to run was unknown, and it had to endure the strongest opposition on the part of interested politicians of great influence, not only in this country, but in the money markets of the world. But time has proved that these people were mistaken, and that that road has been of vital importance to this country.

The objection to the present scheme has been advanced—and a very strong objection it is—that in building the section from Quebec eastward through that part of the province of Quebec and through New Brunswick we are paralleling the Intercolonial, which has cost this country so much. This objection has been urged over and over again, and it cannot be repeated too often. Hon. members of this House may be tired of hearing it, but the country will not be tired of hearing it, and that fact ought to be impressed upon the people. We do not know anything about the proposed route from Lévis easterly towards the northern extremity of New Brunswick. Surveys have been made of that country, but I do not think they have been made with a view to building a line of railway such as that proposed in this scheme, that is, a line equal to the Grand Trunk between Montreal and Toronto. Any information that I have been able to obtain about that country is unfavourable for a first-class line. I am not opposed to seeing that country opened up and developed. I would like to see the people in the back parishes towards the Maine boundary line supplied with a railway. It would be a great advantage to them ; but I do not think it should be constructed as part of a transcontinental railway, considering the splendid roadbed we have on the Intercolonial, which parallels the proposed road as far east as Rivière du Loup. At that point I think the distance between the Intercolonial Railway and the boundary line is only some thirty miles or less. In that distance there will be no great saving effected by the proposed line, and I do not think that part of it can at all be justified. When it reaches the province of New Brunswick—as I suppose it will by some means—I consider that the easiest and most natural route for a railway would be down the valley of the St. John river to Fredericton, and from that point by a branch to Moncton via Chipman. That country has already been surveyed, it is a level country and well suited for a railway. Another branch could be built to the city of St. John. The Prime Minister's proposition to build a straight line through the province of New Brunswick I do not consider at all practicable. It would be very expensive and, from the knowledge we have of that section of the country, I do not think it could be built without a vast expenditure of money. If you follow the valley of the St. John river, you have a natural roadbed and the most direct route to tidewater. You would hardly call such a road paralleling the Intercolonial Railway, because it is almost a direct route to tidewater, and it will be shorter to go to Moncton in that way than to go down through the wilderness part of the province. However, in any case we have no data on which to proceed, and the government are simply taking a leap in the dark.

Another objection I wish to make is this. I find fault with the scheme because it is allied with the Grand Trunk Railway. Why should not the government proceed in a businesslike way, give notice that its policy is to build a transcontinental road, and then adopt the advice of Mr. Blair and appropriate sufficient money to obtain the information they require. Parliament would support such a course by unanimous vote. The people of both parties would hold up both hands in favour of spending money in a businesslike and proper way for developing this country. Both parties are in favour of building a transcontinental road, but what the people require is that the government should take the proper steps to secure accurate information before laying out the course which this road is to follow. I am very much taken with the idea that we should as soon as possible extend the Intercolonial Railway to Georgian Bay and thence to the great west. It must be evident to every one who has given any attention to the matter that the scheme of the leader of the opposition is the speediest and most effective means of relieving the congestion of traffic in the west that could be devised. It will certainly do so much sooner and at much less cost than by building from Quebec to North Bay and from North Bay to Winnipeg. I have said that I do not approve of the government allying itself with any railway company in building that line. I think that the Grand Trunk Railway, or any railway company which may be allied with the government, will be in the position of a middleman and rake in the profits and financial benefits which the people should enjoy. It is said that a railway cannot be constructed and properly run and managed under government direction, because politics will be sure to creep in. But I think that we could be protected from any pernicious political influence of that kind by the appointment of a commission, which should be made independent of the government, and I believe that a line of railway traversing this country from ocean to ocean could be built and operated by the government much to the advantage of the whole country. Not the least benefit would be the effect it would have in controlling the freight rates on other lines. I have no hope of the government being dissuaded from the course it seems bound to follow, but the people will in time get in their little say, they will raise their voices later on, and I have strong and abiding faith that this scheme will not be carried out.

and it would be a good thing for the country if it should not.

I was very much disappointed at not seeing the hon. Minister of Railways (Mr. Emmerson) take the part in this dbeate I think he should have. I do not know whether that is due to his own free will or the direction of his colleagues. I hope the time is not far distant when the people will be aroused to the importance of the position in which they are placed and will rise in their might and scatter to the winds the project now before the House, and against which I shall have very much pleasure in voting.

Mr. A. E. KEMP moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

INQUIRIES FOR RETURNS.

Mr. R. L. BORDEN. I would like to call attention to two returns for which I asked some three or four weeks ago. One relates to certain documents connected with the improvement of the dry dock system on the Pacific coast. Another called for copies of contracts for the carriage of the mails from St. Lawrence ports. I would also like to call attention to certain Orders in Council which were alleged to have been passed respecting coasting vessels and the carriage of goods by American vessels between British Columbia ports and ports in the Yukon. The hon. Minister of Customs (Mr. Paterson) stated that he would have no objection to bringing down the Orders in Council and laying them on the table of the House. They cannot be of any great length and I would suppose might have been laid on the table before now. I bring these matters to the attention of the government because these returns in many cases are brought down so late in the session that it is absolutely impossible to deal with the matters to which they relate. If there is not a sufficient clerical staff to enable them to be brought down with the expedition necessary, I would think it advisable to increase the staff for that purpose but so far as I know there is no reason why, with the present staff, the documents should not be brought down promptly.

Hon. W. S. FIELDING (Minister of Finance). I shall draw the attention of the proper ministers in these matters. If the returns are not very lengthy, I know of no reason why they should not be brought down but I shall call the attention of my colleagues who are at the head of the several departments to the matter.

On motion of Mr. Fielding, House adjourned at 11.45 p.m.

HOUSE OF COMMONS.

TUESDAY, April 19, 1904.

The SPEAKER took the Chair at Three o'clock.

FIRST READINGS.

Bill (No. 65) respecting certain patents of Louis E. Curtis.—Mr. Wm. Ross (Ontario).

Bill (No. 66) respecting the Pacific Northern and Omineca Railway Company.—Mr. Morrison.

Bill (No. 67) respecting the Ontario Accident Insurance Company.—Mr. A. T. Thompson.

Bill (No. 68) respecting the Hudson's Bay and Northwest Railway Company.—Mr. Oliver.

Bill (No. 69) to incorporate the Monarch Life Assurance Company.—Mr. Osler.

PERSONAL EXPLANATION.

Mr. R. L. BORDEN. Before the Orders of the Day are called, Mr. Speaker, I wish, as a matter of personal explanation, to read a letter which I addressed to the chief of the 'Hansard' staff and his reply:

House of Commons,
Ottawa, 18th April, 1904.

Dear Mr. Horton,—If I am not putting the 'Hansard' staff to too much trouble, I would like to ascertain whether in my speech on the 5th April I really used the word 'published' as reported on page 812 of the unrevised 'Hansard.' Possibly this may be a clerical error, as I know from my own experience of many years in dictating that these are occasionally unavoidable.

Yours faithfully,
R. L. BORDEN.

The Chief, 'Hansard' Staff.

Office of Official Reporters of Debates,
House of Commons,
Ottawa, April 18, 1904.

Dear Mr. Borden,—In reply to your note of to-day, asking whether, in your speech of the 5th April, you used the word 'published,' as reported, I beg to say that I find, on inquiry, that you did not use that word, but that the word you did use was 'prepared.' The use of the word 'published' was an error of this office, which occurred in the course of transcription.

Regretting, on behalf of the staff, the inconvenience this error has occasioned you, I remain,

Very respectfully,
ALBERT HORTON,
Chief Reporter.

R. L. Borden, Esq., M.P.,
House of Commons.

INQUIRY FOR RETURN.

Mr. T. CHASE CASGRAIN (Montmorency). I would like to draw my right hon. friend's attention to the promise he made on the 7th of April last to bring down the Order

in Council passed in virtue of the Act 3 Edward VII., chapter 53, transferring the management, charge and direction of certain public works to the Department of Marine and Fisheries. My right hon. friend said then that he would lay a copy of the Order in Council on the table. I would call his attention to the fact that on the 19th of March what purports to be a copy of this Order in Council was published in 'Le Canada' at Montreal, and consequently it seems to me we ought to have it in the House. I would call the attention of my hon. friend the Minister of Marine and Fisheries (Mr Préfontaine) to the fact that he has not yet laid on the table the account of Mr. P. V. Savard. I do not think I am being fairly treated in this matter. The order of the House was given on the first members' day of this session directing that this account should be laid on the table of the House. I do not want to have a debate on it to-day, but probably some other occasion will present itself.

Right Hon. Sir WILFRID LAURIER (Prime Minister). I think I can produce that Order in Council to-morrow.

THE TARIFF—WOOLLEN AND COTTON DUTIES.

Mr. ROBERT A. PRINGLE (Cornwall and Stormont). Mr. Speaker, before the Orders of the Day are called I desire to bring up a matter which occurred in the debate yesterday. And if necessary, at the conclusion of my remarks I will move the adjournment of the House. During the discussion which occurred yesterday, the hon. member for Guysborough (Mr. Sinclair) made this statement:

> On this side of the House we stand by the motto: Canada for the Canadians.

In reply to that statement, I having the honour to follow the hon. member for Guysborough, made the statement that the policy of the Liberal party had not been a policy of Canada for Canadians. I used this language:

> The policy of the Liberal party for the last few years has been, to my mind, a policy to the detriment of the Canadians. We have the Liberal party advocating a lowering of the tariff, with the result that some of our largest manufacturing industries have had to close their doors. As this is not the time nor the occasion for dealing with that question, I will not now pursue the subject any further than to say that to-day the woollen mills of Canada are closed, owing to the fact that this Liberal government, who the hon. member says are legislating for Canadians have legislated in favour of foreigners instead of in favour of their own people.

The Minister of Finance (Mr. Fielding) interrupted me and said:

> Will my hon. friend permit me to say that I have a circular from that woollen company stating that they are not closed, and inviting orders? ?

In reply to the Minister of Finance, I said:

> Will the hon. minister permit me to say that the Cornwall Manufacturing Company has closed its doors, that it has been sold out, lock, stock and barrel.

Now, if the hon. Minister of Finance has a circular from the woollen mills of this country, stating that they are not closing, I think it is only fair that he should have given us the contents of that circular. I have inquired from the president of one of the largest woollen mills in the Dominion, and he tells me that there has been no such circular sent out in Canada, saying that there is no intention of closing their doors. In the course of my remarks yesterday, I made the statement that the woollen industry of this country was suffering owing to the policy of the Liberal party. I made the broad statement that we had imported into this country during the year 1903, woollen goods to the extent of over $13,000,000. I have taken the trouble since making that statement, to see exactly what the importations of woollens into Canada amounted to since the preferential tariff went into force. I find that, in 1897, there were $7,177,954 worth. There has been a steady increase from 1897 up to 1903. In 1903, the importations of woollens amounted to $13,612,942, or an increase during the period that the preferential tariff has been in force of $6,434,988. Now, Mr. Speaker, I say that I was absolutely correct when I stated that the woollen mills of this country are closing and that they have closed. Let us take the census report for 1901, issued by hon. gentlemen opposite. They show that, in 1891, we had 213 woollen mills in this country, and that these produced over $8,000,000 worth of goods. In 1901, we had only 157 woollen mills; and since 1901, a large number of woollen mills have been closed down; but the only available figures are for 1901. I find that in 1901 our woollen mills produced only $7,359,000 worth of goods. Four of the woollen mills forming what is known as the Canadian Woollen Mills, Limited, are closing down. They are going to close their doors on the 12th of May. And I say, that that company has not sent out a circular to the effect that they are not closing down. What that company did, was this—they simply sent out a circular to their customers to the effect that they would complete any orders which they accepted, but they reserved the right to say whether they would accept an order that was brought in or not. That stands to reason. They have the machinery there, they have the employees; and if they can possibly keep these mills running until the 12th of May, when they are to be put up for sale it will be much bet-

ter. The company would naturally prefer that. Instead of selling the mills as closed establishments they would rather sell them as going concerns. Now, let me show what these mills meant—these four mills to which I have referred, represent an investment of over $1,000,000. For several years these mills have been running at a loss owing to the policy of the government. The representatives of these mills have come here repeatedly. I have stood up in this House since 1901 and advocated the cause of the woollen manufacturers of this country. As I have stated repeatedly in this House—and I do not intend to go beyond a mere statement of it to-day—we had a woollen mill in the town and county I have the honour to represent which employed 150 people, and which had modern machinery—an up-to-date mill and an acquisition to our community. The representatives of the mill came here and repeatedly asked that this tariff should be changed, so as to make it possible for them to live. Every time they came they were turned down. The result was that they got tired of coming and closed their doors and sold out the mill and the machinery. We all know that the woollen industry was the first industry to be attacked by hon. gentlemen opposite. For my part, I do not know why it was singled out in this way; but certainly it was the first industry to be injured by their legislation.

Now, let us take another view of this case. In 1898 the wool not further prepared than washed imported into Canada for the use of our industries was valued at $1,985,489. Last year, 1903, the value of similar imports was $1,239,998. This is a reduction of $650,000, or about one-third. But that figure does not expose the situation fully, because Canadian grown wool is exported in increasing quantities. Thus, in 1897 we sent out $201,481 worth, whereas in 1903 our exports amounted to $382,935, or an increase of about $180,000. Nor does this represent the condition accurately, for it goes without saying that if the demand declines the product is not increased as it otherwise would be. But leave the case as it stands in figures, and we have a decline of $650,000 in imported raw material and of $180,000 in home-grown raw material, or of $830,000 altogether. Now why should this be? There has been a growing demand in this country for woollen goods, and in face of this growing demand there has been a reduction in the quantity of raw materials used in the industry. Of course we understand that the Minister of the Interior, who seems to take the position that these industries must fall, has said that if the woollen industry of this country cannot survive under a tariff of 23½ per cent, it has got to go down. His language is this:

> The sooner they shut up the better.

Now, Sir, that is not the feeling, I am sure, that animates all the members of the Liberal cabinet. While we know there are certain members of that cabinet who would be only too glad to see the industries of this country closed down, I believe there are other members of the Liberal government who would like to see legislation that would foster and encourage the industries of this country? I still have some faith in the Minister of Finance. I remember reading some time ago a speech of his, which was quoted in the Toronto 'Globe,' delivered at a banquet in Halifax on December 12th, 1902:

> Mr. Fielding referring to the tariff said: If there is an inequality which needs to be remedied we are prepared to consider it and remedy it. If there is a new condition created by the establishment of some new industry, if there are conditions abroad which are interfering with our trade, in short, if anything has happened, we do not propose to shut our eyes to established facts. But we do say that where the country has prospered under this tariff there is no reason for getting up excitement for the purpose of having us return to high duties.

Now, Sir, let me state my reasons for calling attention to this question. The woollen industry in this country is not prospering, the woollen industry in this country is going down, mills are being closed throughout the Dominion of Canada, and I say it is high time the government of this country should intervene and do something to assist that industry. Let us look for a moment at the position of the woollen industry in this country as compared with the woollen industry in the United States of America. We in this country have a protective tariff of 23½ per cent: in the United States they have a protective tariff of from 60 per cent to 150 per cent. We know that during the Cleveland administration in the United States of America the woollen industry was depressed, that woollen mills closed all through the United States of America, and it was not until the tariff was increased that that industry revived in the United States. Now we stand in this position in Canada that we have to pay increased wages—when I say increased wages, I mean larger wages—to our Canadian employees than are paid in foreign mills. What are the conditions? Taking the same number of employees, our wages would be $101,730, as against an English mill paying $73,950, and as against a German mill paying $52,590. I believe that the workingmen of this country should be protected, that they should be in a position where they can earn just as good wages as they can earn in the United States of America. The proper way to protect them is to give to the manufacturers of this country a proper protective

tariff so that they can give to their working men the same wages as are given in the United States of America. Now, Sir, I referred yesterday to the campaign sheets that have been circulated all through the western country with the frank of the Minister of the Interior. I have another one of them here, and it says :

Never were manufacturers so busy.

When I call the attention of the House to this fact, that the woollen industry of this country is depressed that the woollen mills of this country are being closed down, I am told by the Minister of Finance that this is not true, that he holds in his possession a letter to the effect that these mills are not closing down. I ask the Minister of Finance to put that letter on the table. Let us see that letter—because I am informed there is no such letter, that the only letter which has been sent out to the trade in this country is a letttr simply to the effect that they are still taking orders.

That all orders accepted by us will as heretofore be filled on the terms and at the date agreed upon without fail.

Now, Sir, I referred yesterday to the different statements made by the ministers of this government. We have the Minister of the Interior going into the west advocating a low tariff, we have the Minister of Marine and Fisheries going into the manufacturing centres and advocating a higher tariff. We have had an accession to the cabinet lately, we have had the Hon. Charles S. Hyman, of London. I hope that that hon. gentlemen will stand up for the policy of Canada for the Canadians. I wish to quote some language of his as reported in the Toronto 'Globe,' and I want to know what it means, if it does not mean more protection. I am free to admit that I don't care where the protection comes from, whether it comes from the Liberals or whether it comes from Conservatives. What I do want to see is the workingmen of this country protected. I do not want to see what has occurred in my town last year, numbers of these men who had gathered together a little money, who had comfortable homes, and they have been put out of employment and compelled to leave the town because of the closing of the woollen mill. They were trained specially as operatives of a woollen mill, and they not only had to leave the town, but they had to go to the United States of America. I want to see these people kept in our own country, and we can keep them here if we adopt a proper policy in this country. Now let us see what the hon. member for London (Hon. Mr. Hyman) said :

The Grand Trunk Pacific, in giving cheap transportation in the west, would go a long way towards making a protective tariff popular. Mr. Hyman observed that it had been charged that the Liberal party were inconsistent as regards their fiscal policy ; but he thought they should not be held to account for statements of individual members made at an earlier stage in the country's development.

Who are those individual members ? Is it the hon. the Minister of the Interior, who states that if the woollen mills cannot live they had better close down ? Is it the hon. Minister of Marine and Fisheries ? Is it the Minister of Trade and Commerce ? Who are these individual members that we are to pay no attention to ? The hon. member for London was them in the great manufacturing centre of the Dominion of Canada, in the metropolis of Canada, in the city of Montreal, and he no doubt felt that it would be pleasant for those people to give them the idea that the Liberal party would stand for protection, and that with the Grand Trunk Pacific scheme as a certainty, protection would be more popular in this country. Now, Mr. Speaker, I have raised this question because I want to know from the Minister of Finance where he got this letter, I want to know if in that letter there is any direct statement—because he makes it as direct as it can be made—

I have a circular from that woollen company stating that they are not closed.

Where is that language ? Where is the statement from this woollen company that they were not closed. I would like the hon. gentleman to produce that letter because I am informed by those in whom I have every confidence that no such letter was ever issued by any of the woollen manufacturers in this country. I would just say to the hon. Minister of Finance that it is rather hard that we should have sent abroad during the last six or seven years, owing to this preferential tariff, nearly $60,000,000 to pay for imported woollen goods, some of them, no doubt, manufactured in Great Britain, but a very large percentage of them manufactured in Germany, these goods getting the advantage of the preferential tariff by reason of passing through England and having a slight amount of work done upon them there. We all know that during the year 1902 there was imported into this country in woollen and cotton goods something over $20,000,000 worth. Our cotton industries are being badly hit to-day owing to this preferential tariff. I am not now going to deal with that question. There will be a day later on during the budget debate, when we will be able to discuss it, but I bring this matter up now before the budget debate comes down to make it clear to the hon. Minister of Finance that the manufacturers of this country, especially the cotton and woollen manufacturers, are suffering owing to the preferential tariff which is in force, and that when he gets up to deliver his budget speech he will not say as he said in former years that the trouble with the

manufacturers is that they are too busy to fill their orders. He has notice now that they are not so busy, that a portion of the Valleyfield mills are closed down and that the mills at Cornwall are likely to be running on short time owing to the importation of cotton goods. I hope that he will take this matter into his consideration and that when he comes down with his budget he will give some assistance to these industries. There is no reason why they should be wiped out. I am not asking for assistance for the manufacturers of this country; I am asking for assistance for the operatives, for the men who want to live in Canada, who want to earn wages in Canada, and who, if these mills are closed down, will pack up their traps and move to the eastern states to get employment in the cotton mills there. Mr. Speaker, I move the adjournment of the House.

Hon. W. S. FIELDING (Minister of Finance). Mr. Speaker, if it were of any consequence to show it at the present time I have no doubt that any man might truthfully make the statement that 95 per cent of the manufacturing interests of Canada are flourishing and prospering to-day to a degree vastly in excess of their greatest prosperity in the days of the National Policy. But I do not think any good purpose can be served by my entering into a discussion of this question at the present time. Our system of government and our forms of parliamentary procedure admit of many ways of bringing up questions in reference to the tariff, but I think I am correct in stating that this is the first occasion during the years that I have occupied a seat in this parliament when a motion for the adjournment of the House was moved for the purpose of inviting a discussion on tariff questions. Therefore, I do not propose at this stage to follow my hon. friend (Mr. Pringle) in any discussion of the condition of the manufacturing interests generally or of the particular interest to which he has referred. He has, however, referred to an incident which occurred yesterday and has called upon me to make a statement. I admit that upon the question of fact he has a right to ask for information and I will be glad to gratify my hon. friend to as full a degree as possible. I understood his statement to refer to a recent announcement in the public press that the Canadian Woollen Mills Limited, had closed their business. Whether I was right in so understanding my hon. friend or not is probably a matter for debate, but I see in looking at 'Hansard' to which he has referred that he was speaking of the woollen industries generally and if he did not have that particular corporation in his mind I was mistaken. The observations which I made as well as what followed clearly show that I had reference to that particular corporation. Understanding that my hon. friend's reference was to the recent announcement of the closing or intended closing of the Canadian Woollen Mills, Limited, I inserted in the debate these words :

> Will my hon. friend permit me to say that I have a circular from the woollen company stating that they are not closed and are inviting orders ?

I stated that as the substance of the circular which I had received, which I had seen and which, if necessary, I can see again.

Mr. PRINGLE. The hon. gentleman speaks of a circular. Will he put it on the table ?

Mr. FIELDING. I will be delighted to place a copy of it on the table. I have not a copy of the document in my pocket at this moment. If my hon. friend had given notice that he intended to ask for it I would have produced it. He, no doubt, a few moments before I entered the House said that he intended to raise the question. But my hon. friend admits the document to have been sent out because he asks : Where are the words in the circular stating that they are not closing ? I do not remember those words, but the essence of that circular is that they were inviting orders and if they were closing their mills how could they invite orders ? I say that the company has issued a circular referring to the recent reports, to prevent misunderstanding, stating that they desire to notify their customers that they are still doing business and that they are inviting orders. That is the substance of the circular sent to their customers a copy of which passed under my hand. I think I can obtain the copy again. It has already been published in the newspapers within the last day or two if I am not mistaken. I think I saw a copy of it in one of the Toronto papers. At all events, I gave the statement, not on the authority of a private letter, but on the authority of a circular issued by the company stating that they were still doing business and inviting orders. What effect that may have upon the general question of the woollen trade or the tariff generally I do not propose to discuss to-day. But, I have stated the substance of the circular which is a public letter. I think I can give the hon. gentleman the document itself.

Mr. W. R. BROCK (Centre Toronto). Mr. Speaker, as being directly interested in this matter that is now before the House perhaps I may be permitted to say a few words in explanation. The Canadian Woollen Mills Company have four mills. Two of these mills were closed six months ago and have remained closed ever since because they had no orders. We endeavoured to get some of the operatives of those mills to come to our western mills. We did not succeed in getting one of them. We could not, under the present tariff, pay sufficient wages and the great bulk of them are now living in the United States. We have one

large mill at Waterloo and one at Hespeler. These mills are still running but we are preparing to close them. We issued the circular that is spoken of, but we did not say in this circular that these mills were closed. We did not say they were going to continue open. We stated that we were prepared to fill such orders as the authorities at the mill would receive. We took care not to accept any orders that would bind us beyond the 12th of May when these mills are to be sold, but in the meantime we thought we would do what the government declines to do—we would endeavour to protect our operatives even at a loss to ourselves until the change was made believing that the change would be made more to our advantage by having these mills maintained as going concerns. If we chose to accept orders these orders would be transferred to any company buying out our mills and they would certainly be more valuable with orders than without orders.

The idea I got from the remarks of the Finance Minister was, that he endeavoured to make some little capital for his side, by stating that these mills were going; that they were not depressed; that they were not without orders. Now, Sir, I can say positively, and I think it is well that it should be known, that we have run that concern for four years at a loss of $50,000 per year; that that loss commenced when the preference commenced and gradually increased as the preference increased; that as the preference increased our orders from this country became smaller, and those of us who are engaged as merchants in this country sent larger orders to Yorkshire, because we found that the mills in this country were not able to compete under existing circumstances and under the existing tariff with the great mills of Yorkshire and Germany. That is all I require to say at present. As the Minister of Finance has said, I hope that he will have another opportunity of discussing this matter.

Mr. PRINGLE. Before the motion is put Mr. Speaker, I just wish to say, that I am very glad that the Finance Minister has admitted that the circular which he received did not contain the language which he quoted yesterday.

Mr. FIELDING. I did not profess to quote any words; I gave the substance.

Mr. PRINGLE. The Minister of Finance said:

> Will my hon. friend permit me to say, that I have a circular from that woollen company, stating that they are not closed.

Mr. HYMAN. Is that from revised or unrevised 'Hansard'?

Mr. PRINGLE. I am very glad that the Minister of Finance has corrected that, because for the short time I have been in the House, I have endeavoured never to make a statement that I did not think was absolutely correct, and when I made the statement yesterday, that the woollen mills of this country were closing, and that certain of them were closed, I knew exactly what I was talking about, and I knew that that statement was absolutely correct. I was surprised when the Minister of Finance interrupted me, and said, that he had a circular which stated in express language that they were not closed. Now, he has not that circular; he never had that circular, and he cannot produce that circular, because no such circular as that is in existence. The Minister of Finance should not have interrupted me, and he should not have attempted to have it go broadcast throughout the country that these mills had sent forth a circular in which they said they were not closed. I am very glad that this explanation has been made, and that my position has been verified.

Mr. R. L. BORDEN. I would like to say to my hon. friend from London (Mr. Hyman) whose reference was apparently to myself, that when I spoke the other day of that difference between unrevised and revised 'Hansard,' I acted according to the best of my belief, and I was supported by a letter which I to-day read before the Orders of the Day were called.

Hon. C. S. HYMAN (London). I wish to say a word. As I understand it, the other day there was some question in regard to the propriety of quoting from unrevised 'Hansard.' But an hon. gentleman on the other side, now takes the liberty of quoting, not from unrevised 'Hansard' at all, but from a newspaper report. In substance that newspaper report is true. It is quite true that in the speech I made in Montreal, I did point out that the people of the west were great food producers, and that the people of the east had large manufacturing industries. I pointed out that there was a tariff in force at the present time which gave a large meed of protection to the manufacturer, and I pointed out, which I hold to be true, that the building of the Grand Trunk Pacific would to a very great extent lighten the burden of the people of the Northwest who are not manufacturers, while at the same time it would accord more protection to the manufacturers in eastern Canada, from the fact, that there would be cheaper freight rates, and greater celerity in the delivery of Canadian goods in the west. I might have gone further possibly, and said that our friends on the other side of the House are not altogether pleased that we should build that railroad; that they are rising technical objections which are practically of no very great moment, at all events every member on this side of the House feels that the

fact which I have referred to, is one of the chief reasons why we are desirious of building that line of railway. To that extent the report in the newspaper is true.

Mr. FIELDING. If the House will permit me; I wish to say that I have found in the public press, the circular to which I have referred. Whether or not it bears out the remarks which I made, it will be for the House to judge. There is nothing private about it; it is already in the press. In 'Le Canada' of the 15th instant, there is published a copy of the document to which I referred, and which says:

To avoid misunderstanding we take this means of informing you, that our company are still taking orders, and all orders accepted by us will be as heretofore filled on the terms and at the date agreed upon without fail. Any repeats——

They not only want present orders, but they want future orders.

Any repeats of present order, should be with us as soon as possible.

Yours truly,
CANADIAN WOOLLEN MILLS, LTD.,
Per GEORGE DAVIDSON,
Secretary.

Some hon. MEMBERS. Hear, hear.

Mr. BROCK. Mr. Speaker; much ado about nothing.

Some hon. MEMBERS. Oh!

Mr. BROCK. Under a cloud of noise you cannot get rid of a fact. That the woollen mill merely solicited orders to keep its employees engaged, and to keep them together—

Some hon. MEMBERS. Oh!

Mr. BROCK. Wait a moment. We merely agreed to take such orders as we accepted, and we only accepted such orders as would keep our employees together, and would work up the material that we at that time had on hand. I contend that the meaning that the Finance Minister is endeavouring to take out of this circular must be apparent to every honest man on the other side. He merely wants to make a little political capital out of it. It is not a fact that we intend to be a going concern, because we have advertised the sale of all our property, and will sell if we get a fair bid for it.

Mr. W. F. McCREARY (Selkirk). Before this debate closes, I wish to get some information which I might possibly use in a further discussion of this question. When these gentlemen opposite say that the woollen mills of Canada are closed, I think it would be well that it should be stated what woollen mills are closed, and what class of goods they manufacture. I have been placed in possession of information within the last few days, to the effect that only one class of goods is seriously affected by the present preferential tariff, and that is the cheap class of tweeds that go to the ready made clothing shops. I am informed that mills making knitted goods, blankets and fine worsteds are running to-day and running full time. I am informed that such goods as sweaters, knitted goods, stockings, mitts, and others, are not only produced in Canada with profit, but that they are actually exported to England and are able to compete on the market there. I can give my authority for that. I believe that from the St. Hyacinthe woollen mills they are now sending goods such as sweaters, &c., to England and competing there. As a matter of fact the mere closing temporarily of a few woollen mills does not prove, that all the woollen mills of Canada are at a stand still. I think I can recollect that a few years ago when under the Conservative tariff, the Rosamond Woollen Mills Company of Almonte, upon several occasions shut down their mills during short periods. Am I not right? That did not indicate by any means that the whole woollen mill industry of Canada had gone to pieces. There may be certain woollen mills in certain particular lines of goods that may require some assistance, and it may be the duty of the government at some time to make inquiry, as to what the nature of protecting these industries should be, but I submit at the same time that the commission to inquire into that, should inquire from the employees themselves and not take the exclusive statements of the men who own these mills. These hon. gentlemen take the statement of the men who own the mill. I know a mill, not more than a hundred miles from here, which has been running for forty years, and has practically paid for itself ten times over. Some of the machinery that was in the mill thirty years ago is still there doing business. If it were a modern mill, that machinery would be on the junk heap. I would ask these hon. gentlemen to supply themselves with more detailed and reliable information before they make the statement that the woollen mill business has gone to pieces.

Mr. PRINGLE. Mr. Speaker——

Some hon. MEMBERS. Order, order.

Mr. SPEAKER. I would remind the hon. member for Cornwall that he has already spoken twice. It seems to me that it would be much more conducive to the proper order of this House if on a matter in the nature of personal explanation the hon. gentleman would content himself with having spoken twice.

Mr. PRINGLE. Mr. Speaker, if you will allow me——

Some hon. MEMBERS. Order, order.

Mr. PRINGLE. Just a moment.

Some hon. MEMBERS. Order, order.

Mr. PRINGLE. The indulgence of this House was granted to the hon. Minister of

Finance to make an explanation. I accept your ruling at once, and will not ask for the same indulgence that was granted to him. I would ask one of my friends to read the advertisement of these mills that are for sale.

Mr. R. L. BORDEN. The hon member for Cornwall had a right to speak twice without any favour from the chair, and the hon. Minister of Finance had a right to speak once, but was given the indulgence of the House to speak again. I think the same indulgence should be extended to the hon. member for Cornwall.

Mr. RICHARD BLAIN (Peel). Mr. Speaker, as soon as you are able to keep the other side of the House in order, I will read this statement from the Toronto 'Globe':

> Woollen mills for sale. The Canada Woollen Mills, Limited, having in contemplation the sale of some or all of their property and supplies, invite sealed tenders (to be opened by the board of directors on the 12th day of May next) for the purchase of the same, either en bloc or separately. Terms cash, &c.
>
> The following are the properties:—
>
> 1. Woollen mill at Hespeler, in the county of Waterloo. 2. Woollen mill at Waterloo, in the county of Waterloo. 3. Woollen mill at Carleton Place, in the county of Lanark. 4. Woollen mill at Carleton Place.
>
> (Sgd.) GEO. DAVIDSON,
> Secretary-treasurer,
> 110 Wellington St., West, Toronto.

I think, Mr. Speaker, that will prove conclusively that what the hon. member for Cornwall stated was correct, that the woollen mills of this country are not in a prosperous condition.

Mr. COWAN. Is that a good time to sell?

Mr. BLAIN. The question is not, Mr. Speaker, whether it is a good time to sell.

Mr. COWAN. A political advertisement, I should say.

Mr. BLAIN. I might invite the attention of the hon. member for South Essex (Mr. Cowan) to the fact that the Conservative party during the last four sessions have warned the government that this condition of things would come to pass in this country if a change in the tariff was not made. The hon. gentlemen on the other side of the House paid no attention to these warnings. They claimed that the woollen industry and other industries in this country were in a prosperous condition, and that the tariff which was introduced in 1897 was everything that this country required. They have paid no attention until the condition of the woollen industry has become such as to compel these gentlemen to offer for sale on the 1st of May $1,000,000 worth of mill property in the different parts of Canada. In the county which I have the honour to represent there is a woollen mill which, in the eary days, employed 125 hands. That mill has gone down and down—

in fact, it has been closed up, under the preferential tariff which was introduced by this government; and, although it is operating now, it is not in a very prosperous condition. I have nothing further to say on the question, for I recognize that this is not the time for a discussion on the woollen industry of this country.

Mr. M. K. COWAN. (South Essex). Mr. Speaker, I do not rise for the purpose of discussing the woollen industry of Canada. I presume that individual instances can be given of manufacturing concerns which are more prosperous in the hands of some men than in the hands of other men. If the woollen industry of Canada is dead, or almost dead, I cannot see how business men can expect to get a fair price for these mills which are advertised for sale. In the constituency which I have the honour to represent is the Kingsville Woollen Mill. In the elections of 1896 the proprietor of it stated that if the Liberal party were returned to power that mill would be killed. The Kingsville Woollen Mill closed down before there was any change in the tariff, and went into bankruptcy, and the excuse which the proprietor gave was that he could not stand the uncertainty of the tariff—he did not know whether the government were going to reduce it or not. After the present tariff came in that mill was turning out twice the number of goods that it did before, and it has been running constantly ever since.

Mr. DAVID HENDERSON (Halton). I wish to point out, Mr. Speaker, that the woollen manufacturer in the riding of the hon. gentleman who has just taken his seat did express a fear that in the event of the Liberal party coming to power his business would be ruined, because as we all know the policy which these hon. gentlemen propounded throughout the country was a policy of free trade as it is in England; and if these hon. gentlemen had carried out their policy, there is no doubt that not only the woollen industry, but many other industries in this country would have been closed up. What right had that woollen manufacturer in the county of Essex to suppose that these gentlemen were not equal to their word; he did not know their character. He thought they were men who had respect for their word of honour. It appears that on account of the position they have taken since they came into power a certain amount of liberty has been given to these manufacturers to carry on their business. There is no doubt that certain lines of woollen goods, such as knitted goods, are manufactured in this country possibly at a profitable rate. While these people are not complaining, certain sections of the woollen industry are complaining. I do not rise, however, specially to refer to this question, but to call attention to a statement made by the hon. member for London (Mr. Hyman), which, I think, should not be allowed to go unchallenged, because that hon. gentleman being now a member of

the government, his statement going abroad would no doubt have considerable weight attached to it in the country. The hon. gentleman said that in the event of the Grand Trunk Pacific being constructed, it would result in a reduction of rates to the people of the western country. That is a statement which ought not to go the country without being challenged. Where is the evidence of its accuracy? How is the hon. gentleman going to bring the products of the west to the east at a lower rate by an all-rail route through the northern country than they are brought at present over a route partly rail and partly water? If that hon. gentleman had believed for one moment that there was anything in that contention, I have no doubt he would have risen and defended the resolution before the House, but so far he has felt ashamed to do so. Only two cabinet ministers so far have risked their reputation in this House at this time in defending the scheme before it and supporting the construction of the road to which the hon. gentleman refers.

Mr. W. B. NORTHRUP (East Hastings). I rise with deluctance and simply to call attention to the fact that in a cloud of words, the real question before the House is lost sight of. As I understand the hon. member for Cornwall (Mr. Pringle), he rose to a personal explanation, and that personal explanation he felt bound to make because of a certain statement which he made to the House last evening and the reply it drew forth from the hon. Minister of Finance. I venture to say that the point made by my hon. friend from Cornwall has not yet been met either by the hon. the Minister of Finance or any other member of this House. My hon. friend from Cornwall said:

> We have the Liberal party advocating a lowering of the tariff, with the result that some of our largest manufacturing industries have had to close their doors.

In answering what he understood to be a specific charge affecting a particular concern, the Minister of Finance said:

> Will my hon. friend permit me to say that I have a circular from that woollen company stating that they are not closed and inviting orders?

It is but fair to say that the hon. the Minister of Finance admits having misunderstood my hon. friend from Cornwall. The Minister of Finance said that he referred to one specific company, and in speaking of that company, he pointed out that it had not closed its doors but was inviting orders, but to-day we have a member of this House, speaking from his own knowledge, explaining the circular which fell into the hands of my hon. friend the Minister of Finance. It is only fair to the Minister of Finance to admit that a cursory reading of the circular would justify the conclusion he came to, and I do not see that any blame can attach to him for the interruption he made last night. But on the other hand, when, in the light of the statement made to-day by the hon. member for Toronto (Mr. Brock), we find that the facts are that the property is offered for sale on the 12th of May, and that the company are not inviting orders for any other purpose than to keep the concern going until the 12th of May, and that is all the contract meant, it would be only proper that the hon. Minister of Finance should now frankly admit that, in view of the explanation given, it is quite evident that, instead of this particular industry being in a flourishing condition, it is almost in a state of insolvency and is not soliciting orders, except for a limited time, and its mills are being offered for sale at an early date. One other point came from the new member of the ministry, my hon. friend from London (Mr. Hyman), and the House owes that hon. gentleman a debt of gratitude for the information he gave us. He admits that the government desires to give greater protection to the industries of the country, thus implying that these industries are not given sufficient protection. We have therefore the hon. gentleman stating, with the approval of his colleagues, in the presence of his leader, that our manufacturing industries require more protection, and the additional protection which the government proposes to give them, he tells us, is to be given by the building of the Grand Trunk Pacific. If that is not giving a stone in return for the asking of bread, I would like to know what is. It would be difficult to get a better illustration.

Mr. FRANK OLIVER (Alberta). As a very considerable number of different subjects have been introduced into this motion to adjourn and a number of very specific statements made, it will be quite in order I presume to meet those statements and not allow them to pass unchallenged. The hon. member for Halton (Mr. Henderson), asked what effect the construction of the Grand Trunk Pacific could possibly have in reducing the rates between eastern and western Canada. I am very much surprised that a gentleman of his standing and experience should have put such a question, because the answer must be as evident to him as it is to every other member of the House.

Mr. SPEAKER. This is hardly the question before the House at present.

Mr. OLIVER. My object was to answer a question put by the hon. member for Halton, and if I am not within the rules of the House, I shall stand corrected.

Mr. SPEAKER. My only reason for applying the rule is that, if this discussion continues, we will be discussing, on a motion to adjourn, a matter which is the very next Order of the Day.

Mr. OLIVER. I accept your ruling, Mr. Speaker, as an answer to the hon. gentle-

man. He has made a challenge which the rules of the House will not permit me to answer. The hon. gentleman for Halton (Mr. Henderson) also made the very definite statement that the reason why the woollen industry had not altogether gone to pieces in Canada is because the duties were not reduced by this Liberal government as the Liberal opposition had promised. As a matter of fact, I understand that the duties on woollens under the late government ran from 25 to 35 per cent, and that the competition of which our woollen manufacturers complain is the competition of Great Britain, inasmuch as the British product is imported now into Canada at one-third less duty than was levied before 1896. Instead of our imported woollens to-day paying duties from 25 to 35 per cent, they pay duties from 16⅔ to 23⅓ per cent, being a reduction of one-third in the duties paid on the general classes of woollen goods. The people of this country have received the benefit of that reduction.

Mr. PRINGLE. I would like to ask the hon. gentleman—

Mr. OLIVER. I must ask, you, Mr. Speaker, to rule this time in my favour.

Mr. PRINGLE. I would like to ask—

Mr. SPEAKER. The hon. gentleman is not bound to allow another hon. gentleman to put a question.

Mr. OLIVER. I wish to conclude my remarks and then my hon. friend can reply. I say that there has been a substantial reduction in the duties on woollen goods, the benefit of which has been felt by all classes of the consuming public. I further state that this reduction has been of great material advantage to ninety-nine one hundredths of the people of Canada, and I for one desire to strongly support and insist upon a policy which has resulted in such benefit to our consuming public. I would like further to point out that the general tariff policy of the government, while effecting a saving to the consuming public, has resulted in the prosperity of certain branches of the woollen industry to a degree that they did not experience before, and is consequently a policy which is entitled to the support, not only of the consumers, but of the manufacturers, provided the latter are up to date in their methods and system.

There is no particular reason that I know of, from the standpoint of either the consumer or the modern manufacturer, why antiquated methods and antiquated machinery should be kept profitable by a twist of the tariff screw every time the owner sees fit to make the demand. We have seen, in this country of Canada, certain lines of manufacture pass out of existence by reason of the development and improvement in methods and systems of production; and there is no reason why antiquated systems of manufacture, in regard to woollens or any classes of manufacture in which we are not in a position to compete, should be bolstered up at the expense of the people. Let me say to the manufacturers of woollens, and other manufacturers that under this tariff they have enjoyed an era of prosperity, as shown by the returns and other evidence that can be brought forward, such as they never enjoyed before. And the reason was not because the tariff is as it was before; the reason is that the tariff is not as it was before, but permitted the general people of the country to have their fair share of the proceeds of their labour, the work that they had performed. Such an era of prosperity was not possible under the restrictive tariff that prevailed before. It is the general prosperity of the country that is reflected in the conditions of the manufacturer. Because the country is prosperous, the manufacturer is prosperous. And let me point out to the manufacturers that, for some fifteen years, they laboured under a policy based upon the principle that if they were given their way they would be prosperous and everybody else would share in their prosperity. But the fifteen years' experience showed that when the rest of the country was not prosperous, then, no matter how tightly the tariff screw was turned, the manufacturer was not prosperous either. And, when the year 1896 came, the manufacturers of Canada were running on shorter time and turning out less output than they have ever done during the past four or five years, since the preferential tariff was brought to its present point. The tariff under which our country has been prosperous, which permits our consumers to buy the great necessaries of life such as woollen goods at one-third less duty than they paid before, is a tariff that is entitled to the support of the people of this country. And, if certain classes of woollen manufacturers cannot make all the profits under that tariff that they could wish, my suggestion to them would be to put themselves in line with their brother woollen manufacturers who are able to do so.

Mr. HANCE J. LOGAN (Cumberland). I do not think that the manufacturers of woollens in Canada will feel thankful that our friends of the opposition have become their special guardians at the present time. The budget will probably be brought down in a few weeks, and I would like to ask you, Sir, and ask the friends of the woollen manufacturer, if it would not have been better, instead of precipitating this debate, to leave the case of the woollen industry in the hands of the government, particularly in the hands of the Finance Minister (Mr. Fielding). I do not think that the woollen manufacturers will appreciate

the attempts of the opposition to show that they are the special guardians and friends of the woollen industry of this country. It has been said here to-day by the hon. gentlemen who have spoken that the woollen industry has languished during the last five or six years. I happen to represent a constituency in which there are three woollen manufactories and I deny that these have languished during the last five or six years; certainly if they have languished they have shown no evidence of it. In the town of Oxford, the old, well known Oxford Woollen Mill has not only been running full time, but the proprietors have just completed their new building, one of the largest buildings devoted to woollen manufacturing in eastern Canada, into which they have moved their old machinery, besides acquiring a large quantity of new. In the town of Amherst, a year ago last September, the first sod was turned for the construction of a woollen mill. To-day, that manufactory employs about one hundred hands in the production of woollen cloths. And I see by the newspapers that, to the town of Spring Hill, it is proposed to move the factory, now well established at Southampton and to enlarge the same. I am not here to-day to say that the woollen industry may not be up against too keen competition from Great Britain at the present time. What we want in this country is to impress upon the people that our true policy is, Canada for Canadians; and, to carry out that policy we must endeavour to use goods made in Canada. I have not the slightest doubt that nine-tenths of the members who have spoken here to-day, are wearing English or Scotch tweeds on their backs, while crying out 'Canada for Canadians.' That is not a thing that should be encouraged. I do not encourage it myself. The first principle we should adopt is to direct our individual purchases so as to encourage home industry. 'Made in Canada,' should be the watchword of the people of Canada, so far as it can possibly be carried out. If the competition from Great Britain at present is too keen—and I fear it is—I am willing to leave the woollen industry of Canada and its future welfare in the hands of the present government. I believe they will do what is right and fair. But I desire, Mr. Speaker, to call your attention to one fact which seems to me very strange. These hon. gentlemen on the other side of the House are great Chamberlainites. They are always shouting in favour of Mr. Chamberlain. Yet, the very first principle enunciated by Mr. Chamberlain is that this country should lower its tariff on goods which are peculiarly British. And, Sir, if there is one class of goods imported into this country that is peculiarly British, that class of goods is woollens. The manufacture of woollens is one of the oldest of English industries. Why do not these hon. gentlemen tell the truth? They know as well as you know, Sir, that if to-morrow, Mr. Chamberlain were returned to power and he should ask the people of Canada to lower the duty on woollens which are manufactured in England, these hon. gentlemen opposite would cry their hearts out before they would allow such a lowering to take place.

Mr. T. I. THOMSON (North Grey). If the hon. gentleman (Mr. Logan) will allow me, I would like to ask him a question. Is he opposed to Mr. Chamberlain's policy?

Mr. LOGAN. I am opposed to lowering the duties upon British goods coming into Canada, if that lowering will sacrifice Canadian industries. As to my view of Mr. Chamberlain's policy, if the hon. gentleman (Mr. T. I. Thomson) will tell me what Mr. Chamberlain's policy is, I will answer his question.

Mr. T. I. THOMSON. The hon. gentleman (Mr. Logan) has just charged us with being opposed to Mr. Chamberlain's policy. If he knows that policy so well, why does he not answer my question?

Mr. LOGAN. Mr. Speaker, I am exposing the inconsistency of these hon. gentlemen opposite. The hon. member for North Grey (Mr. T. I. Thompson) asks me if I am in favour of Mr. Chamberlain's policy. I am in favour of trying to bind together the interests of the British empire. But if Mr. Chamberlain's policy means the destruction of Canadian industries for the benefit of British industries I am opposed to that policy.

Mr. T. S. SPROULE (East Grey). I wish to refer to just one feature of the hon. gentleman's (Mr. Logan's) argument. As representing the woollen industry, he is quite willing that that industry should be left in the hands of the Finance Minister. We find, however, that the Finance Minister gave the House very imperfect information, and practically admitted that he did not know the condition of the woollen industry. The circular to which the hon. Finance Minister referred he presented as an evidence that the woollen industry was doing well and did not require attention at the hands of the government. Does the hon. member for Cumberland (Mr. Logan) object to this House presenting such data to the Finance Minister as will enable him to intelligently determine what the woollen industry requires? If that is the case, is he going to object to the man who owns the mills presenting evidence in the House? If he objects to that, he is very unfair to the woollen industry, he is very unfair to this House as well, and unfair to the Finance Minister. The hon. gentleman made another statement, he said he was opposed to lowering the duty on British goods coming into Canada. Yet he has sat there for four years and has supported a reduction of one-third

of the duties on these goods. This is the only instance, so far as my knowledge goes, of any protest on his part. He has a strange way of showing his objection to the preference.

Motion to adjourn (Mr. Pringle) negatived.

INQUIRY FOR RETURNS.

Mr. URIAH WILSON (Lennox). Before the Orders of the Day are called, I would like to ask the government when I may expect the return moved for with reference to the dismissal of the postmaster at Wilton in the riding of Lennox; also the three returns with reference to immigration. I think it is more than a month since these orders passed the House and we ought to have them down.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I will call the attention of the Minister of the Interior and of the Postmaster General to the hon. gentleman's question. I hope he will have these papers soon.

RAILWAY CONNECTION AT BROCKVILLE.

Mr. GEO. TAYLOR (Leeds). Before the Orders of the Day are called, I wish to draw the attention of the Minister of Railways and Canals and of the Postmaster General to a state of affairs which I think ought to be remedied. I regret these hon. gentlemen are not in their places to-day, but I presume the right hon. the Prime Minister will bring the matter to their attention. Coming down from the west by the Grand Trunk limited yesterday on our way to Ottawa there were some twenty Senators and members of parliament on board. That train was 20 minutes late, and the conductor telegraphed to Brockville that he had eighteen passengers on board for Ottawa, and that he would be at Brockville at 2.50. The time of the Canadian Pacific Railway to leave Brockville is 2.40. He made 30 miles from our station Gananoque to Brockville in 30 minutes, and arrived at Brockville at 2.50. Just as we were coming in we saw the smoke of the Canadian Pacific Railway train leaving Brockville, we were five minutes too late to make the connection. I have come down four times during the present session at midday, and on three different occasions we arrived too late, and I had to go round by Cornwall, as we had to do yesterday. I think the Minister of Railways and Canals should compel those two railway companies to change their time tables so that there would be connections at Brockville. The limited on the Grand Trunk is due at 2.40 p.m. at Brockville, and the Canadian Pacific Railway is timed to leave there at 2.40. So if the train on the Grand Trunk is ten minutes late the passengers are left behind, some have to remain in Brockville, or to reach their destination by some other train. The Postmaster General should see to it that the mails that are gathered between Toronto and Brockville reach Ottawa on schedule time. The mail train gathers mail all the way from Toronto to Brockville, and it is thrown off there and has to remain until next morning and is only delivered here at 9.30 the next morning. We who live on the line of the Grand Trunk west of Brockville only get one mail every 24 hours that comes in during the night. I do not think that the Postmaster General should permit that state of affairs to exist. Last season the Grand Trunk Railway had its mail train arrive at Brockville 10 or 15 minutes before the Ottawa train left. They have changed their time-table and made the mail train arrive later, though intending to make connection at Brockville, one arriving by the Grand Trunk at the same time that the other leaves Brockville. So if the Grand Trunk is ten minutes late, as it was yesterday, the passengers are left. I believe the hon. member for Kingston (Mr. Harty) was one of the gentlemen who were instrumental in telegraphing to the Brockville station yesterday to hold the train, that there were eighteen passengers on board; it was either at his request or at the request of Sir Mackenzie Bowell that the conductor did telegraph. That is the way we are treated in reference to our mails. We can get here by Cornwall two or three hours later than if we had made connection at Brockville. I think the Minister of Railways and Canals should say to the Grand Trunk authorities: You must carry your mails and your passengers to Brockville in time to connect with the Canadian Pacific Railway. The Canadian Pacific Railway has not changed their time-table since last year, but the Grand Trunk has changed theirs and put the mail train late, and our mails are left over at Brockville for twelve or eighteen hours, and only get here either by Brockville or Montreal the next day at noon. So we only get one mail a day. I think between these two ministers they should be able to bring about a better state of affairs.

GRAND TRUNK PACIFIC RAILWAY.

House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, 'That Mr. Speaker do now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904'; and the proposed motion of Mr. Borden (Halifax) in amendment thereto.

Mr. A. E. KEMP (East Toronto). Mr. Speaker, after listening to the animated debate which has just closed, it is very difficult for one to get their thoughts down to such a dry subject as the Grand Trunk Pacific concessions judging from the interest which members of the government take

in the discussion. I may say that I do not propose to discuss the contract, as it came before the House last year, in all its bearings, I only propose to discuss it as it is affected by the supplemental agreement which is now before us. It seems to me very remarkable that in such an important debate as this we have only seen one minister defending the course of the government in making the concessions which we are now asked to sanction; that minister was the Minister of the Interior. It seems to me we should have heard from at least two or three other ministers. But the government have chosen rather to put up private members who sit behind them in the back benches to defend these concessions, which we claim are not in the interest of Canada. I hope before the debate is over that other ministers will get up and explain their position. It seems to me that the course of the government since we met here last session is open to criticism. I propose to deal with this question from that standpoint for a little while. We know that after this contract was passed last year it was the expectation of the government that the contract would go into effect and that the Grand Trunk Railway would carry out their part of it. The Minister of the Interior, in discussing this question a few days ago, found fault with the position taken by the leader of the opposition in regard to what the latter gentleman termed 'a conspiracy of silence.' It seemed to me that there was a good deal of ambiguity in the words which the Minister of the Interior used in regard to this matter. It seemed to those of us who were not on the inside and did not know what was going on in the government, that the government did intend going to the country. They had two courses before them, they had either to call off the negotiations or they had to make known to the people of this country that the Grand Trunk were going to carry out their bargain. We have not only the statement of the government of the 19th of December, but we have Mr. Hays' interview of the 24th of December. It seems to me that when we compare these two statements we can safely make up our minds that there was a conspiracy of silence. The government made their statement on the 19th of December. Mr. Hays returned to this country on the 24th of December, five days later. The hon. Minister of the Interior said:

We, like business men, waited until the return of Mr. Hays.

But, why did the government as business men give out the statement when they did? What was the necessity of giving out the statement that the new concessions which were asked by the Grand Trunk Railway Company were in regard to the deposit. Why could not they have waited five days longer? Then, we have the interview of Mr. Hays that took place on December 24th in which he does not refer to any changes. He does not say that the Grand Trunk are going to ask for any changes, and therefore, I say it seems to me rather peculiar that we have the government not saying that there are any changes to be asked for and the Grand Trunk Railway Company, through their manager, putting them in the same position. On the 16th January the government had changed their minds and decided to call the election off. But, the government knew when this first statement was made, they knew when the second statement was made, and they knew when Mr. Hays gave that interview, they knew previous to the time Mr. Hays went to the old country—that all these concessions were discussed by them; therefore, why should they have attempted to mislead the country in the way in which they did? The government and Mr. Hays pursued precisely the same line. The hon. Solicitor General (Mr. Lemieux) had told us that the elections were going to be on, that the right hon. Prime Minister was going to give this country a New Year's gift. The Liberal press throughout the country had taken up the words of the government, as stated on December 19th, and they had heralded throughout the length and breadth of this country that there were to be no changes made in this contract. It seems to me that the government were open to censure for the course they pursued. It seems like yesterday that we were here passing this Bill. We went to our homes. The government were preparing for the elections. The government had signed this contract with the Grand Trunk Railway Company. The contract was just as good to them as the cash. Sir Charles Rivers-Wilson's name was put to it and Sir Charles Rivers-Wilson's name was as good as his bond. They did not only have Sir Charles Rivers-Wilson's name, but they also had the names of Mr. Hays and of the directors of the Grand Trunk Railway Company, and if we follow up the history of this matter we will find that the government have placed themselves in a very humiliating position. Then we have the illegal deposit and the juggling in connection with this deposit. Then, we have the idea placed before us now that the government have been forced into a partnership. They have been forced not only into a partnership, but it seems that the game which has been played with the government has been a very skilful one. It seems to me that the government, owing to political exigencies, have placed themselves absolutely in the hands of the Grand Trunk Railway and of Mr. Hays. No one doubts that the elections were coming on. The chief government organ the 'Globe' always gives out certain signs previous to every election. These signs have been exhibited upon the

approach of elections in years gone by. What are these signs? One is that before the election comes about the Toronto 'Globe' sends for the cartoonist that it has employed in years gone by. The management of that organ give the cartoonist instructions in regard to what they want him to do. They wanted him to get away from his old ideas, to put aside his free trade cartoons, his extravagant expenditure cartoons, his blue ruin cartoons and his unrestricted reciprocity cartoons. Something new was required and they have invented something new in the shape of the 'Finger-posts of prosperity.' That was a sure sign that the election was coming on. These 'finger-posts of prosperity' appeared in almost every issue of the 'Globe' until the government decided to call parliament to meet to deal with these concessions. The cartoons published in the 'Globe' were considered to be so good that the Liberal press throughout the country copied them and they even found their way in a somewhat modified form into a certain section of the independent press of this country. The government had had new demands made upon them after they had prepared for the election. They had either to call off the election or call the bargain off. They were between two alternatives; they either had to go to the country or call parliament together to consider these concessions. I contend that the government did right in calling parliament together, but I contend they did wrong in accepting any of these concessions that are embodied in this legislation. The government had made a bargain with a corporation which they thought to be a good bargain. They expected that corporation to carry it out. When this government negotiates a treaty with the United States the Senate of the United States can throw it out. The government have placed themselves in the same position in regard to this contract that this or any other country places itself in when negotiating a treaty with the United States. The country was bound hard and fast but we find the Grand Trunk Railway Company were not bound. Ministers in this House who talked about safeguarding the rights of the country were told to swallow what they had said and make a right about turn. We know what the words of the Finance Minister were in regard to this proposition, how the Grand Trunk were in this contract, and of it, and the whole of it, and we know what else he said and what other members of the government said. There was a panic on December 19 in the government; there is no doubt about that and there must have been some tremendous sighs when the government first found out that the Grand Trunk Railway were not going to carry out their contract. That subsided on January 16th when this House was called. Then it was bargain day for the Grand Trunk Railway Company. They had the government in this unfortunate position and the government were entirely at their mercy. We heard then from London what these concessions were to be. The government seemed reluctant to put the absolute facts before the people of the country and confess to the humiliating position in which they found themselves. The hon. Minister of Finance, seems to have taken a decided stand in regard to these concessions. We find by a report in the Toronto 'Globe' of a speech which he made at Westmount, Montreal, February 10th, that he said:

> Referring to the Grand Trunk Pacific, Mr. Fielding said that he hoped that a satisfactory agreement would be reached with the Grand Trunk interests, and he let it be understood that even should the Grand Trunk Railway not wish to carry out their part of the undertaking, the railway would be built without their co-operation.

That seemed to be the idea of the Liberal press throughout the country. The general opinion seemed to be that if the Grand Trunk were going to take the position which they did we should renounce them and not submit to their dictation. The organ of the hon. Minister of Finance, the Halifax 'Chronicle,' as far back as December 16th, said that:

> There was no hitch in connection with the carrying out of the bargain—that the company is ready to carry out its contract. The government will see that it does so.

But, the Toronto 'Globe' seemed to have the strongest article in regard to what the views of the supporters of the government throughout the country were. On January 29th it said:

> The failure of the promoters of the Transcontinental Railway to fulfil the conditions of their agreement with parliament leaves the government free to consider the whole situation anew. There are two rival plans by which such a project could be carried out. It could be built by private enterprise with public aid, or it could be built wholly as a public enterprise. There is a strong feeling in the country that a cessation of granting bonuses to railways is about due, and that if government must concern themselves about railways it should be as builders of them, not as mere granters of subsidies.
>
> Public opinion is moving in that direction, and perhaps moving rapidly, but there are several circumstances in the history of Canada which justify the government in doubting whether it has yet reached the point which would warrant assuming the construction and management of a transcontinental railway as a government undertaking. The course that was ultimately adopted was a composite scheme, by which an effort was made to gain the advantage of the best features of the rival propositions. Public ownership would come in due time, while in the critical years of construction and the initial years of operation the enterprise would have the benefit of the skill, economy,

and zeal which private self-interest may be depended upon to supply.

The bargain which the government made on this basis was an exceedingly favourable one from the public standpoint. Now there is a proposition to make it less favourable. Mr. Emmerson in his speech at Moncton said the concessions asked for were not material. If that turns out to be the case it will be well. On the other hand, should there be any disposition on the part of the promoters to exact the pound of flesh, we feel sure that the government will indicate that it is not irrevocably committed to any one course or even to a compromise between two courses. We feel sure that public opinion would not be complacent at any considerable changes in the bargain already made. It would be disposed rather to take the risks and disadvantages that are admittedly inherent in public construction and public ownership, along with the equally undoubted advantages.

It seems to me that that article reflected the feeling of the supporters of the government throughout the country; and the Halifax 'Chronicle,' the organ of the Minister of Finance, quoted this article in full on February 5th, and said:

> If the Grand Trunk Pacific have any idea they can hold up Sir Wilfrid Laurier and his colleagues, they had better get rid of it at once.

These are indications of the state of the public mind in regard to the position into which the government have been forced through the Grand Trunk not carrying out its contract. I do not wonder that the Minister of Finance should himself feel like this, when we take into consideration what he said on the floor of the House in regard to this matter. But what seems to be most remarkable of all, is the position taken by Sir Charles Rivers-Wilson the president of the Grand Trunk Railway Company. The only signed document which we have in all this affair, is the contract which is made between the government and the president and directors of the Grand Trunk Railway Company last session, and in addition to that the letter of Sir Rivers-Wilson to the Prime Minister dated, London, December 15th. I will not stop to read that letter; it is a short letter; it is familiar to every one in this House. It contains no explanation as to why the president of the Grand Trunk Railway Company, and his co-directors went back upon their bargain and their bond, and it seems to me that some explanation is due to the government for the extraordinary course which the Grand Trunk Railway Company took. I would suggest that the president of the Grand Trunk Railway Company should have inserted in that letter to the Prime Minister, after paragraph 4, something to this effect, although of course, he need not have used the same language.

I have to offer an apology for what possibly may be considered a ridiculous position in which we as partners in this undertaking might find ourselves, owing to the action which I am now taking.

I am quite sensible of the fact that all the active members of my board signed the contract with your government, consisting of myself, president; Mr. Jos. Price, vice-president; Mr. Chas. M. Hays, 2nd vice-president; Mr. Frank W. Morse, 3rd vice-president; Lord Welby, director; Mr. Alfred W. Smithers, director (now vice-president in place of Mr. Price who resigned); Mr. John A. Clutton-Brock, director; Mr. John Bell, general counsel; Mr. Wm. Wainwright, general assistant and comptroller.

This of course I admit is a slight indication that we did approve of the contract, and presumably intended carrying the same into effect.

I recognize also that after a long and trying session, it was passed by the Canadian parliament, the time of which was taken up to so great an extent with 'unfair opposition' which the Bill encountered.

Yet I repeat that notwithstanding all this, I trust you will meet Mr. Hay's new representations 'with all your usual courtesy and indulgence.'

If you will allow me, I would like to make a suggestion; it is this. In view of the possibility of our motives being misconstrued, I desire to suggest that unless my letter is asked for, that you do not make it public, because, as you are aware, it is the only document, with the single exception of the contract, which has passed between us in the eighteen months of 'anxious negotiations' which have taken place.

It is doubtless as apparent to you as it is to myself, that it would have been better, even had the conditions contained in the contract which was signed, been of a personal and informal nature. I feel, however, that having signed the contract with my co-directors, after carefully weighing all the conditions, and not being able to see you personally, that some slight courtesy by way of an explanation, is due you for our action.

I may say at once that I recognize that both yourself and your government assumed that the bargain would be carried out in good faith; in fact I understand it was so represented by your ministers to parliament, where this measure met with such 'violent and unfair criticism,' and that moreover, it was your intention to call a general election, in order that you might submit, amongst other things, the contract, to the free and independent electors, by whose grace you hold office.

I feel that I am writing under more or less restraint, as you will doubtless imagine, realizing as I do that you might at first glance think, in view of what has taken place, that the position which I now take is an unreasonable one. Still I feel that the interests of the shareholders, being of such momentous importance, I am justified in making, on their behalf, some further demands, and asking for them further concessions from your government.

I am sure in view of what I have said, and in view of what Mr. Hays will tell you when he arrives, you will not hesitate to change your mind about the elections, but on the other hand, you will be willing to call parliament together to deal with this matter and approve of the concessions.

I recognize that distances in Canada are very great, yet all the members, I am informed, with the exception of the representative from the Yukon, live within easy distance from the railway; they are gentlemen, I believe, whose time is of only moderate value, judging from what I observed and the questions I was asked,

when I had the pleasure of appearing before the Railway Committee last year.

In any case, if it is not the law of the country that these gentlemen have free transportation over the railways, I shall be glad to suggest to Mr. Hays that they should get a free pass to attend this session over the Grand Trunk on the slow trains.

I think, Sir, that as an apology was due from the president of the Grand Trunk Railway Company to the government of Canada, some such language as that, might be incorporated in his letter to the Prime Minister.

Now, Sir, it seems to me that there is too much made of the idea, that it is difficult to get the Grand Trunk Railway Company or the Grand Trunk Pacific Railway Company to build this transcontinental line. As a matter of fact, is it not the case that the Grand Trunk were very anxious to build this line? Do not the statements made by the directors to their shareholders in London, prove that the Grand Trunk Company is eager to build this railway. Let me quote from their remarks.

Mr. Girdlestone said:

If you do reject it somebody else will undoubtedly get that line, and you will have been forced out of the territory, and for that reason alone I think the board are wise in putting before us the policy they do to-day.

Lord Welby said:

If you say 'No,' there is very little doubt that there are many others ready to avail themselves of the opportunity, and we have every reason to believe that the government of Canada has entirely decided that it will carry out this new line, and, if you refuse to do it, then other parties, without any doubt, are ready to come forward and take up the development which is offered, and the opportunity will pass away from you. (Hear, hear.)

Sir Charles Rivers-Wilson said:

Parliament meeting the day after to-morrow, the agreements will not be ratified, and those advantages, which we sincerely believe will likely accrue to our company, pass into other hands.

It would appear to me that from the moment the Grand Trunk Company discovered that the government were too hasty in regard to the construction of this line; from that moment it was impossible to make fair terms with them in the interests of the people of Canada. If this government had been a little more crafty, or a little more deliberate, and if such language as was used in the House last year by the Prime Minister, when he referred to us as drifting on to the shoals, when he told us that time would not wait; if such language had not been used by the Prime Minister and his ministers and supporters, we would have had a far better chance of making a fair bargain with the Grand Trunk Company. The president of the Grand Trunk Railway informed his shareholders that it had been the intention of the company at the outset to build the road from North Bay to Winnipeg. He said:

I may here remark that the Act, in virtue of which the government construct the road as far west as Winnipeg, relieves the Grand Trunk Pacific Company from the necessity originally contemplated of building that portion of the line from North Bay to Winnipeg.

I think it could be shown that if the government had not proceeded in the way they have done, we could have got the Grand Trunk Company, with the ordinary bonuses, to build that road from North Bay to Winnipeg, if we had decided that it was good policy to build it, and by that means we would have accomplished all that we can expect to accomplish by the tremendous expenditure we are making.

Now, I am of the opinion that we should welcome to Canada clever railway men. We know that the railway men on this continent are among the cleverest men there are. Mr. Hays is a credit to the railway which he manages, and we welcome him among us to assist us in developing this country. When I say that Mr. Hays entirely outwitted the government in connection with this matter, I am paying him a high compliment. I would like to know what experts the government called in for advice on such an important matter as the building of a transcontinental railway. Did they, with their inexperience in matters of this kind, feel able to cope with a man of the ability of Mr. Hays? He saw the trend of matters: he saw that the government were determined to extend a line from the North Bay Junction point to Quebec and Moncton, and he trimmed his sails accordingly. He led the country to believe that the Grand Trunk Company would be willing to build that railroad. But when it came to the question of who should pay for it, Mr. Hays succeeded in throwing the whole burden upon the country. Now, it has been made very clear that the members of the opposition as well as the members of the government side are in favour of greater railway facilities being provided in the Northwest. We are in favour of giving that country all those facilities which it requires for meeting the needs of the great influx of population now going in; but it is unfortunate that we have to tack on to this railway scheme a political railway running from North Bay down to Moncton. The first proposition of the Grand Trunk Company was a business proposition. It was to build a railway from North Bay or Gravenhurst to the Pacific coast. That was well worth the consideration of this House. But I am sorry to say that the government brought political motives to bear on the question, with the result that we have been burdened with this impracticable and unreasonable proposition of the eastern extension. The Grand Trunk Company have told us their position. They required new connections, and moderate as-

sistance would have secured the same for them.

A good deal has been said in regard to the government being forced into a partnership, and I fear that we have to accept the partnership idea. It is logical, from the standpoint of the president of the Grand Trunk Railway Company. Why do I say that? Because there are so many loose ends in this contract. For instance, there is not a word in the contract with reference to the conditions on which the Grand Trunk shall use the Intercolonial Railway from Moncton to Halifax or to St. John, or to any other seaport in the maritime provinces. This seems to me to be a most important matter. There is nothing in the contract in reference to the use of terminal facilities in the harbours of the maritime provinces. We know that they are not suitable at the present time for the trade of a great transcontinental railway. Who is going to improve these harbours and provide these terminal facilities? Then, there is no provision in the contract in regard to a division of the earnings on the government section of the railway. This is another loose end. There are no penalties provided for failure to carry out the spirit of the agreement in regard to taking to Canadian ports the products which originate on the Grand Trunk Pacific. It will be eight or ten years, and perhaps more, before the Grand Trunk Pacific are asked to carry out that provision. It is all very fine for the ministers to say that the government of the day, whoever they may be, will bring pressure to bear upon the company. The gentlemen who are here to-day are not likely to be here ten years hence; in fact, we know that they will not be. The present manager of the Grand Trunk may not be its manager ten years hence. The president of the Grand Trunk may not be its president ten years hence. Therefore this bargain will be interpreted according to its strict legal wording, and there is nothing in it that obliges the Grand Trunk Company to carry the products of the Northwest to Canadian ports. Suppose the time comes when that question is up for consideration, what will be the position of the Grand Trunk Railway Company? They will naturally say to the government of the day, whoever they may be: True, that clause is in the agreement; but do you expect us to take the products to Canadian ports if it costs us more to do so than it does to take them to Portland, where we have excellent terminal facilities? We never anticipated that that was the way this contract would be interpreted. You provide us with the facilities for taking the products to Canadian ports as cheaply as we can take them to Portland, and we will take them there. Therefore, I say that the contract is full of loose ends, and that the partnership idea will have to be accepted. Then, on the terminals at Winnipeg. They will have no connections with the head of the lakes, as the Grand Trunk will own the line. They will have no connections with North Bay or Ontario points. The government agree after fifty years to take over any branch lines which the Grand Trunk Pacific do not want. Surely this is a partnership idea in the fullest sense of the word. All these things are left to be adjusted afterwards by future governments of this country. The right hon. First Minister tells us that this is a railway running from tide water to tide water. How is it so? Moncton is not on tide water in the sense of a harbour for ocean vessels. It is not a railway which reaches a Canadian port, and there is no provision in the contract to compel under penalty the Grand Trunk to take the products of the west to a Canadian port. There is no necessity for this country going into partnership with any corporation. We are free from such entanglements at the present time. I do not know what it means. I fear that the entanglements will be much more serious than any of us imagine at the present time.

But, Sir, in this partnership the government occupies the position of senior partner and the Grand Trunk Pacific that of junior. The government are furnishing the money and the Grand Trunk Pacific are to get the profits. The government assume all responsibility and the junior partner gets the profits. But in this matter, as well as in others, the government are substantially in the position of a trustee. They are supposed to conduct the affairs of this country as business men would their private affairs, yet I find that they have done nothing of the kind, and sooner or later they will be made to understand by the force of public opinion that the conditions which apply to men in the conduct of their private business must apply to governments in the conduct of the business of the country. We have had no surveys, we have no information which would warrant us with building a railway in those regions far to the north. The government have not employed experts to visit that country and report upon it. The position consequently in which they find themselves is supremely ridiculous. Perhaps most of the members of the cabinet have not had a training in the strict school of personal experience in business which would lead them to be careful so as to avoid the bankruptcy court, and they are entitled no doubt to the benefit of any excuse that may be made in their behalf on that score; but it is difficult, no matter how we may view the situation, to account for their extraordinary manner of conducting business. They seem to be utterly reckless. Finding themselves on easy street, with heavy cash surplus on hand and the credit of the country good, they have not the slightest hesitation in incurring enormous obligations and leaving to future generations the task of redeeming these obligations.

Just consider how they have dealt with the question of surveys. Mr. Hays told us in

the Railway Committee last year that he had nine survey parties at work between Winnipeg and North Bay, yet we can scarcely find one member of the government admitting that these surveys are going on. Circulars sent to members of this House by Canadian engineers who complain that these surveys are being carried on by aliens. It seems that a Canadian engineer cannot get a position on the staff of any of these survey parties. I protest against this discrimination in the strongest language. The fact that an engineer or surveyor has graduated from a Canadian college or university should not debar him from obtaining a position on any of these survey parties, and I protest against these parties being manned and directed by aliens. That is a matter to which the government should give careful attention. $500,000 was voted last year for surveys. Is any part of this money to go to these surveyors who have been sent out by the Grand Trunk Pacific? Why should the line from North Bay to Winnipeg be surveyed by the Grand Trunk Pacific at all? Why should not the government take charge of these survey parties? But the government seem to be carried on by an irresistible force, and they seem to be entirely in the hands of a controlling mind from without. They are governed completely in everything they do by a corporation and blindly follow out the policy dictated to them by that corporation. Throughout this matter they have been followers and not leaders. They have taken no initiative, but are practically at the beck and call of this company. Instead of taking the course they did, they should have obtained expert advice, they should have defined their position clearly, and have invited, not only the Grand Trunk Pacific, but other syndicates or corporations to tender for the undertaking. Had they done this, we would have a railway built across the continent for much less than what this line will cost.

What is the excuse given for the concessions which the government have made? The excuse is that the money market has changed and that the Grand Trunk Railway Company cannot, on that account, carry out its bargain. But what is the interest of the Grand Trunk Railway in this contract, as compared with that of the country? We are told by the president of the Grand Trunk Railway, that the interest of his company in this contract is less than $15,000,000, and that the annual interest charge on that company will be only £118,000 per year. That is certainly a small amount of interest per annum when we compare it with the net earnings of either of our two great trunk lines. The net earnings of the Canadian Pacific Railway are about $15,000,000 per annum and of the Grand Trunk Railway about $10,000,000. Therefore, the interest of the Grand Trunk Pacific in this matter is very small indeed compared with that of the government. If the money market keeps in its present condition, the government will be obliged to advance, before the railway is completed, a sum of no less than $170,000,000, including the cost of the Quebec bridge. Therefore, when the excuse is put forward that because of the changed condition of the money market, the Grand Trunk Railway is entitled to concessions, that is a plea which will not hold water. If the rate of interest is advanced, why does not the government say to the Grand Trunk Railway: Very well, our interest is very much greater than yours, and we will charge you four per cent interest for rental on the eastern division instead of three per cent. Although the interests of the government are fully ten times as great as those of the Grand Trunk Railway in this scheme, yet we do not find the government saying to the Grand Trunk Railway: Because the rate of interest is advanced we must insist on advancing our rate from three to four per cent; if we give you concessions, we must have concessions in return.

We have heard something about freight rates and grain shipments over this road. I do not intend to go over what was discussed last year, only as the matter is affected by these new concessions, and possibly to answer one or two points raised by hon. gentlemen opposite. Last year, after Mr. Blair had spoken, the hon. member for Norfolk (Mr. Charlton) contended that you could ship grain by this projected railway, if the proper grades and curvatures could be obtained, to Canadian ports in competition with water routes, and practically a large part of the debate last year was taken up with that point. Not only did the hon. member for Norfolk try to uphold that idea, but the hon. the Minister of the Interior (Mr. Sifton) gave figures to show that it was possible to carry it out. This year, however, we do not find that argument advanced by the government side, and therefore it does not call for any discussion. It is now admitted by the hon. Minister of the Interior himself that if grain can be carried at three and a half cents a bushel from the head of the lakes to Quebec, this proposed railway cannot compete with that rate. Thus one argument after the other in favour of this scheme disappears. In the same way disappeared the contention that this new line would carry lumber from New Brunswick to the prairies of the west, and that its construction was also required in order to meet the contingency of the bonding privilege being abrogated. We do not hear anything this session of these three arguments, which were so prominent last year. Mr. Hays said on December 24, after he returned from England, that the first thing the Grand Trunk Pacific would do would be to build a line from Winnipeg to Port Arthur, in order that the Grand Trunk Railway fleet might get the carriage of the products of the west from the head of the lakes.

How then can any one, on the government side of this House at least, say that the Grand Trunk wanted the eastern extension of this road for the purpose of carrying grain to the sea-board in the summer time? It is a ridiculous idea; such a thing cannot be done, and never will be done. The products of the Northwest will be taken to the head of the lakes in the summer, and from there they will find their way to the sea-board. If the government wish to do something for the people, let them make it certain that, in return for this tremendous expenditure of money, these products of the Canadian Northwest shall be taken from the head of the lakes to a Canadian port on the lakes and thence by Canadian channels to the sea-board. In the summer time the sea-board will be Montreal or Quebec. Therefore, Montreal and Quebec are the points to which the government should insist that the Grand Trunk shall bring these products in the summer. But, leaving the contract as it is, these products that come to the head of the lakes will find their way largely as the Grand Trunk's policy now directs—to the city of Portland. But why should not a clause be inserted in the contract covering that point? If this were done, Quebec city, which the hon. Minister of Justice (Mr. Fitzpatrick) tells us has long sought for justice in this matter, would participate in the summer in the transhipment of the products of the Northwest in a way she has not done in the past and will not in the future, even though the road goes to Quebec, because the road will not carry grain to Quebec in the summer, and Quebec harbour is frozen up in the winter.

The hon. member for West York (Mr. Campbell), in the speech he made on the subject, referred to the reduction in freight rates that we might expect through the building of this road under the contract that has been made. The hon. gentleman complained that when the Canadian Pacific Railway contract was made the government did not reserve the control of the rates, and the people had not been given fair treatment on that account. He instanced certain discrimination in hauling to certain seaports of the Pacific coast, as compared with freight from eastern points in the United States to Pacific coast points. The figures he gave were absolutely correct, I believe. There is a discrimination. But I would remind the hon. gentleman that the rates of freight to the Pacific coast are not regulated by the railways, but are competitive rates; and more than that, they are lower rates than between points of lesser mileage inland. They are regulated by competition over the Isthmus of Panama or around Cape Horne. The figures quoted by the hon. gentleman, it seems to me, have nothing to do with the original contract with the Canadian Pacific Railway. But I would ask the hon. gentleman, who raised this question, if there is any hope for the people of this country that this Grand Trunk Pacific will be the means of reducing the rates of freight from or to the Northwest, and so relieving the people of some of the present burden in respect of rates? I do not think there is any hope whatever. In the east the Grand Trunk and the Canadian Pacific make their rates together, so that at competitive points in the east the rates are the same. And the same system will be brought into effect when the Grand Trunk Pacific reaches the Northwest, and the rates of both lines at competitive points will be the same. But let me ask the hon. gentleman one question as to freight rates. What better position are we in under this contract, which obliges us to spend so much money, than that in which we stand with regard to any other road that is built or that may be built? We are giving very great concessions. Some railroads have had large concessions made to them, while others have received none. I have in mind a project to build a railroad from Toronto to Sudbury as part of the Canadian Pacific Railway. I understand that the Canadian Pacific Railway Company intend to build that road, 227 miles in length, without expecting assistance from this government. I would ask the hon. member from West York, or any other hon. gentleman, in what way this government will control rates over this Grand Trunk Pacific more completely or effectively than they will control rates on roads that receive no government assistance? There is nothing in the contract that gives us any control that we have not already over any other road. It would have been in the interest of the people of this country to insert in this contract a clause that would give the government some practical control of rates on the Grand Trunk Pacific. I have in mind what the Manitoba government did in this respect in the case of the Canadian Northern. When the Manitoba government took over the Northern Pacific and its branches and fused them into the Canadian Northern, the rate of freight on grain from Winnipeg to Port Arthur was 14 cents per 100 pounds. The Manitoba government took power to regulate the freight rates on that road and its branches. The result is that to-day the rate from Winnipeg—taking that as an illustration—to the head of the lakes is 11 cents per 100 pounds, with rates to other points correspondingly low. The effect of the Manitoba government's action has not only been to reduce the cost of carriage of grain on the Canadian Northern, but to reduce it on the Canadian Pacific Railway as well. And so the farmers of the Northwest get a substantial advantage through this bargain. In that case the terms were embodied in the contract. Therefore, I say that it was possible for the government to have inserted certain conditions of this kind in the agreement whereby the rates of freight would be fixed. It would be possible to fix certain rates as a maximum between certain points and the sea-board or the head of the lakes. The people of Manitoba and the Northwest understand this contract made

by the Manitoba government, and they see how they are practically benefited by it. But I do not see how the people will benefit by the attempt to govern the freight rates over the Grand Trunk Pacific road.

We often find the conditions of the Canadian Pacific Railway contract cited by hon. members on the other side of the House. They speak of the very generous treatment that the Canadian Pacific Railway received at the hands of the government when the contract with them was made. I would like to draw the attention of these hon. gentlemen to the contrast between the conditions of this country twenty-five years ago, when this contract was made, and its condition at the present time. At that time we had no direct communication with the west as we have to-day. The Dakotas and Minnesota, to the south of our territory, were largely vacant. And as to our own territory, I doubt that the whole population west of the lakes, including Indians, was more than half the population of the city of Winnipeg at the present time. The government of that day had all the obstacles to contend with that one can well imagine. They had the whole Liberal party of this country opposing them, the present Minister of Trade and Commerce (Sir Richard Cartwright) even writing letters to the English press trying to defeat the whole scheme. And we know the position which the present Prime Minister took at that time. We can see how little faith he had then in our great Northwest, and we wonder why he has such faith at the present time. We remember that in the discussion in this House he declared his willingness that the Canadian Pacific Railway should be built to the Soo, there to join the American system of railways, and so have Canada utilize the American system to get to our own Northwest. There was no question of the withdrawal of the bonding privilege in his mind at that time. At that day the government were desirous, as this government is desirous, of getting immigrants into the Northwest. They were determined to build north of the lakes, so that the immigrants would be taken to our own country, and not be side-tracked in the Dakotas or Minnesota by the American agents. If the Conservative government had given way to the cries of the opposition in those days, there would have been no reason to discuss in the House to-day such a measure as we have now before us, because there would have been no reason for building another railway. I would like to know what has caused such a change in the minds of hon. gentlemen opposite, so that it becomes necessary, in their opinion, to build this second line.

In order to illustrate more definitely what I mean by the tremendous strides this country has made in prosperity since 1879, I would like to read a few figures showing a comparison of that year with 1902 :

	1879.	1902
Imports and exports	$153,455,682	$423,910,444
Banks—		
Note circulation	19,486,103	55,412,598
Deposits	73,151,425	390,370,493
Discounts	113,485,108	430,662,670
Assets	173,548,490	595,761,209
Deposits in P. O. and government savings banks and special savings banks	14,701,847	78,798,876
Loan company's assets	39,384,219	158,523,307
Railways—		
Miles in operation	6,484	18,714
Number of passengers	6,523,816	20,679,974
Tons of freight	9,938,858	42,376,527
Earnings	$19,925,066	$83,666,503
Letters posted	43,900,000	213,628,000
Post-cards	6,940,000	26,343,900
Miles in operation	6,484	18,714
Cons. Fund Revenue	$ 22,517,382	$ 58,050,790
Insurance—		
Fire ins. premiums	3,227,488	10,626,552
Fire ins. in effect	11,354,224	81,501,810
Life ins. policies in effect	86,273,702	508,694,401

Now, Sir, these figures show that the country to-day is in an entirely different position from that which it occupied 25 years ago when the Canadian Pacific Railway was under consideration. How then is it a fair argument for any hon. member to compare the two contracts with each other under these circumstances ?

Now, Sir, there is another matter to which I would like to refer before I take my seat, and it is in reference to the remarks that have been made in this House with respect to my hon. colleague from West Toronto (Mr. Osler), who also occupies a position on the directorate of the Canadian Pacific Railway. I do not quite understand the remarks that are levelled at my hon. friend in a discussion of this Bill. I would like to call the attention of the members of this House to this fact, that my hon. friend from West Toronto, so far as my knowledge goes, and so far as I believe as the knowledge of his colleagues goes, has never on any occasion asked any of his colleagues, either on this side of the House or on the other, to support any measure in which the Canadian Pacific Railway Company were interested. I believe that hon. gentleman has never on one occasion voted on any question in which the Canadian Pacific Railway Company were interested. Now, Sir, is it not a matter of congratulation to this parliament that we should have amongst us a gentleman who understands these questions so well as my hon. friend from West Toronto, and who is so capable of discussing them intelligently ? That gentleman was not elected to this House because he happens to be on the directorate of the Canadian Pacific Railway Company, but he was elected because of his general fitness to occupy this distinguished position. I say it is a fortunate thing that we have in this House an hon. gentleman who understands these questions so well

and who, even if he were not a director of the Canadian Pacific Railway, would discuss them in exactly the same way as he does now. I regret very much that hon. gentlemen opposite have seen fit to bring into the debate what seemed to me to be rather personal matters and matters foreign to this discussion. This is not a question of the Grand Trunk vs. the Canadian Pacific Railway. Hon. members on either side of this House wish to treat both these corporations in a fair and honourable manner. But we are discussing a certain bargain that is made with the Grand Trunk Pacific, we are not discussing the affairs of any other railway. At the same time if this great undertaking goes on—and I hope it will go on, but I hope the bargain will be modified before it does. I hope the government will modify it—I hope this railway will be the means of doing as much good to Canada as the Canadian Pacific Railway has done during the time it has been in operation. The management of the Canadian Pacific Railway has conferred great benefits on this country, it has advertised this country, it has done a great deal for Canada. The gentlemen who have taken an active part in its management, Sir William Van Horne and Sir Thomas Shaughnessy, were both Americans. They came into this country and became naturalized. With the exception of three or four gentlemen, I believe the board of that company are Canadians, who understand the affairs of this country ; they have their hands on the pulse of this country, and that is the reason why that railway has tended so greatly to the development of Canada, it has been run in the interests of this country. I hope that the same may be said of the directors of the Grand Trunk Pacific Company. I hope that the directors who will control the policy of the Grand Trunk Pacific—I do not mean the directors who control the policy of the Grand Trunk Company, and who reside in London—but I hope that those who control the policy of the Grand Trunk Pacific will be Canadians, that they will live amongst us here in Canada, that they will have their hands on the pulse of our people, and that they will understand our interests as well as the directorate of the Canadian Pacific Railway has done during all these years of our development.

Now, Mr. Speaker, I will appeal once again to the government to withdraw from the entanglements in which they find themselves in regard to the eastern part of this Transcontinental Railway. Every dollar that will be spent on this eastern section we shall require for the development of colonization railroads, not only in the Northwest but also in the eastern parts of this country. The report of the transportation commission will no doubt suggest large expenditure at many points. We have therefore tremendous expenditure in other directions looming up before us. How will we be able to carry out all these necessary improvements if we go on and use up our credit in this scheme, if we sink all these millions on the eastern division ? I say let the government withdraw from the entanglements in which they find themselves with regard to this eastern section. Let them husband our resources, husband our credit, and in that way provide means for carrying out the great undertakings which we shall have to assume in the future in carrying out the recommendations of the transportation commission, and in building railroads in the older provinces as well as in the Northwest. In that way I believe they will win the approbation of the public to a much greater extent than they will by going on with the scheme which is before us at the present time, and by agreeing to these concessions which we find in the supplemental contract and which are so opposed to the interests of our country.

Mr. JAMES J. HUGHES (King's, P. E. I.). Mr. Speaker, I had not the privilege of hearing the earlier speeches delivered on the resolution now before the House. But I have looked carefully over some of those speeches, particularly the one delivered by the leader of the opposition and the one delivered by the hon. member for West Toronto (Mr. Osler), and as a young member of this House I must say that I was surprised to find that the leader of the opposition, in treating the financial side of this question, was so very unfair and misleading in the statements he made, and that the hon. member for West Toronto was absolutely incorrect in the statements that he made. I admit, Mr. Speaker, that this is rather strong language, but I hope to prove it before I sit down. Before attempting to do so, however, I wish to refer briefly to section 42 of the agreement, a section which is very interesting to us in the maritime provinces. During the recess it has been discussed at considerable length in the newspapers of Prince Edward Island from which I have the honour to come, and also at public meetings that have been held in the by-election in West Queen's. Our Conservative opponents stated very emphatically that this section was not strong enough, or broad enough, or comprehensive enough to compel the Grand Trunk Pacific to carry the freight and traffic that it will gather up in the west and in the middle west and bring it down through Canadian channels to Canadian ocean ports, and that consequently the government should be condemned for not being able to make a better bargain and one more in the interests of the maritime provinces.

Well, Sir, fortunately, we have a very good test by which to measure the strength, ability and comprehensiveness of this particular section. While the Grand Trunk Pacific Bill was before parliament last session the opposition held a caucus and the united wisdom and legal ability of the opposition prepared a resolution, which, in their opinion, would exactly meet the requirements of the case. The resolution was

placed in the hands of the hon. member for Kings, N.B., (Mr. Fowler) and he moved it in this House. Our opponents thought it was the best that human ingenuity could devise, I suppose. It reads as follows.

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

The apparent object of this resolution submitted and supported by the opposition, was to endeavour to compel the Grand Trunk Pacific Railway Company to carry all freight originating on their line of railway, down to the Atlantic sea-board as cheaply as to American ports. But, it went no farther. I now wish to refer the House to section 42 of the agreement, which is 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.

That is much more comprehensive and much stronger than the resolution submitted by the opposition. Not only does it provide that the traffic shall be carried to Canadian ports as cheaply as to United States ports, but it provides that it shall be carried from the port of origin to the point of destination, wherever that may be, Liverpool, London, or any other point in Europe as cheaply, so that there shall be no discrimination in the ocean rate. Yet, some of our friends from the maritime provinces declared that this was not sufficient. Then, section 43 reads as follows :

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

The agreement with the Grand Trunk Pacific as it is now before parliament, is in all essential particulars what the original agreement was. The modifications that have been made are in favour of the company, provided the enterprise be not a success financially. In such an event they will be in the company's interest, but if the enterprise proves a success, and no reasonable, intelligent man doubts that, then the company will be under the same obligations that it was under by reason of the original contract. It will not cost the country one dollar more than it would have cost under the original contract.

Now, Sir, I desire to refer to the financial statement presented by my hon. friend the leader of the opposition (Mr. R. L. Borden). First and foremost he begins by charging the government with the cost of the eastern division from Moncton to Winnipeg, which, of course, is all right in principle, but he swells the amount very considerably. He charges it at the rate of $40,000 a mile, an outside figure, certainly, and more than it will cost. Then he charges interest during the period of construction at 3½ per cent, and he charges interest for seven years, during the time when the Grand Trunk Pacific Company, the lessees of the road, will not pay interest. That is all right in principle, but it is misleading to the extent that he does not take into consideration the fact that the lessees will pay 3 per cent interest on the cost of construction for 43 years out of the 50, and that during that time this part of the road will be no burden whatever to the Canadian people. But, that is not all. That is only the beginning. He charges to the country the total cost of the Quebec bridge which he figures out at $6,978,719, or in round figures $7,000,000. Now, Sir, this bridge, in all probability, would have been built if the Transcontinental Railway had not been thought of, but in any case, it will be used by five or six other railways, and it would be just as fair to charge the cost of that bridge to any one of the other railways that will use it, as to the Transcontinental Railway. Why did not the hon. leader of the opposition do that? He knows that it would be unfair to do so, that it would be misleading and incorrect. Then why do it in this case? The object is to swell the expenditure that the government will be put to in regard to this enterprise. But that is not all. He goes on and charges to this enterprise the cost of the prairie section to the amount of $13,000,000. The hon. gentleman himself, has said that the enterprise will be a success. He has quoted approvingly and endorsed the statements made by Lord Welby, Sir Charles Rivers-Wilson, Mr. Hays and others which go to show that the western division of this road will be a success from start to finish. He has made it clear that at least the western division will be a success.

and he knows that if it is a success, the government will not have to pay one cent of the expenditure on the prairie section. Yet, he charges $13,000,000 for the construction of that section. Is that fair? Is that not misleading? Of course the government guarantees the bonds upon that section, but if it is a success, the government will never be called upon to implement that guarantee. Again, he charges the government with the cost of the mountain section which he puts at $25,000,000. He knows that the prairie and mountain sections hang together and that the only amount which the government will ever have to make up in regard to the mountain section will be the interest on the bonds which they guarantee for seven years and which he himself makes up to be $4,882,500. Yet, he charges $25,000,000 to the mountain section which is decidedly unfair and misleading. I am confident that my hon. friend would not make such a statement in regard to any other financial question that he was called upon to determine. If we take these amounts into consideration as we have a legitimate right to do and deduct them from his total of $150,000,000, and also deduct the $20,000,000 or more, by which he swelled the expenditure on the eastern division, we will find that the total cost, according to his own figures, will be considerably under $100,000,000.

Now, Sir, what are the facts in connection with the financial aspect of this question, and what will it cost this country to build this Transcontinental Railway? We will begin with the eastern division, and I will take the mileage at 1,875 miles, as given by the hon. leader of the opposition himself. That estimate may be a little over the mark, but at all events I will take his own figures. According to the statement made by the engineer in charge of the surveying parties that surveyed from Winnipeg down to the longitude of North Bay, a liberal estimate for the cost of this section would be $30,000 per mile. It is known that the topography of the country from North Bay to Quebec, is about the same as it is from North Bay west, and according to the estimate of Mr. Stephens, the chief engineer, other things being equal, it should cost less to build the road from North Bay to Quebec, and from Quebec to Moncton than it would from North Bay to Winnipeg, because it will be easier to get materials and supplies to the eastern section than in the case of the construction west. Last session the Minister of Finance estimated that the road from Moncton to Winnipeg would cost on an average $30,000 per mile; and the Minister of Finance has the reputation in this country of being very careful in any estimate he makes. But, Sir, in order to give an outside liberal estimate—and I have made up these figures myself—we will put it at $35,000 per mile for the 1,875 miles, and that would amount to $65,625,000. Now, suppose that we also add the interest on that during the time of construction at three and a half per cent; or for four years on the whole amount during half the time of construction, that interest would amount to $9,187,500. Of course the capital sum will not be expended at the commencement of the work but the expenditure will be made as the work proceeds, and hence I am in the judgment of the House when I calculate that taking a fair average, the interest charged would amount of $9,187,500. Add that to the first cost of construction, and then we have a total of $74,812,500 for the eastern division. Now, the government will have to provide interest on that sum at 3 per cent for seven years, or until the Grand Trunk Pacific begins to pay the interest. There is no man in this country who does not know, that this government will be able to borrow money within the next six or seven years at three per cent, and perhaps less. A year or two ago the government could borrow easily at a fraction under three per cent, but within the next six or seven years, there is no doubt whatever that money will be obtained in the money markets of the world by the Canadian government for 3 per cent or less. Now, the interest on that at 3 per cent for seven years would be $15,710,625. That is all the government will have to pay in regard to the eastern division. Of course, eventually the bonds which will be issued to raise the money to build the road will have to be provided for, but the people own the road, and when these bonds will have matured fifty years hence, and the road will revert to the government, then they will have a very much more valuable property, and they can re-lease it to better advantage if they think it advisable to do so, or they can do anything they please with it. Therefore the original cost of the road will never be felt by the people of Canada. The road will pay for itself; it is the people's road; they own it, and the rent obtained from it will always pay the interest charges for the cost. Therefore, in addition to the interest for the first seven years on the eastern division, the interest on the bonds that the government will guarantee on the mountain section, is all this country will have to pay in connection with this enterprise. I will take the interest on the bonds guaranteed by the government, and I will accept the figures submitted by the leader of the opposition. The interest on the bonds on the mountain section will therefore amount to $4,882,500. Add that to the interest charge of $15,710,625 on the eastern division, and it makes in all $20,593,125. That is what this enterprise will cost the people of this country. And what have we got in return for that? We have got a railorad extending from ocean to ocean opening up immense

areas of valuable timber and mineral lands opening up for cultivation millions and tens of millions of acres of the most valuable agricultural lands in the world. What will $20,000,000 be to the people of this country? Our population is now about 6,000,000, but long before we are called upon to meet this obligation, our population will be 7,000,000 or 8,000,000, that $20,000,000 divided amongst our population will be less than $3 per head of the population, or $15 for every family of five persons. In view of this, how can the member for Grey (Mr. Sproule) and the hon. member for Leeds (Mr. Taylor), and the hon. member for South Lanark (Mr. Haggart); how can intelligent men like these stand up in this House and say that this enterprise will put a mortgage of $125 on every man's farm?

Mr. HEYD. They would say anything.

Mr. JAMES J. HUGHES. Well, Sir, even if we had to meet all this obligation in one year, it would not be a very considerable matter after all; it would be very little more than the surplus of last year, and possibly not more than the surplus of the present year. But, Sir, we will not have to meet it in one year. The payment will be extended over a period of fifteen years. It will take seven or eight years for the government to construct the railway, and we will be paying the interest for seven years more, so that it will be spread over a period of fifteen years, and hence it will amount to about one dollar per year for each family in the Dominion of Canada during fifteen years.

But, Sir, this enterprise will not cost the people of Canada one single dollar, because I hold—and I believe I can maintain it successfully—that the increased business that we shall do, the profit we will make on our increased business because of the construction of this railway, will pay for the railway four or five times over. I need not refer to the augmented value that will be given to the lands through which this railway will pass. No matter whether these lands belong to the provinces or to the Dominion government, they will be increased in value so that if these lands be sold for what they will bring, the increased value will go into the exchequers of the provinces or into the Dominion exchequer. They will benefit by ten-fold what the road will cost. Therefore, so far from this National Transcontinental Railway being a drain on the resources of the country, it will on the contrary be a source of profit and revenue.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

Mr. JAMES J. HUGHES. Mr. Speaker, when the House rose at six o'clock, I was discussing the financial aspects of this great question, the Transcontinental Railway, and particularly the financial statement in relation to it presented to the House by the hon. leader of the opposition. I had shown that the actual cost of this great project to the people of this country during the next fifteen years would not exceed, and might be less than, $20,000,000; whereas, the hon. leader of the opposition has declared that the obligations which the government were assuming amounted to from $150,000,000 to $170,000,000. The hon. gentleman carefully sheltered himself behind the word 'obligations,' and that is where the unfairness of his statement came in. That is how the people would be misled by it. In order to make up this $150,000,000 or $170,000,000, he charged against the project the total expenditure on the Quebec bridge, which might as well be charged to any of the other five or six railways that will use that bridge. He charged against this project the total cost of the prairie section, although, as he well knew, the government is only guaranteeing the bonds on three-fourths of the cost of that section to an amount not exceeding $13,000 a mile, and will never be called upon to pay one dollar in connection with that guarantee. He also charged against the enterprise the $25,000,000 which he said the mountain section would cost, whereas he knew that all the government would be called on to pay in connection with that section would be the interest for seven years on the bonds. Of course, it was an indirect liability of the government; but very few people in the country would have the time or be able to go into the matter and discover the difference. Therefore, I charge that his statement was very misleading.

But there is another way of looking at this great question. I would be glad to hear the hon. leader of the opposition speaking from a brief for the Grand Trunk and the Grand Trunk Pacific on this matter. Of course, his statement would be very much stronger and couched in very much better language than I can employ; but I fancy that it would be something like this: 'My clients of the Grand Trunk and the Grand Trunk Pacific he would say are assuming enormous obligations in this contract compared with that which the government of Canada are assuming. First, they are entering into a lease to operate the eastern division for fifty years, to provide all the betterments on that division, to keep it in a proper state of efficiency and repair, and to pay the interest on the cost of construction for forty-three years out of the fifty—an obligation which, even calculating the cost of that road at $35,000 a mile, will amount to the enormous sum of $96,508,125. In addition to that, my clients are undertaking to build the western division. The prairie section alone, according to my estimate, will cost $20,000,000. For that they are directly responsible. My clients also undertake to

build the mountain section, which, according to my estimate, will cost $25,000,000; and for that my clients are directly responsible. We also have to put on this road, when it is completed, $20,000,000 worth of rolling stock. Adding these four amounts together, the obligations of my clients will amount to $161,508,125. The betterments that we will have to provide for the eastern division during fifty years, the maintenance and the repairs required, will, in all human probability, amount to 50 or 75 per cent of the original cost. Say they amount to only $40,000,000. That would be over $200,000,000 of obligations which my clients are assuming, while the direct obligations of the government may be only some $20,000,000 apart from the original cost of the eastern division.' I suppose the hon. gentleman would say that this would be unfair to his clients. Of course, the cost of the eastern division will be met by the issue of bonds. Say they have to run for fifty years, but at the expiration of that time the road will revert to the government. It will then be a very much better and more valuable property than it will be when first leased. It will be worth more than the bonded debt.

There is also another way of looking at this contract to see what it means for the people of this country, that is, by the comparative method. We can compare its cost with the cost of the Canadian Pacilc Railway to the people of Canada. There was given to the Canadian Pacific Railway, to begin with, a cash subsidy of $25,000,000 and completed railways to the value of $37,750,000; in other words, a total cash subsidy of $62,750,000, together with 25,000,000 acres of land, which, at a low valuation, would be worth $3 an acre, or $75,000,000 more; or a total of $137,750,000 which the Canadian Pacific Railway directly cost the people of this country. There were also enormous privileges given to the Canadian Pacific Railway, none of which are given to the Grand Trunk Pacific. It had the privilege of importing free of duty all the materials which entered into the construction of the road. There was no control over freight or passenger rates, practically for ever—until the earnings of the road would amount to 10 per cent upon the bonded and stock indebtedness. More than that there was this enormous privilege, that all the property of Canadian Pacific Railway —stocks, bonds, real estate and everything else—was to be exempted from all taxation for ever—federal, provincial or municipal taxation. What these enormous privileges would amount to it is impossible to compute. The last exemption would probably reach $1,000,000 or $2,000,000 a year. The cash subsidy alone to the Canadian Pacific Railway would be more than three times what the present railway will cost the people of this country; and the cash subsidy and the land grant taken together will amount to seven times as much, not to count the exemptions and privileges at all. And yet our hon. friends opposite will say that the bargain with the Canadian Pacific Railway was a good bargain, and that that railway was a large factor in the development of this country and of great benefit to the country. I believe that is true, notwithstanding the improvidence of the bargain. I believe the Canadian Pacific Railway was a large factor in the development of this country; and what the Canadian Pacific Railway did for the country, the Grand Trunk Pacific will do, but in a tenfold greater degree.

And, now, I come to the statements made by another gentleman, a leading member of the opposition, the hon. member for West Toronto (Mr. Osler). I stated in my opening remarks that I was surprised to find that that hon. member had appeared to think it necessary to make a statement that was absolutely inaccurate in connection with the financial side of this question. I also stated that before I would sit down I would endeavour to prove my statement, and I will proceed to do so now. When I read in the unrevised 'Hansard' the statement made by the hon. gentleman, I thought surely there must be some mistake. Surely, I said, this must be a slip of the tongue or a slip of the pen, and it will be corrected in the revised 'Hansard.' But, to my surprise, the hon. gentleman did not see fit to correct it in the revised 'Hansard,' so I assume that he intended the statement to go to the country. Consequently, I quote from the revised edition, at page 862, where the hon. gentleman says:

> Now, Mr. Speaker, eighteen years is a good long time to have a railway built free. Let us assume for the sake of argument that the government build the road as they propose from Winnipeg eastward to Quebec and Moncton. I will take the figures that are given by the president of the Grand Trunk Railway in his report to his shareholders and which are the lowest figures I have seen yet. He gives the cost of the section from Winnipeg to Moncton as $76,000,000, from Winnipeg to the mountains as $20,000,000 and from the mountains to the Pacific as $25,000,000. My hon. friend the Minister of Finance (Mr. Fielding), I think, will agree with me, that these figures are away below the actual liability of the country.

I do not know that Mr. Fielding would agree to anything of the kind. However, we will let that pass.

> Under the present agreement with the Grand Trunk Railway Company and the Grand Trunk Pacific the interest——

Bear this in mind—

—the interest on $76,000,000 at 3½ per cent—and that I think is a low rate to calculate upon—will be $4,245,000 a year.

There is a clear cut statement, and it is not a calculation difficult to make either. Well, how much do you think the hon. gentleman was out in that statement? He was just out $1,585,000. The interest on $76,000,000 at 3½ per cent, would amount

to $2,660,000 a year, and the hon. gentleman says that it will amount to $4,245,000. Of course, I think I can see what he is trying to get at, and I do not want to be unfair to the hon. gentleman. What I think he really wished to convey was that the interest on $76,000,000, which he said the eastern division would cost, and the interest on the prairie and mountain sections, all combined, would equal $4,245,000, and that would be correct. But would it be fair for the hon. gentleman to charge the government with the interest on the prairie section? It certainly would not, because he goes on further to say that he makes this calculation based on the event of the enterprise being a success. But if the enterprise be a success, the government will never be called on to spend a dollar in interest on the prairie section. It would be, however, fair to charge the interest on the eastern division and the bonds guaranteed by the government for the mountain section. But even then, he would be astray. The interest on the eastern division for one year at 3½ per cent would be $2,660,000, and the interest on the bonds guaranteed by the government on the mountain section, according to the figures of the hon. leader of the opposition, would be $697,500. These two combined would give $3,357,500, so that even assuming that that was what the hon. gentleman meant, he would still be astray in his calculations $887,500.

Mr. SPROULE. What about the guarantee for the prairie section?

Mr. JAMES J. HUGHES. I have disposed of that. I have said that if the road be a success—and that is the premise from which the hon. member for West Toronto is arguing—the government will not have to expend one dollar in interest on the prairie section. But the hon. gentleman proceeds to make another calculation. He calculates the interest at four per cent, and he says:

> If the bonds have to be issued at four per cent the total will be $4,840,000.

The total will be nothing of the kind. Calculated at four per cent, the interest on the eastern division would be $3,040,000, and taking again the interest made up by the leader of the opposition on the mountain section, and adding both together, you will have $3,737,500. So that the hon. member for West Toronto is here astray again to the tune of $1,102,500. But there is something better to follow. He goes on to make another calculation. He says:

> Under the agreement the government undertake to build from Winnipeg to Quebec and to Moncton, and the lowest computation of the cost that I have seen is $76,000,000. The Grand Trunk Railway pay what? Three per cent interest on that money only, no matter what that money costs the government. Suppose the government have to borrow that money at three and a half per cent, a very low rate looking at it from a business point of view in carrying out the transaction five years from now, and assuming that the Grand Trunk Railway pays interest at three per cent, in fifty years the difference between three per cent, which the government receive, and the three and a half per cent which the government pay, will amount to $59,324,000.

How much do you think the hon. gentleman is astray in that calculation? He is just $40,324,000 astray. But read what the hon. gentleman says. He says:

> You cannot get over that by any juggling you may resort to.

Well, Sir, I do not think there is any other man in Canada, or in all Christendom for that matter, who could get such a result by any kind of juggling. But there is another calculation still to come. The hon. gentleman says:

> That is the actual difference between the rate of interest which the Grand Trunk Railway pay on the capital expended of $76,000,000, and I believe it will be more like $150,000,000, and the rate of interest which the government have to pay for the money. To-day if the government went on the market to borrow that sum of money, they could not get it under four per cent. Assuming that the government have to pay four per cent for the money, the difference between four per cent which the government would pay, and the three per cent which the Grand Trunk Railway would pay, would amount in fifty years to $118,648,000.

Well, Mr. Speaker, how much do you think our hon. friend is astray in that calculation? Just a trifle of $80,000,000, or to be exactly correct, $80,648,000. And still he went on to say:

> Yet, Mr. Speaker, we almost hear the echo of the right hon. Prime Minister's statement in this Chamber that the total commitment of this country for this huge enterprise is about $13,000,000, half the surplus revenue of a year.

The hon. gentleman says that $13,000,000 would be half the surplus revenue of a year. Well although this government has had good surpluses since it has managed the affairs of the country, it has not yet succeeded in obtaining a surplus of $26,000,000 in any one year. The hon. member for West Toronto, however, that eminent financial authority, says that it has. These are the calculations given us by this financial critic of the opposition, the man who in all human probability—if ever by any unfavourable combination of circumstances the Conservative party should come into power—would probably be the Finance Minister of the Dominion. But there are still other calculations which the hon. gentleman has given us. Now, he says:

> Bonds on the mountain section are to be issued to the extent of $50,000 a mile on the Grand Trunk's estimate of total cost which is $25,000,000.

And further:

> Three per cent bonds, putting it at the outside price, would require an issue of $30,000,000, to realize $25,000,000.

I do not know exactly what he means by 'the outside price.' He has not given the rate for the bonds. The leader of the opposition and others have assumed that 3 per cent bonds would sell in the market at 90. Assuming that that is what the hon. member for West Toronto meant, in saying that to raise $25,000,000 cash would require the issue of $30,000,000 in bonds, how much do you think, Mr. Speaker, he was out in his calculation? The hon. gentleman does not appear to know how to make up the simplest sum in arithmetic. It would not require the issue of $30,000,000 but of $27,777,777. The hon. gentleman is only $2,222,223 astray in that calculation. That is not so very bad. But he goes on and makes a calculation upon his own estimate. He says:

> The government portion would be $22,500,000. The Grand Trunk are to pay no interest on that for seven years after completion, and possibly for three years more, if it does not earn interest—I quote the statement of the president of the Grand Trunk—and as they have eight years to build, then for eighteen years they will have to pay no interest. We will assume that the average time for building the road will not be eight years but four years, and so we will take fourteen years as the average time of the expenditure of the $22,000,000. On that expenditure the government pays interest and charges, and the Grand Trunk pays nothing, and it amounts to $16,672,500.

That is what the hon. gentleman says. We do not know what the charges will be. He has charged the government already with discount on the bonds so that cannot be included in the charges again. There would be the interest only at three per cent. The hon. gentleman says it would amount to $16,672,500. It would not amount to anything of the kind. It would amount to $9,240,000. The hon. gentleman is just $7,432,500 astray there. It would, I think, be charitable to suppose that he did not understand the subject he was discussing. Although he is a shareholder and bondholder of the Canadian Pacific Railway, a director of that company, a man of large financial interests, it seems that he could not have understood the subject. I saw, however, in the Toronto 'News' a statement that he understood the question thoroughly and that when the hon. member for Annapolis (Mr. Wade) had presented an incautious question it drew from the hon. member for West Toronto a statement which showed he was thoroughly at home in the subject he was discussing. Well, Sir, if he was thoroughly at home in the subject, I do not know how any hon. gentleman could be thoroughly abroad on any subject. So much, then, for the financial aspect of this question as presented by the leader of the opposition and the hon. member for West Toronto.

There is, however, another feature of this question which appeals very strongly to us from the maritime provinces. We see the Conservatives in this House particularly those from the great province of Ontario in favour of building this road only as far east as North Bay and shutting out the maritime provinces entirely from the operation of the road.

These gentlemen claim to be great patriots and to take all the provinces in their view. What then have the maritime provinces done that they should be shut out from the operation of this transcontinental road? What would be the effect of stopping this line at North Bay? The hon. member for West Toronto has told us what the effect would be, and I will read his statement:

> Suppose the eastern section is not built for ten years, what will happen? The whole trade of the Grand Trunk accumulated west of Winnipeg goes either to Port Arthur or Duluth, goes across the lakes and goes to Portland to increase and enrich the harvest of our friends in the United States.

And then he prayed to Heaven that the eastern section would never be built. A more unpatriotic, I was going to say a more unrighteous prayer was never offered to Heaven. But the hon. member for West Hastings (Mr. Northrup) I believe, reiterated that statement some evenings afterwards, and the whole opposition, I understand, cheered him. We in the maritime provinces know then what we have to expect if, by any unforeseen and unfortunate combination of circumstances the Conservative party attain power. We would have expected that at least the Conservative members from the maritime provinces would protest against such a statement as this of their friends, but they have not done so. They will have to render an account of their stewardship in this regard when they go before the people for re-election. We are prepared to take issue with the opposition on this question.

Now, Sir, looking at this whole question, viewing the project in all its bearings, it seems strange that there should be such opposition in this House, and, apparently in some sections of the country. Whence comes this opposition? Not from the business men of this country; because, wherever a board of trade has spoken it has pronounced in favour of this enterprise. Not from the farmers of this country; because, though there are farmers' institutes scattered all over the country from the Atlantic to the Pacific, I have yet to hear of one that has spoken against this project. Not from the lumbering industry or the mining industry of this country has this opposition come, nor from the mechanics and artisans or labouring men. Whence, then, comes this opposition? It comes from that corporatian for which the people of this country have done so much. It comes from that corporation which has received from this country concessions and privileges, cash subsidies and land grants, which have made of its directors, or many of them, millionaires. And the mouthpieces of that company in this House are the men who lead and engineer

this opposition. They would chain the Canadian people to the car wheels of the Canadian Pacific Railway, if they could. Now, Sir, the hon. member for West Hastings—I think it was he—threw out a challenge to this side of the House. He challenged the government to go to the country on this issue. Sir, that was an idle and a boastful challenge. The hon. gentleman knows well that we shall go to the country upon this issue. He knows that this will be the leading subject of discussion before the people. He knows well that the record of the government in every particular cannot be successfully assailed, and he knows also that we are quite prepared to meet our opposition friends upon this issue. We are confident of the verdict. We know what the verdict of this generation will be; we feel confident what the verdict of the next generation will be; and we believe that the population of cities yet unbuilt will do honour to the memory of the men who had the ability to conceive and the courage to carry through this great undertaking—an undertaking, Sir, that will go far to make of Canada a nation among the nations of the earth. I have therefore no hesitation in saying that I shall vote for the resolution and against the amendment now before the House.

Mr. A. A. LEFURGEY (East Prince, P.E.I.). The hon. gentleman who has just taken his seat (Mr. Hughes, King's, P.E.I.) interjected into the first part of his speech so many ifs and ands that to attempt to follow out his reasoning would take the greater part of several hours. I think the best way to answer such statements as the hon. gentleman introduced into the first part of his speech is simply to say that—

> If ifs and ands were pots and pans,
> What would be the good of tinkers?

We are not here to deal with ifs and ands when $150,000,000 to $170,000,000 of the people's money is to be expended, and when a question involving as this one does the transportation problem of this country is before the House for determination. Why, Sir, the hon. member for King's might well be trying to usurp the position that was given last session to the hon member for North Norfolk (Mr. Charlton) as the railway expert of the government. The hon. gentleman has assumed to himself the position accorded to that gentleman, and from the manner in which he told this House how the eastern portion of this line could be built for $30,000 a mile, and how to overcome the grades that it would have to overcome in order to make it a success in taking the products of the west to the east, one would think he had been a railway expert all his life. Why, the hon. gentleman figures this line from $150,000,000 to $170,000,000 down below what the hon. gentleman from Haldimand (Mr. Thompson) had it, $80,000,000, down below what the hon. member for Halifax (Mr. Roche) had it, $120,000,000, and even down below what the Minister of Finance had it, $13,000,000, and these are all supporters of the government, and finally he got it down so that it would not cost one dollar. Now, when the members of the cabinet next assemble in solemn conclave, they will recognize what a mistake they made when they did not pick upon the hon. member for King's county, P.E.I., to present this phase of the question last year before they made the statement that the railway would cost $13,000,000.

The hon. gentleman talks about the knowledge we have of this country from Winnipeg to Quebec, about the immense valuable timber limits and mineral lands, and the millions of acres of fertile arable lands through which this railway will pass. Mr. Speaker, we heard of mountains of information last year, but these mountains of information have not been produced, and when the hon. gentleman talks of these fertile fields along the route from Winnipeg to Quebec, when he talks of the valuable timber limits and mineral lands, he should be prepared to produce the reports showing that these things exist in that country, showing that the line has been surveyed, and that it will not cost over $30,000 per mile. If the hon. gentleman knows anything about railway construction he will understand that a railway going through a rugged country like that, in order to find the grades that the member for North Norfolk supposed that we would get last year, would cost upwards, in some cases of $150,000 per mile. The Pennsylvania Railway, one of the greatest systems in the United States, is at the present time spending $100,000,000 merely for the purpose of improving its grades, I have here an article on that subject, and I will read a few paragraphs of it for the edification of the railway expert who has just taken his seat:

FIGHTING THE GRADES.

The Pennsylvania, one of the great American trunk railways, is spending one hundred million dollars in improving its roadbed. Steel bridges have been replaced by masonry structures, huge cuttings have ploughed through mountains, valleys have been filled, and all to eliminate curves and secure the lowest possible grades. . . . . 'The Booklovers' Magazine' contains a striking exposition of the reason for incurring the enormous expenditures at the price of which mountains are torn asunder and rivers diverted to make easier and ever easier the path of the iron horse.

The financial reason comes first. 'Experience has shown,' says Mr. W. L. Webb, the writer of one of the articles, 'that the total cost of operating trains is, roughly, the same per train-mile whether the traffic is heavy or light, the trains many or few, long or short.'

Again—

The ideal towards which this railway system is working is also set forth. The summit level

of the railway is at Gallitzin. Between that point and tide-water there will be no place where the grade against eastbound traffic will be greater than three feet per thousand, or 15·8 feet per mile.

The application of these facts to present Canadian conditions is obvious. The Pennsylvania Railroad runs through a rugged mountain district like that through which the Grand Trunk Pacific will run from Winnipeg to Quebec.

To get easy grades it has resorted to stupendous works. In one place, within a distance of little over a mile, cuts of one hundred and six, eighty, one hundred and five, and one hundred and twenty feet have been made, and the last and largest of these cuts is followed by a fill of seventy-three feet. Such are the works to which this railway has been driven in the battle against steep grades, and such are the prizes offered. Canada is undertaking the building of a new trunk line across the continent. The pains which should be taken with the location of the line, the resolute facing of expenditure to get minimum grades, are impressed upon us in this example.

Now, Mr. Speaker, I won't bore the House by reading any more of this article, but it shows that the conditions which the Pennsylvania Railroad is overcoming at a cost of $100,000,000, are the same conditions that face the construction of this line from Winnipeg to Quebec and from Quebec down to Moncton. I have it from competent engineers who have been over the New Brunswick section of this proposed line that the point where the Grand Trunk Pacific will have to pass from Quebec into New Brunswick is twice as high as the point where the Intercolonial Railway passes into New Brunswick, and that cuttings will have to be made there to get anywhere near the grades proposed by our railway expert of last year, the member for North Norfolk, will put the cost to upwards of $150,000 per mile. Now from the character of the country that we actually know, we may readily suppose that such conditions will face us when we get up into that northern country; and the fact that we have not got the data before the House, and that the government has not seen fit to bring down this data, is very good proof that we will have to face these conditions, and that we absolutely don't know what this railway will cost in the section between Winnipeg and Quebec.

There are several other questions that the hon. member touched upon, but I think I will pick them up as I go along with my speech. Last session the government brought in the Grand Trunk Pacific Bill, and succeeded in whipping almost all their followers into line, and among them the hon. member for King's, P.E.I. Many of them, I believe, voted much against their own better knowledge. We all remember, indeed none of us who were present on that occasion when the Prime Minister introduced his scheme, will forget the opening scene of what I shall call a parliamentary farce comedy. Shall we forget the musical voice, the gestures, the theatrical appearance and utterances of the right hon. gentleman, when in the words of Edward Farrar, he said:

> 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 upon 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 Northwest, 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.

The measure passed this House in its then form. In view of the fact that time could not wait, in view of the fact that the arteries of this great country to the west were clogged, in view of the fact that the government had announced their intention after mature deliberation at the opening of parliament, as indicated by the speech from the Throne and later by a comprehensive Order in Council, to have a commission appointed to thoroughly investigate the transportation question, which, however, they departed from, in view of the fact that the protestations of the opposition availed naught, and in view of the fact that the Minister of Railways and Canals resigned from the cabinet because he could not see eye to eye with the government, not only in respect to the assertion that time could not wait, but in regard to other vital parts of the proposed scheme—in view, Mr. Speaker, of all these facts, one would have thought, nay, it should have been a foregone conclusion, that the government, the promoters and the grafters would have put their whole force and energy into a united effort to bring this project forward to a rapid conclusion. But now we see the nigger in the fence. The bluff of the right hon. leader of the government—for what else can we term it but a bluff—was made to the people of the country, because, I verily believe that it was the intention of the government right straight along to go to the country, and it was apparently felt to be necessary that the people should be made to believe that a crisis was actually at hand and that we must put through this scheme without any

hinderance, without any investigation, that it must be railroaded through the House, so that the government might go to the country and get a snap verdict from the people. The partnership had been formed. They were all in the same boat and then they began to quarrel over the spoils. It takes a thief to catch a thief, and the grafters now have the upper hand in the case. Elections had to be run and it was the assured intention of the government to run the elections. But the partner was not willing to put up the funds. Conferences were held ; the Grand Trunk and the promoters, now having the partnership established, having the control of the situation, take the lead. The government is not consulted but the others go to England and from the reports of the meeting of the shareholders held at the Terminus Hotel, Cannon Street, London, the adroit and wily Sir Rivers-Wilson and other officers of the company, had no difficulty in showing the shareholders that the government was hand and glove with them. And that they had the opportunity of their lives. Now was the time to accept the opportunity or it would be lost and others would step in and reap the harvest. What do we find the president of the Grand Trunk Railway saying to the shareholders on that occasion ?

We caused a Bill to be introduced into the Canadian parliament for securing a charter of incorporation for the creation of a company with an independent organization, but in close connection with and under the control of the Grand Trunk Railway Company, for the purpose of building a line of railway from a point of junction at or on the Grand Trunk line, passing through the most fertile districts of the Northwest and terminating at a port on the Pacific coast. Under the natural impression that a scheme of this nature would commend itself to the approval, and would obtain the support and encouragement of the government and parliament of Canada, so liberally accorded to other railway enterprises. I ventured to suggest to the shareholders, when I addressed them in the month of April last year, that it might reasonably be expected that such a scheme must be carried through without in any way engaging the credit of the Grand Trunk Company shareholders.

Why, from the report going about the country in regard to the introduction of this scheme by the right hon. leader of the government last session one would have supposed that the right hon. leader and his advisers in the government brought this scheme forward and recommended pushing it through the House. But, we find that instead of that the scheme was hatched and prepared by Sir Charles Rivers-Wilson and the promoters who were with him, and that it was introduced into this House by them. Think of it—the golden opportunity that he told his shareholders was before them ; the simple faith he had that all they had to do was to come to this Canadian government and get this vast scheme through parliament, so as to make money for another 40,000 shareholders and rake off to promoters without engaging at all the credit of the Grand Trunk Railway or its shareholders. He proceeds :

Such was my conviction at the time (A voice : I hope it is so now) founded upon reasonable data, and in view of the proceedings to which I have alluded, I must confess that when I made that suggestion I appear to have been somewhat over sanguine, not sufficiently considering, perhaps, the weight of political opposition which the scheme was destined to encounter.

It has been accordingly found impossible to carry the measure through the Canadian parliamen without imposing some limited obligation on the Grand Trunk Company ; not by any means however as I think I shall satisfy you—to be weighed against the advantages which, I think, shall result to the company. *

* * * *

Our original idea was to build from a point on the Grand Trunk Railway to the Pacific coast. The intention was that the point of junction should be at or in the neighbourhood of North Bay. It was made, however, by the government a condition of the grant of the charter of the Grand Trunk Pacific Company that the line should be extended eastward from North Bay to Quebec into the city of Moncton, in New Brunswick. . . . As a result, however, of the negotiations with the government, another Bill was introduced by the government——

This time it was introduced by the government itself.

——itself for ensuring the construction of the contemplated line from New Brunswick to the Pacific in joint partnership between the government and the Grand Trunk Pacific Company. The result therefore, of the agreement was a combination of these two interests for the construction of the proposed road which would thus be carried out, as I have said, by means of a partnership between the government and the Grand Trunk Pacific Railway, supported as that company would be by the influence and connections of the Grand Trunk Railway Company.

Mr. Alfred Smithers, vice-president of the Grand Trunk Railway, also said :

As the president has told you—and as I was in Winnipeg last year with him, I am able to confirm what he says—as the president has told you, we are wanted in the Northwest ; the government have entered into a partnership to take us to the Northwest——

Again Lord Welby says :

We have driven, I may say, the Canadian government into becoming absolute partners with us in the expenditure on that mountain section ; that means that we have made their interests one with ours, and we are, therefore, assured of their hearty co-operation and assent to any reasonable proposition on their part.

And he might well have said : 'On our part also.' Why, Mr. Speaker, it is hardly possible to imagine the government of the Dominion of Canada entering into a partnership with a private railway corporation to construct and operate a railroad. The government of Canada should be the controlling spirit in such a scheme ; the government of

Canada should control the railway corporation; it should control the freight rates; it should control the operation of the road, in the interests of the people of the west, who are now suffering from grievances in connection with transportation, and in the interests of the people of this Dominion. There should be government ownership and control of this railway, and not Grand Trunk control of both the railway and the government. The Grand Trunk, having got the government in the same boat as themselves, they were able to demand the changes which were proposed in this supplemental agreement. The speeches of the directors of the Grand Trunk to their shareholders prove that the company assume no responsibility, and that, in vulgar parlance, they have a cinch. They were not satisfied with the first agreement, generous as it was to them, and having the government in their power they asked for more, and they got it. On their part, the government found that they had gone too far, and they resolved to let the tail go with the hide, under the impression that if the Grand Trunk got everything, the Liberal party would have a large campaign fund in the elections. And so, Sir, the government filched from the unsuspecting people of Canada, not only their money, but their rights as a free people by depriving them of the opportunity to pronounce upon the question of whether this scheme should be carried out or not. And imagine also the Grand Trunk Railway Company announcing, first, that a special meeting of the parliament of Canada would be called to ratify this supplemental agreement and to enable the government to go down deeper into the pockets of the people. Here is what Sir Charles Rivers-Wilson said on that score :

> Negotiations were accordingly resumed, and the result is embodied in the second or supplemental agreement which is now in your hands, and which reads together with the first agreement we now submit for your approval. Should it receive that approval—as I do not doubt will be the case—it will be brought before the parliament of Canada—which has been specially summoned to meet on the 10th March, the day after to-morrow—for consideration and, I hope, confirmation.

Imagine a private corporation assuming the responsibility of calling the parliament of Canada together. Why, Sir, it shows the length to which this corporation will go, seeing that it has the present government in its power. The hon. member for King's (Mr. Hughes) said that the people of the country were assuming no responsibility for this huge railway scheme and the Grand Trunk Company had enormous objections, but against this statement we have the statement of Sir Charles Rivers-Wilson, that the Grand Trunk Company were assuming no responsibility, that they had received a contract, the like of which possibly would never be offered to a railway corporation again—and I hope and trust, Sir, that no government will ever again offer such a contract to a railway corporation in this Canada of ours. As between the statement of the member for King's (Mr. Hughes) and the statement of Sir Charles Rivers-Wilson, who says his company is assuming no responsibility, I leave the public to judge, and I have no doubt that on a fair consideration of the facts, they will believe that Sir Charles Rivers-Wilson is right and that the hon. member for King's does not know what he is talking about. But, Mr. Speaker, is all this government by the people and for the people ? Is it not rather a usurpation of the rights of the people ; is it not depriving the electors of Canada of their birthright as freemen to pronounce an opinion upon this, which is probably the most important public question since confederation. Let me point out to these gentlemen on the government benches that the Canadian Pacific Railway scheme was not railroaded through parliament by the Conservative government without information being at hand. A million dollars was spent on surveys ; the people of Canada pronounced on the undertaking, and the Conservative party, when they came back to power in 1878, were pledged to carry it to completion. Indeed, if I remember aright, before the Conservatives completed the agreement, the Liberal party had made more generous offers to the company than they were to receive from the Conservative government.

We were told last year by the Prime Minister that the Grand Trunk Pacific scheme had two objects : one to protect us in case the bonding privileges were abrogated ; the other object being to cheapen the transportation of grain from the west. The bonding bugaboo has disappeared, and the idea of cheap transportation, all rail, in competition with our water system has been so far exploded by statistics of rates and other data produced last session by hon. members on this side of the House, that no government supporter ventures to mention it as an argument to-day. Last year, speaking in the House, I went into some detail as to the cost of water transportation compared with rail transportation, and it is unnecessary for me to repeat what I said. I then pointed out that the state of New York was contemplating the expenditure of $100,000,000 for the deepening of the Erie canal, so that they might carry grain from the great lakes to the sea-board, and in order to prevent it from being carried through Canadian channels. I pointed out that if we were true Canadians, it was our duty to develop Canadian transportation via the lake route and to keep Canadian trade in Canadian channels. In connection with this matter, let me refer to some opinions of Edward Farrer, set forth this time under his own name, and before he became speech dictator to the Prime Minister. Hon. gentlemen on the other side of the House are all familiar with Edward Farrer's name, and I have here, in the 'Canadian Magazine' of 1898, page 376, an article in which

he advocates entirely different ideas from those which he now backs as pusher for the Grand Trunk Pacific scheme. Mr. Farrer here advocates the lake route as the only means for transportation out of the west, and he says :

Some maintain that the opening of the railway to Parry Sound will restore the traffic to Montreal. It is difficult to see how. The Canadian Pacific, which in railroad parlance originates the traffic, has elevators at Owen Sound, to which port its passenger steamers run from Fort William, and rail connection from Owen Sound with Montreal. Yet, except in a year like 1897, when prices were higher than usual, it has not been able to carry much export grain from Owen Sound to Montreal in competition with the Buffalo route. It carries next to none all-rail from Fort William to Montreal ; the all-rail traffic could not be made to pay and was abandoned years ago.

And yet this gentleman put into the mouth of the Prime Minister last year the statement that you can carry wheat all rail from the wheat fields of Manitoba and the west down to St. John and Halifax and compete with the water route.

The grain brought to Owen Sound by the Canadian Pacific steamers, which, however, are not grain carriers in the proper sense, is mostly for Ontario millers, although last year, as just observed, a considerable quantity was for export from Montreal and St. John. The line from Parry Sound to Montreal will be a trifle shorter than the Canadian Pacific line from Owen Sound, but that will make no difference. Since, in ordinary seasons, the Canadian Pacific cannot make money by hauling Manitoba wheat for export from Owen Sound to Montreal and St. John in competition with the Buffalo route, notwithstanding that it has to haul from the place of growth to Owen Sound, I do not see how the Parry Sound road can be made to cut much of a swath in the trade.

I am happy to inform the House that this prediction of Mr. Farrer as regards the Canada Atlantic road has not been verified by actual experience that it has fortunately not been borne out by the facts. The Canada Atlantic Railway has built up a large and profitable traffic, and last year carried some 20,000,000 bushels of grain. It has demonstrated itself as holding the position of greatest strategic advantage between the east and west. Mr. Willison of the 'News,' whose paper last year was devoted to the interests of these promoters, has found his position untenable, and now strongly advocates Mr. Borden's policy. Let me read a short paragraph on what he had to say regarding the extension of the Canada Atlantic Railway :

The Canada Atlantic has not completed its line between Ottawa and Montreal, and in getting its grain east is compelled to resort to what must be a most annoying and expensive transhipment. Yet it already has built up a large and profitable trade, including last year the carriage of about twenty million bushels of grain, and it obviously is only at the threshold of its usefulness as the shortest of all the rail-and-water routes from the west. The advantage its acquisition would be to the Intercolonial scarcely needs statement. The national railway stops at Montreal. The trade from Canada west of Montreal is immensely valuable, and it is a national object to send it over the Intercolonial, partly because the country's money is invested in the road, partly because we wish our trade to be all-Canadian, partly because we wish to build up our Canadian seaports. But the Intercolonial, to secure western trade, must get freight which reaches Montreal, either by the St. Lawrence route, **or** over rival railways which have sea-board connection of their own. A line from Depot Harbour to Halifax and St. John would be a business proposition which any railway man would regard as highly promising. The Port Arthur-Depot Harbour-Montreal route is so decisively the shortest and easiest that only by gross mismanagement could the trade be kept away from it.

The national railway would gain (1) the carriage of freight from Depot Harbour to Montreal for shipment at that port—in itself a large traffic, profitable to the present owners of the Canada Atlantic ; (2), the carriage of all-rail freight from Depot Harbour to Montreal ; (3), greatly increased and probably more profitable business between Montreal and our Atlantic seaports. All these advantages we can give our line by coming to terms with Mr. Booth. It will be worth the fifteen or twenty millions which would be invested in the purchase.

The government may be expected, after its purchase of the railway, immediately to lower the heavy Madawaska grade and to construct the thirty-seven mile link from Coteau to Montreal. The attractions of the route will increase enormously when trains of sixty cars can be run from Depot Harbour to Montreal.

No more statesmanlike course now presents itself than the sending of the Intercolonial west to the lakes. It would give Ontario and western Canada an interest in what has been suffered to remain too exclusively a public work for the benefit of the maritime provinces. It would give a fair trial to public ownership, not only in the eyes of all Canada, but in a field in which all Canada is interested. It would give the country an opportunity to improve the all-Canadian lake-and-rail outlet, which for some years must be the main reliance of the west.

I could quote further from Mr. Farrer's article, but it would only go to further strengthen the argument in favour of water and rail route as a means of cheap transportation, and this Mr. Farrer advocates by practical arguments. If we need further evidence that Mr. Farrer's predictions were not true, we have only to take the statements of the Minister of Public Works made in answer to a question on the order paper this year. In substance he states that grain was hauled from Depot Harbour over the Canada Atlantic, 346 miles ; over the Grand Trunk Railway, 34 miles, and over the Intercolonial Railway to Halifax, 828 miles, for five cents, proportioned as follows : the Canada Atlantic and Grand Trunk getting about 2·75 cents for 380 miles, and the Intercolonial Railway about 2·25 cents for 828 miles, and the Intercolonial Railway lost nothing at this rate. This means that for 1,208 miles from

Parry Sound to Halifax, at the rate received by the Intercolonial Railway, a bushel of wheat would cost 3·31 cents. The difference between the total haul of 5 cents and 3·31 cents would be 1·69 cents, which would represent the profit made if the Intercolonial Railway owned the whole line. This means simply that we are robbing the government road of a just profit which any private corporation owning the Intercolonial Railway would undoubtedly covet, or, on the other hand, we are robbing the farmers by not having the rates reduced. The people stand to benefit in either case if the Intercolonial Railway were extended to Georgian Bay.

On the last occasion on which I had the privilege of addressing this House on the transportation question, I spoke somewhat on the subject of government ownership, and I will deal more fully with that subject at the present time. The crowning wrong of this bargain, if consummated, is that it absolutely takes out of the hands of the people for fifty years—yes, one hundred years —any possibility of government ownership of this great public utility. I do not think this House fully realizes our position, and the wrong we are doing to the present and future peoples of this country. We have now the opportunity which may never occur again. The words of the right honourable leader of this House, in introducing the measure last year, where he said, ' the flood of tide is upon us that leads to fortune ; if we let it pass it may never recur again,' would be prophetic as applied to government ownership. He should have said, however, that the flood-tide is upon us that leads to freedom from corporate bondage, to control of rates and protection to the farmers and pioneers of this great country. To my mind, and I think I voice the opinions of possibly the majority of the independent electors of this country, the sentiment in favour of state control and ownership of railways, is assuming immense proportions, and the time is ripe for the government to step in and assume control of the transportation of this country, before the transportation companies assume control of the government. I say the time is opportune, and we are on the crest of the wave. I say the rumbling of this sentiment, this belief in controlling this great utility, is heard from west to east, and will bring disaster on the party that ignores it.

The people are strong now, and growing stronger every day, in their desire to be free from abuses of private ownership. I have here a resolution adopted unanimously and enthusiastically at a meeting of the electors of North Alberta, which shows the sentiment of the Northwest. That resolution is as follows :

Resolved that it is the opinion of this meeting of farmers, mechanics and working men assembled in Ross' Hall this Feb. 25, that we consider it to our interest that the government should abandon the Grand Trunk Pacific Railway scheme, and that the Intercolonial Railway, the people's road, be extended from ocean to ocean. And that the time has now come when the people should own and operate all the railway systems of Canada, and that we urge upon the government the necessity of taking steps at once to secure all the roads that are necessary, either by building or purchasing roads already built, to make the entire system as practicable as possible; and that we the producing classes assembled here who create all the wealth and pay the taxes, do not consider that the amount which a road is bonded or capitalized for has any consideration in fixing the purchase price of the road. As we do not want to pay for watered stock, but what the road is actually worth to the country and what the people can build it for, this should be the only basis on which to fix the price. We believe with J. J. Hill, Sir Thomas Shaughnessy and other railroad magnates, that the amalgamation of many roads under one management is a great saving in the expense of the carrying trade of the country. We believe the people, instead of the railroad stockholders should enjoy the benefits of that reduction and saving to the country. The whole railroad question should be shelved and the people be given a chance to vote on it at the next general election.

This shows the trend of feeling of people in the west. They call upon the government to delay their present scheme until the people have an opportunity to pronounce upon it ; and if the government have faith in their project, they should not hesitate to put it before the country, and appeal to the country for its endorsation, and let the people have a chance to give their verdict in the matter. Public opinion in favour of government ownership is rising rapidly. Against railway monopoly, high rates and discrimination in rates, some remedy must be applied, and to my mind that remedy is public ownership. By acquiring the Canada Atlantic and adding it to the Intercolonial Railway system, and then extending the Intercolonial Railway from the lakes to the Pacific coast, the people will have in their hands an effective weapon to use against other railway companies. The people are becoming aroused over the immense treasures lavished on railway companies in the shape of moneys, land subsidies and other privileges without compensating advantages to the people, without even any real control. James G. Blaine of the United States estimated that the total advanced to the United States railway companies, together with all the outright gifts by towns, counties, states, and the nation, would total one billion dollars, yet had these same railways been subsidized at the average given to Canadian railways, the total would have been three and a half billion dollars. The Federal government of the United States never gave cash bounties and has made no land grants since 1871.

Is it any wonder, when we see the generosity of Canadian governments in this regard, that we should have charter mongers and promoters, railway presidents and their

officials, the president of the Grand Trunk Railway and his staff, coming to the Dominion government in all confidence and then being placed by this government in a position to report to their shareholders that they can float a scheme which will put money into their pockets without requiring in the slightest degree their own credit? That is the position in which the Grand Trunk Pacific have been placed. Sir, the total amount of aid in various ways given by the people of Canada to railways would in all likelihood have built every mile of railway in the country. The grand total amount of aid to the 17,000 miles owned by private corporations is as follows:

Cash subsidies and bonuses	$225,000,000
Loans and subscriptions	27,000,000
Land at $2. per acre	104,000,000
Lines already built	35,000,000
Total	$391,000,000

$23,000 per mile for every mile in operation. This does not include 1,500 miles of the Intercolonial Railway. Large additional grants both federal and provincial have been granted and are yet to be paid. $13,000,000 for example to the Canadian Northern and millions more to follow to other corporations.

Subsidies alone $225,000,000, and land at $2 making a total of $329,000,000, amount to $18,000 a mile, which in many instances would have built the road. Loans of $24,000,000 and subscriptions of $3,000,000 not included. The cash subsidies, loans and subscriptions amount to $252,000,000, nearly equal to the net national debt of Canada, on which you pay upwards of $9,000,000.

This is a virtual tax, taking everything into account, of $10,000,000 annually. On top of this we pay some $1,350,000 for carrying the mails.

One would have thought that before this last scheme, every means had been exhausted in giving public funds and control of railways to private corporations, but this honest government have devised a method of not only giving the public funds which in cash were limited by the government to $6,400 a mile, but by a method of their own have succeeded in giving $16,000 cash. This is very well shown in the speech of the hon. the member for Bothwell (Mr. Clancy) and I can not do better than give his figures:

> I say that every one of these aids and encouragements granted to this road is a subsidy and that it is a subsidy concealed. We are paying, first a subsidy by the way of payment of interest for the first seven years for the company on the bonds guaranteed on the mountain section of $952,000 a year, or $6,667,500 in all. This is a sum of money that is paid in cash out of the pockets of the people and is a tax upon them. It is, I repeat, a sum of money that is paid in cash just as directly as if it were paid over to the company. The next is a subsidy by way of rebate to the company of seven years rent on the eastern section amounting to $2,490,000 a year, or to a total of $17,430,000. That sum also must be paid by the people as interest on construction for the first seven years. Not one dollar of it goes to the eastern section; every dollar of it goes by way of encouragement to the western section and to the Grand Trunk Railway. Therefore, it is a subsidy, concealed as it is, in the most direct sense. I wish to say here that I have carefully avoided making any estimate that has not been based upon statements made by hon. gentlemen opposite in the past. The statements made by hon. gentlemen opposite during last session, and the statements made by the Grand Trunk Railway shareholders perfectly agree that the 1,000 miles of prairie section will cost $20,000 a mile, and that the mountain section will cost $50,000 a mile. We find that the average cost of the 1,500 miles of the western section, 1,000 miles of the prairie section, and 500 miles of the mountain section, from Winnipeg to the Pacific coast is $30,000 a mile. We have, therefore, contributed by way of the subsidy I have referred to, $16,000 a mile for the whole 1,500 miles. The maximum that we can give under the present law to any railway is $6,400 a mile. Therefore, instead of giving the usual aid to railways we are giving the Grand Trunk Pacific Railway Company $16,000 a mile for the western section as against $6,400 a mile that we give to other railways. But that is not all of the encouragement we give them

Do you suppose, Mr. Speaker, that the people are not thinking seriously on this matter? Do you suppose that they are not considering seriously whether it were not better that we should own and control the railways of this country instead of practically paying to corporations, by way of cash and land subsidies, all that it costs to build these lines, and thus putting these corporations in such a position that they will eventually control the government and be at full liberty to give the people an inefficient and expensive service?

The Grand Trunk Pacific has exercised its control in the matter of this supplementary agreement. Sir Charles Rivers-Wilson went over and told these people. we are going to get practically all we want; only a few restrictions are put upon us by this Bill that went through the House, and they are of such a minor character that they do not affect the contract to any appreciable degree. Yet, they say they want more, and they come down with this supplementary agreement by which they enter into a partnership with the government and will exercise their control over this government in all their future dealings. Corporations naturally align themselves against the State and rates are pooled and other abuses practised to make dividends on watered stocks. Competition between private corporations has been a failure in bringing tolls to a reasonable basis and remedying the numerous other evils of private transportation. To build up a great corporation and give it charge of a certain territory, and then build up another large corporation alongside of it in the same territory is not an economic proposition, nor is it the method, in the light of the railway history

of the United States and Great Britain, to secure a reduction of tolls.

Government ownership of railways is simply the application by the state of the principle of municipal ownership of such utilities as light and power, water works, electric railways and so forth, and in regard to which there is an immense wave of popular feeling and support that has been crystallized in all the large cities of the United States and in many of our Canadian cities. Chicago is a notable example, having just voted to take over the the entire plant of the street railway system, while an agitation is in progress to take over the lighting and other works. Why are hon. gentlemen on the other side of the House afraid to meet this question of public ownership fairly? There has not been an hon. member on that side who has treated this question adequately, or even treated it at all. We have not heard a word from any member of the cabinet on the subject. I am going to take up the document of one of the retired members of the cabinet, Hon. Mr. Blair, in a few moments. But, outside of Mr. Blair, there has not been a word from this government to indicate any knowledge of, or any consideration for the rising feeling in this country in favour of government ownership and control of this great public utility. One would have supposed that at least the leaders of hon. gentlemen would have taken the trouble to try to meet the arguments in favour of this great movement. Instead of that, we have such arguments as that which the hon. member for South Essex (Mr. Cowan) gave us in the House about a deal for a gravel pit in some back woods settlement. Does he mean to say that the language in summing up this point by a former member of this House in the following language applies to him and his party?

To boil it down, it simply means that owing to our political system and the tendency of the electorate to be distracted from the great interests of the country by prejudices, by personal likings, or animosities, by stump speech oratory, and little factional struggles, the character of man, which as a rule, is found in control of governments, is unfit by reason of want of business capacity, and not infrequently of business integrity, to successfully grapple with so great and so complex a question as the transportation interests of the country.

The hon. member for Essex took up some dirty little scandal about a gravel pit down in some back woods settlement and put this up against the great idea of government ownership in this country. That is the only argument we have had from the other side against the operation of this great principle. But certain hon. gentlemen opposite harp upon the experience of government ownership and control, and tell you that the Intercolonial Railway has been a failure, and that it has been a boodling concern. But, as against this, what are they doing in this case? According to their own showing they are putting through one of the most gigantic boodling operations ever known in Canada in the building of this line from Moncton to Winnipeg. The only difference between government ownership and control as advocated by Hon. Mr. Blair and Mr. Borden and the system that is to be used in this case is that they here are building a line to enrich a private corporation, handing it over to them for fifty years. We have by their scheme the government ownership with all its attendant evils but as they claim without any control. It is incomprehensible to me, and I believe it will be incomprehensible to all fair-minded people in this Dominion, how this government can vote down resolutions in favour of government ownership and control, and then put through this scheme involving an expenditure of millions of the people's money, the work when built, to be handed over to a private corporation. The hon. member for South Essex dwelt upon the danger of political influence in this state control. But, Sir, under the scheme of government ownership outlined by the leader of the opposition, it was not intended to hand over the control of this great public utility to such men as the hon. member for South Essex and his colleagues on the other side of the House, who feel themselves not honest enough to carry it through successfully. It was intended to give it into the hands of a commission, outside of parliament altogether. This experiment has been successfully tried in nearly all European countries. Is the political morality of this country so low that we cannot operate such a system as other countries are doing? Now, I have talked corruption on the Intercolonial Railway at election times as much as anybody. I want to say here that political mismanagement in the administration of the Intercolonial Railway is not such a grievous evil as we make it out to be. While it may, to an extent, exist, it is used and dwelt upon largely as a matter for election material and at election times. It has been availed of by both political parties, and is spoken of in the province of Ontario as making the Intercolonial a millstone round the neck of the country. I can state in this House, and I verily believe my statement to be accurate, that the maladministration on the government system of railroads in this country, would not weigh a particle in the scale—or should not—against government ownership of railways in this country. To listen to the hon. member for South Essex, one would suppose that we were entering upon an untried field—that there had been no advocates of the principle of government ownership in this country or in this House. The government cannot plead that they were not warned in time. They had this memorandum of Hon. Mr. Blair, a document that, more than any other, is an unanswerable condemnation of the action of the members of the govern-

ment, a document that warns them against just such a lot of promoters as are, apparently, behind this scheme and with whom the government have formed a partnership —a document that deals in a masterly way with transportation, and advocates unreservedly the principle of government ownership as the means of remedying not only the evils oppressing the people of the west by private corporations and discriminations in rates, but also as the means of giving cheap transportation for products both east and west, and as the means of making the government road a paying proposition. This document was not presented to this government by an outsider; it is a document presented to his colleagues by the man selected by the right hon. leader and his colleagues as the one to whom knowledge and foresight the great railway problems of this counrty are entrusted, the then Minister of Railways, Hon. Mr. Blair. It is a prophetic document, pointing out in advance everything that has occurred, forecasting all the evils that have occurred. The government feared the effect of this document upon the members of this House and upon the public that they suppressed its publication and committed an unpardonable and unwarranted wrong—a breach of trust to the people of this country, and what did they do with this same hon. gentleman who advocated this principle of government ownership? They appointed him to one of the first positions in the land, they appointed him head over the great Railway Commission that has been established in this country. Did they do it as we would naturally suppose, because he merited the situation, because of his ability? Let us hope so. But I am sorry to believe that they did it to get rid of a formidable opponent to their scheme down in the province of New Brunswick, where they expected last year to face the electors. Forced to resign from the cabinet on account of views absolutely antagonistic to the policy of the administration, Mr. Speaker what must you, what must we as representatives of the people, what must the people themselves think of such an anomaly? We shall see. Now let us look for a few minutes at this document submitted by the ex-Minister of Railways and Canals to his colleagues, dated December 10, 1902. This document written at that date will surely protect the ex-Minister of Railways from the unworthy epithets hurled at him, and absolve him from the unworthy motives ascribed to him by hon. gentlemen from the present Minister of Railways down to the backbenchers. This document, I say, puts the matter fairly. Now what appears in this document? One of the first things that strikes us is the similarity of the Hon. Mr. Blair's policy to that set forth by the leader of the opposition. In fact, in nearly every one of the leading particulars the two policies are absolutely identical. It has been asserted that Mr. Blair was opposed to the policy of the leader of the opposition just as much as he was opposed to the ministerial policy. In the election down in Queen's county where the hon. gentleman who sits in front of me was elected, this cry went up from every public platform, and the hon. gentleman no doubt himself stated that Mr. Blair was as much opposed to the scheme of the leader of the opposition as he was to the ministerial policy. Now I am glad to be able to state that this document puts the case fairly and ends all doubt on this point. Mr. Blair advocated the extension of the Intercolonial to the Georgian Bay by the acquisition of the Canada Atlantic Railway to be controlled and operated by the government, and the leader of the opposition does precisely the same thing. Mr. Blair says: Extend the railway from Quebec to Peace river by easy stages and after thorough survey and as needs of country and colonization require; the leader of the opposition says the same thing. Mr. Blair favours the final extension of the Intercolonial to the coast, again we have the policy of the leader of the opposition. Mr. Blair warned his colleagues that chartermongers would be around after just such a scheme as this, and warned them against adopting it, counselling them that government ownership was both popular and economical, was a broad-minded policy, that it was a popular and broad minded policy, and in the interest of the people of this country; the leader of the opposition and his followers have been for months working along the same lines. Mr. Blair pronounced in favour of government ownership of a system from ocean to ocean, and the leader of the opposition has undeniably pronounced in favour of the same principle. Now, I hope that hon. gentlemen in this House and gentlemen throughout this country will not any more have the effrontery to get up and state to intelligent audiences that Mr. Blair was not in favour of the policy put forward by the leader of the opposition. In speaking of the government road, Mr. Blair points out that the conditions governing the construction of the Intercolonial were not calculated to make it a profitable investment, and that it should not be taken as an argument against government ownership and control, much less shoud it be taken as an argument against the extension of our present government system in order to get a share of the western traffic. Now let me quote from this valuable document of Mr. Blair's. I am going to read somewhat fully from it, because I think the document puts the matter so fairly and because it is written by a man who has apparently given a great deal of study to it. I will read it for the edification and consideration of his colleagues, who ap-

parently think that he is a worthy man because they have put him at the head of a very important department in the government of this country. Mr. Blair says :

It was only natural when this question has been heretofore mooted that the unsatisfactory showing made by the Intercolonial in times past should be pointed to as conclusive proof of the unwisdom of extending the policy of government ownership in Canada. This system has been deemed unsound because in the only instance in which the experiment has been tried, namely, in the case of the Intercolonial, the direct financial results appear, by comparison between the government road and corporation railways, to have been most unfavourable to the former. In many of the countries of Europe, such as France, Germany, Belgium and Italy ; in India, South Africa and notably in the Australian colonies, the principle of government ownership has been recognized and indeed almost exclusively adopted ; and, under conditions just as serious as those prevailing in Canada, so far as political influence is concerned, these railways have been uniformly successful.

Why is it, one may fairly ask, that in Australia, where it is known the stress of political pressure is undoubtedly as great, if not greater, than in Canada, these railways not only pay all operating charges, but yield a return on an enormous capital outlay of from three to five per cent ? while the government railway in this country until very recently, has failed to meet its operating expenses out of earnings. The reason must be sought in other directions than along political lines. So great is the disparity between the results in this country and those in Australia that no amount of waste, leakage and inefficiency, even corruption, if you will, can possibly account for it.

Now, Mr. Speaker, the Hon. Mr. Blair has made an extensive study of the conditions that governed the building of the railway system in the Australasian colonies where, from the nature of the undertaking, there was a great deal more capital invested in its railroads than would have been invested had they been able to foresee the mistakes they made. In spite of the vast expenditure of capital in this sparsely settled country, having to overcome a great many natural obstacles, the government railway system paid its operating expenses almost from the very start, and besides paid 2 per cent to 5 per cent upon the amount of capital invested. Mr. Blair points out that an apparent disparity exists between the net results of government ownership as shown by the Intercolonial and the corporate ownership of the Grand Trunk and Canadian Pacific Railway ; but he shows that this is not due to government control, and that if the corporations were handicapped in the same way as the government system is handicapped they would show no bette results. I cannot do better than quote the hon. gentleman's language upon that point also :

First, the location of the Intercolonial road was not governed by commercial, but by political considerations. No one ever expected that the road so located would yield any direct return upon its cost. It was projected to form a political bond between the widely separated maritime provinces and the older provinces of Ontario and Quebec, the western termiuus then contemplated being the city of Quebec. For military reasons it was constructed as far away as possible from the American boundary. It pursues an extremely roundabout and tortuous route in reaching its western terminus, and in so doing, it passes along a large portion of its line, through the most sparsely settled and least productive portions of the country. If traffic had been the object aimed at, the road would have been built along the valley of the St. John river, but business considerations were subordinated to military and high state reasons.

Neither of the two great railway systems in Canada with which the Intercolonial is compared has been so handicapped ; but, on the contrary, they have traversed the most productive, populous and promising portions of the country. Under such circumstances, if there were no other reasons to be assigned, can the Intercolonial be considered as affording a fair test of the possibilities of government ownership ? The undersigned ventures to affirm, with some confidence, that it does not. In addition, there is scarcely a section of the government railway which is not handicapped by a keen and active water competition. A glance at the map will show how closely the road follows the St. Lawrence and sea coast almost throughout its entire length, and that neither of the two great corporation railways are subject to such a disability.

A much more important fact with respect to the government railway remains, however, to be stated. The operation of the Intercolonial by government has secured to the people of all Canada who have access to it, moderate and stable rates of transport, applied to all alike, and absolutely free from discrimination. That discriminating rates do not exist on the Intercolonial is absolutely proven by the facts that no one ever hears of complaints upon that ground with respect to purely Intercolonial traffic. The same cannot be said with confidence of other great railway systems. Secret and preferential rates are not only possible on corporation roads, but are being from time to time proved to exist on some, notwithstanding that difficulties in the way of proof are considerable; while on the government road the public are sure of fair and equal treatment.

Mr. Blair compares the tolls charged on the government and corporate systems, and shows that if the same tolls were charged on the government as on the corporation roads cut off even as it is from western traffic connections, it would pay a handsome profit. The Intercolonial Railway is paying its way now, and for the past few years has had quite a substantial surplus. Mr. Blair says in regard to this :

The undersigned is unable to agree with this generally accepted opinion, and, on the contrary, confidently affirms that in his judgment the Intercolonial will bear favourable comparison in any branch or department of its service with any other railway in Canada. There is a prevailing public impression that corporation railways are free from the kind of pressure and influence which many believe enormously prejudice the interests of the Intercolonial. Such an impression, the undersigned believes, is an entire mistake. The Intercolonial has

no monopoly in Canada of these conditions, nor are the corporation railways, either in the United States or Canada, free from their effects. It is well known that railway companies are constantly seeking favours from municipal councils, from legislatures, and from parliament, and they naturally desire to stand well with the people of influence. It is only necessary in the support of this statement to mention one fact within the knowledeg of many persons, that free passes are distributed by the company railways in Canada with a lavishness which finds no parallel on the Intercolonial.

Now as to cost of management of the Intercolonial Railway in comparison with other Canadian roads, what do we find ? Let me again quote from Mr. Blair. He says :

The observations thus far made by the undersigned amply justify the conclusion that it is quite misleading to look for a fair test of the principle of government ownership in the experience of the Intercolonial, or to condemn that principle as inherently defective because in the comparison of net results the showing as between the corporation railways and the government railways is unfavourable to the latter. There is no good reason which can be suggested, or which, in the opinion of the undersigned, actually exists, why the government of Canada cannot apply and work out the principle of government ownership as successfully as it is being worked out in other British dependencies and in foreign lands. The main object to be attained in railway administration is the highest efficiency at the lowest cost. The Intercolonial has come closer to that point than any other railway in Canada, and if other than high state considerations had influenced its location, it would now be enjoying a most successful career. Politics have never seriously hurt the government railway since it has been in operation. The deadliest blow ever dealt to this railway through politics was when its present location, between Moncton and Lévis, was decided upon. Politics can never inflict equally serious damage again except by operating against the proper extension of the Intercolonial Railway and preventing the absorption of desirable branches as feeders for the main line. The railway between St. John and Halifax, after the first eight or ten years of its operation, it is believed, has paid interest out of earnings on the capital invested, and has since contributed to keep down the deficiency arising on the less productive portions of the road.

Mr. Blair says that he is going into this matter to relieve, if possible, any prejudice that may exist against the Intercolonial Railway administration, and to ensure a fair and open-minded consideration of the policy of government railway extension. He says :

There is one certain means of putting the Intercolonial upon an interest-paying basis, and that is by the extension of its line. The Montreal extension has done much, but a further extension will do more. While the government railway has captured the larger part of the traffic originating in Montreal and destined for inland eastern and even export points, it has no connections west and is allowed to take only what traffic the two corporation railways do not care to retain themselves. All winter shipments from the west ordinarily reach the seaports of St. John or Portland via the Canadian Pacific and Grand Trunk, respectively, and, although the Intercolonial is fairly well placed to carry freight to Halifax and St. John, it must always remain excluded from that portion of the business arising west of Montreal, so long as present conditions continue.

The undersigned has long held the opinion that a port on the Georgian Bay should be reached by the Intercolonial, and thus a connection had with the Canadian Northern by water transport, open and practicable for from four to six weeks longer than canal navigation. The Canadian Northern would gladly co-operate with the government railway, as it has no other railway connection nor any interest antagonistic to the government system. Duluth and Chicago would be in touch with the Intercolonial, and direct through rates could be arranged to Montreal or Lévis during the summer season, and to St. John and Halifax during the winter. By the construction of storage elevators on a sufficient scale to hold grain in quantities not going forward until navigation closed, a large and ever-increased traffic would find its way over Canadian territory and by government railway to the ocean through the gateways of Halifax and St. John.

When the hon. member for King's, P.E.I. (Mr. Hughes) gets up and talks about carrying grain down from the prairies over this 1,800 miles of railway that it is proposed to construct in competition with the waterways to maritime province ports, I say that the hon. gentleman does not understand the situation thoroughly, and I do not believe that such a justification for the scheme will be seriously put forth even by the hon. member for Cape Breton (Mr. Johnston), who is smiling so blandly across the floor of the House. I do not believe it will be contended by any hon. members on the other side of the House that this new line is going to carry grain from Halifax and St. John for export shipment in competition with the water-ways. The only means of getting this grain down to the ports of Halifax and St. John is by the scheme outlined by the ex-Minister of Railways and Canals (Mr. Blair). That can be done by extending the Intercolonial Railway west to the Georgian Bay, and then the grain can be carried, according to the estimate of the Minister of Public Works, at a profit of 1·69 cents per bushel. Again Mr. Blair says :

To the undersigned, it has always appeared as if no reason, founded upon the highest political wisdom, existed why the province of Ontario should not be traversed by the Intercolonial. That province has been the storm centre of all opposition to the government railway. The most violent critics of the Intercolonial in parliament, as well as its most bitter opponents in the press, are to be found there, and this is because no considerable section of the people has any direct friendly interest in the railway. Relatively few people from that province travel over it. It does not touch the province, and Ontarians have been rather brought to look upon it as an ill-run and wasteful, if not corrupt, institution, tied like a millstone around the neck of the country, to be endured only because it was a part of the national compact and as a piece of public property which they would gladly see transferred to the

corporations for the relief of the Dominion exchequer.

Again he says :

All this would be eliminated from Ontario politics as completely as the Intercolonial Railway has been eliminated from politics in the maritime provinces as the subject of party controversy, if the extension to the Georgian Bay were affected.

Again he says :

The fact is, public opinion is ripe to accept such a policy as a boon from the government and as promising relief to the country from what, rightly or wrongly, people believe are the unreasonable exactions of the corporation railways. The resources of Canada are large enough to justify an enlightened policy with respect to railway and transportation problems in the west ; but the government would not be supported in the supplying such a policy to the west only. There must be a balancing of the railway favours to be distributed. It would be a grave political blunder to respond to the western cry—and it must be responded to—without seeing to it that the interests of the people of the east are not overlooked.

Mr. Blair protects maritime province ports.

From the purely Canadian, national point of view, the Intercolonial would then have advantages over any other railway in Canada. Its traffic would find an outlet during the summer months at Montreal and Quebec, and during the winter at Halifax and St. John, and there is good reason to believe that it would give the two Atlantic seaports (the Canadian Pacific also serving St. John), all the business they could conveniently handle for some time to come ; and, moreover, from the point of view of its paying prospects, the outlook is in the highest degree encouraging. At present there are 400 miles of good paying railway at the eastern end of the Intercolonial Railway. Extension to the Georgian Bay by way of the Canada Atlantic Railway, would give 300 or 400 miles of profitable railway at the western end, and, as has already been pointed out, these two ends together would be able to carry financially the less productive and intervening section and afford a substantial surplus towards paying interest on the capital outlay.

Speaking of the extension of the Intercolonial Railway, Mr. Blair touches a very tender point with Ontario people, but in this proposal Mr. Blair is looking after the interests of the east as well as of the west. Last year I pointed out that this transcontinental scheme was passing right over the heads of the manufacturing industries of Ontario, and that in order to properly solidify the east and the west, some other railroad policy should be adopted. It is not only the products of the west that we have to get to the sea-board, but we have also to supply a means of getting the manufactured products of the east into the west at cheap rates. The other day a long article appeared in the Toronto 'World,' showing that the manufacturers of the east were at such a disadvantage on account of high freight rates, that the people of the west could afford to pay 33 per cent duty on a great many articles, and bring them into Manitoba and the Northwest Territories by American roads, rather than pay the freight rates charged by Canadian roads. Speaking of building these railways with the wealth of the country, and handing them over to private corporations, Mr. Blair said :

Moreover, the system is not sound. Why should a few people be allowed to make themselves millionaires in such a way ? No one nowadays puts his money into the capital shares of a railway company at the inception of the undertaking. It has been done hitherto ; it is not done now, and why not ? Because with government assistance supplementing the sale of bonds the railroad can be built. And yet capital shares are issued by the million and appear later, when the enterprise becomes a success, in the hands of the purchasers who clamour for dividends upon them.

Mr. Blair summarizes his argument as follows :

The ideal policy, as it appears to the undersigned, for the government to adopt, so soon as it shall be deemed necessary to take up the subject to a third transcontinental railway, would be to insure, first, that the railway shall be wholly Canadian. That it shall not promote the carriage of our export products or our imports southerly by way of United States lines of railway ; but to and from the St. Lawrence in summer and the ports of Halifax and St. John in winter. That the Quebec bridge be utilized as a part of said line, and that the railway be pushed westerly from that point by degrees to the Peace river district, through the Rockies to the Pacific coast. In the meantime, it would be well to decline all assistance to railways to which government is not already committed, and propose to parliament that railway charters covering this territory be withheld.

In this document, Mr. Blair is advocating a policy of Canada for the Canadians, and a policy of a truly national railroad. He is advocating a policy by which our government railway would become a paying investment, by which there would be cheap transportation to and from the west, with countervailing advantages to manufacturers in the east, and securing beyond peradventure that the harbours of the St. Lawrence and the maritime provinces would be utilized for Canadian trade. Mr. Blair wants that there should be no mistake, that the harbours of the maritime provinces would be nationalized ; that the grain of the west shall reach them, and as he points out, that the only way to do that is to extend the Intercolonial Railway to the shores of the Georgian Bay. Then, the money earned on the government roads would be spent amongst our own people. Seventy per cent of the earnings of the railroad would go to operating expenses, and thirty per cent would be returned in the shape of dividends to the treasury of

Canada. But instead of that; under this scheme of the government, the grain of the west will be transferred over the Northern Pacific, passing out by way of Winnipeg across the International boundary at Emerson, and connecting with the Chicago and Grand Trunk. The earnings of the road will go to the people of the United States; the dividends will go to maintain United States railway corporations, and the Canadian people will be the sufferers. These are the views of the government's own man; these are the views of the ex-Minister of Railways, and judging from the high position in which the government has placed Mr. Blair, we must consider that he is their own man. They are also, Sir, the views of the leader of the opposition and his supporters in this House. Nor do the Conservatives, and Mr. Blair stand alone in this matter of government ownership. For years both in the United States and in England, they have been trying to get some control over these immense railway corporations. I quote from the Statesman's Year-book, 1898, these statistics regarding railways.

Country.	Private.	Public.
	Miles.	Miles.
Argentine Republic, 8,998 miles, not distinguished	.....	.....
Alsace-Loraine	1,078	981
Austria-Hungary	6,265	12,350
Baden, Germany	None.	1,034
Bavaria	573	3,335
Belgium	785	2,014
Brazil, State, Union, subvention	None.	13,489
Brunswick	None.	302
Bulgaria	None.	600
Cape of Good Hope	254	2,350
Ceylon	None.	297
Chili	829	1,675
Columbia	None.	670
Denmark	367	1,067
Dutch East Indies	300	993
Ecuador (declined private construction of projected line)	.....	58
Egypt	136	1,369
England (public ownership agitated)	21,277	None.
Finland	None.	1,185
France (private railroads revert to State)	21,000	1,700
German Empire	2,817	26,085
Greece (assisted by government)	591	None.
Guatemala (assisted by government)	150	None.
Honduras (government roads projected)	.....	.....
India, British	2,950	17,440
Italy, leased	2,900	5,231
Japan (contemplates purchase of)	1,873	631
Mexico	7,380	None.
Natal	None.	402
Netherlands	801	898
New South Wales	None.	2,639
New Zealand	167	2,018
Nicaragua	91	*
Norway	None.	1,020
Paraguay (guaranteed by government)	156	None.
Peru	124	800
Portugal	539	914
Queensland	None.	2,430
Roumania	None.	1,831
Russia (about 10,000 miles building)	None.	25,756
Servia	None.	354
South African Republic	None	1,000
South Australia	None.	1,868
Spain	7,627	None.
Sweden	3,862	2,283
Switzerland (acquired by government from companies, February 20, 1898)	.....	2,351
Tasmania	None.	475
Turkey (guaranteed by government)	2,542	None.
Venezuela (1,000 miles projected by government)	None.	406
Victoria	None.	3,122
Western Australia	391	970
Total mileage	87,834	146,813

* Government line in view.

Thus of all the railway mileage of the world 87,834 miles are privately owned, while 146,813 miles are owned by governments. This comparison, of course, excludes the United States.

We find, too, that out of the total number of countries considered, namely, 51, 42 have public railways, while but 29 have private railways. Twenty-one have public railways only, while but 9 countries rely upon private railways alone. Out of 51 countries 41 own their railways in whole or in part, and this calculation takes no account of the nearly habitual government subsidies by which private roads have been built, but which nevertheless retain their private character.

In nearly if not quite all of the privately owned railways it is found that the state has intervened by way of guaranty of dividends, interest, or cost of construction, recognizing thus the public character of the railway service.

From this statement we find that in European countries the extent of public- owned lines is very much greater than that of private-owned lines, and that in only one instance, that of Italy, have the people turned back to private operation; and even in Italy the state owns and operates. Since this statement was published France has acquired nearly all lines in that country. I do not want to weary this House with statistics. Information showing the operation of state owned lines in Europe can be readily had by honourable members on the other side of the House who will take the trouble to go into the library and look it up. There is a fund of information there on the subject, if not mountains. From a further study of the information which I have been able to glean from books and statistics on

railway management by government in comparison with private ownership, I find that about four-fifths of the stock and one-fifth of the bonds of American railways go fruitless every year, and have done so for the last eight years. It is well known that the bonding liabilities of the railroads considered as a whole, represent the actual cost value, element. I shall here give you authentic data relating to railway capitalizations, taken from Poor's Railway Manual:

1897—Miles operated, 181,133.

Capital stock	$5,453,782,046
Bonded debt	5,411,058,524
Gross earnings	1,133,546,666
Net earnings	338,170,195
Interest paid	231,046,819
Dividends paid	82,630,9?9

From the above statement we learn that in 1897 a total railway mileage of 181,133 miles was capitalized in about equal amounts of bonds and stocks aggregating $10,859,239,923. To show how largely fictitious and worthless the stock is, I take the following table from the reports of the Interstate Commerce Commission:

known to railway management in order to try and make dividends for this over capitalization. I am going to read just a few paragraphs—

Hon. WM. ROSS. Don't, don't.

Mr. LEFURGEY. The honourable gentleman does not want to hear it. Possibly he is like some of the others—he does not take an interest in this question. But our duty in this House is, I think, to present this matter as fairly and intelligently as we can, in order that the public may know that we are trying to serve their interest. If the honourable gentleman does not want to listen to it, he can leave the House. I wish to read the following from the report of the Interstate Commerce Commission:

We are satisfied from investigations conducted during the past year and referred to in another portion of this report, as well as from information which is perfectly convincing to a moral intent, that a large part of the business at the present time is transacted upon illegal rates. Indeed, so general has this rule become that in certain quarters the exaction of the published rate is the exception. From this

Per cent paid.	Stocks.	Per cent of total stocks.	Funded debt (exclusive of equipment trust obligations).	Per cent of total funded debt.
Nothing paid	$3,570,155,239	66·26	$852,402,622	15·82
From 1 to 2	142,496,300	2·65	176,996,988	3·28
" 2 to 3	118,096,361	2·19	162,789,940	3·02
" 3 to 4	96,348,397	1·79	673,945,852	12·51
" 4 to 5	385,381,689	7·15	1,766,290,104	32·77
" 5 to 6	409,788,699	7·60	928,046,512	17·22
" 6 to 7	198,603,262	3·69	562,732,833	10·44
" 7 to 8	244,736,724	4·54	229,716,648	4·26
" 8 to 9	127,852,050	2·37	27,762,500	0·51
" 9 to 10	6,698,055	0·13	5,014,300	0·09
10 and above	88,121,545	1·63	4,236,300	0·08
Total	$5,388,268,321	100·00	$5,389,934,599	100·00

From this statement we see that $3,500,000,000 of the five and a half billions of railway stock paid no dividends, while nearly a billion of the bonds received no interest, and that six hundred millions more of the stocks and bonds paid only a return of between one and three per cent. An equal proportion of the total railway capital has been thus barren during every year of the last ten. This fact means that there never has been behind this part of the capitalization a real earning capacity, that this capital is not commercially valuable. I give this to show that the watering of stocks and over-capitalization have not only placed securities in the hands of the people as investments, that are largely worthless, but have placed these corporations in the position of having to resort to discriminations, poolings and the other numerous evils

two things naturally and frequently result. First, gross discrimination between individuals and gross preferences between localities; and these discriminations and preferences are almost always in favour of the strong and against the weak. There is probably no one thing today which does so much to force out the small operator, and to build up those trusts and monopolies against which law and public opinion alike beat in vain, as discrimination in freight rates. Second, the business of railroad transportation is carried on to a very large extent in conceded violations of law. Men, who in every other respect are reputable citizens, are guilty of acts which, if the statute law of the land were enforced, would subject them to fine or imprisonment. This is true both of the traffic operator and the shipper. It is difficult to estimate the moral effect of such a condition of things upon a great section of the community, and almost impossible to believe that it can be allowed to continue without some attempt at reformation.

This condition the present law is powerless to control. If it is asked why the criminal remedies are not applied, the answer is that they have been, and without success. The most earnest efforts have been made by the commission and by prosecuting officers in various parts of the United States to punish infractions of this law. While some fines have been imposed, no substantial effect has been produced. It is plain to the commission that satisfactory results cannot be obtained from this course. The difficulties in the way of securing legal evidence necessary to a conviction are such as to be in most cases insurmountable.

These are the very conditions which will, at the end of fifty years, when this lease with the Grand Trunk Pacific will have expired, face the people of Canada. As I have already pointed out, we are now on the crest of the wave, and the opportunity now at hand may never occur again. It certainly will not for fifty years or one hundred years, if this deal of the government is consummated. In another section of this report of the Interstate Commission, I find the following :

We are of the opinion that to avoid the discriminations and grievous inequalities now existing, the government must ultimately, in some form or other, assume such measure of control over railroad rates and management as will restrict excessive competition and insure to all shippers, large and small, rich and poor, strong and weak, the same rights and privileges in everything pertaining to railway service.

Whoever will read the report of the special committee of the United States Senate, commonly called 'the Cullom committee', will be astounded at the magnitude and extent of railroad abuses brought to light by their investigation. Those unfamiliar with the facts made public at that time can hardly believe the outrages which were proven to exist and the manifold devices by which the most flagrant injustice was perpetrated. A single illustration will furnish a better reminder than extended comment. It appears from that report that the Standard Oil Company in one instance at least, boldly demanded from a certain railroad that its shipments should be carried for 10 cents a barrel ; that all other shippers should be charged 35 cents a barrel on the same article, and that 25 cents of the 35 paid by such other shippers should be handed over by the railroad to the Standard Oil Company; and the penalty threatened for non-compliance with this impudent extortion was the withdrawal of its entire business.

This is only one instance of what has been going on in the United States and England, under private ownership and control, for years past, and which will continue to go on. These are the conditions which we will have to face in this country. We will find a repetition here of what the Standard Oil Company has been doing in the United States for years. We will find these strong corporations oppressing the weak. We will find the weak and struggling man at their mercy. But what we require to do is to make Canada a country for free men. We are inviting thousands of people from other countries to come and settle on our fertile lands. Let us not then lose this opportunity of making this a country where every man will have a fair chance. Let us not lose this opportunity of crippling the power of private corporations and preventing our people from being subjected to the same conditions as those which have operated so detrimentally to the interests of our neighbours on the other side of the line. On the question of discrimination in rates, monopolies, favouritism and so forth, I could give quotations from the commission ad infinitum. The reports on railway nationalization and the reports of the Interstate Commerce Commission of both England and the United States are full of such data as I have already given to the House this evening. In the case of passenger traffic, the abuses are even greater. Let me read just a few words from Mr. Justice Harlan, who thus expressed himself in a case in the United States :

Taken in connection with other decisions defining the powers of the Interstate Commerce Commission, the present decision, it seems to me, goes far to make that commission a useless body for all practical purposes, and to defeat many of the important objects designed to be accomplished by the various enactments of Congress relating to interstate commerce. The commission was established to protect the public against the improper practices of transportation companies engaged in commerce among the several States. It has been left, it is true, with power to make reports and to issue protests. But it has been shorn, by judicial interpretation, of authority to do anything of an effective character. It is denied many of the powers which, in my judgment, were intended to be conferred upon it. Besides, the acts of Congress are now so construed as to place communities on the lines of Interstate Commerce at the mercy of competing railroad companies engaged in such commerce.

I quote this simply to show that although some hon. member opposite may get up and say that the government has control of the railways, that all the public facilities of this country are subordinate to the will of parliament, we have the fact staring us in the face that in spite of all the efforts of the people of the United States to control these corporations, in spite of the appointment of the Interstate Commission, in spite of the restrictions passed by Congress, it has been found impossible to make any headway against these immense corporations because they control, not only the transportation systems, but the governments and courts as well.

Let me give just a few statistics, showing the cost of administration.

Can we treat this question on a commercial basis ? The test of experience will show. Taking the countries having state and private owned lines side by side I get this comparative statement from a book on Railway Nationalization by Edward Clemens, published in 1898, showing the percentage of total working expenses expended on administration on the state and private lines respectively of different European countries :

Countries.	State Lines.	Companies' Lines.
	Per cent.	Per cent.
Germany	9·40	13·10
Austria-Hungary	6·50	8·47
Belgium	5·05	10·13
Denmark	6·89	5·77
France	16·16	9·56
Italy	6·49	8·76
Norway	7·30	7·00
Holland	5·30	10·35
Roumania	4·40	10·80
Russia	9·27	13·70

France alone shows a cost of state administration greater than private administration, but this is accounted for by the fact that at this time France had only the feeders while the companies held the main trunk lines. In all cases, however, where the conditions for comparison are parallel, the state lines will be seen to be more economically managed.

The following statement shows the comparative statement of working expenditure applied to the maintenance of way and traffic expenses respectively :

Countries.	Maintenance of Way.		Traffic Expenses.	
	State Lines.	Private Lines.	State Lines.	Private Lines.
	p. c.	p. c.	p. c.	p. c.
Germany	35·90	28·20	31·10	35·30
Austria-Hungary	38·12	30·21	29·03	32·54
Belgium	24·04	24·86	25·96	32·79
France	24·15	20·83	27·57	34·77
Italy	22·01	26·68	35·98	31·14
Holland	29·70	25·59	36·90	35·53
Roumania	38·10	29·20	22·70	28·40
Russia	40·40	31·03	11·83	21·34

From this we find that the cost of maintenance of way is generally higher on the state lines and secondly that the traffic expenses have a higher range on private companies' lines. The first proves beyond all doubt the condition in which the state keeps the permanent way and so is of general advantage to the public. I will give you a few statistics as regards a comparison of rates between some of the English lines and the Belgian lines covering the same distance :

—	British.	German.	Belgian.	Dutch.
Bar iron, &c.—				
Brettle Lane to Liverpool	11·0	8·8	6·8	8·3
Ironware—				
Birmingham to London { Packed	24·4	10·4 to 11·2	8·11	8·2
Unpacked	15·2	8·6	8·11	8·2
Cotton goods—				
Manchester to London	36·0	20·0 to 23·0	16·1	14·4
Cattle—				
Hull to Manchester	59·3	38·6	29·6	37·6

And these are government operated lines in comparison with the company operated lines.

Mr. ALEXANDER JOHNSTONE. Will my hon. friend (Mr. Lefurgey) permit me to ask him a question in connection with these rates ? I would like to ask if he has made a comparison with the American rates as well as the English and continental rates ?

Mr. LEFURGEY. As I told the hon. gentleman, if he wishes to get any information as to government controlled railways in comparison with others there is a fund of information—if not mountains of information—in the library. I have not found it necessary, nor do I think it fair to go into a comparison with American lines, which operate under entirely different conditions. I have given him statements showing the operation of government and company owned lines in the same country and under the same conditions. That is a fair comparison to make, but a

comparison of rates where the conditions are so different as those in European countries and the United States would be merely misleading. From the information I have gained in such study as I have been able to make of the comparison of the state owned lines of the continent with the English lines, I have found that the rates and charges on the state owned lines are much lower than the others. The cost of administering state owned lines is much less than that of adminstering lines privately owned in the same country. This fact is an answer to the contention that state administration is more costly than private administration. I have shown that preferential treatment of foreign trade, such as our roads are accused of giving, does not exist in countries where the roads are owned by the state. These are three important facts that I have found in my study of this question. And I can assure hon. members that I have only touched upon the fringe of information that is to be had in favour of government owned and government controlled lines. If hon. members wish to verify the statements of the ex-Minister of Railways and Canals, all they have to do is to go to the library, or go and consult that gentleman himself, and he will give them the information. This scheme of the government does not give us any of these advantages. On the contrary, in the first place, it practically ties the hands of the people from protecting themselves. The government enter into a partnership with this corporation, the government supplying from $150,000,000 to $170,000,000, while the corporation supplies, as Sir Charles Rivers-Wilson says, $14,500,000; yet the advantage and profit go to the company. Secondly, the additional conditions under the supplementary agreement remove every vestige of control—there is absolutely no provision to compel the Grand Trunk to ship freight originating along the new line to Canadian ports. And the hon. member for King's, P. E. I., (Mr. J. J. Hughes) went on to show us that this phase of the subject had been amply protected by clauses in the agreement. Now, the hon. gentleman had apparently not followed the debate of last year, when this point was frequently mentioned. We have the expression of two ministers of the Crown on these questions, and I will just read what they say. At page 9014 of 'Hansard' of 1903, the Minister of Justice (Mr. Fitzpatrick) is reported as follows:

> What is the use of talking? Can we shut our eyes to geography? Can we shut our eyes to facts? How much of the trade of Montreal has gone to Halifax? How much grain has gone from Montreal to Halifax or to St. John? How much of our food products have gone that way? Invariably they have gone to Portland or to Boston or to New York. As Portland is to the Grand Trunk Railway so Boston is going to be to the Canadian Pacific Railway.

In other words, the Minister of Justice pooh-poohs the idea of there being any possibility of our ports getting any share of this western traffic. And yet the hon. member for King's (Mr. J. J. Hughes) says we are protected on this point. And when sections 42 and 43 of the contract, which the hon. gentleman believes to protect the interests of the national ports of the Maritime Provinces were under consideration last year, the following discussion took place:

Mr. BORDEN (Halifax) The hon. Minister of Finance said that the reason why sections 42 and 43 were required was because the Grand Trunk Railway had a terminus at Portland, and might otherwise carry freight to that port. Where is there anything in sections 42 and 43 to prevent them doing so?

The MINISTER OF FINANCE. There is nothing to prevent them, but they must charge no higher rate for traffic to Canadian ports than they charge for traffic to American ports.

Mr. BORDEN (Halifax). And Portland being so much nearer than St. John or Halifax, they would necessarily carry it to Portland.

The MINISTER OF FINANCE.——

Trying to evade the issue——

—They might carry it to Portland if they were perfectly free; but under the present contract they are obliged to give the same rate to St. John or Halifax as to Portland.

Mr. BORDEN (Halifax). They will give the same rate, but it will be to their interest to carry it to Portland.

The MINISTER OF FINANCE.——

At last cornered——

—Undoubtedly they would make more money by carrying it to Portland, but we do not intend to permit them to carry it there.

Mr. BORDEN (Halifax). Where is the restriction to prevent them?

The MINISTER OF FINANCE.——

Gives in finally—

—By the fact that the Canadian rate is not greater than the American rate, and we will trust to the patriotism of the Canadian shipper that when the rate to a Canadian port is not greater than to an American port, he will ship by the Canadian port.

What an unbounded simplicity of faith the hon. gentleman has in the average Canadian shipper. He believes that the shipper will go down to the railway operators and say: I want to be a good Canadian and ship by the Canadian route; it does not make any difference to me if my goods are delayed ten days longer than they would be by another route. This is the protection the hon. Minister of Finance is relying upon to nationalize the ports of Halifax and St. John.

What will the shipper say when he goes to the Grand Trunk agent and asks him about shipping 50,000 bushels of grain? The agent will say: How do you want it shipped? The answer will be: I want it shipped in the most expeditious manner and at the lowest possible rate. The agent tells him: The rates are the same over the Grand Trunk system to Montreal and Quebec as by Portland. But which is the quickest route—supposing I have perish-

able goods ?—Oh, well, of course Portland is the quickest route. Now, Mr. Speaker, what do you suppose that man is going to do ? He is going to ship by the route that will give him the most satisfaction and the most satisfaction to his consignees. These commercial transactions are not governed by patriotic considerations. People do not carry on their business from that standpoint at all. The very fact that this thing can be done, the very fact that this is a soulless corporation, that it is earning money for watered capital, that it is earning money for its shareholders, will lead them to route the goods that will put the most money into their pockets, and that is by the Portland route, on which they have expended $25,000,000 or $30,000,000. The hon. member for King's, when he was speaking, conjured up figures to represent the cost of the Grand Trunk Pacific scheme. Although other hon. gentlemen admitted that it would cost, one $120,000,000, another, $80,000,000 ; another, $13,000,000 : he thought it would not cost $1. Now, I want you to know that this hon. gentleman has been a bank manager, and, of course, he can conjure with figures. He has been able to get the cost of this railroad down to $1, in fact he made the assertion later on that it would not cost one cent to the people of this country, because all this money would be paid back and there will be no liability. Does the hon. gentleman forget that we loaned to the Grand Trunk Railway $25,000,000 at confederation on which we have received no interest, and that the interest and principle now amount to $50,000,000? Can we expect any better results from the present scheme?

Now, in regard to this question of routing the traffic and making it impossible for the Grand Trunk Pacific to carry grain to other than our national ports, when this question was brought up last year, I think the Minister of Finance said that the contract was closed now, and that they could not put any additional clauses in it. But, Mr. Speaker, the contract has been opened up by this supplemental agreement, and has the hon. gentleman and his colleagues thought fit to protect the interests of the maritime provinces in this regard ? Will the members from the maritime provinces on the government side of the House get up and insist upon the maritime ports being protected beyond peradventure? Will the hon. gentleman from King's, P.E.I., or any of his colleagues will get up after I sit down and state that they believe the maritime ports are protected by this clause after what I have shown from the words of the Finance Minister, why will they not make assurance doubly sure and cause a stipulation to be put into the agreement that will compel this grain to be brought to our Atlantic ports ? Thirdly, this government has acted hastily and ill-advised—hastily in throwing a scheme like this into parliament as they did last year without due deliberation, without that deliberation which any body of men would give to a private undertaking that did not involve anything near as great a sum or on which so much depended as this. They acted ill-advisedly in that they did not heed the advice of the ex-Minister of Railways, but on the contrary excluded him from their council when they met in solemn conclave on this question, concealing from the people and from the other members of this House his opinion in favour of government ownership. Fourthly, they have secured no control of rates, no reciprocal trade facilities by this agreement. Fifthly, they are encouraging gambling in public utilities by allowing the greater part of this $25,000,000 of stock to be held and sold to the public while it represents no real value in the road. Sixthly, the liability undertaken will practically build the whole road, while the profitable parts of it become the property of a private corporation. Seventhly, it expends unprofitably the resources of the country, to the detriment of our natural shipping transportation routes and waterways. Eigthly, and the most dangerous feature of all, it throttles the will of the people by postponing government ownership for one hundred years.

Now, Mr. Speaker, I have spoken on this question from a sense of duty. I believe that I have been sent up here to represent the best interests of the people of Canada, and I realize that I shall have to go back to my own constituents and give an account of my stewardship in this House. I believe that in getting up on this occasion and in advocating, as I have done, government ownership of railways, and in asking the government to reconsider this scheme, I am simply doing what the people who have placed their confidence in me expect me to do. I say of this scheme, as I said of it last year, that this government cannot place their finger upon one great work that they have attemped or put into operation since they came into power. They are now endeavouring to erect a political tombstone for themselves, and I believe they will succeed in doing it.

Mr. T. I. THOMSON (North Grey). Mr. Speaker, the fact that the government have not a speaker to answer the arguments of my hon. friend from East Prince (Mr. Lefurgey), to my mind, indicates one of two things : either the government do not enjoy the hearty support of their followers in connection with this policy or else that they display a great deal of indifference in regard to this, the most important matter that has come before parliament for a great many years. I took the opportunity of speaking upon this question at the last session of parliament, and I promise you to-night that I shall be very brief indeed. During the interim it has been my

pleasure to talk with a great many people in the constituency which I have the honour to represent in this House, and on all hands I find the expression of opinion to be that if it is the duty of the government to construct another transcontinental railway it is their duty to own and operate that railway in the interests of the people. I submit that it is not our duty to construct another line of railway and give it to the Grand Trunk Pacific Railway Company to operate, control the rates and pocket the profits. The people of Canada have borne great burdens in order to bring about confederation. We constructed the Intercolonial Railway to bind the maritime provinces together, at the enormous cost of $70,000,000. That was one of the terms of confederation. In later years we gave large subsidies for the construction of the Canadian Pacific Railway to bind the western provinces together, and also to carry out the terms under which British Columbia came into the cofederation. This expenditure also has another aspect, and a most important one from the fact that our young people who were unable to get land for themselves in Ontario, were driven to the states of Kansas and Dakota instead of settling in our own western territory. By the granting of liberal subsidies to the Canadian Pacific Railway, we not only complied with the terms of confederation, but we also opened up the large western territory for settlement by our own people and those from other lands. To-day you can traverse Canada from the tide waters of the Pacific to the tide waters of the Atlantic and never touch American territory. When the right hon. Prime Minister (Sir Wilfrid Laurier) introduced his Bill at the last session of parliament, he stated that one of the most important reasons for the immediate completion of this work was the fear that the Americans would abrogate the bonding privilege. We have built a line of railway from tide water to tide water, we have the Intercolonial Railway to Quebec and Montreal, we have the Canadian Pacific Railway stretching from the Pacific to Montreal and Quebec, so that in case of the abrogation of the bonding privilege, we have the winter ports of Halifax and St. John and the summer ports of Quebec and Montreal, and at no time can this country be incapacitated on account of the abrogation of the bonding privilege. It would, to a certain extent, cause inconveniences, but I can assure you that the inconveniences would be greater for the American people than for the people of Canada. But, it does seem remarkable in the face of these immense sacrifices on the part of the people of Canada, that we should be asked at this late date and under very much different conditions to burden ourselves with an expenditure of $170,000,000 for another transcontinental railway and then make a present of it to the Grand Trunk Pacific Railway Company. The Canadian Pacific Railway has proved a great financial success. The company, since the construction of the road, has been paying interest on the bonds and for years it has been paying from 4 to 6 per cent on the common stock; in fact, it has achieved the greatest financial success that has ever been achieved in this country. If the Canadian Pacific Railway, which received a liberal amount of assistance from the people of Canada has been such a great financial success, more particularly as that road was built through a new country in which it had to build up its trade, I ask you is it not unreasonable that we should be asked at this late date under more favourable conditions to construct another transcontinental railway which must be a profitable enterprise, provided the proper route is taken and the proper methods adopted in its construction.

I am satisfied the farmers of Canada are weary of the continuous burdens that are being placed upon them for these purposes.

During the 18 years these gentlemen who now occupy the treasury benches, were in opposition, they expressed great solicitude for the farmers. Foremost within their ranks was the right hon. Minister of Trade and Commerce (Sir Richard Cartwright) whom I do not see in his place at the present time, but now his solicitude is for another class. We find him like Alexander the Great, weeping because he has no more relations—to place in the public service.

The promotion and construction of railways has been a great source of wealth to a few in this country, at the expense of the many. Having obtained a charter, the Dominion gives them a subsidy, the local governments also grants a subsidy. Then the municipalities through which the road passes give bonuses. From these sources they receive enough money to build the road. Next they mortgage or issue bonds for every dollar the road costs for construction. Every reasonable man would think they had realized enough to satisfy their craving for wealth, but, Sir, this is not so. They have another card to play. That is their issue of half or two-thirds of the whole cost of the railway in stock. Hence the railway is loaded up with debt of more than twice the cost of construction. Under these conditions the farmer cannot obtain any reduction in freight rates until this vast amount of watered stock is satisfied with a good dividend. It is no wonder that the farmers of Canada are dissatisfied with this government. They will be obliged to pay the greater portion of the bounties voted last session by parliament: $10,000,000 to the producers of steel, $2,500,000 to the producers of lead and $150,000 to the manufacturers of binder twine.

This parliament also voted 10½ million dollars in subsidies to railway projects in the older provinces, chiefly in Quebec and

in the maritime provinces. All this is in addition to the $170,000,000 for the proposed transcontinental railway, which is to be given to the Grand Trunk Railway Company.

Now, Mr. Speaker, I think that you realize the importance of these matters and the position that the farmer will likely assume in the next election when the government will regret that they have entered so hastily into a contract of this kind.

But, Sir, our liabilities do not end here. By this agreement with the Grand Trunk Pacific, we are to do all permanent improvements on the eastern portion of the road for the next fifty years, which railway experts declare will amount to a greater sum than the original cost of construction. I read in the agreement, section 16 :—

> In case, after completion of the said eastern division and the taking possession thereof by the company under the lease thereof, hereinafter referred to, or at any time thereafter during the continuance of the said lease, the government shall deem it necessary to expend any sums of money for the improvement of the said eastern division, the replacement of structures by others more modern, or otherwise upon capital account for betterments, and not being 'working expenses'.

Hence the government agrees to do all the betterments on the eastern division extending over 1,900 miles, for the next fifty years, and as I have said, railway experts declare that the cost of betterments or improvements of a permanent character made in the road during the first fifteen years after its construction, is equivalent to the cost of the original construction. This will be clearly understood when we see the great change that has taken place in railroad conditions during the last few years. To-day you have cars carrying 60,000 pounds and 80,000 pounds as against cars carrying 10,000 pounds a few years ago ; you have large locomotives ; where formerly you had fifty or sixty pound rails to-day you have ninety pounds or one hundred pound rails ; and Sir, after you have made all these changes in your rolling stock and roadbed you will find that your bridges will not carry your heavy cars and your mogul engines, and you will have to reconstruct them and build them anew. Hence, the rail road has to be practically reconstructed in fifteen years, and hon. gentlemen will at once see that the opinion of the railway experts in this connection is perfectly correct and reliable.

Now Mr. Speaker, as the representative of North Grey, I would ask : what advantage will the construction of this road be to my constituents ?

It will place an indebtness on the riding of North Grey $800,000 of $100,000 on each township, or $125 on every hundred acre farm. On the other hand, if this proposed railway can haul grain, flour, &c., at the rate given by the member for North Norfolk (Mr. Charlton) who spoke as the government critic last year, it will injure the commerce of the great port of Owen Sound, of the port of Meaford and all other ports on the Georgian Bay. The vast traffic which passes through these ports to-day will pass to and from the seaboard 300 miles to the north. The 600 longshoremen of Owen Sound will no longer be required, and all the interests which are connected with the great shipping industry of Owen Sound will be a thing of the past. In like manner, the prosperity and growth of the town being blighted, the whole country tributary to Owen Sound and to Meaford will no longer have the remunerative market it has to-day. And on the other hand if this eastern division should not prove a success, but a loss, the people of North Grey will have to pay the $800,000 just the same. No matter how I view the scheme it is bound to be detrimental to the best interests of North Grey.

It is remarkable to what an extent the members of the government differ as to the cost of this road. The ex-Minister of Railways (Mr. Blair) places the cost to the people for the construction of this road at $129,000,000, but this was before the Grand Trunk Pacific secured the changes in the agreement. Some of the government supporters place the cost at $80,000,000 or $100,000,000. The statement of the Prime Minister, however, is the most remarkable of all, coming as it does from the leader of the government. I quote his words from 'Hansard,' 1903, page 7691.

> The sum total of the money to be paid by the governement for the construction of this line of railway from Moncton to the Pacific Ocean will be in the neighbourhood of 12 or 13 million dollars and not a cent more.

Mr. Speaker, when the right hon. gentleman made this statement, I observed a smile on the faces of the opposition members, and I asked the reason. They replied 'Oh, you are a new member, and you don't know the Prime Minister,' and the thought occurred to me that while the members of the opposition might know the Prime Minister, the people in the country did not. It would appear, if we are to judge by the right hon. gentleman's statement as to the cost of this line of railway, that his judgment in matters of this kind is very unreliable. The vagueness and the indefiniteness of the figures of the Prime Minister, remind us of the story of the school inspector who was examining a class in arithmetic. He put this question : supposing I were to loan your father $100 at 5 per cent interest, and he were to pay me back $50 with interest at the end of six months ; how much would he still owe me ? The boy answered: He would still owe you $100 and the interest; No you stupid child, said

the inspector, you know that I mentioned in the sum that your father had paid me back $50 with interest at the end of six months. Oh, said the boy, that's in the sum, but you don't know father. Well, Mr. Speaker, the people of the country don't know the Prime Minister. I prefer to take the estimate as given by the leader of the opposition as to the cost of construction of this railway and I quote from revised 'Hansard' (1904) page 728. I ask the permission of the House to hand it into 'Hansard' without wearying hon. gentlemen by reading at at length. The hon. the leader of the opposition says :—

My estimate is as follows :—	
Construction of railway from Moncton to Winnipeg, 1,875 miles, at moderate estimate of $40,000 per mile	$ 75,000,000
Assuming completion in 8 years, there will be an average of at least 4 years for simple interest at 3 per cent during construction, or $2,250,000 per year for four years..	9,000,000
	$84,000,000

The above estimate assumes that the money can be borrowed on 3 per cent securities at par—but if securities are placed at 90 (and the Finance Minister has admitted that they will not bring par) the result would be :

To provide $75,000,000 at 90 per cent as cost of 1,875 miles..	$ 83,333,334
Four years simple interest during construction, at 3 per cent, $2,500,000 per year for 4 years..	10,000.000
	$92,333,334
Assuming the cost of the railway to completion to be..	$84,000,000
We must add seven years' interest (not compounded) after completion, during which the Grand Trunk Pacific is to pay no rent..	17,640,000
	$101,640,000
Interest on this sum for three years additional, during which no rent is collectable, unless earnings are sufficient (not compounded)	9,147,600
	$110,787,600
But, as above stated, if the securities are placed at 90, instead of at par the cost of the railway will be....	$ 93,333,334
Seven years' interest after completion (not compounded)..	19,600,000
	$112,933,334
Interest on this sum for three years additional, during which no rent is collectable (not compounded).. ..	10,164,000
	$123,097,334

QUEBEC BRIDGE.

(Hansard 14526, sec. 6.)

Bonds to be guaranteed by the government, to be issued monthly, as work proceeds, and bridge to be completed 1st December, 1906.. ..	$ 6,678,200
Eighteen months' interest at 3 per cent for half of the period between December, 1903, and December, 1906, during which the work will be in progress..	$ 300,519
	$ 6,978,719

Thus we have the cost of the eastern division, including the Quebec Bridge, as follows :—

If securities bearing three per cent interest are sold at par, then our liabilities in respect of the railway from Moncton to Winnipeg will be..	$110,787,600
Our liabilities in respect of the Quebec bridge will be..	6,978,719
	$117,766,319
If our securities bearing three per cent interest are sold at not more than 90, after payment of commission and charges, then our liabilities on railway from Moncton to Winnipeg will be..	$123,097,334
Quebec bridge..	6,978,719
	$130,076,053

This does not include any interest on the twenty half-yearly payments of interest which the government will be obliged to make during the period of ten years in which the Grand Trunk Pacific will pay no rental.

And it does not include $18,850,000 estimated by Mr. Blair as our loss during forty years in which we shall receive from the Grand Trunk Pacific three per cent, while we shall probably be paying at least three and one-half per cent on the money borrowed for the purpose of constructing the road.

But the engagements of the country do not stop there. To the sum total for the eastern division and the bridge, whether we take the figures at $117,000,000 or $130,000,000, must be added the obligations to which the country is committed for the prairie and mountain sections.

For the 1,000 miles of prairie section, the country will guarantee three per cent to the extent of $13,000 per mile. For 1,000 miles, this would amount to $13,000,000.

For the 500 miles of mountain section, we guarantee three per cent bonds sufficient to provide seventy-five per cent of the whole cost, including interest during construction, and any discount on the sale of the bonds.

The president of the Grand Trunk Railway Company puts the actual cost of the whole at $50,000 per mile.

500 miles at $50,000 per mile..	$ 25,000,000
Interest at 3 per cent for four years, being on the whole amount for one half the period of construction.. ..	3,000,000
	$ 28,000,000
Seventy-five per cent of the above to be guaranteed by the government for the construction of mountain section..	$ 21,000,000
And the government agrees to pay the interest on bonds so guaranteed for seven years, that is to say $360,000 per year for 7 years..	4,410,000
	$ 25,410,000
But if bonds sold at 90 per cent, then to provide above $28,000,000 there would be required..	$ 31,000,000

Seventy-five per cent of above to be guaranteed by the government for the construction of mountain section..	$ 23,250,000
And the government agrees to pay the interest on bonds so guaranteed for seven years, that is to say $697,500 per year for seven years..	4,882,500
	$ 28 132,500

SUMMARY OF OBLIGATIONS.

	If 3 p.c. bonds are sold at par.	If 3 p.c. bonds are sold at 90 p.c.
Eastern division and Quebec bridge..	$117,750,000	or $130,000,000
Prairie section..	13,000,000	or 13,000,000
Mountain section	25,000,000	or 28,000,000
	$155,750,000	or $171,000,000

Thus if three per cent bonds are sold at par, the eastern division and Quebec bridge would cost $117,750,000 ; the prairie section would cost $13,000,000 ; the mountain section would cost $25,000,000 ; total $155,750,000. If three per cent bonds are sold at 90 ; the eastern division and Quebec bridge will cost $130,000,000 ; the prairie section will cost $13,000,000, and the mountain section $28,000,000, making a total of $171,000,000.

The leader of the opposition as will be seen figures out the cost of the road at $170,000,000. Let me place on record what $170,000,000 means. One hundred and seventy million dollars in gold will weigh no less than 708,333 pounds or 354 tons. It would require a train of thirty-six cars of ten tons to haul this amount of gold. The train would be a half mile in length. In dollar bills it will extend 18,400 miles. It is equal to $6 per foot for every foot of railway. Imagine thirty-six cars of ten tons each loaded with gold a present from the people of Canada to the Grand Trunk Railway Company.

Mr. Speaker, while we have to incur this vast expenditure, we have the statement of Sir Rivers-Wilson at the meeting of the Grand Trunk shareholders in London on March 8, 1904, that they forced the Canadian government into a partnership in which they put up $15,000,000 as their portion. This is what he said :

If you have followed the figures which I have just mentioned, you will find that the result shows an amount of principal bonds guaranteed in respect of both sections of £2,968,000, and of annual interest of £118,720, but even this interest liability, comparatively small as it is, need not accrue until the expiration of eight years—the period allowed for construction—the interest on cost during construction being provided for out of capital. This, then, constitutes the responsibility of the Grand Trunk Company, and I hope this statement will allay the apprehensions, which have been already expressed by a few critics, who may not have sufficiently studied or accurately understood the provisions of the agreements. (Hear, hear.)

This is a partnership in which Canada puts up 170 millions of dollars, the Grand Trunk 15 millions, and the Grand Trunk people own the road, control the rates and take the profits. I do not believe the country is in favour of such a partnership. The policy of the opposition is to extend the Intercolonial Railway to the Pacific coast. It will cost us 50 millions of dollars less than the proposed agreement. We will own the road, control the rates and operate it in the best interests of the people of Canada. This to my mind is a policy that will meet with the approval of the people of this country.

The member for South Essex (Mr .Cowan) quoted from a speech delivered by Sir John A. Macdonald 34 years ago declaring that government ownership was inconvenient. The member for South Essex, like Rip Van Winkle, has been sleeping for the past 34 years ; he has not taken stock of the great change in the opinions of public men of late years as regards public ownership. Why, Sir, to-day municipal corporations, towns and cities, not only in Canada, but also in Europe, are operating these public franchises instead of letting them pass into private hands. The city of Glasgow has shown what may be done in the interest of the people in this respect. Why, Sir, the town of Owen Sound, in which I live, owns and operates to the advantage of the people their water system, the electric light, the gas light system, and have refused to allow the street car franchise to pass out of their hands. In France, Australia and other countries we find state-owned railways, owned and controlled by the people to their own advantage. This is an age of progress, and the public demand the control of these franchises as far as possible. The day is not far distant when the Canadian people will demand the control of all the railways in this country, as they to-day have control of our canals and waterways.

Mr. Speaker, I question the right of this government to commit the country to this scheme until it has received the endorsation of the people. In the elections of 1900 no mention was made of such an undertaking, and where the people have had an opportunity of passing judgment since the scheme was proposed in parliament, they have voted against the government. I ask you, is it reasonable that a country where the whole annual revenue derived from customs and excise amounts to $49,000,000, should be committed to an expenditure of $170,000,000 without the people being first consulted ?

The present government have certainly a very checkered record in this respect. The contract for the Yukon Railway, which involved the giving away of four million acres of the richest gold lands in the world, was signed a few weeks before parliament met. The people's representatives were not even consulted before the deal was consummated.

A few years later this same government refused to send Canadian troops to South Africa because parliament had made no provisions for doing so. It would appear that this government is moved more by expediency than by precedent or sound constitutional principles.

Mr. Speaker, I will vote against the Grand Trunk Pacific Bill because I believe it is detrimental to the best interests of my constituents and also to Canada. I am opposed to burdening the people with an indebtedness of $170,000,000 for the benefit of the Grand Trunk Pacific Company. If another transcontinental railway is necessary, I am in favour of extending the Intercolonial Railway, which we built and own, from Montreal to Port Simpson, and of controlling and operating it to the best interests of the people of Canada.

Mr. SAMUEL BARKER moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Mr. Fielding, House adjourned at 11.20 p.m.

HOUSE OF COMMONS.

WEDNESDAY, April 20, 1904.

The SPEAKER took the Chair at Three o'clock.

FIRST READINGS.

Bill (No. 70) respecting the Canadian Pacific Railway Company.—Mr. Douglas.

Bill (No. 71) respecting the Ottawa, Brockville and St. Lawrence Railway Company.—Mr. Logan.

QUESTIONS.

WEIGHING OF BUTTER AND CHEESE.

Mr. POPE—by Mr. Taylor—asked :

1. Was there a commission appointed to investigate the weighing of butter and cheese ?
2. If so, when was this commission appointed, and what was the name of the person or persons who constituted the commission ?
3. At what places, if any, did the said commission hold sittings ?
4. Did they take evidence, and were reporters and newspaper representatives admitted ?
5. Has the commission reported ? If not, why not ?
6. At whose request was the commission appointed ?

Rt. Hon. Sir RICHARD CARTWRIGHT (Minister of Trade and Commerce) :

1. Yes.
2. The commission was dated the 7th December, 1901. Mr. W. G. Parmelee, Deputy Minister of Trade and Commerce, was the person appointed.

Mr. THOMSON

3. Sittings were held at Montreal, St. Hyacinthe, Victoriaville, Brockville and Cowansville.
4. Evidence was taken. Reporters and newspaper representatives were present during the sittings at Montreal. None appeared at any of the other sittings.
5. Yes.
6. The commission was appointed in consequence of numerous complaints having reached the government in re the weighing of butter and cheese.

PUBLIC ACCOUNTS COMMITTEE.

Mr. R. L. BORDEN (Halifax). Before the Orders of the Day are called, I would like to bring to the attention of the government the desirability of having an early meeting of the Committee on Public Accounts.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I shall call the attention of the chairman to the matter.

GRAND TRUNK PACIFIC RAILWAY—CORRESPONDENCE.

Mr. R. L. BORDEN (Halifax). Before the Orders of the Day are called, I would like to ask the government whether there is or is not any correspondence between the government and either the Grand Trunk Railway Company or the Grand Trunk Pacific Railway Company relating to the Transcontinental Railway project, which has not yet been brought down, and also whether there are any papers or documents relating to that project or negotiations with these companies, or either of them, which have not yet been brought down ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). As to correspondence with either the Grand Trunk Pacific or Grand Trunk Railway Company, I have to inform my hon. friend (Mr. R. L. Borden) that there is no correspondence—everything has been brought down.

GRAND TRUNK PACIFIC RAILWAY.

House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier, That Mr. Speaker do now leave the Chair, for the House to go into committee to consider a certain resolution concerning the ratification of the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the 8th day of March, 1904; and the proposed motion of Mr. Borden (Halifax) in amendment thereto.

Mr. SAMUEL BARKER (Hamilton). Mr. Speaker, before I enter upon the discussion of the resolutions, I desire to say a few words in answer to the criticism of the hon. member for Haldimand (Mr. A. T. Thompson), in which he treated so severely the financial statement of the leader of the opposition. The hon. member for Haldimand (Mr. A. T. Thompson) was so positive about his figures, so sure and so certain of the sub-

ject with which he was dealing, and his remarks were received with so much applause not only by the hon. gentlemen on the treasury benches, but by every gentleman sitting behind them, that they are certainly worthy of some comment from this side of the House. The hon. member (Mr. Thompson) seemed to have either overlooked or not fully understood the object of the hon. leader of the opposition (Mr. R. L. Borden) in presenting a statement of the whole obligation of the country in connection with this transcontinental scheme. That object, as I understand it, was to show the whole amount of obligation incurred by the country whether in direct payments or in the shape of guarantees, to contrast the whole sum of these obligations with the comparatively small amount of those undertaken by the Grand Trunk Railway Company, and thus to demonstrate to the people of Canada that having regard to this disproportion in responsibility and the very small sum undertaken by the Grand Trunk Railway Company, it would be a wise thing for the country to assume the whole and own the property. I wish first of all to deal with the item of $15,250,000 which the member for Haldimand struck off from the estimate of the hon. the leader of the opposition (Mr. R. L. Borden) and which had been included by the leader of the opposition as representing what he estimated to be the loss on the sale of 50 year bonds at 3 per cent payable half yearly. He evidently assumed that these three per cent bonds were going to bring their par value and that therefore the discount charged by the leader of the opposition ought to be deducted from the total amount of the obligation. As to the question whether 3 per cent bonds would realize par, let me read the correspondence with the Grand Trunk Railway Company brought down by the government. We find there among the statements laid before the government by the Grand Trunk, these words :

> Inasmuch as bonds issued by the company bearing 3 per cent interest and guaranteed by the government will not realize par——

The hon. gentleman (Mr. A. T. Thompson) assumes that they will realize par. Let me also refer to some remarks of his leader (Sir Wilfrid Laurier), the right hon. the first minister (Sir Wilfrid Laurier) in his speech as reported at page 721 of 'Hansard' used these words :

> It is notorious that even with the endorsation of the Canadian government, whose credit is as high as that of any government in the world to-day, these bonds could not be sold except at a heavy discount, and the government therefore has undertaken to implement the difference which may exist between the price realized by the bonds and their face value. How this is to be done we are not prepared to say at the moment.

I think these two quotations pretty well dispose of the easy manner in which the hon. member for Haldimand (Mr. A. T. Thompson), struck off that trifle of $15,250,000. But, Sir, in order to see how far the position taken by the hon. leader of the opposition (Mr. R. L. Borden) was reasonable, I have caused a calculation to be made of the difference between the par value of 3 per cent bonds and the value of these bonds purchased to pay 4 per cent on the price. I have done this because when Sir Charles Rivers-Wilson, president of the Grand Trunk Railway Company, was laying before his shareholders the cost to them of their guarantee, he computed that at 4 per cent. I have great respect for the hon. member for Haldimand (Mr. A. T. Thompson) and for his knowledge of finance and of what securities of this character are likely to bring in England. But I really do think more of the judgment in that respect of the president of the Grand Trunk Railway Company. That gentleman had by his side his vice-president, a very prominent member of the Stock Exchange of London, than whom there is no man in England more capable to judge of such a question. He had also by his side eminent London bankers, his fellow directors, and in laying before the Grand Trunk shareholders the obligations they were undertaking, desirous as Sir Charles Rivers-Wilson was, to place the most favourable aspect of the case before them, he had to admit that he would have to allow 4 per cent upon the par of the bonds to be assumed by the Grand Trunk. To ascertain the comparative value of 3 per cent bonds under these circumstances, I have had a calculation made, and I find that allowing for a return of 4 per cent on the investment, the value of the 3 per cent bond, payable half yearly, is 79·16. If you compute the 4 per cent interest half-yearly the value is 78·45. Taking it at round figures the value would be 80 and surely when the hon. the leader of the opposition (Mr. R. L. Borden) allowed 90 for these bonds he was doing a reasonable thing, and his computation was made on a basis of 90. The first deduction of the hon. member for Haldimand (Mr. A. T. Thompson) was made on this item, and I leave it to the House and to the country to judge whether he is right in his opinion or whether we should accept the opinions of Sir Charles Rivers-Wilson, the declared declaration of the right hon. the first Minister (Sir Wilfrid Laurier) and the result of an actuarial computation. What was the position in that respect of the hon. the leader of the opposition (Mr. R. L. Borden) ? He candidly and frankly stated to the House that if the bonds did sell at par, the whole cost to the country would be $155,000,000. He put before the House the alternative of a cost of $155,000,000 if the bonds sold at par and of $171,000,000 if they sold at a discount of 90.

The next point made by the hon. member for Haldimand (Mr. A. T. Thompson) was in regard to the cost of the mountain sec-

tion, $25,000,000; this he strikes off. I believe this idea was suggested by the happy thought of the Minister of the Interior (Mr. Sifton), who argued: Oh, the property is all right, it will pay; what matters what you guarantee, it is a guarantee only. The hon. member for Haldimand (Mr. A. T. Thompson) said it was like a man endorsing a note of a millionaire and so, apparently, that it made no difference whether you guarantee or not. When these gentlemen come to talk about the guarantee by the Grand Trunk Railway Company, it is all right for them to talk of the obligation thereby assumed by that company. It is all right on one side but very absurd on the other. So the hon. gentleman (Mr. A. T. Thompson) strikes off with a dash of his pen $25,000,000. The most extraordinary thing about it is that the $25,000,000 was divided by the leader of the opposition (Mr. R. L. Borden) into two portions 75 per cent and 25 per cent, the country undertaking the obligation of 18¾ millions, and the Grand Trunk taking an obligation of 6¼ millions. But the hon. gentleman (Mr. A. T. Thompson) strikes off the whole 25 millions from the calculation of the hon. leader of the opposition (Mr. R. L. Borden).

Now, the hon. gentleman for Haldimand was very profuse in his remarks about blunders of my hon. friend the leader of the opposition. He said they were egregious blunders and he made some severe remarks. He was very sarcastic at times. He said that my hon. friend the leader of the opposition had shown that he was not capable of considering or discussing large financial transactions. The hon. member for Haldimand apparently is not, because at the very first step he takes he makes a slip of $6,250,000. He could not make that sort of an error about the prairie section because there is a maximum amount, but he does strike off the whole of the $13,000,000 the country is to guarantee on that section. Again I say that the Grand Trunk get full credit for every dollar they guarantee, as to them it is an obligation assumed, not so as to the country. And they are going to do pretty well from that guarantee in addition. They are going to get $45,000,000 of stock as compensation for their guarantee. What is the country going to get? The country is going to guarantee all this money without a dollar of compensation in the way of stock; yet it is not to be treated as an obligation, according to the hon. gentleman. The next item is $15,739,000 which the hon. gentleman strikes off as an over-estimate by my hon. friend the leader of the opposition of the cost of the eastern division. The hon. gentleman goes into figures. He satisfies himself that $31,000 a mile will be a fair average cost for the eastern division. We have had wonderful reports of surveys. According to the hon. Minister of the Interior (Mr. Sifton) we have full and complete returns of the survey of the eastern division from Winnipeg to the boundary line between Ontario and Quebec. I will deal with that presently when I come to make some remarks in regard to the hon. gentleman's speech. But the hon. member for Haldimand knows exactly what the eastern division is going to cost—some $31,000 per mile instead of $40,000—and he strikes off the estimate of my hon. friend the leader of the opposition, $15,739,000. I would like to test the opinion of these hon. gentlemen in this way. Last session these hon. gentlemen were sure the mountain section of the western division would cost only $40,000 per mile. They had the opinion of the railway expert of the other side of the House, an hon. gentleman, who, I am sorry to say is not here, having been away all session through illness, the hon. member for North Norfolk (Mr. Charlton). That hon. gentleman was quite confident that $40,000 a mile was more than ample to construct the mountain section. Well, we have now the opinion of some experts who are highly eulogized by these hon. gentlemen. We have the opinion of Sir Rivers-Wilson who has beside him the expert, Mr. Hays. Mr. Hays has had before him for months all the old surveys of the Canadian government, the original surveys of Sir Sandford Fleming. They have more information about that mountain section than about any other portion of the whole system and after months and months of consideration these gentlemen say that the mountain section is going to cost what? —$50,000 a mile plus the interest during construction. One hon. gentleman, when these figures were quoted, spoke of a fake report. I do not know that is is very material what that hon. gentleman said about the report, but I would like to quote from the 'Railway News,' the chief railway newspaper published in England. This paper has given the only full account of the proceedings of the Grand Trunk meeting. We will find there what Sir Rivers-Wilson says about the cost of the mountain section. He says:

> Assuming again the cost of building of 500 miles on the mountain section to be $50,000 a mile——

This is repeating his previous statement on the subject.

> —or $25,000,000, that is to say, £5,000,000 in all, the one-fourth amount of bonds to be guaranteed by the company will be £1,250,000, or, adding interest during construction, say £150,000, a total of £1,400,000 carrying interest at the rate of £56,000 a year.

There, the president of the Grand Trunk Railway Company adds to the $50,000 a mile three years' interest at 4 per cent as the interest during construction, making his estimate of the cost of the moun-

tain section $56,000 a mile, instead of the $40,000 so easily settled upon last year by hon. gentlemen opposite. If the hon. member for Haldimand is as far out about the eastern division as the hon. member for North Norfolk was last year about the mountain division, no great reliance can be placed upon his estimate. There is a difference of 40 per cent. If you add 40 per cent to the $31,000 a mile that the hon. gentleman bases his calculation upon, you will find that the eastern division will cost about $43,000 a mile, a higher cost for that division than was assumed by the leader of the opposition. So, I think, there is not much room for the hon. gentleman to use his little knife to whittle down these figures to what he said were comfortable figures. Next, the hon. gentleman strikes off $3,304,000 for interest upon that over-charge upon the eastern division. I am quite prepared to admit that is the only thing I have been able to agree with him in, because, if you strike off $15,000,000 as excessive you must strike off the interest, but on the other hand if you leave in the $15,000,000 you must leave in the $3,000,000. The next item is a peculiar one. It relates to the Quebec bridge. The hon. gentleman said that my hon. friend the leader of the opposition should have taken from his estimate $4,978,200. He says that the hon. Minister of Finance (Mr. Fielding) put the amount to be charged to the construction of this railway by reason of the added subsidy given to the Quebec bridge at about $2,000,000 and apparently he bases upon that the reduction of the $6,978,000 by $4,978,000. Let us see exactly what the arrangement was. The agreement with the Quebec Bridge Company is set forth in chap. 54 of the statutes of last session, vol. 1. The hon. gentleman did not take the trouble to look at the agreement or he would not have deducted that $4,978,000. I quite admit, that, perhaps, the statement of $6,978,000, as given by my hon. friend the leader of the opposition, might well have been reduced by the $1,000,000 I am now about to refer to. The agreement recites this :

> And whereas the government has granted a subsidy towards the construction of the said bridge to the amount not exceeding one million dollars ($1,000,000), and has paid to the company on account of the said subsidy the sum of three hundred and seventy-four thousand three hundred and fifty-three dollars ($374,353).

That was the position when this agreement was made. Under the old arrangement the country was pledged to the payment of $1,000,000, of which it had only advanced $374,353. Under this agreement the balance of that million is released. Here is the recital :

> And whereas the amount necessary to complete the said bridge and the said lines of railway and to provide the necessary terminal and other facilities as well as to pay off the aforesaid amount of the present indebtedness of the company is estimated at the sum of $6,866,882.

* * * * * * * * * *

> The company releases and foregoes any claim which it may have upon the government for any balance now remaining unpaid of the said subsidy of $1,000,000 so granted by the government as aforesaid . . . The company shall be at liberty to issue such bonds, debentures or other securities as hereinafter provided to an amount not exceeding $6,678,200.
>
> When and so soon as the company shall have completed all the arrangements mentioned in the two preceding clauses, and the proceeds of the said issue of $200,000 stock shall have been paid in full to the company, the company shall be at liberty to issue such bonds, debentures or other securities as hereinafter provided to an amount not exceeding $6,678,200.
>
> The said bonds, debentures or other securities shall be issued by the company upon the credit of the company and upon the security of its undertaking and property, and upon the franchises, tolls, rents and revenue thereof, and shall form the first charge upon the same, and shall be secured by a mortgage thereon, as hereinafter provided. They shall be issued payable in fifty years from the date thereof, and shall bear interest at the rate of three per cent per annum, payable half yearly, and shall be issued as hereinafter provided.

You will notice the rather remarkable correspondence between the terms of this guarantee for this bridge, and the terms of the guarantee on the other portions of the railway contract.

> The government shall guarantee the payment of the principal and the interest of the bonds, debentures and other securities to an amount not exceeding $6,678,200.

And then there follows a provision for paying interest on that money during the construction of the bridge. That, altogether, came to the amount that the leader of the opposition charged in connection with this transcontinental scheme, and the only question is, whether the hon. leader of the opposition should have taken off $1,000,000, leaving nearly $6,000,000 to be charged up to this company, instead of $2,000,000 as the hon. gentleman (Mr. Thompson) put it.

Well, Sir, the next point made by the hon. member for Haldiman (Mr. Thompson) is a perfect gem in the way of criticism. He strikes of $9,147,600, because he says the eastern division may earn it, but if it is not earned it is to be capitalized, and therefore it is not to be charged. His words were :

> It is added in the cost of the road.

And therefore the government paying money as part of the cost of the road, it is not part of the cost of the road according to the hon. gentleman. Why, it is as much a part of the cost of the road as any other dollar put in the construction, and yet the hon. gentleman (Mr. Thompson) strikes it off. That is a most brilliant effort on his part, and if he had only gone a little further in that way he could have wiped off the whole cost of the road. As

to another matter dealt with by the hon. gentleman (Mr. Thompson) I feel that I can speak even with a little more confidence, because this time the member for Haldimand is running up against two hon. gentlemen; he is criticising not only the leader of the opposition, but the hon. Mr. Blair, and of course, as these two gentlemen do not know much about finance, the criticism of the hon. member for Haldimand is expected to go. Mr. Blair pointed out that such were the terms of the lease proposed by the government, that in addition to all other charges incurred by the government, the government was bound to lose $18,000,000 through the arrangement that they had made for the financing of the rent of the Grand Trunk Railway Company during the period of 40 years. It is so plain that a school boy can understand it. The hon. gentleman (Mr. Thompson) says: Oh! the leader of the opposition is cutting off at both ends; why, he took off the discount on the bonds and now he is charging the $18,000,000 on the interest. The hon. gentleman (Mr. Thompson) seems to think that one loss compensates another. The beauty of it is, that the hon. gentleman (Mr. Thompson) struck off the discount too, and then he strikes off the $18,000,000. The position taken by the leader of the opposition as to that $18,000,000, is a perfectly simple and reasonable one, and I am surprised that the hon. gentleman from Haldimand should not have seen it at once. The discount on the bonds after the first ten years of the lease the rent begins to become payable, the government is in this position, it has issued bonds bearing three per cent; it has to meet the interest on these bonds every six months; the government cannot afford to have any doubt on the market about its paying to the hour; it must be ready every six months with its gale of interest. The Grand Trunk does not pay its rent until the end of the year; the government, on the 1st of July let us say, has to provide something like $1,690,000 to meet the half yearly payment on the interest of the bonds. At the end of the year the Grand Trunk returns precisely that sum, but the government has been carrying that temporary loan for six months and the Grand Trunk does not pay cost of it. Under this most extraordinary arrangement which probably the Minister of Finance has devised, the government, every six months for forty years, has got to raise $1,690,000 in the bank, in advance of the rent, and that is a loss of money. You cannot raise temporary loans of that kind without paying interest, and the sum of your loss is said to be $18,000,000 in the forty years. I have not myself calculated the loss. But the hon. gentleman, (Mr. Thompson) says: you are cutting us at both ends.

I observed that the first minister was in an ecstasy of delight at the wonderful way in which the hon. member for Haldimand had brought down the estimate of the cost to what he called comfortable figures. He got his cue from the Minister of the Interior. The Minister of the Interior thought that it did not matter; that it did not matter in the least how much we guaranteed, that they were only giving a little confidence to weak-kneed shareholders in England. But the hon. member for Haldimand went one better, and he began whittling off the guarantees, the loss or discount on bonds, the interest capitalized and interest lost; and so he was applauded by his friends who were in ecstasy. There was one minister, however, who did not seem to take it all in. I watched the Minister of Finance, and if ever misery was depicted on the face of any man, it was on that of the Minister of Finance during this financial criticism. I did intend to follow the hon. gentleman (Mr. Thompson) in some other of his arguments, but I really do not think it is necessary.

Before I take up the agreements, I want to say a word or two about two points that seem to exercise the hon. gentlemen opposite very seriously. They are very much concerned about the attitude of the opposition with regard to the question of government ownership, and they are also very much concerned as to our opinion of the proposal submitted to this House by the Grand Trunk Railway Company in the name of the Grand Trunk Pacific Company. Well, as to government ownership, I think that is an open question at present. I think that it is a matter of the greatest importance to this country and to the future of this country, and I think it ought to be kept an open question until it can receive from the people, a fair and impartial consideration. In my opinion, Sir, it is a wrong for the government to enter into any arrangement such as this which must hinder and impede any proper consideration of that subject. For that reason alone I object to this agreement. I object to it upon its own demerits. If it became a question of at once accepting government ownership or this agreement, whatever hesitation I might have in regard to government ownership, I would at once accept it rather than impose this scheme upon the country.

As to the scheme of the Grand Trunk Railway Company, that was the only scheme before this House up to the end of June or the beginning of July last. In general terms, the position of the Grand Trunk Railway Company at that time was this. Their system of railways permeated almost every portion of the provinces of Ontario and Quebec, reaching all the important points in those provinces. It also served by its connection with the Intercolonial Railway to furnish to some extent trade and facilities for the maritime pro-

vinces. The chief difficulty of the Grand Trunk was that it had no connection with the great wheat fields of the west. It is true, it had received only last year, as Mr. Hays stated, 24,000,000 bushels from the far west by the water route ; but it was so tied up by its lack of rail connection that the company had been considering for eighteen months how they could best get relief. On the other hand there was a fear on the part of the country that if the Grand Trunk Railway Company made untrammelled connection with the west, there would be a danger to Canada in the fact that the Grand Trunk had an interest in diverting the trade from this country to Portland and other United States ports. That, in a general way, was the position of the company towards this House and the country. Now, what did the Grand Trunk Company do ? The Grand Trunk Company having, as Mr. Hays puts it, fully considered this matter for eighteen months, submitted a Bill to this House. They proposed to construct a railway from North Bay or Gravenhurst through Manitoba to the Pacific Ocean. That, Sir, assuming that this country would have granted fair and reasonable assistance, would have been a magnificent proposition for the Grand Trunk Company ; it would also have been, I think, a good proposition for the Dominion of Canada, proper and reasonable conditions being attached to any subsidy we might grant. Therefore it is that we on this side of the House say that it is a matter for regret that the original prososition submitted to his House by the Grand Trunk Railway Company was not carried out. Some hon. gentlemen think that we, by accepting that proposition, would have put ourselves in the position of allowing the Grand Trunk to divert the traffic of the Northwest to Portland. Why should that be so ? If the Grand Trunk had got that charter, and had applied to this House for a subsidy, does anybody suppose that they would have got such a subsidy without having imposed on them proper and full conditions to protect the country against diversion ? We on this side of the House would have taken care of that, no matter what hon. gentlemen on the opposite side might have chosen to do. We would have brought it to their attention, at all events. But, Sir, what conditions have hon. gentlemen opposite sought to impose upon the Grand Trunk by the contract which they have entered into, to protect the country against this diversion to Portland, that could not have been as well made part of any subsidy contracts? Not only could these conditions have been inserted in a contract relating to a subsidy, but much more might have been added of a far more protective nature for the people of this country than anything that is contained in this contract. There is no doubt that had the Grand Trunk undertaken to build their line of railway from North Bay, we would have been justified in granting more than usually liberal terms for the section from that point to Winnipeg, and it might have been provided as a condition of that subsidy, that any money this country should pay to the company to assist in that work would, in the event of parliament becoming satisfied that the company were not honestly and fairly carrying the traffic through Canadian channels to the maritime seaports, become a charge against the railway and a debt to the country. That would have been a very simple matter to provide for in a contract relating to such a subsidy. Therefore I for one regret that the proposition of the Grand Trunk Company was not carried out.

The hon. member for Annapolis (Mr. Wade) takes great credit to the government for having compelled the Grand Trunk Company to accept the eastern division. Well, that is a most remarkable statement coming from that hon. gentleman, who was present, I think, at almost every meeting of the Railway Committee, and who knows perfectly well that in the first Bill introduced by the Grand Trunk into this House, the proposition was that they should build from North Bay through Winnipeg to the Pacific Ocean. I think the hon. member for Selkirk (Mr. McCreary) wants to make out that the Bill provided for a railway to run north of Lake Winnipeg. I have the Bill here. It was introduced by the hon. member for North Simcoe (Mr. McCarthy), and it provided for a main line through Winnipeg. We approved of that. We never had anything else to consider. It is quite true, away back in November, 1902, there was some discussion in the country about a line proposed by the Grand Trunk Company, to run north of the lake. That was never before this House ; but if the hon. member for Selkirk wants to find out who approved of that route, let him turn to the columns of the 'Globe' in November, 1902, and he will find that that route was approved of not only by the 'Globe' but by the hon. Minister of Customs (Mr. Paterson) and two of his colleagues. It was not approved of on this side of the House. It was never before us. The first proposition that we had before us was to run the line through Winnipeg.

When the Bill was before the committee, a number of gentlemen from the city and district of Quebec, interested in another line, set up opposition to the Grand Trunk Bill, because the line terminated at North Bay. Without the intervention of the government —the government took no part in what was going on in that committee—some of the members representing the district of Quebec asked Mr. Hays the question : Will you extend your line from North Bay to Quebec ? Mr. Hays at once said, yes. There is

not an hon. gentleman on the other side who does not know that what I state is correct. The moment it was suggested by some gentlemen from the district of Quebec that the line should be continued to that city, Mr. Hays at once agreed. Then some gentlemen from the province of New Brunswick, thinking that if railways were going so easily, they might as well have one built down their way, said to Mr. Hays: Will you continue your line to Moncton? Mr. Hays said: Yes, we will. Where is the compulsion exercised by the government on the Grand Trunk Railway? Mr. Hays voluntarily and at once agreed to extend the line to Quebec and to Moncton, and my hon. friend from Annapolis (Mr. Wade) thinks that the government made him do it. Why, it is the other way. Mr. Hays, having become cornered, having agreed to build these extensions which he did not want; immediately went into private negotiations with the First Minister, and the government took them off his hands. The government took off his hands not only the extensions from North Bay to Moncton, but also the line from Winnipeg to North Bay which the Grand Trunk had itself proposed to build. The government actually compelled the Grand Trunk Railway to let it build the line from Winnipeg to North Bay! That is the wonderful compulsion of which the hon. member for Annapolis boasts. The result of Mr. Hays' negotiations with the First Minister was the breaking up of the whole Grand Trunk original proposition. The Grand Trunk Railway induced the government to take over, not only the Moncton to Quebec and the Quebec to North Bay sections, but actually to take over nearly a thousand miles of railway from North Bay to Winnipeg which the Grand Trunk were willing to build themselves; the government immediately got down into these unfortunate negotiations which the country will probably never hear the end of.

We had a notable speech from the hon. the Minister of the Interior, and I must say that the points he made received the rapturous applause of his colleagues and the gentlemen about him. He said that the surveys had really been made on the eastern division from Winnipeg to a point within 500 or 550 miles from the city of Quebec. He made that positive statement to this House. He said that there were full and complete surveys to the boundary line between Ontario and Quebec, a point about 500 or 550 miles from the city of Quebec. We had urged the government to bring down a return which would show us what surveys were going on. Again and again the request was made to the government, but the government told us there were no surveys to their knowledge. They had no information about surveys. At last we got an answer from the Minister of Railways (Mr. Emmerson). In reply to a formal question, which was put the other day by the hon. member for Winnipeg (Mr. Puttee) the Minister of Railways answered that the surveys going on were on the branch lines. The answer given by the Minister of Railways, who, of all men, should have a special and particular knowledge of this matter, was that the surveys were going on along the branch lines. But the Minister of the Interior, who knows more about the Department of Railways than does the Minister of Railways, comes down and tell us that the main line is surveyed from Winnipeg to the boundary line between Ontario and Quebec. He felt that something more was required from the government than the answer given by the Minister of Railways. It was a subject of comment in the House and country that although the First Minister last year was so ardent and pressing and so fearful lest he might lose an hour, he did not at this moment even know what was going on. He did not know that a survey was going on. He did not take steps himself to have even an exploration of the country made, concerning which he knew nothing except from the pile of books which he described as a mountain of information. The right hon. the leader of the government appeared to be utterly indifferent. Nobody can doubt that the government knew that surveys were being made by somebody. The public press, the Liberal portion of it, at all events, talked in general terms of the splendid results which were being obtained. But the right hon. gentleman does not know anything about such surveys. Does any one believe that the results of the Grand Trunk Railway surveys would not have been upon this table for our examination if the government believed them favourable? Were they favourable we would not have had to ask for them. Does any one imagine that if the government went to the Grand Trunk Railway and said, we want copies of your plans, field notes and reports, the Grand Trunk, asking, as they were for enormous assistance, would have dared to refuse the request? It would have cost a very small sum to furnish copies, and we could have had on this table all the information about that survey which the Grand Trunk Railway has. We would not then have to trust to the notes of a geographer for the results of it. What did the hon. minister do? Did he go to the Minister of Railways and say: Lend me one of your railway engineers? They have half a dozen of them over there, experienced men who have passed their whole lives in such work, who could have gone to the Grand Trunk Railway and got all the information and examined it. But no, the Minister of the Interior did not do that. He took a gentleman who draws maps in his own office and sent him to examine the maps, plans, profiles and field notes—a work which requires a life study.

He would have done better to send his stenographer there than his geographer. If you take this gentleman's report, you will see that all he did was to talk with Mr. Stephens of the Grand Trunk. Mr. Stephens

tells him a story and the geographer puts that into writing for the Minister of the Interior. And this is read to us gravely as a serious report of a survey upon the strength of which millions of money are to be spent. We find the words of the Minister of the Interior on this subject at page 815 of the revised version of 'Hansard' he says :

It is to be regretted that the surveys which have been made were not returned from the Grand Trunk Railway Company to the government in such a way that they could be laid before the House.

I think so too. But what a condemnation of the Minister of Railways. Is there going to be another flight ? Apparently what the First Minister did last year with respect to the hon. Mr. Blair, the hon. Minister of the Interior is doing now with respect to the present Minister of Railways (Mr. Emmerson). He goes behind that gentleman's back, sends his officer to get information that the Minister of Railways ought to have got, and then comes into the House and says 'It is to be regretted' that these surveys were not got. That was the sly dig at his colleague. He goes on :

But a few days ago——

Just a casual thought of his to send for this information—

——I sent the geographer——

'I' sent the geographer—

——of the Department of the Interior——

He was quite precise, you see.

——who is himself a competent surveyor and a thoroughly qualified man——

He could have got half a dozen men qualified for that business in the railway department. But, if he had gone there, perhaps he would have been told, rudely—but properly—to mind his own business and not meddle. But he has meddled, and I suppose we should be grateful, because we have the report. We shall see how far the Minister of the Interior was entitled to represent this as a complete and full survey from Winnipeg to the provincial line of Ontario and Quebec. The report of the geographer begins in this way :

Memorandum.

During the summer of 1903 preliminary surveys were made of the line between North Bay and Winnipeg and location surveys were made of a large portion of the line between Winnipeg and White Earth Lake, about 200 miles.

That figure is a clerical error, though it appears in the revised 'Hansard.' The report itself says 300 miles. I do not want to cut the hon. Minister of the Interior down. He has not much here, and I want to give him the whole of it. This location survey to White Earth Lake is a singular circumstance having regard to the comments made by many hon. gentlemen on this side of the House as to the probability of the so-called 'premature section' being built. White Earth Lake is just about the point where the main line diverges to Lake Superior—that is, where it will diverge as a branch to Thunder Bay. They have locations that far, and evidently that is all they have that they can do much computation upon. The report goes on :

The extraordinary wet weather not only interfered with the work and movements of the survey parties but made the carriage of supplies extremely difficult and expensive. Enough work has been done, however, to show that it is possible to get a line from Winnipeg to the point at which the North Bay branch diverges from the main line.

There is the other strategic point. First he gets a location survey to where the roads will diverge to Port Arthur and then a 'preliminary survey' to the next point where it will diverge to North Bay. And that is all he gets. Even then, he has only preliminary surveys—a sort of walking surveys through the woods and over the rocks—for most of the ways to where he turns down to North Bay. And the Minister of the Interior tells us that this is a complete survey all the way to the province line between Ontario and Quebec. The geographer goes on to give some details, not from the location surveys but from preliminary surveys, to certain points down to the 733 mile post. And then comes a paragraph that the hon. Minister did not read :

From the eastern end of the last section——

That is, from the 733rd road mile, post.

——the survey line turns south eastward by the Metagami and other rivers to North Bay.

There is where the survey has been coming to and the only survey that has been made. They have surveyed from Winnipeg to White Earth Lake, 300 miles; the location survey—probably most of it had already been done in the surveys for the Canadian Pacific Railway years ago, and then they have made some preliminary survey for part of the distance to where they want to diverge to North Bay. And that is the report that the Minister of the Interior reads to this House as a satisfactory report to be laid by the government before the House, upon which we are to determine so important a question as that now before us. Then the hon. minister goes on to speak of the increased guarantee as a matter of no importance—Mr. Toots would say it was 'of no consequence.' It was given to create confidence in the Grand Trunk shareholders, gentlemen who do not know as much as we do. It can make no difference apparently whether the guarantee is larger or smaller, for the road will pay its way ! And another gentleman adds, 'It will not cost us a dollar.' I shall have something to say later on about the question whether it will cost us a dollar or not. But I wish to read again, on page 799, the exact words of the Minister of the Interior. I would like to give these words

because they are of considerable importance as being the words of the Minister of the Interior and have been accepted by his colleagues. Every hon. gentleman who has followed on that side has been trying to say a little more in the same line, and say it a little stronger :

> But, for ourselves, having gone into this enterprise with the profound conviction that it was going to be profitable in every sense of the word, including that of upbuilding Canada, and we are prepared to meet these gentlemen who, for their part, are afraid, and show our confidence by releasing the old provision and inserting provisions which can only come into effect in case of default which we do not anticipate.

I draw your attention, Sir, and the attention of the House to these words. They are a distinct statement that the alterations made in this contract can have no effect—they add nothing to the obligations of the country, unless there is default made by the company in the payment of interest. I shall remark upon that later on. He says further:

> The concessions have been made for the purpose of meeting the views of those who fear that our anticipations of success might not be realized.

Now, I will say no more at present as to the speech of the Minister of the Interior except a few words as to the extraordinary inaction of the government with regard to the surveys and with regard to obtaining the information from the Grand Trunk. I repeat what I said a few moments ago that no one can doubt that the government deliberately abstained from asking for the information. The hon. Minister of Railways and Canals (Mr. Emmerson) must have had it brought to his daily attention that this matter was probably the most urgent subject before the country, the one in which the people were most interested. The government knew that these surveys were going on but they were determined that they would not know the results. They were afraid to ask the question lest they might get some information that would not suit them and so they remained in ignorance. The hon. Minister of Railways and Canals (Mr. Emmerson) felt that

> Where ignorance is bliss
> 'Tis folly to be wise.

And so he curbed his curiosity.

On this side of the House we have expressed our deep regret that the government did not proceed with the commission on transportation which was promised in the speech from the Throne in 1903. A very valuable paper upon that subject was prepared by the Minister of Public Works. I read it in full last year, and as it is now upon 'Hansard' I do not propose to read it again, but I do propose to state here the substance of what that paper contained. It was prepared in April, it was before the Governor in Council in May and was adopted unanimously by the First Minister and all his colleagues. It dealt with transportation as affecting our exports, our importations and our interprovincial trade; transport by all Canadian routes to and from the ocean; transport by our existing railways and by lake, river, and canal routes. New surveys were to be made to determine whether more economical and efficient channels could be opened up by land and water. We were to consider the improvement of our present channels and the Order in Council pointed out

> That the forces operating against all-Canadian transport were competition by United States railroads and by United States vessels and the diversion of Canadian products through eastern and western outlets to Portland, Boston and other United States ports.

The difficulties that were to be met were presented to the House and to the country and it was set forth that in order to consider how these difficulties should be met, it was proposed to appoint a commission to investigate and report. The order declared that before any satisfactory conclusion could be reached on these questions a thorough inquiry and investigation should be made by competent experts. This was a very important, a very far reaching and a most statesmanlike paper, which was presented to the government by the Minister of Public Works and surely we may ask in the words of the order, that before the country is committed to this scheme, experts shall consider whether the route in the far north will ever serve the purpose that this transcontinental system professes to serve. Surely the people in the older settlements who have built up the country, are entitled to know before they build that line, 300 or 400 miles to the north, that it is going to accomplish some good for the Dominion of Canada. The people of Ontario and Quebec are not cheese-paring about these matters; they are willing to spend their money freely for the good of the Dominion, but they do not want to spend it wastefully or uselessly. If this line is to be regarded as a colonization system let it be so treated. Ontario is to-day spending millions, for colonization in the north, and Quebec also is spending money for the same purpose. Let the people who are providing that money get the benefit of it, and if there is any trade to be obtained in the north land let it be brought down to them; and let us ascertain whether, after all, for through traffic and interprovincial trade, the present channels, the route through Ontario and Quebec and the maritime provinces, is not the best route. Is it not important for us to ascertain before building a railway of any class away up in the north, whether after all the traffic must come down through the lakes and by the routes now existing throughout Ontario and Quebec? What does Mr. Hays propose to do? Is there one thing from first to last to show that he is

even thinking of any line to eastward of North Bay? Every act, every word he utters, shows that he is thinking only of his original proposition. The surveys he is making and this report which the Minister of the Interior brings in show that Mr. Hays is thinking of two points only. He wants first a branch line to Thunder Bay, near Port Arthur. Why does he go there? There is no local traffic at Thunder Bay or anywhere near it. He wishes the line to Thunder Bay to reach the water in order that the wheat may be transported 550 miles by lake to Grand Trunk rails at the port of Midland. He is seeking secondly a line for his winter route to North Bay, so that traffic that will not go by the lakes at any time, and all traffic during the winter months, may be taken to North Bay whence it will be hauled over the existing Grand Trunk lines through the older provinces. There is not the slightest indication that he ever intends to use that premature line to Quebec and Moncton. Every person who has had any knowledge or experience of railway carriage knows perfectly well that the line which commands the lake route parallel to its rails has an immense advantage over any other. It can carry traffic by all-rail or by part water and part rail as may be most advantageous. What do we find Mr. Hay saying? I again read not from that paper which somebody referred to as a fake report; I am reading from the report published in the 'Railway News' which is in exactly the same words. I am very glad to have it here, and I am sure that the hon. gentlemen who were so doubtful about what they called the fake report will be delighted to have every word confirmed by the report in the 'Railway News.' Mr. Hays, haying been called 3,000 miles across the Atlantic to appear before the shareholders of the Grand Trunk Railway Company in order to convince them of the desirability of this project, making a speech as his president had done before him, and any hon. gentleman may take this paper, which belongs to the library of parliament, and about which there can be no pretense of privacy and he will find that from beginning to end of Mr. Hays' speech that gentleman never uttered one word about the extension beyond North Bay. He discussed only the scheme which he brought before this House in the spring of last year, he deals with the question of traffic as we do, and it is clear from his statements that he expects the traffic will go by North Bay, or by the lakes, and not otherwise. Every body knows that any railway which wants to compete with its rivals or to carry traffic cheaply or to give effective service to the public must have traffic both ways.

If the company hauls traffic one way and gets nothing but empty cars back it cannot live. If you have a line away up in the north land carrying cheap through traffic and nothing returning, no merchandise, none of that high class traffic which is the backbone of the earnings of a road, it will be left idle, and the route which has traffic both ways will be used. Mr. Hays knows that. In order to convince the shareholders of the Grand Trunk Railway that this North Bay scheme of his is a good one he points out where the west bound traffic will come from—not a word about any west bound traffic over that northern line. It will never get it; he knows that and he very carefully avoids saying anything about it. He says:

> Now, gentlemen, the Grand Trunk Pacific is going to be in quite a different position from that of an ordinary new enterprise stretching across the territory I have explained to you. Here is the Grand Trunk, the parent company, standing with a large traffic ready to deliver it westbound. This traffic is now given to a competitor. It does not have to wait five, ten, or fifteen years to build up a traffic; it starts with a traffic right from the beginning, and that is of a most remunerative character,—a high class traffic——

Let us see where it comes from.

> —consisting of agricultural material, dry goods, boots and shoes and all class of merchandise that a new and rapidly developing country requires.

Where does the Grand Trunk get that class of traffic? It is the cream of the business. It will get it in the province of Quebec, in the cities of the maritime provinces, in the province of Ontario and through the old settled districts. Cars that come down loaded with wheat will go through these old settled districts and they will go back loaded with this merchandise. The Grand Trunk will not send that traffic 400 miles to the north. The cars will return by the route they have come by and the traffic will be by way of North Bay or the lake route. Mr. Hays knew what he was speaking of. He knew that these men were aware that through the older provinces they reaped all their earnings and he was pointing out that the life of the new line, the line from North Bay to Winnipeg and onward, will be the return westbound traffic that it will get to enable them to haul wheat cheaply to the east. But some hon. gentlemen ask: What have we to do with what passes at the Grand Trunk meeting? Surely hon. gentlemen in this House who do not profess to be experts would like to get the opinion of an expert like Mr. Hays. When Mr. Hays points out where the traffic will come from, that it will come from these old settled portions of the country, that it is here that he gets all the best rates on merchandise, boots, dry goods and clothing, everything that is manufactured in our own land and that he is going to take that up to the west filling the returning cars he has brought down with wheat surely he knows what he is talking about. He was pointing out to the shareholders of the Grand

Trunk what he knew would catch them ; he was pointing out that the traffic coming down from Winnipeg would reach the parent line at North Bay going over the whole of the parent line and earn profits for the old Grand Trunk shareholders instead of earning 3 per cent for the government 400 miles north. Are they going to deprive their own proprietors of the fat traffic, the good traffic in order that the government may get 3 per cent ? Why, Sir, the government have given the utmost inducement to the Grand Trunk Railway Company not to carry the traffic up there, because, if the Grand Trunk Railway Company do not earn 3 per cent for a certain time it will be capitalized. It will pay them not to make that line profitable. I might mention, however, that the government have also taken very good care that the parent line is going to control the baby. It is going to control the Grand Trunk Pacific. The Grand Trunk Pacific will not get a pound of the traffic that will afford any profit to the Grand Trunk Railway Company. If the profits go to the Grand Trunk Railway Company which ever way the traffic goes and if there is more profit going by way of North Bay than by the northern route which way is the Grand Trunk going to send the traffic ? Is it going to send it up north just to please the right hon. leader of the government and prove that there is something in the remarks that he made last year in the House as to the magnificent country through which this road is to pass and the wonderful traffic it was going to furnish ? No, Sir, railway men are rather practical, and if Mr. Hays wants to earn dividends for his main line the traffic will go just where it will best pay. The company can carry the traffic cheaper, and with greater profit to itself even at low rates, by having it upon a line that has business to and fro, rather than upon a line with business in one direction only. Surely that must be the case. Supposing the wheat traffic which must be large goes by way of the northern route is there any possibility that the westbound tonnage will in any material degree correspond with it, and must there not be an enormous mileage of empty cars over a thousand miles to the prairies ? By the North Bay route the returning cars will pick up traffic from station to station which is the most profitable kind of traffic and they will be employed most of the way back. How are you going to use these cars from station to station away up at Lake Abitibi ?

Now, Sir, as to the western division : Sir Rivers-Wilson puts the total guarantee of the Grand Trunk Railway Company, which he admits to be an obligation, for both the prairie and mountain sections at $14,840,000 —say $15,000,000. These are careful estimates made by him in the presence and no doubt with the assistance of Mr. Hays. Therefore, I think that we may take it for granted that when my hon. friend the leader of the opposition bases the charge to be borne by the government on the same figures that he is as nearly correct as it is possible for any man to be in making an estimate. So, Sir, I say, having regard to the argument used by my hon. friend the leader of the opposition, if we are to incur an obligation of $155,000,000, throwing aside for the moment the even larger sum, and if the Grand Trunk only incurs an obligation of $15,000,000, it is far better for us to undertake the whole responsibility, to throw aside all these negotiations and all these questions of agreements yet to be settled—because there are two or three agreements yet to be settled, yes, it is far better to build the whole line even if we lease it next day to the Grand Trunk Railway Company. We can build that line cheaper than it will be built under these complicated arrangements. We can save money by building and owning the line. We only undertake the liability of a very few millions more and if we build the road ourselves does any hon. gentleman doubt that the Grand Trunk Railway Company would be glad to lease it from us next day on better terms for the country than are proposed here ?

And then, Sir, we would protect ourselves by the conditions of a lease done far more effectively than is done here. We could make conditions, and if the Grand Trunk should fail to carry them out, the lease would be forfeited. But, Sir, it has been assumed that the only additional burden upon the people was that $15,000,000. If the country undertakes the work itself, and provides that $15,000,000 instead of the Grand Trunk doing so, will the people have to bear one dollar more for the service of that railway, than if the Grand Trunk puts in the $15,000,000. The amount of the burden is the same in either case, the people pay the interest in one case—in the other they pay the rates to meet the Grand Trunk interest. But what more ? If we build the railroad, that is the whole expenditure, but according to this arrangement that is not the whole. Sir, in addition to that extra $15,000,000, there is $45,000,000 of share capital, which the people of the country will have to provide dividends for, because you may depend upon it, the company are not going to have that $45,000,000 unless they see that something is made out of it, if it is possible to make it. Therefore, instead of the country undertaking $15,000,000 extra to build this road and adding so much more as a burden upon the people, we find the burden is made $15,000,000 of bonds by the Grand Trunk and $45,000,000 of stock. That is the position—$60,000,000 added instead of $15,000,000. But, one gentleman opposite says : what difference does the stock make ; you don't base your rates upon stock. I would like him to point out any company in existence where the stock is

not taken into consideration. How could you get a dollar investment in stock of any institution, railway or otherwise, if you told the people you are not going to allow any dividends. Why—I do not like to use the word—it is absolute nonsense. But the thing is placed beyond all question, because in the statutes creating this company, the 11th section says :

The stock may be issued as paid-up stock.

And, is it to be supposed that you would have hard cash invested in a railway undertaking, or any other undertaking, and you would tell the people who put their money in it, that they would not make a dollar on that investment. Is any one to be able to say that the words 'paid-up stock' in that statute are a sham ? Why, it is as clear as noon-day, that they are no sham, as I intend to show.

Last year the First Minister was absolutely shocked at the suggestion that any of this stock could be given away for privileges accorded by the Grand Trunk to the Grand Trunk Pacific. He said : it must be sold at market value, and he said that, as if any company sold its stock. Why, you subscribe for stock in all corporations and you pay your calls. That is the system of issuing the stock, and it is to get over that, that this remarkable 11th section was drawn. That section was struck out of the General Railway Act as an improper one, and it is put in here to enable the deal to be accomplished. Last year, the right hon. gentleman said that it was impossible, and he rather scouted the idea that the Grand Trunk Railway Company could accord privileges to the Grand Trunk Pacific, and that the Grand Trunk Pacific in return for these privileges would give them the stock as 'paid up stock'. It was quite shocking to the right hon. gentleman. I reminded him that the gentleman who would act for the Grand Trunk Railway in the negotiation in selling the privileges, would be the same man that would be selling the stock. Sir Rivers-Wilson, will sit upon one side of the table as the president of the Grand Trunk Railway, and his shadow will be on the other side as the president of the Grand Trunk Pacific, and it will be delightful to hear these two gentlemen arguing the question as to how much stock should be given for the privileges. That is exactly it. Oh, no, it was not to be so given, said the Prime Minister ; I think he said it was for construction purposes, or engineering, or right of way ; at all events it was for everything but for the Grand Trunk Railway. Well, the cat is out of the bag. The hon. member for North Simcoe (Mr. McCarthy) introduced a little Bill the other day, and he was asked to explain his little Bill, and he did. He said the object of it was simply to enable the Grand Trunk Pacific to carry out the terms of the agreement ; a mere matter of form. Well, the hon. gentleman omitted, or he forgot, or he didn't know about two important clauses of this little Bill of his. One clause says :

The directors of the company elected by the shareholders may make and issue as paid-up stock, shares of the common stock of the company, whether subscribed for or not, and may allot and hand over in payment, for plant, rolling stock, docks, elevators, wharfs, warehouses——

All that is in the old clause. I have not come to it yet—

—or materials of any kind, or as consideration for rights——

All that was in the old one.

—powers—

That was in the old one.

—guarantees—

That is new. They want to make it quite sure ; they are going to guarantee this $15,000,000, and for that they are going to get $45,000,000 of stock. That is a very innocent looking provision. They had everything else in the clause before, except that one word 'guarantees,' and they were a little doubtful lest perhaps what the right hon. gentleman said last year, might have affected their title to accept the stock, as compensation for rights and privileges, and so they come here and put in the word 'guarantees.' And it is now $25,000,000 only that they can thus deal with.

The directors of the company elected by the shareholders may make and issue as paid-up stock, shares of the common stock of the company.

The common stock of the company is $45,000,000. The agreement compels the Grand Trunk to take $25,000,000, but the agreement does not say that the Grand Trunk Railway may not take $45,000,000, the amount authorized by the statute. The gentlemen connected with the Grand Trunk will understand it thoroughly ; I am afraid the Prime Minister is yet in his youth in railways dealings. In connection with this, I might mention that although the Grand Trunk Railway is permitted to sell one-half of the twenty-five millions, it must by the contract still retain enough to control the company. Well, the other half of the twenty-five millions would not control a company with $45,000,000 of stock. They must hold more than $22,500,000 to control that company ; so that they must have enough after selling the twelve and a half millions, to bring their holding up to $22,500,000. So there is at least thirty-five million dollars of stock which they are going to get, as indicated by the supplemental agreement. I do not know why they should stop at $35,000,000, when they have the power to take the whole

$45,000,000. The Pacific Company have the power to give the Grand Trunk Company or anybody else, the whole $45,000,000, and if the Grand Trunk Company do not take all they can get, I am very much mistaken.

There is another little clause in the new Bill just introduced which is very significant. In the original charter passed less than a year ago, it was provided that this Pacific company, which was going to have such an important undertaking on its hands, should begin operations when it had subscribed $2,000,000 of stock, and when $200,000 of it was paid up. That was not very much for such a company. One would have thought that they would have been content; but they were not content. Section 6 of chapter 122 of 1903, is amended by striking out in the first line thereof the word 'two' and substituting the word 'one;' so that the company will have to get subscribed only $1,000,000 of stock before they begin this undertaking and the amount to be paid up is reduced to $100,000. The $2,000,000 was so startling that they had to come to parliament and get the amount reduced to $1,000,000; and when 10 per cent is paid on that, they will have $100,000 with which to begin the undertaking. I wonder if they expect the country to subscribe the $1,000,000 and pay up the $100,000.

Then, there is the question of the $20,000,000 of rolling stock. If that were to be paid for out of the bonds or stock, it would form part of the $60,000,000 I have mentioned. But it is not. A trust company is to provide that rolling stock, and no doubt it will be rented to the railway company. I do not wonder that the Grand Trunk Company wanted to have a few alterations of such an unimportant character as these. The right hon. First Minister said they were of such trifling importance that he thought it was hardly worth while for us to discuss them. That $20,000,000 is now reduced to $15,000,000. I do not make much of that. Of course, the government were not obliged to sign their guarantee until the $20,000,000 of rolling stock should be—not paid for or acquired, but supplied; and all the security they will now have for the last five millions of the rolling stock, is the covenant of the Grand Trunk Pacific Company. But what is the value of the Grand Trunk Pacific's covenant. The whole thing is in the hands of the Grand Trunk Company. You cannot call on anybody to pay up stock, because the stock is all 'paid up'. There is no liability of the Grand Trunk, and the covenant of the Grand Trunk Pacific Company is not worth anything. Yet this is all you have got for your extra $5,000,000. It is a small point, but it is worth nothing!

We pointed out last year that the clause relating to the rolling stock simply called on the company to equip the road with a certain amount of rolling stock and did not say that the rolling stock was to be acquired and paid for, that it might be rented. We pointed out that there was a good deal of danger in that, because clause 14, provides that any rent payable for rolling stock provided for the eastern division shall be charged to working expenses. That is even worse than paying for it out of bonds, because working expenses are ahead of bonds and everything else. But hon. gentlemen say there is the 35th section which makes the rolling stock subject to mortgage and that therefore the company must own it. Well, clause 112 of the General Railway Act gives the company power to execute a mortgage, and says the mortgage is subject to the working expenses; and section 2 of the same Act says that working expenses include rental of rolling stock. So that rental of rolling stock is ahead of the mortgage which the General Railway Act authorizes this company to execute. We asked hon. gentlemen opposite last session to place the matter beyond a doubt—two or three words would have done it. We suggested that they should provide that the company should equip, acquire and pay for the rolling stock; that was all that was necessary. But no, they said, the agreement had been accepted by the Grand Trunk Company, and they could not alter a letter of it. They would not even put such a provision in the statute. We moved amendments to that, and hon. gentlemen opposite called on their followers to vote them down, and they did vote them down. Well, suppose there was something in their excuse that they had concluded an arrangement with the Grand Trunk Company, and did not want to alter it. What about their position when the Grand Trunk Company themselves threw up the agreement? Why did hon. gentlemen not then put beyond a doubt this matter on which there was so much dispute between the legal gentlemen in this House? If both sides had the same intention, if the government and the Grand Trunk Pacific Company were agreed that the rolling stock was to be acquired and paid for, so that it could be mortgaged to the government, why not say so? When the right hon. gentleman was settling this supplementary agreement, every word of which is in favour of the Grand Trunk Company, why did he not put in two or three words which would have placed this question beyond a doubt? It is not a trifle. It is a question of rental on $20,000,000. Surely that was worth the consideration of hon. gentlemen opposite. But they were above that. They were only considering what the Grand Trunk wanted.

But, Sir, the matter is not even so simple as that. We find now that the Grand Trunk Company have taken our view of it. Some hon. gentleman opposite says, what do we care what Sir Charles Rivers-Wilson says?

We are going to stand by the agreement just as it is; the agreement provides that the company must mortgage the rolling stock to the government, and therefore they must acquire it! In reply, we on this side say, when you are talking about that, you are talking about working expenses and rental in an awkward way, and you had better have no doubt about it. Sir Rivers-Wilson tells his shareholders, with Mr. Hays sitting by his side, having come fresh from his negotiations with the right hon. the First Minister, that cost of rolling stock is to be no part of the capital of the company, but that they have arranged to have it under a trust. When that was stated the other day, some hon. gentlemen said, that is that faked report. Well, let us return to the 'Railway News.'

As regards the £5,000,000 for rolling stock—in the first place, the estimate is not £5,000,000, but £3,000,000. With that the Grand Trunk has nothing to do. That rolling stock will be provided by the Grand Trunk Pacific Company, and, as the general manager will tell you, they have laid their plans for providing that rolling stock by a trust fund.

But hon. gentlemen opposite say: What have we to do with what Sir Charles Rivers-Wilson may say? In my opinion, Mr. Speaker, we have a great deal to do with what Sir Charles Rivers-Wilson says. This agreement is as yet incomplete. There is no confirmed agreement to-day. The right hon. gentleman knows that the Grand Trunk shareholders, when asked to assent to this agreement, were told what is meant by that clause, and are we to be asked to affirm this agreement now on the basis of an interpretation differing from that given to the Grand Trunk shareholders? If the agreement had been executed and ratified before that question was raised, of course it would speak for itself. But is it an honourable course to confirm an agreement when we know that the other side take a particular view of a very important clause, involving an expenditure of some $20,000,000, very different from that which we take? Is it honourable to say to these people: We are going to confirm that agreement and are going to stand by our interpretation of it, and not by yours? Suppose the right hon. gentleman and myself were to enter into negotiations and engage lawyers to draft an agreement, and suppose my right hon. friend signed that agreement under the conviction, which he openly expressed, and which I knew he entertained, that it had a certain effect, and supposing my interpretation of the language was quite different, would it be honourable on my part that I should then sign that agreement and determine to hold the right hon. gentleman to my understanding of it? In my opinion, that would be the trick of a sharper, it would be a thing which no honest man would do, and yet we are asked to do the very same thing. We are asked to confirm an agreement on the interpretation we put upon it, although that interpretation is essentially different from that which induced the other party to sign it.

I come now to this famous supplemental agreement, all the clauses of which I do not propose to discuss. Some of these clauses can be better discussed when the Bill is in committee, but there are others which I think we ought to discuss now, as they affect the principle of the whole thing. The third clause provides that the commissioners shall have power, without reference to parliament, to give an interim lease on the constructed portions of the eastern division, pending the completion of the whole 1,900 miles. The first portion of this line to be completed, you may depend upon it, will be that part from Winnipeg to the junction with the branch to North Bay. That is, the Grand Trunk Railway's own project, and no doubt that will be constructed years before the rest, if the rest is ever constructed. The Grand Trunk are at work now on the survey, but they have not gone beyond that portion of the line, and will not. But in what position are we putting ourselves? That 900 or 1,000 miles will be completed first. I do not suppose that anybody on either side has any doubts on that point. The other portion, the premature section, may drag on for seven years after completion of the section from Winnipeg to North Bay. In what position will we be? Pending the completion of the whole 1,900 miles of the eastern section, the commissioners may, without reference to parliament, give a lease to the Grand Trunk Pacific on the section from Winnipeg to North Bay. Parliament cannot say a word. The Grand Trunk Railway have taken care that the commissioners cannot compel them to do anything, but the commissioners may do what they like so far as the country is concerned, and even parliament cannot intervene. They may grant lease after lease, until every mile of the 1,900 is completed. Upon what terms? Upon terms which will not be more onerous on the Grand Trunk than the lease of the whole eastern section. What terms are those? Seven years for nothing, to begin with. The commissioners have the power to lease that 900 or 1,000 miles of railway, which is the only part of the eastern section worth anything, for any number of years, pending completion of the whole, and will not be able to charge any rent, for 7 years, because, if they should, the terms would be more onerous than those of the lease of the whole division. When the whole 1,900 miles of the eastern division is completed, the company will get it free for seven years, so that these commissioners can give that valuable portion between Winnipeg and North Bay for, perhaps, seven years for nothing; and then, when the main lease comes to be made, the company will get another seven years on that same portion also for nothing. Yet we are told by hon. gentlemen on the treasury benches that all these alterations are exceedingly

trivial. Why, they were so trivial that it was a wonder these hon. gentlemen took any trouble to explain them at all. I believe that the right hon. the First Minister did say that the opposition were so perverse they would try to find some ground for objection, but he did not think we should find any. We should have swallowed the whole thing. That 1,000 miles of railway, built by the country, with the hard cash of the country, we should give free to the Grand Trunk Pacific for six or seven years, or whatever period elapses before the whole 1,900 miles are completed; and then, when we come to make a lease for the whole division, they will have it for seven years more for nothing and three years after that on the same terms, because, according to the hon. member for Haldimand (Mr. A. T. Thompson), capitalization does not count. And this is the marvellous third section of the supplemental agreement. I think that the Grand Trunk Railway must have laughed in their sleeves when they got that clause accepted by the government. I would like to see the private correspondence between Mr. Hays and the directors of the Grand Trunk Railway. If we could, by an order of the House, have Mr. Hays brought up here with his letter-book, it would be delightful reading to have his view of how successfully the government had forced the company to accept the use of this line during seven years for nothing. But that is only a trifle to what is coming. Take clause 4.

Well, Sir, the change made by this clause is highly important. And, read with clauses 5 and 6 of the supplemental agreement and with section 32 of the original agreement it is so far-reaching that not one gentleman on the other side has understood the effect of it. By the old agreement the government was to guarantee the bonds up to 75 per cent of the cost of the prairie section and the mountain section also, the maximum guarantee for the prairie section to be $13,000 per mile and for the mountain section $30,000 per mile. But some notable changes have been made. The limitation of $30,000 per mile has been wiped out. Then the guarantee is to be not merely 75 per cent of the cost, but a guarantee of bonds to an amount that will produce the money on the market. I think that applies also to the $13,000 per mile of the prairie section. That point has not been discussed, and the charge was not made in the statement of the leader of the opposition. But I have no doubt at all that the government is bound to guarantee the bonds that will produce that $13,000 per mile, which will mean a million and a half more—another little addition made by these trifling alterations. The Grand Trunk people say that the mountain section will cost $50,000 per mile. Let me call your attention to the fact that Sir Charles Rivers-Wilson had every motive not to add a dollar unnecessarily to the estimated cost.

He showed in his speech great anxiety to reduce the obligation of the Grand Trunk Railway to the lowest point. He took Mr. Allen's statement and tore it to pieces to cut a few millions off. In every way he tried to represent the Grand Trunk's shareholders' liability as small as possible. And he had Mr. Hays by his side who, as they tell us had the benefit of the information in the surveys of Sir Sanford Fleming for the mountain section. I have no doubt that they had accurate information as to the cost of the mountain section. Sir Charles Rivers-Wilson said that he had not exaggerated it.

So under the original agreement the government was to guarantee for:

Mountain section, 500 miles at $30,000.	$15,000,000
The interest on that sum for 7 years would be	$ 3,150,000

That interest the government agreed to pay without recourse. The government also agreed to pay the interest for the next three years and if not earned, to capitalize the sum, and accept repayment in the course of forty years.

Three years' interest on $15,000,000	$1,350,000

Now, how do we stand under the supplemental agreement. The Grand Trunk people say the mountain section will cost $50,000 per mile plus interest during construction. For four years at 3 per cent, or, as Sir Rivers-Wilson has it, three years at 4 per cent, the interest would be $6,000 per mile, or a total cost per mile of $56,000.

$56,000 by 500 miles	$28,000,000
Of which the government guarantee 75 per cent or	$21,000,000
Then under clause 32 we pay, without recourse, 3 per cent interest for 7 years on the $21,000,000	$ 4,410,000
And we capitalize 3 years interest	$ 1,890,000
And under new clause 6 government cannot enforce repayment of further interest if default less than five years—say 4½ years' interest on $21,000,000	$ 2,835,000

Therefore, contrasting results of supplemental agreement with results of 1903 agreement we have:

Principal guaranteed—	
Supplemental agreement	$21,000,000
1903 agreement	15,000,000
Increase	$ 6,000,000
7 years' interest paid without recourse—	
Supplemental agreement	$ 4,410,000
1903 agreement	3,150,000
Increase	$ 1,260,000

Three years capitalized—	
Supplemental agreement	$ 1,890,000
1903 agreement	1,350,000
Increase	$ 540,000
And by clause 6 of the supplemental agreement repayment of 4½ years' interest on the $21,000,000 cannot be enforced	$ 2,835,000

Thus the change in terms—even if 3 per cent bonds sell at par—involves the following increases:

	Increases.
In principal guaranteed	$ 6,000,000

In cash payments—

	Increases.
7 years' interest without recourse	$ 1,260,000
3 years' interest capitalized	540,000
4½ years' default	2,835,000
	$ 4,635,000

All this is assuming that the bonds will sell at par. We have not touched on the discount. Hon. gentlemen have dealt with the question of 'implementing', that comes in addition. We must guarantee to produce $21,000,000. If the bonds sell at 90, the results will be as shown by the following figures:

Guarantee to produce $21,000,000	$23,250,000
1903 agreement	15,000,000
Increase	$ 8,250,000

	Increases.
In cash payments—	
7 years' interest without recourse—	
Supplemental agreement	$ 4,882,500
1903 agreement	3,150,000
Increase	$ 1,732,500
Three years' interest capitalized—	
Supplemental agreement	$ 2,092,500
1903 agreement	1,350,000
Increase	$ 742,500
Aud by clause 6 of the supplementary agreement repayment of 4½ years' interest on the $23,250,000 cannot be enforced	$ 3,138,750

Thus if 3 per cent bonds sold at 90, the change in terms involves following increases:

	Increases.
In principal guaranteed	$ 8,250,000

In cash payments—

	Increases.
7 years' interest without recourse	$ 1,732,500
3 years' interest capitalized	742,500
4½ years' default	3,138.75
	$5,613,750

I may add that if the bonds sell at 90 the guarantee for the prairie section will be increased from $13,000,000 to $14,500,000. Although, as we do not pay seven years' interest there, it is not so important. I do not deal with any increase on the prairie section, because I am dealing mainly and particularly with the interest account which involves cash outlay.

I have already read from the words of the Minister of the Interior. It will be remembered that he said—page 799:

> By releasing the old provision and inserting provisions which can only come into effect in case of default which we do not anticipate.

That is all. They can throw the burden upon the country only in case of default. But the Minister of the Interior seems to be oblivious to the fact that whether there is default or not, if you increase the principal of your guarantee by $6,000,000 or $8,000,000 you have to pay the interest on that for seven years and you do not get it back. And yet, one after another these hon. gentlemen get up and boast, as the hon. member for Annapolis (Mr. Wade) did, that these changes would not cost the country anything. At page 872, he says:

> I wish to place myself on record as saying that the agreement as amended will not cost the Dominion one extra dollar.

It was as the hon. member for Haldimand said, as if they were backing the note of a millionaire and it would not matter. But if the millionaire wanted you to pay the interest on his note for seven years you would soon find out that it mattered? The hon. gentlemen overlook the fact that under ne clause of the agreement, clause 32 I think, we agree to pay the interest for seven years upon every dollar we guarantee, and when you add six or eight million dollars to the guarantee you agree to pay interest on that amount for seven years. The hon. member for Annapolis (Mr. Wade) was satisfied that it was quite right to guarantee the additional amount. He said:

> I think that this is reasonable; I think it is fair that the government should guarantee the full three quarters of the cost and it was scarcely necessary that any discrimination should be made in this connection.

If the government had said: 'We are not to pay the interest for seven years on the increased amount,' then there would be something in the statement of the hon. the Minister of the Interior (Mr. Sifton) that it would make no difference, that the property was good for it, and that you were only guaranteeing it. But when the Grand Trunk call upon you to pay the interest on the increase, and without recourse, the laugh will be against the government.

Mr. CLANCY. Or against the people rather.

Mr. BARKER. The people will have to pay. That is one result of it. When the hon. member for Annapolis made that state-

ment and when the Minister of the Interior (Mr. Sifton) spoke on that subject and made the suggestion that the increase in guarantee really made no difference, the right hon. Prime Minister (Sir Wilfrid Laurier) evidently approved, the Postmaster General (Sir William Mulock) sat by his side and called out, 'hear, hear' in stentorian tones, the hon. Minister of Finance (Mr. Fielding) was present and applauded ; he seemed to regard it as a happy thought ; and all of the government supporters were applauding. I am sorry that the hon. Minister of Finance (Mr. Fielding) is not here. I intended to ask him if he was going to ask this House to validate this agreement without showing that I am mistaken in my statement that the interest on the additional amount of guarantee has to be paid by the government. How is he going to ask the House to adopt an agreement which puts that additional cash burden upon the people of this country when the hon. gentleman did not know that he was imposing any such burden? Is the right hon. the premier going to ask his followers to swallow that. Is he going to ask his followers to adopt an agreement which does not express what it was intended to express ? Is the right hon. gentleman going that far ? Is the Finance Minister (Mr. Fielding) going that far ? Is the Solicitor General (Mr. Lemieux) going to commence his career by doing that ? What position will hon. gentlemen be in. They are either going to do that, or else they are going to say that they knew that this was the intention of the agreement, but they sat silent and applauded when the hon. member for Annapolis (Mr. Wade) and the Minister of the Interior said that that was not the agreement at all. Is the right hon. the premier going to take the position that he had done right to deceive this House—not intentionally but to deceive the House in fact and to deceive the country, by representing that this change did not mean one dollar of additional expense to the country ? Will they dare to say to this House that they knew it did impose large cash payments upon the country and not only remained silent while the hon. member for Annapolis (Mr. Wade) spoke but applauded him ? Surely not. I do not think that the right hon. the premier is going that far and if he cannot take either horn of the dilemma what is he going to do about it ? I would like to know what the government are going to do about this ? If we are to endorse an agreement that does not express the intention of the parties to it, what is the use of our being here ? The government might as well send us home and transact the business by Order in Council, and not put us to the ignominy of validating an agreement under such circumstances. We ought not to be asked to do it ; the hon. gentleman's followers should not be asked to do it. I do not know whether they are going to respond to the whip and kiss the rod.

Some hon. MEMBERS. Yes, they are.

Mr. BARKER. I should hope not, I should hope that among hon. gentlemen opposite there is one man with backbone enough to stand up and say, if not here, then in caucus, that they are not all invertebrate, but that there is some one among them who has an opinion of his own and is not going to be led into such a thing as this.

Mr. CAMPBELL. Do not be alarmed about this side.

Mr. BARKER. I am not hitting at the hon. member for West York (Mr. Campbell).

Mr. BELL. He will vote all right.

Mr. BARKER. I may be asked why I assume that in the 8th, 9th and 10th years the mountain section will not pay, and that the interest on its cost will have to be capitalized. I have no more doubt that that section will not pay at that time than that I am standing here in the presence of the right hon. gentleman. The government have given the Grand Trunk every possible motive not to make it pay. We all know that when a railway is about seven or eight years old the heavy expenses of renewals are just beginning. A railway is started with brand new ties and woodwork. In about seven or eight years these begin to go, but the time has not yet come for averaging renewals and there is a tremendous expense about that time in the life of a railway. That is about the time when the question will arise as to whether the mountain section is earning 3 per cent. Do you suppose that the Grand Trunk in those three years will not put that line in apple pie order ? Even if it should not leave a dollar to pay the bond interest guaranteed by the government they will take enough to pay the interest guaranteed by the Grand Trunk. They will pay interest on the 25 per cent guaranteed by the Grand Trunk, but there will not be anything to pay the interest on the bonds guaranteed by the government. Why should there be ? If they can let the government pay it, if they can renew the ties and woodwork all along the line and put everything in apple pie order and thus use up three-quarters of the revenue, they are in this comfortable position that the government has to supply the money and wait for its repayment in the course of 40 years. They would be fools to earn money under these circumstances and not use it and you may depend on it they will apply it where it will do most good. They know what they are about and the money will not be earned or if earned, it will be wanted for maintenance. But there is another feature of this. Under this agreement the Grand Trunk Railway will control the Grand Trunk Pacific Railway ; in fact the Grand Trunk Pacific Railway will be a mere figure head. The Grand Trunk Railway Company will be in possession of all the

revenue, and having itself guaranteed a certain number of bonds, it will first pay the interest on these bonds and there is not a word in this agreement to enable the government to compel the Grand Trunk Railway to do otherwise. The result will be that interest for the three years will be paid by government and having advanced that cash we will take the bonds for forty years at 3 per cent. It is a first rate deal for the Grand Trunk Railway; they will need all the money they can get about the seventh or eight year of their operation of this mountain section and will not be able to borrow elsewhere on such terms.

I have been referring to the increasing guarantee by reason of the increased cost of construction. I now want to refer particularly to the probable discount on the bonds and the clause of the supplemental agreement which deals with the implementing of the government's guarantee. I looked up the imperial dictionary and I found that to implement is to fulfil or satisfy the conditions. So, the government say in effect: We have agreed to guarantee 3 per cent bonds to produce a certain amount of money. If the bonds are sold at a discount and do not produce that amount we must implement the difference. There are two or three ways in which you can implement it. In order to carry out the guarantee, that is to furnish so much money, you can do it by increasing the number of 3 per cent bonds to a sufficient extent to produce at the selling price, the amount of money required. That is the way my hon. friend the hon. leader of the opposition dealt with it. Supposing the bonds are selling at ninety you issue an amount of bonds sufficient to produce the amount required. Another way was that which Sir Charles Rivers-Wilson put forth in a short argument that he laid before his people—issue the bonds at par but at a higher rate of interest—he says 4 per cent. Then, we would be met with this difficulty. If we increase the rate of interest to 4 per cent we will have to pay interest at 4 per cent for seven years without recourse, and capitalize it for three years more at 4 per cent. We will be worse off than under the proposition of my hon. friend the leader of the opposition. Then, the right hon. First Minister has another way of doing it. I will quote his words: The right hon. gentleman deals with the subject in his speech at page 721 of 'Hansard': I have already read one sentence or two which I must read again:

> It is notorious that even with the endorsation of the Canadian government, whose credit is as high as that of any government in the world today, these bonds could not be sold except at a heavy discount, and the government therefore has undertaken to implement the difference which may exist between the price realized by the bonds and their face value. How this is to be done we are not prepared to say at the moment.

Then, he continues a little later on:

> If the market is to continue as it is, and bonds have to be sold at a heavy discount, the government will have to advance a little more in order to make up the difference between the face value and the price realized.

Well, Mr. Speaker, the right hon. gentleman is dealing with the implementing of thirty-four millions of money, and if the bonds sell at a heavy discount the money he will have to pay to make up the loss will be a little more than the hon. gentleman gives us to understand. Why, if the bonds sell at ninety, the discount is 10 per cent, and the 'little more' will be $3,400,000. He speaks of a heavy discount; I do not know whether he would regard 5 per cent as heavy or not, but even if it is only 5 per cent there would be $1,700,000 to be handed over by the government in cash to the happy syndicate which is to handle these bonds. That is what is in the right hon. gentleman's mind. That is the way he puts it. That is probably the worst of the three methods proposed. The right hon. gentleman says that he does not know how they are going to do it, that it is to be done later on by the government and that we must trust them to deal with this question. I can understand that this syndicate which is going to have the dealing with all these bonds is blessing itself because it has such an easy government to deal with. This proposition of the right hon. the First Minister is entirely distinct and in addition to the question of the seven years interest on the extra cost of construction guaranteed. At par that extra amount would be $1,260,000 and if you add to that even this $1,700,000 you will have $3,000,000 of money to pay, part for the seven years interest and part for implementing the bonds. This is another trifling matter that hon. gentlemen on this side of the House are not expected to cavil at. I do not know what the right hon. gentleman will think is the best mode of dealing with this question. I think that he ought to entrust the House with it. I think he should postpone this resolution until he has made an agreement with the Grand Trunk Railway Company as to how he is going to do it and then we will be able to judge. He ought, at least, to have allowed the House to understand in his speech when submitting this resolution what the probable result of the implementing would be. The right hon. gentleman knew that he had under any circumstances to deal with an enormous amount of bonds. We have heard what he says regarding the possibility of a heavy discount. Why did not the right hon. gentleman point out the extent of it approximately? Any one hearing the words of the right hon. gentleman would think that it was a few thousands of dollars. He is dealing with millions and he does not tell us how much the implement is to cost us.

Under the old contract the country knew pretty well where it was. We had nothing to do with the selling of the bonds under the old contract. We guaranteed them to the maximum amount of $30,000 per mile for the mountain section, and it did not matter to us in the least what the bonds were sold at. We guaranteed $13,000 per mile for the prairie section and it did not matter to us in the least what the bonds sold for.

Mr. WILLIAM ROCHE (Halifax). How much of the bonds on the western section will be sold this year or next year on which the hon. gentleman anticipates there will be a discount?

Mr. BARKER. I can answer that very quickly. I do not think there will be a dollar's worth sold this year or probably next year, but I take it with the right hon. gentleman that there will be a heavy discount. I do not profess to say whether it will be 1 per cent, or 5 per cent, or 10 per cent, but whatever it is the country takes the risk of it.

Mr. A. T. THOMPSON. They may be at a premium.

Mr. BARKER. You have to endorse the issue. You do not get any premium, but let me point out the position that the government have placed the country in. Supposing that four years hence, or at any time you like, the members of the syndicate dealing with these bonds come to the government and say: We can get 95 for these bonds. The government say: We think that is too big a discount; we will not agree to that. What will the Grand Trunk say? They will say: if you, the government refuse to deal now when we can dispose of these bonds at 95 you must take the risk of it, and if we must sell them at a lower rate you will have to pay the difference and hold us harmless. We are more interested in this than you are. We say now that we have made a bargain with brokers to place these bonds at a certain rate. If you say you object to that rate you must take the risk yourselves. We may yet have to accept 90 for them.

You have not only guaranteed the 75 per cent of the cost whatever it may be, including interest during construction, but you have guaranteed that you will implement the loss in selling the bonds whatever it may be. You have virtually guaranteed that the bonds will produce par, although you do not control the sale. That is the practical working out of the operation. Well, Sir, taking it in as favourable a light as the first minister may choose to put it, the right hon. gentleman can hardly contend that he does not expect there will be a discount on these bonds. Having undertaken to implement that discount whatever it may be, what justification is there for the member for Annapolis (Mr. Wade) to say that it won't cost the country a dollar. The right hon. gentleman knew perfectly well that he looked forward to having to implement that loss, and yet the hon. member for Annapolis was applauded when he said that it will not cost us a dollar. And the gentleman opposite applauded, as if it were some trifling thing that did not involve any consequence to this country.

Clause six of the supplemental agreement reads:

> 6. Notwithstanding anything in the said contract contained, the government shall not exercise any rights in respect of possession, foreclosure or sale, by reason of non-payment of interest by the company under the thirty-first, thirty-second or thirty-third paragraphs of the said contract, or under all or any of them, unless and until there shall be such default to the extent in the whole of a sum equal to five years of such interest, as the company is not relieved from payment of or permitted to defer or capitalize by the provisions of the said paragraphs.

You will notice that it is not, that the government shall not enforce interest until the company is five years in arrear. That I could have understood. But:

> Until there shall have been such default to the extent of the whole of a sum equal to five years.

As long as they keep the default under five years, you cannot do anything to recover the money. The Grand Trunk, having charge of the revenues of this company, can, half year after half year for nine half years, go into default and you cannot do anything. In the tenth half year, they can pay the interest on the bonds; the four and a half years remain in default; they will never let it exceed the four and one half years in default, and they can continue that for 35 years and you cannot help it. Why was it put in that shape in the agreement? So long as there is not five years default you cannot take any action. Well, that being the case, I suppose they will make four and a half years' default, they will then begin to pay the current coupons, and you will have four and a half years' coupons on which you cannot take any action. You have to pay the money out under your guarantee to holders of coupons for those four and a half years, you become the holders but you cannot take action to recover the money; and the company do not pay any interest on the amount you have advanced because there is not a word here that they shall pay it.

Then, there is the seventh clause of this supplemental agreement. Under the original agreement the government was guaranteeing first mortgage bonds, and the Grand Trunk second mortgage bonds; but under this last agreement the first mortgage has got into what printers call 'pi,' and the second mortgage is quite as good, and perhaps a little better than the first. The gov-

ernment are restricted ; they cannot foreclose or sell. They cannot take any of the ordinary proceedings of a mortgage bond holder ; they can only put an agent in possession who must distribute the whole of the revenue over the whole of the bonds ; he canont pay in priority the first mortgage bonds, and therefore what value is it as a first mortgage ? He must distribute it ratably over the whole lot. The government can take no proceedings. But the Grand Trunk Company can have proceedings taken on the bonds they guarantee ; they may seize anything they can get hold of belonging to the Grand Trunk Pacific, but the government cannot. The Grand Trunk are put in absolute control ; the government says : you must keep control ; and the company thus in control are the second mortgage guarantors. They can use the money as they please, and if they do not realize money to pay, and have to pay on behalf of the Grand Trunk Pacific, they can take any remedy that the law allows and it is only the government that is tied up. Everywhere, from beginning to end of this contract, the government is bound hand and foot, and the Grand Trunk is absolutely free. The hon. the leader of the opposition dealt with clauses nine, ten and eleven, pretty fully, and I do not want to take time in discussing them.

Under original clause 21, if, at the end of the fifty years, the government did not decide to operate the eastern division, the Grand Trunk Pacific were to have the first option of the new fifty years' lease. But the Grand Trunk Railway were not content with that. It is now provided, that even if the government does at the end of the fifty years, decide to operate its own line, it nevertheless must then give to the Grand Trunk Pacific for another fifty years, such running powers and haulage rights as may be necessary to keep up the continuity of operation between the Pacific western system and the Grand Trunk Railway system. What is the effect of that from a railway point of view? The Grand Trunk being deprived of the eastern division, wants the privilege to use it as far as may be necessary. It will want the privilege of using the North Bay to Winnipeg section. The Grand Trunk Railway has the command of all traffic up to Winnipeg in the west ; it commands all the traffic from Ontario and Quebec to North Bay ; it will have the right to have its traffic hauled between North Bay and Winnipeg by the government ; it will virtually control the whole traffic and deprive the government of any value in the line, because the government will have no feeders for its system. The Grand Trunk will have the traffic at both ends ; it will have its line in the prairie section and in the mountain section, gathering up the traffic and bringing it to Winnipeg ; it will have its own lines all over Ontario and Quebec, gathering up all the available traffic to hand it over to the railway at North Bay ; it will thus control all the traffic going over the Winnipeg North Bay section, and will leave a barren piece of property to the government. I do not know what the hon. gentlemen were thinking of. It ought to have occurred to them, when the Grand Trunk Company were making such proposals, that there was something behind them. But they quite innocently—I do not charge them with anything worse—agreed to almost everything that was proposed.

At six o'clock, House took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill (No. 33) respecting the Vancouver, Victoria and Eastern Railway and Navigation Company.—Mr. Morrison.

Bill (No. 10) to incorporate the Campbellford, Lake Ontario and Western Railway Company.—Mr. Wm. Ross (Ontario).

Bill (No. 18) respecting the Manitoba and Northwestern Railway Company of Canada. —Mr. McCreary.

Bill (No. 25) to incorporate the Whitehorse and Alsek Railway Company.—Mr. Macpherson.

GRAND TRUNK PACIFIC RAILWAY.

House resumed adjourned debate on the proposed motion of Sir Wilfrid Laurier and the proposed motion of Mr. R. L. Borden in amendment thereto.

Mr. BARKER. As my hon. friend the Finance Minister (Mr. Fielding) is in his place, I desire to repeat to him a question that I put to my right hon. friend the First Minister before six o'clock. I had pointed out to the House that it was admitted—admitted beyond controversy—that under the supplementary agreement, the country was obliged to guarantee a larger amount of bonds than under the agreement of 1903. I pointed out that under clause 32 of the agreement of 1903, this country undertook to pay for seven years the interest on every dollar of the guarantee, and therefore that this country has had imposed upon it by the supplemental agreement, an additional cash obligation, amounting, on the basis of the cost of the mountain section, as estimated by the president of the Grand Trunk Railway, to $1,260,000. That is quite apart from the three years interest which is to be capitalized, and quite apart also from the additional amount which may be imposed on this country under that unfortunate clause No. 6 of the supplemental agreement, and I reminded the right hon. gentleman that in the discussion the other

day, his colleague the Minister of the Interior (Mr. Sifton), the hon. member for Annapolis (Mr. Wade) and other gentlemen, asserted again and again that the amount of the guarantee undertaken by this country was of no consequence, that the property would pay its way, and therefore, whether the government guaranty was more or less, made no difference. I pointed out that the right hon. the First Minister and the Postmaster General (Sir William Mulock) and the Finance Minister himself applauded those remarks as expressing the truth.

The hon .gentleman was silent and never denied the assertion. The hon. member for Annapolis (Mr. Wade) said: What matters it? The amount of our guarantee will not cost this country one dollar. And the hon. Minister of Finance (Mr. Fielding) was there and never denied the statement. He allowed that statement to go as one to influence us as representatives of the people in the decision we are to come to with reference to this agreement. I asked the right hon. gentleman then, and I ask the Finance Minister now, if he knew, when the hon. member for Annapolis was speaking, that the result of the increased guarantee was that the country had to pay for seven years the interest on that increase?

Hon. W. S. FIELDING (Minister of Finance). I will answer at once, if the hon. gentleman (Mr. Barker) will allow me. I quite realize that we are to pay seven years' interest on our portion of that guarantee and, inasmuch as it is somewhat increased as respects the mountain section by this agreement, our seven years' interest is somewhat increased. I understood nobody to make any statement at variance with that; but if any one did make such a statement, I do not agree with him.

Mr. BARKER. I am glad to get that admission from the hon. Minister of Finance. But the hon. Minister of Finance was present when the hon. member for Annapolis said that it did not make a dollar's difference to this country, and he never——

Mr. FIELDING. If the hon. gentleman will permit me—I have no recollection of hearing the hon. member for Annapolis make any such statement. I did hear him state, in general terms, that this enterprise would be profitable to the country, but I did not catch the observation to which the hon. member (Mr. Barker) refers. But if the hon. member for Annapolis stated what the hon. member for Hamilton attributes to him, I can only say that I do not agree with the hon. member for Annapolis on that point

Mr. BARKER. The right hon. Prime Minister (Rt. Hon. Sir Wilfrid Laurier), this afternoon, did not deny that he was present. I put that to him, as I put it to the Finance Minister now, and he was silent. He applauded the hon. member for Annapolis when he made that statement. He, the First Minister, who had undertaken to place this question before the House, led this House, by his silence, to believe that what the hon. member for Annapolis said was true. The Finance Minister also was present. I watched him. All the hon. gentlemen opposite applauded what the hon. member for Annapolis said, and the Prime Minister did not deny a word of it. And it would never have been denied at all had I not pointed out this afternoon that the result of the 32nd clause of that agreement was that we had to pay for seven years the interest upon the increased guarantee. It is very extraordinary that the Finance Minister of Canada could remain in his seat when statements of that nature were made in his hearing and in his presence and not deny them. It is strange that the country is to be deceived and this House is to be misled by such statements, and no denial made by the Minister of Finance. The very fact that the hon. gentleman (Mr. Fielding) was in his seat when that statement was made by the hon. member for Annapolis and did not deny it, was enough to convince everybody on either side of this House that what the hon. member for Annapolis said was correct. And other hon. gentlemen re-echoed the same statement. The Minister of Finance must have heard his colleague the Minister of the Interior (Mr. Sifton) make the statement which I quoted this afternoon, yet he never denied or questioned that statement—that the only intention of the increase in the guarantee was to strengthen the knees of those weak-kneed people in England, who did not know as much as these hon. gentlemen do. The hon. gentleman (Mr. Fielding) heard that——

Mr. FIELDING. I heard no statement at variance with what I have stated.

Mr. BARKER. I can say that the hon. gentleman was present.

Mr. FIELDING. I was not present throughout the whole discussion I am sorry to say.

Mr. BARKER. The statement of the hon. member for Annapolis was made in the presence and hearing of the Finance Minister. I do not assert that he heard it; but I do assert that he was present and listening.

Mr. FIELDING. Not in the sense that——

Mr. BARKER. The hon. member for Annapolis was only a few feet behind the Minister of Finance. His words were uttered in stentorian tones, easily to be heard in any part of the House. And this is the statement he made:

> With regard to these concessions I wish to place myself on record as saying that the agreement as amended will not cost the Dominion one dollar. (Hansard, 872).

The Finance Minister was present and he never denied that statement. He says now

he does not agree with the hon. member for Annapolis, and admits that that hon. gentleman was wrong. Why did he not rise at the moment ? This was a statement made to the House on a matter of the utmost importance. It involved $1,260,000 of hard cash to be taken from the pockets of the people to pay that interest, relieving the Grand Trunk of the payment of that amount, which, in 1903, they agreed to pay. And this is the conduct of the Minister of Finance, the one minister to whom the people look for protection in such a matter as this. By whom are the interests of the people in such a matter to be looked after, if not by the Minister of Finance ? The people might not expect, perhaps, that the Prime Minister should be particularly expert in such matters. He certainly did not seem to understand the point up to an hour ago. I called his attention to it, and he evidently did not know there had been such a change. He was in the same position as the hon. member for Annapolis, who—quite truthfully, no doubt—stated that it did not make one dollar of difference to this country. Of course, it did not make 'one dollar' of difference, but it does make $1,260,000 of difference. And the Finance Minister gave colour and support to that statement by remaining silent. That is the position in which he has placed himself. But in what position has he placed the government ? We have the Minister of the Interior (Mr. Sifton) speaking, and he seems to act in these matters for all the departments, speaking of the financial aspect and of the railway aspect of this question. The minister who is silent and who, up to this hour has never uttered one word on this subject in the House, is the Finance Minister of Canada. Sir, I have great personal respect for the Finance Minister, but it is a matter of the utmost astonishment to me that the hon. gentleman should say now that he knew the statement of the hon. member for Annapolis to be untrue, and yet he was silent.

Mr. FIELDING. I do not believe that anybody was misled. We agreed before to guarantee three-quarters, not exceeding $30,000 per mile. We now agree to guarantee three-quarters of the cost, whatever it may be, and if the cost exceeds $30,000 a mile we have to guarantee the difference, and we give seven years' interest upon it. I do not believe anybody ever understood anything else.

Some hon. MEMBERS. Hear, hear.

Mr. BARKER. Hear, hear ! Why, the hon. gentlemen said 'hear, hear,' when the hon. member for Annapolis (Mr. Wade) said just the opposite. 'Hear, hear,' said they. Let the Minister of Finance (Mr. Fielding) say something and 'hear, hear,' say the hon. gentlemen ; let the hon. member for Annapolis (Mr. Wade) say the opposite, and 'hear, hear' say they. That is the dignified position taken by hon. gentlemen in this matter.

But, Sir, it is not a question whether the hon. gentleman from Annapolis stated in his speech, or whether the Minister of the Interior stated in his speech that we were guaranteeing a larger sum. Nobody doubts that we are. There was an entirely different question arising under clause 32. Hon. gentlemen have overlooked that clause, they forgot all about it, and until this afternoon, although this thing has been discussed day after day in this House, not one gentleman on the other side has found out that because we guaranteed a larger sum we had to pay seven years' interest upon that larger sum. Not one, and now the hon. the Finance Minister stands up at the last moment and admits it. We are bound to accept his word that he knew it, but the other gentlemen have not denied that they did not know it.

There are some clauses in the supplemental agreement that I might have discussed, but nearly all of them have been very fully dealt with by other hon. gentlemen who have addressed the House and there are still others that can be better discussed at a later stage ; therefore, I do not desire to occupy the time of the House in dealing with them now. I would like to ask the Minister of Finance (Mr. Fielding) as he is in his seat, and as he appears to know something more about the agreement than other members of the cabinet do, where is the agreement called for by the Transcontinental Railway Act under section 7, subclauses 2 and 3? I would like to know where it is.

Mr. FIELDING. I have not had my attention called to this matter and therefore I do not fully apprehend my hon. friend's question.

Mr. BARKER. It is not in existence, that is the trouble. The government have produced all the documents. In the Transcontinental Railway Act there was a clause, inserted at the instance of the hon. leader of the opposition (Mr. Borden) which provided :

Notwithstanding anything in this Act or in the agreement contained, His Majesty the King, acting in respect of the Dominion of Canada, shall not be bound or obliged to perform, carry out or fulfil any of the covenants, undertakings, conditions or stipulations in the agreement contained on behalf of His Majesty, acting as aforesaid, unless and until the Grand Trunk Railway Company of Canada covenants and agrees as follows with His Majesty acting as aforesaid :

(a) That it will guarantee the bonds of the Grand Trunk Pacific Railway Company for the balance required for the complete construction of the western division in the agreement mentioned, as provided in clause 34 of the agreement ;

(b) That it will acquire and take the common stock of the Grand Trunk Pacific Railway Company to the amount of not less than $24,900,000, as in clause 27 of the agreement provided.

Now, Sir, I would ask the hon. the Minister of Finance (Mr. Fielding) is this something that the other members of the cabinet have forgotten ? Has it been forgotten that these agreements which we are now supposed to be validating are to be subject to such an agreement being entered into by and with the Grand Trunk Railway Company of Canada ? I would like to know, Sir, whether the Grand Trunk Railway Company of Canada have entered into such an agreement with the government. They have not produced it ; I do not know that they have even obtained the consent of the shareholders of the Grand Trunk Railway Company to the entering into such an agreement.

Mr. FIELDING. While I am willing to answer my hon. friend occasionally, I think he would find it inconvenient if he should occupy his time in catechising the members of the government. On this occasion, however, I may say to the hon. gentleman that the time has not yet arrived for entering into that agreement. That agreement was to be made in accordance with the original contract and that contract having been modified we have not yet reached the time when it becomes necessary to carry out that agreement, and therefore it has not been entered into. That is my recollection, I do not think it has been entered into.

Mr. BARKER. At page 3 of the correspondence brought down by the government there is this clause :

> The terms upon which the Grand Trunk is to acquire the common stock of the Grand Trunk Pacific and the liability to be incurred by such acquisition to be fully determined and made the subject of an agreement.

Are the hon. gentlemen keeping that open ? Is that to be a subject for further consideration ? We have been discussing last year and this year the terms upon which the Grand Trunk Railway is to acquire that $25,000,000 of stock. Does the hon. gentleman (Mr. Fielding) mean to say that they have got to this stage of the negotiations and do not know what these terms are to be, although the Grand Trunk Railway point out in this correspondence that it must be settled ? Is there any understanding as to what the Grand Trunk Railway is to give for that $25,000,000, or is that something that is forgotten ? I think, Sir, that this is very much like the payment of the seven years' interest, they never thought of it. It is perfectly new, the hon. gentleman (Mr. Fielding) has never discussed it, and he knows nothing about it. It is like the surveys on the eastern division, the government were ignorant of it. Minister after minister stood up in this House and told us they knew nothing about the surveys on the Grand Trunk Pacific. The Minister of Railways (Mr. Emmerson) told us the surveys were going on upon the branches. The Minister of the Interior (Mr. Sifton) told us that the line from Winnipeg to the boundary line between Ontario and Quebec had been fully and completely surveyed. Which are we to believe ? The hon. gentleman (Mr. Fielding) said he knew the seven years' interest had to be paid.

Mr. FIELDING. And so did every person else.

Mr. BARKER. If everybody else understood it, I can only say that the language used by the Minister of the Interior was the most uncandid language a minister could use to this House. It was an outrage to the House that such language should be used, if the minister knew that the increased guarantee involved the payment of over 1¼ millions of money of this country. The hon. gentleman (Mr. Fielding) says that they knew it ; I do not believe they knew it. I do not believe the Minister of the Interior would have the audacity to stand up in this House and make such a statement if he knew it to be untrue. I do not believe it. I have to accept the hon. gentleman's statement that he knew it, but I am very very sorry for his sake that I have to accept it, because he ought not to have remained silent if he knew it.

But hon. gentleman after hon. gentleman made the statement and it remained uncontradicted and even the right hon. leader of the government sat in his seat and did not contradict it. Now, the hon. Minister of Finance who sits in his seat cannot afford to deny it.

I have not the right to cross-examine the hon. Minister of Finance in his place. I do not pretend to any such right. It would be very interesting to ascertain from the hon. Minister of Finance whether there is any controversy between the government and the Grand Trunk Railway Company about the acquisition of that stock. There is ample room for strife and controversy, between the government and the Grand Trunk Railway Company as to what they are going to do about it. A clause in the supplemental agreement is so worded that no man can say now what the government's rights are and what the Grand Trunk Railway Company's rights are. The Grand Trunk has the right to sell half of the $24,900,000 stock, but, it must retain control of the policy of the Pacific Company. It must retain control of a company with $45,000,000 of stock ! How is it going to do it without a majority of the $45,000,000 of stock ? There is only one way it can do it and that is by introducing into this country a system that has been adopted in the United States, that gives an opening for more fraud, more trusts and

more monopolies than is to be found in any other nation. Does this government propose to enter into an arrangement with the Grand Trunk Railway Company to have a trust established so that the Grand Trunk Railway will sell millions of stock under a secret agreement by which, though it shall not own the stock, it will control the votes of those who owned it? If not the Grand Trunk after sale of $12,500,000 must still hold $22,500,000—and one more share—or it will not hold the control of the Pacific Company, whose capital stock is $45,000,000. The twelve and a half millions that it sells and the twenty-two and a half millions that it will hold make thirty-five million dollars of stock. The contract obliges the Grand Trunk to acquire $25,000,000; but that will not prevent it obtaining the whole $45,000,000 in exchange for its guarantee. The hon. gentleman may find a good deal of difficulty in settling little discrepancies between what the Grand Trunk contemplated and what the government contemplated. There will be a good deal of difficulty in settling this little agreement and whatever hon. gentlemen may say I have no doubt the law department of the government is in a good deal of trouble about it. I am reminded of the language used by the hon. Minister of Finance last year on the subject of this stock. The hon. gentleman declared that the great protection that the agreement of last year afforded to the people of Canada was that the Grand Trunk Railway Company had to hold every dollar of that $25,000,000 of stock, that they would not be allowed to sell one dollar of that stock—not one dollar, said the hon. gentleman. He said: Not a dollar, not a dollar and it was re-echoed the other day by the hon. member for Annapolis (Mr. Wade). The not a dollar, not a dollar of the hon. Finance Minister was worth about as much as the not a dollar, not a dollar that we heard the other day from the hon. member for Annapolis. The provision that was of such vital consequence to the interests of this country some months ago, is now not worth discussion! It is wiped out without a word of explanation. It is so trivial! The hon. Finance Minister undertook to say that the Grand Trunk Railway Company would not be allowed to speculate with it—that it must hold it. These are the words of the hon. gentleman:

> The strength of this enterprise is to be found in the fact that the Grand Trunk Railway Company are not only behind it but they are in it and of it. If the Grand Trunk Railway Company take over this new stock of 25 cents on the dollar they cannot sell it to anybody at 26 cents on the dollar next day, and they cannot sell it later on for 100 cents on the dollar. It must stay in the treasury of the Grand Trunk Railway Company.

Perhaps the hon. gentleman did not mean that. Will the hon. gentleman tell us what change has occurred in favour of the country in the later agreement that justifies the government in abandoning what was 'the strength of the enterprise'? The Grand Trunk Railway Company has reduced its guarantee. The Grand Trunk Railway Company is accorded further privileges in regard to the stock and the people of Canada do not get a cent of stock. If the Grand Trunk Railway Company is to guarantee a small portion of the obligations and get stock for doing so, why should not the people of Canada who guarantee a much larger portion get a part of that stock or all of it? The whole of the stock, Sir, is going to the Grand Trunk Railway Company, and the hon. gentlemen have not seen fit to so far take care of the interests of the people that the people should have an interest in proportion to their guarantee. Then the hon. Minister of Finance went on:

> The stock will not be allowed to go into the market and pass into the hands of other persons, and possibly at a later stage be treated, in the fixing of freight rates, as capital at a fictitious value.

What did the hon. gentleman mean then and what does he mean now? Twelve and a-half million dollars worth of stock are to go on the market, perhaps at fictitious value, to be possibly at a later stage treated in the fixing of freight rates; yet, the hon. member for Annapolis tells us the stock has nothing to do with freight rates. It is a great pity that the hon. gentlemen opposite cannot agree among themselves. Ministers come in one at a time. We have two of them to-day.

An hon. MEMBER. Three.

Mr. BARKER. I beg pardon.

An hon. MEMBER. Four.

Mr. BARKER. Yes, four. Sometimes we have only one. But, they are never the same. It is somewhat of a kaleidoscope. They are constantly changing and you are never quite sure who is taking care of the interests of the government or of the country. I think there is hardly an hon. gentleman who sits on the treasury benches at this moment who was here in the afternoon—not one. When we are discussing a question involving an obligation of $155,000,000 upon this country we cannot get any two of them to agree. The hon. Minister of the Interior gets up and makes an assertion which is immediately seized upon by his followers, one after another. The hon. member for Annapolis endorses the hon. Minister of the Interior. The hon. member for Hants (Mr. Russell) endorses the hon. member for Annapolis and the hon. member for Haldimand (Mr. Thompson) tells us a story about a man who backs the note of a millionaire. This is the sort of business that we have in connection with this enormous transaction, the greatest, as hon. gentlemen will admit, that we have had since Confederation. Last year the minister said:

> We think it important for several reasons—

He didn't mention the reasons.

—that the Grand Trunk should take and hold that stock and not dispose of it. Therefore we insist that they shall acquire and take and hold that stock.

But now they are going to sell twelve and a half millions of it, and that is only half of the twenty-five millions of stock, while there is another twenty millions the government have made no provision for, and which the Grand Trunk can acquire in exchange for its guarantee and sell without the permission of the government. The Grand Trunk can take from the Grand Trunk Pacific the whole $45,000,000 of common stock in exchange for the guarantee, as is provided for in the Bill now before the House. Why, the Grand Trunk Railway, under this section 10, could sell just as much of that stock as they please, so long as they keep the majority voting power under some voting trust, by which the man who does not own the stock can vote, and the man who owns it cannot vote. Well, Sir, considering the extreme skill with which the government has hitherto conducted the negotiations, I have no doubt they feel that they ought be entrusted with the continuation of them ; I have no doubt the Finance Minister thinks that the House and the country should entrust him and his colleagues with the settlement of the whole question of what is to be done with this stock—and so, he says, the time has not arrived for the agreement with the Grand Trunk ! We are to give the government a power of attorney to do as they please in the interest of the government acting of course for the people. And not only that but the right hon. gentleman told us that he wants to reserve further power to deal hereafter as the government sees fit with the terms and conditions and the mode in which the implementing $34,000,000 of bonds shall be carried out. Why, Sir, the hon. gentlemen must feel that the country is willing to submit to government by Order in Council. There is no use calling parliament together ; the government want absolute power to do as they please, they want power to settle terms about a sale of $12,500,000 of stock, in spite of the most solemn statement of the Finance Minister that such a sale should not be allowed. They want power to deal with a syndicate as to the terms upon which $34,000,000 of bonds shall be issued, and as to how much the government shall pay in the hard cash of the people of Canada for the loss upon the transaction. They ask that seriously of this parliament. Well, all I can say is ; if that is the way the affairs of Canada are to be conducted under a Liberal government ; God help Canada.

I want to say a few words in addition to what I have said already, on the question of government ownership. I have taken some figures from the report of the Minister of Railways, who I am sorry to see is as usual absent. I looked into these figures in order to see what might be the consequences to this country of our railways being handed over to a few companies. I find that the Grand Trunk Railway to-day has 3,079 miles of railway in Canada (I do not include their mileage in the United States), and if they get this transcontinental line, it will add to their mileage 3,400 miles, making their total mileage 6,479 miles. The Canadian Pacific Railway have to-day 6,928 miles, and they are constructing 364 miles, making their mileage 7,292 miles. The Canadian Northern have completed and under way 1,650 miles ; their line to Edmonton will be 900 miles, and their extension to Port Simpson 500 miles, making their mileage 3,050. The total mileage controlled by these companies will be 16,821 miles. Now, Sir, I wish to call the attention of this House and the country to the fact, that under three men ; managers of these three railways, there will be 16,821 miles of railway with an army of men; an army of electors, controlled by these companies. Three men : the manager of the Canadian Pacific Railway, the manager of the Grand Trunk, and the manager of the Canadian Northern, will control 16,821 miles of railway with every man in the employment of the companies. Now, Sir, I am quite aware that no railway manager absolutely controls the vote of the employees of the company, but no one can doubt the influence—the improper, the unjust influence, that such manager can exercise and too frequently does exercise over the men in his employ. It must be remembered, that nearly every man in the employ of these companies is a grown man ; a voter. Not only that, but everybody who knows the business of this country, knows the influence that railway managers possess over merchants and manufacturers, especially if two or three companies in a particular place have common interest, and choose to combine. It may be said that these railways will always be in rivalry, but when once the railway interest happens to be opposed to the interests of the people, these three managers will combine, and with divided political parties, those three men may virtually rule this country. I would ask : is that not a serious question for us to consider before we finally and for all time deal with this question of government ownership. I do not think any man doubts, that if you enter into this contract for fifty years, and perhaps a century, with the Grand Trunk Railway Company, it is good-bye to government ownership. You put the whole power of that tremendous mileage in the hands of the companies, and so good-bye to government ownership. Let me put it in another way ; supposing that on some occasion these three managers choose to put their influence along with the influence of the Minister of Railways of the day who commands 1,550 miles of railway with all the employees under his control,

then you will have 18,371 miles of railway controlled by four men. Why, Sir, let these men combine, and a dishonest, a corrupt and an extravagant government, whether it be Liberal or Conservative, could be kept in power by them despite the will of the people, divided politically, as the people would be. I do not mean to say that that settles the question of government ownership, but it is a most important consideration. Now, I do not propose to discuss the whole question of government ownership. As I said before, I think that is at present an open question in this country. It is a question under development. The people of all classes are discussing it, and it ought to be kept open, and it is a wrong to the people of this country for this contract to be entered into, if it will, as I think it will prejudice the consideration of that question .

I hope that in the allusions which I have made to the two or three gentlemen who control our great railways, it will not be supposed that I have any personal feeling against any one of them. It happens that two of these gentlemen come from an alien nation. I do not desire to put that forward as a reason for distrusting them, nor do I say we should distrust any other railway managers. But, Sir, it is a subject to be considered, whether the commercial interests and the political interests of this country should be subject to the influence of two or three men, whether the present men or others, who may not be citizens of this country, and whose actions may affect the national status of Canada.

Now, Sir, I have endeavoured to point out what I consider fatal defects in the agreement referred to in the resolution. If at times I have used some strong words, it is because I feel very strongly on the subject, and I think that the comments I have made show that I am justified in using strong words in characterizing the nature of the negotiations that have been carried on. I am not surprised that there have been blunders. Rather would I have been surprised if there had been no blunders. What has taken place ? The right hon. First Minister virtually dismissed the only man in his cabinet who had a railway experience that enabled him to deal with this question. The ex-Minister of Railways was so treated, that he was compelled to retire from the government. And then what happened ? The right hon. gentleman, utterly inexperienced in railway affairs, without the slightest knowledge of the thing he was undertaking, entered the lists with Mr. Hays, who is an acknowledged expert, one of the ablest in the country. The right hon. gentleman, Sir, went out of his class, and he got knocked out. Who could have expected anything else ? The right hon. gentleman relied on his supporters to carry him through, and apparently he has had some justification for that confidence. But, Sir, it is a lamentable thing to think that in a matter involving so many millions of money to this country, the negotiations were undertaken by a gentleman who is absolutely without knowledge of the least detail of the matter. He not only deprived himself of the railway minister, but he deprived himself of the assistance of the staff of the railway office, whereas the Grand Trunk manager had behind him a competent, experienced and able staff of officers to assist him in the negotiations. That is amply shown in the result. The right hon. gentleman had not a man behind him. Up to this hour he has not, so far as we can see, appealed to the professional staff in the Railway Department. Even to the last moment, when the government want some information, it is not the railway minister who gets it. It is the Minister of the Interior who sends for it, to Montreal, a gentleman who is engaged in drawing maps in his office. That is how business is conducted that is under this government. That is the kind of thing the House and the country are called upon to approve. I say it is no wonder that these negotiations have resulted as they have. The question now is : Who shall suffer? Will the right hon. gentleman admit the errors he has committed, or must the country pay for them ? That is the question before the country at this moment. There is no use pointing out to hon. gentlemen opposite how many or how serious these blunders are. These hon. gentlemen are always ready to 'hear, hear' to any statement made on their own side. There are some hon. gentlemen here who will have the enjoyment shortly of appearing before their constituents and explaining these matters. I do not think they will smile then. If they do, they will smile on the other side of their faces. To appeal to hon. gentlemen opposite is useless. We can only appeal to the country.

Mr. Speaker, I have spoken perhaps a great deal longer than I ought to have done. I have considered these agreements very carefully. I profess—I do not say it boastfully—to have had some little experience in such agreements ; I profess to have had for 20 years some acquaintance with such negotiations ; and I have never in my life seen any agreement which had in its four corners so many blunders as appear on the part of the government in this one. The negotiations from beginning to end present a wretched, deplorable, miserable picture, the only bright spot in which is the right hon. gentleman's story of a flower that bloomed in the spring.

Mr. A. W. PUTTEE (Winnipeg). Mr. Speaker, when the main question of this contract was before this House last year, I took occasion at considerable length to

state my position with regard to it and with regard to the policy which I thought ought to be adopted in place of this contract; and I concluded by moving an amendment calling for government ownership and operation of railways in Canada. I am still of opinion that the government would have been well advised if they had accepted that amendment; and there are many other gentlemen in this House, and many more in the country to-day than there were at that time, who believe that would have been the best course for the government to have taken. I do not intend, Mr. Speaker, on the present occasion to deal at any length with that subject. We are discussing, or should be discussing, a number of concessions that are now to be granted to the Grand Trunk Pacific Company in the contract which was made last year; and you will have noticed, Mr. Speaker, that the various members on the government side who have spoken in this debate have paid very little attention to those concessions.

But before each one of them seems to rise this very natural question: Why not own the line as well as pay for it? It is also noticeable that all those who supported the contract last year are going to support the concessions. That, I think, is a fair conclusion to draw. All those gentlemen who could bring themselves at this date, under present conditions in this country, to support a contract between the government and a private orporation for the construction of a new transcontinential line, will no doubt be prepared to accept and endorse all the modifications that have since been made to it. The principle appears to be that the tail goes with the hide. The concessions made are material, important, and valuable, and yet the supporters of the contract have, with few exceptions, failed to deal with the details of those concessions. It is one of the defects of this system, which I pointed out last session, that in this, the first year of the life of the contract, before operations have started at all, we are called upon to consider a batch of concessions to the company. Some gentlemen argue that that shows that the contract which was made was not in favour of the corporation, but more in favour of the government. I could not see it in that light last session and cannot now. One of the defects of a contract of this kind is that we have got to measure our progress, our rule of development in this country, by what some far-away investors think of our prospects. It was not because the contract was not a good one that the Grand Trunk Railway directors did not dare go before their shareholders with it as it was. The Grand Trunk Railway shareholders in Great Britain have never been supposed to be optimistic regarding the future of this country. It is not possible for us to suppose that they would have the same appreciation of its prospects, the same trust in its future, as our own government and people, and yet by these concessions we are practically putting our future into their power. We are asked to assume now practically an unstated liability. By the contract of last year we were to guarantee the bonds on the mountain section to the extent of 75 per cent of its cost, but we are now asked to leave to the other parties the power of determining to what extent we will be liable. We are to vacate, to forego the right of foreclosure and adopt some other system, and a system foreign to this country. It is evident to me that the directors of the Grand Trunk Railway were watching the debate in this parliament last year and came to the conclusion, from the mountains of information produced and the discussion on both sides, that it was very uncertain whether this project will be carried through and whether the line from Winnipeg to Moncton is going to be constructed. We have evidence of this in the fact that they are now asking to be granted the privilege of renting a part of that line, which means getting the right of using that part of the line from Winnipeg east, which will connect with their branch to North Bay, and thus obtain exactly what they asked for at first, a western system with connections with their eastern system, leading to their ports on the other side of the line.

We had the proposition put forward in this House last year that this contract meant government ownership in fifty years. That it did not necessarily do so is not to the point, but the company evidently thought there was some danger of that, and they are now providing that they will be guaranteed the use of the road for a hundred years. It seems to me that although from this on the work may commence under this contract; as obstacles arise, as they will do in works of this magnitude, this government will be asked to meet them again and again and make still further concessions. That seems to me a natural conclusion, and the very fact that the government has yielded in this instance will but strengthen them to ask for more. Our position is analogous to that of the farmer in the story, who undertook to lead a frisky and rather fractious bull. In order to make more sure of going with the bull, he tied the rope securely around his own body. Presently the bull began to run helter-skelter across the country, and as it approached a neighbour's farm the neighbour called out: Hello, Smith, where are you going? And as the bull took a short cut around the corner, Smith replied: Ask the bull. It seems to me that before we can find out where this contract will bring us, we will have to ask the Grand Trunk Pacific shareholders.

The government supporters very properly have dwelt on the fact that the carrying out of a large work of this kind should do a great deal for the building up of this country. By giving employment to our own people and furnishing a market for manufactured products, this undertaking would be of incalculable benefit. But some two or three years ago complaints were made that, under its new management, the Grand Trunk Railway was becoming Americanized. I have never had any acquaintance with the Grand Trunk Railway, and am willing to agree to all praise given by both sides to that company for what it has done, but there were complaints made some two or three years ago that in its new management, and in its officials at all events, the company was becoming Americanized. Last year I drew the attention of the then acting Minister of Railways, the Finance Minister, to the likelihood of our being subjected, under this contract, to an invasion of people from across the line to take up the best positions on the construction of this road.

I pointed out at that time that, as a matter of fact, the Canadian Pacific, in its engineering department, had practically become Americanized. The Finance Minister admitted that he had heard something of the matter and promised to inquire into it. During the last year, it appears, these fears have been more than justified. Many rumours have been current and many statements made on the subject. I am not prepared to say that they are correct or incorrect; but I have been informed, at all events, by men who are in a far better position than I to know the condition of affairs, that, as a matter of fact, we were already subjected to this invasion, and that our own Canadian citizens, competent and equipped to do the work, were idle during the past year, while Americans were engaged on these surveys. Now, I know—I suspect at all events—that this matter has been brought to the attention of the government. I thought we had a right to know whether the government were inquiring into the matter. I took it for granted that they would be keen to check-mate such a move and to check-mate it early. I was informed, on what seemed to me fairly reliable authority, that, altogether, on the eastern and western sections, 270 surveyors were at work in the employ of the Grand Trunk, of whom only 17 were Canadians. I do not know whether that is true or not. But, like several other members of this House, I endeavoured to ascertain whether the government knew anything of this matter. I put questions on the order paper, as did other members. But so far, it seems to me, the government has been loath to give even a fair reply. On March 28th, I asked this question.

1. Is the government aware that survey parties are at work along the route of the proposed Transcontinental Railway between Winnipeg and Quebec?

2. Are these parties employed by the government or by the Grand Trunk Pacific Railway Company?

3. If by the railway company, is there any understanding that the government will adopt the surveys, and pay the expenses incurred in making them?

The Minister of Railways replied:

1. The department is aware that survey parties are in the field north of North Bay and Port Arthur surveying branch lines to connect with the proposed Transcontinental Railway between Winnipeg and Quebec.

2. These parties are employed by the Grand Trunk Pacific Railway Company.

It will be observed that the minister stated that he was aware that the Grand Trunk employees were surveying branch lines, these being purely Grand Trunk branch lines. And, of course, I had to take that as a sufficient reply. Less than a week after that, when this debate had begun, the Minister of the Interior (Mr. Sifton), in the course of his speech, told the House that, as a matter of fact, the Grand Trunk had been surveying the main line, and had been carrying on the work all winter; and he regretted that their survey was not sufficiently complete to be laid before the House. He told us that he had sent an officer of his department to overlook the report of the surveying officers and to present to him a report which he presented to the House. In that report, which was based upon information furnished by Mr. Stephens, it was stated:

During the summer of 1903 preliminary surveys were made of the line between North Bay and Winnipeg and location surveys were made of a large portion of the line between Winnipeg and White Earth lake, about 200 miles. The extraordinary wet weather not only interfered with the work and movements of the survey parties but made the carriage of supplies extremely difficult and expensive. Enough work has been done, however, to show that it is possible to get a line from Winnipeg to the point at which the North Bay branch diverges from the main line.

Later on, there are reports made of the survey by sections of about one hundred miles each, showing that surveys had been made covering about 530 miles. And it is evidently on these surveys that the parties are employed who, the amalgamated engineers of this country claim, are in fact, aliens brought in by the Grand Trunk officers to do the work, Canadians being discriminated against. There is in the possession of many hon. members of this House, I believe, a considerable mass of literature on this subject, the same having been sent to us. But it has the fatal defect that it bears no signature, so that nobody has to take the responsibility of

it. A good deal of information it contains is similar to that given to me at various times during the winter. I have here a copy of a petition that has been forwarded to the Prime Minister and members of the government. I understand that it is properly signed on behalf of the Dominion Institute of Amalgamated Engineers. It is a somewhat lengthy petition, so I shall not read it all through, but will merely give some of the points, which, it seems to me, justify any hon. member in insisting that the government should be prepared to give us some assurance either that investigation has been made and has disproved these statements, or else that the matter will be thoroughly investigated and the correctness of these statements ascertained. I am aware, perfectly well aware, that complaints of this kind often dwindle very considerably in the light of investigation. But I am also aware that on works of this kind that are far from centres of population, investigation often exposes facts which prove that the complaints are well founded or even that the grievances are greater than they have been represented to be. The petition says :

The wholesale importations of college graduates from American schools has been effected, said graduates possessing absolutely no experience nor requisite training for the responsible positions and large salaries given them.

The greatest secrecy has been adopted in filling up all the survey parties in the field by large numbers of youths from American schools and none have been employed from any one of our own universities.

These imported employees are all strange to the existing conditions of this country, and their work performed east of Winnipeg has totalled an expenditure largely in excess of work done over similar ground by Canadians ; in addition to this these surveys were in most cases worthless.

It seems to me that the importance of this charge lies in the fact that it is made by a Canadian society of engineers. I should attach hardly any importance to such a statement if it were made by persons not actually and practically in touch with this work. The petition goes on :

Winnipeg from its central position in the Dominion has been made the main recruiting ground and focussing point for the immigration of American youths as draughtsmen, and even stenographers have been imported from the United States and been pressed into service in place of Canadians and local men, willing and competent to fill the positions, and at a time when, owing to the long and arctic winter, such work would greatly assist and provide support for local men.

Many thousands of dollars worth of surveying instruments and supplies, manufactured in the United States have been brought for the use of the engineering department and 33 per cent duty paid theron, but not one bona fide British or Canadian manufacturer has been asked to tender for same.

We mention this fact particularly for the reason that the spending power of one hundred and fifty millions of dollars will be placed in the hands of these men who will use every effort to monopolize the control of this enormous sum, involving thereby great loss and detriment to the people of this Dominion.

The petition then goes on to call attention to other things, such, for instance, as that free passes are given to men who come from the other side of the line, some of whom travel thousands of miles to reach the scene of their work, while the few men who are engaged in Canada, even if they have to travel from east to the far west, must pay their own travelling expenses—apparently a case of most unjust discrimination. The conclusion of the petition reads :

Your petitioners earnestly believe that if investigated, the above statements made can not only be thoroughly substantiated, but that it will also become evident that the entire railroad scheme is being exploited (evidently unknown to your government) for the exclusive benefit of American engineers, American contractors and American interests in general, to the exclusion, if possible, of everything Canadian or British, and your petitioners pray that you will earnestly take this matter into your most serious consideration at an early date.

We have the honour to be, sir,
Your obedient servants,
THE DOMINION INSTITUTE OF AMALGAMATED ENGINEERING,
for
British Columbia, Manitoba and Northwest Territories.
Per GEO. L. GRIFFITH,
Provincial Secretary.

Great as may be my love and admiration for our neighbors to the south, it does not extend to the length of being willing to see them and their factories derive greater benefit from the expenditure of this vast sum of money in Canada than the factories and people of our own country. It is incumbent upon the government to deal fairly and frankly with the members of this House and to tell us whether they are going to investigate this matter, or if they have investigated it, whether they have found these grievances well founded or not. This matter should be put upon a proper basis before the contract is finally settled.

I have observed with some pleasure, and more interest, the arguments that have been brought forward during this debate to condemn government ownership of railways as against this scheme. One argument in connection with the financing of this proposition has been continually advanced. It has been explained to us that by the present arrangement this country will obtain a transcontinental line with very little expenditure. We are told that the eastern section of it is to be government owned, and that the country will own it without paying for it ; all it is to cost us is the $15,000,000 of interest for the ten years during which the company have the free use of that line. After that, the com-

pany will pay the 3 per cent and we, having borrowed the money for its construction, will simply hand that interest over to the people from whom we borrowed the money. So far as the western part of the road is concerned, we are simply guaranteeing the bonds and it is laid down that this section of the road will be a paying section from the start; that there will be sufficient traffic and business to support it and that, at all events within ten years, there will be sufficient revenue to meet the interest on the bonds. We are told that this is an obligation which we assume but which we shall never be called upon to meet. In this way the total expenditure by Canada is estimated at $20,000,000. But even if this is so, and applying that reasoning to my proposal that this road be government owned and government operated, all we do is to borrow the money. We construct the line and as soon as it is in operation it will pay. There will be business enough for it under my proposal exactly as under the other. The rates will be sufficient to pay the 3 per cent interest, therefore the receipts of the railway over operating expenses will pay the interest on the bonds, and under government ownership, as I propose it, you can get a new transcontinental line without costing Canada one cent. Surely if by the same process of reasoning you can get a government-owned transcontinental line for nothing and a company's line for $20,000,000 it is better to choose the cheaper of the two.

Since the commencement of this debate, there has been made public and used in this House a document whose existence was not suspected by the majority of us at the time of its commencement. Without knowing anything of the manner in which that document came to be published, I wish to express my satisfaction and pleasure that it has been possible to publish that document at this time. State documents of this kind that affect governments, that are brought out by crises invariably, sooner or later, become public property. This one, in the ordinary course of events, would have become public property at a time far enough distant to be of no effect and of no value. I am glad it has come out at this time, while the question is in the public mind, and when it can be made valuable to the people of this country. I am glad also for the reputation of its author that it became public. It was charged here last year by members on the government side—and I could never see any justification for the charge—that the Minister of Railways (Hon. Mr. Blair) had taken the action he did simply out of personal resentment, that, feeling that he had been slighted in the negotiations he resigned his portfolio and appealed to the House to sustain him. I believe the publication of this document at this time is simply a fair treatment of that honourable gentleman (Mr. Blair). The document is, at all events, a valuable addition to the current literature of the Dominion on the question of government railways, and I admire now, as I have done for some time the author of it, not only because he could prepare such a document, but because he had evidently, while Minister of Railways, been where so many of us refuse to go, in a position where he could learn, and that he had come to the conclusion that not only was the proposition for a government road across the continent a feasible one, but that the time had come for it. He said:

> The operation of the Intercolonial Railway by government has secured to the people of all Canada who have access to it, moderate and stable rates of transport, applied to all alike, and absolutely free from discrimination.

He said further:

> The fact is, public opinion is ripe to accept such a policy as a boon from the government and as promising relief to the country from what, rightly or wrongly, people believe are the unreasonable exactions of the corporation railways.

That was the opinion of the ex-Minister of Railways and Canals of this country. The time is ripe, the people are ready and the opportunity has come. That brings me to note shortly the speech delivered in this House the other evening by the hon. member for Vancouver (Mr. Smith), being his first speech on this subject, he not having been in the House last session when it was brought up. This hon. gentleman told the House, first, that he was an advocate of the principle of government ownership; a kind of platonic admirer of the principle, I might imagine. He laid down this condition, that although an advocate of government ownership it appeared to him that neither this parliament nor this government would be justified in adopting the principle of constructing and operating a road passing through all the provinces of this confederation until such time as all the towns and cities in the country operated their own street railway systems, and until the provinces took possession of and operated all the provincial railways under their jurisdiction. Then, the other condition was that we should first perfect ourselves in the art of controlling railway corporations; not, mark you, that we should afterwards go on controlling them, but that we should first undertake to control railway corporations and thus fit ourselves for the duty of operating railways afterwards. It appears to me that this is a scheme of government ownership that we can leave to our descendants. I can see no force in the argument, and I should not be disposed to pay any attention to it if it had not been put forward by one who first declared himself to be an advocate of the principle of government ownership. To show the weakness of the argument, let me just for a moment re-

verse the conditions. Let me suppose, that, last year at this time, say, when, I believe, this question of government ownership was in the balance, when the government was contending within itself on the question, the principle of government ownership won, and the government came down proposing to build this road through Canada and to operate it publicly. Now, suppose that the hon. member for Vancouver should get up and say as an advocate of government ownership : I cannot support this policy because the cities and towns of Canada have not municipalized their roads and because we have not yet mastered the art of controlling railway corporations. It will be apparent to any one at once that the hon. gentleman could not have taken that position and would not have taken that position, and it breaks down immediately the force of his argument that he is bound to support the contract at this time instead of the principle of publicly constructing and operating the road. Having in mind the position that the Intercolonial Railway is at the present time and having in mind the statement of the late Minister of Railways and Canals that the one sure way we have of making the Intercolonial Railway a dividend-earning concern, would be to extend it to the west, let me say to those who would support this contract and yet avow themselves as supporters of the principle of government ownership, that you cannot in Canada support government ownership by choking out the new life of the Intercolonial Railway. In the city which I represent, in the province from which I come and in the great west that is beyond, there is hardly a person of any political faith but what believes the time has come when we can support further transcontinental lines. In other parts of the country there may be here and there people who are still debating the question as to whether it is necessary, or as to whether it is called for, but in the west there is no hesitation at all on that point. We believe that the field is now open, that, as a matter of fact, further railway facilities have to be afforded, and there is no doubt in my mind, and I have taken considerable trouble to ascertain what the people are thinking about it, that our people will say that we should have a government road through to the west. When the intimation was made to the country last year that the government had decided that the time had come for the construction of a new road, it appeared to me then, as it appears to me now, that the only effective opposition that could be offered to it is that there should be a proposition to construct and operate the road by the government. I can see, myself, no intermediate ground. Our people, even though they would accept the road under any conditions, want a government road. I take up the amendment that has been put before you, Mr. Speaker, by the hon. leader of the opposition (Mr. R. L. Borden) and I must confess that I do not find in that a very clear cut or even reasonably clear-cut expression of the principle of government ownership and operation. I wish that it had been so. I notice that many of the supporters of the hon. leader of the opposition, in speaking to this question, have undoubtedly and very forcibly committed themselves to the principle of government ownership and operation and I am glad they have done so. I hope the time will come when they will be successful in persuading their party to take a step forward to the line of clean, clear-cut government ownership and operation of railways. But, I do not find it in the present amendment. I have tried to look at it in this way. Supposing in that famous programme drawn up in 1893 by the party then in opposition, they had included or tacked on at the end of it the words of the amendment that is now before the House and that afterwards they had come into power and proposed this measure that is now before us. Would any hon. gentleman say that it might not be included within the words of the amendent? I think I understand some of the difficulties that a political party has to contend with in this country in still holding to the past and binding itself to the future.

But the one thing that has surprised me most of all is, that this government should have allowed itself to throw away the golden opportunities it had ; being in power at a period of expansion in this country, and when the moment had arrived that it was possible to propose another transcontinental line. It was within their power to have proposed a policy that would have aroused enthusiasm in Canada ; a policy that would have appealed to the pride, and the patriotism, and the independence and the self-governing instinct of all people of this country. They had it within their power to propose the inspiring policy of a government railroad, a people's road from ocean to ocean; a railroad that would at all times be in competition with the railroads owned by private corporations, and which would have inevitably led in the future to the nationalization of the railways in this country. And, had this government committed themselves to that policy, they could turn around to their supporters, and to the opposition, and to the people of Canada and say : we must have some well advised scheme to put the civil service of the country on a proper basis, so that we may ensure that this government road can be operated in the public interest and cannot be used by politicians purely for political purposes. Had the government carried out this twin object, they would have brought upon themselves honour, and they would have done a lasting good to Canada.

Mr. G. O. ALCORN (Prince Edward). Mr. Speaker, after so many hon. gentlemen on this side of the House have so fully, so ably, and so exhaustively discussed this question, and more particularly, the terms of the two agreements between the government and the Grand Trunk Railway, I do not propose, in the dying hours of this debate, to say more than a very few words. It is not my intention to enter into a discussion of the demerits of the clauses of the contracts, but I shall confine myself to indicating some of the many reasons not arising on the specific terms of the contracts, why the resolution now before the House should not be adopted. The first of the reasons which I assign, is that the course taken by the government in introducing this measure to parliament and to the country, is unconstitutional. I am aware that constitutional questions are not regarded with special favour, and that they are looked upon as practical and somewhat pedantic. But, Sir, if it can be shown, as in my humble opinion it can, that the course pursued by the government in bringing in this measure—which is one of the most momentous in the history of parliament—is diametrically opposed to that laid down by the authorities, and that the effect of that course is to enable the government improperly to accomplish a purpose which they probably otherwise could not have attained, and that the rights and privileges of parliament are thereby infringed, and the people unduly burdened; if that can be shown, then it is a highly practical matter to which to direct the attention of the House and the country.

It is within the personal memory of every member of this House and of every elector in Canada, that last session the Prime Minister in an ever to be remembered and most dramatic speech introduced this subject to parliament. He did so by bringing in a Bill attached to which was a schedule, being a copy of an agreement, which he announced had been made and completed between the government and the Grand Trunk Railway Company. That agreement or contract had been absolutely concluded, signed, sealed and delivered inter partes; it was a consummated contract, and the Bill was simply intended to call upon the House to ratify that contract as previously concluded. It is to this, Mr. Speaker, to which I propose to direct the attention of the House as being an improper course, viz., the making of a prior contract behind the backs of parliament, unknown to the representatives of the people, and in which they had no part, lot or share. The first intimation, which parliament had that that agreement was in existence, or was even contemplated, was the introduction of this Bill of last session. Again this session the right hon. gentleman brought in a resolution (and that is a more proper course) upon which he will no doubt subsequently base a Bill to have the amended agreement with the Grand Trunk Company adopted by this parliament, and given effect to. Both of these agreements have been made in the same manner, unknown to any one, except the government themselves, and those gentlemen who are acting on behalf of the railway interests concerned. I propose to show that the proper and constitutional course would have been not to make and conclude an agreement between the parties beforehand; not to attempt to bind the country by a consummated contract; but to first come to this parliament with an explanation as to the negotiations being carried on between the government and the railway company; a statement as to the position of these negotiations, of the agreements to which they pointed, and which the government desired to accomplish. Hon. gentlemen will see at once the very vast difference which exists between these two courses. The right hon. gentleman, in introducing the Bill last session did so, as I have said, in a most dramatic fashion. In effect, he was calling on his followers in clarion tones to rally to his support, and to vote this Bill through parliament. To-day, he is doing the same thing in regard to this resolution and the Bill which will follow. What the right hon. gentleman has done in this transaction, is in effect to say: I the Premier of Canada, the leader of the great Reform party, the policy maker of that party in this country,—I have made and concluded an agreement with the Grand Trunk Railway Company of Canada; I have taken my political life in my hand, I have staked the fortunes of myself and my party upon that scheme, and I now present this Bill to my followers in the House with the request that they should vote it through, and I appeal to my supporters in the press and in the country, that they should support the party in so doing.

If, instead of that he had followed what I very humbly conceive to be the proper constitutional course, the right hon. gentleman last session and now would simply have come to this parliament and stated the negotiations which were being carried forward. the point at which they had arrived, and the climax to which they were directed; and would have submitted to the judgment, the business acumen and the common sense of the members of this House on both sides, whether or not the interests of the country would be subserved by bringing those negotiations to a close in any manner approaching that in which that object has been effected by the agreements in question. It may be answered that the first agreement contains a clause providing that it should be hereafter confirmed by the parliament of Canada. For the purposes of my argument, Mr. Speaker, I submit that it makes no practical difference whether such a clause is introduced or not. The point to which I direct the attention of hon. gentlemen is that the government, by concluding the

agreement first, and insisting that their followers support that agreement as something by which the country is already bound, —to the extent to which the executive may bind parliament,—have taken an unwarranted course. The difference between the two courses is so vast that no minister could hope to have passed through this House, in the form in which it was passed, the Bill of last session. This subject is treated of by Mr. Todd, in volume 1 of his well-known work, where after discussing certain methods by which the executive is allowed certain rights of quasi-legislation by the issue of Orders in Council, minutes of committees of council, and departmental regulations, he says :

There are certain forms of procedure, of ordinary occurrence in the administration of public affairs by the ministers of the Crown, which need to be strictly confined within constitutional limits, lest they should become the instruments of oppression or misgovernment. These are :— The issue of Orders in Council and royal proclamations ; and of minutes of committees of council and other departmental regulations; and (in the next chapter) legislation by public departments ; and the entering into contracts by government departments for the public service.

He then gives a history of the contest which took place in the imperial parliament with regard to the length to which the executive might go in the way of this quasi legislation, and shows that that parliament, after a long discussion on the question, adopted certain standing orders by which parliament was afterwards guided. He says, at page 488 :

An important question—kin in principle to that which has been just considered—has arisen of late years with regard to contracts, to be entered into between any department of the executive government and other parties, for the performance of any work or service, the undertaking of which has been, or may afterwards be, authorized by parliament. It is manifest that the responsibility of entering into such contracts properly rests upon the executive alone. But it is equally clear that the government have no constitutional authority to make a contract which shall be binding on the House of Commons, by whom the necessary funds for carrying on the contract must be supplied ; and that the consent of parliament should be first obtained to all new contracts.

At page 492, speaking again with regard to the standing orders to which I have alluded, and which were made in consequence of certain contracts with reference to ocean postal service which had been the subject of discussion in the House, and with respect to which the authority of ministers who had made them had been questioned, the author continues :

Though confined, in the letter, to a particular class of contracts, the above-mentioned resolution,—requiring that parliament shall be notified of the intention of the government to enter into contracts which involve prospective expenditure, not limited to the service of the current financial year—embodies a principle which is susceptible of general application.

A perusal of the two chapters from which these extracts are taken, in connection with the subsequent chapter upon the subject of the control of parliament over supplies, will show that the proper rule to be observed is this, that while it is competent for a government or a minister to make contracts in the course of strictly departmental routine, with regard to matters pertaining to a particular department, or to make contracts with regard to expenditures which have been in principle authorized by parliament, yet no government or minister have or has any right to make any contract with regard to new work, involving new expenditure, the principle of which has not been sanctioned by the House of Commons. In my humble opinion, the reason for the adoption of that rule—and it is a very excellent reason—is this, that it is not consistent with public policy or the public good or the proper conduct of public affairs in the House of Commons, that a government or a minister should have the right to bind parliament or to affect the expenditure of the country by making a contract which is first heard of when an attempt is made to force it through the House by means of a party majority supporting that government or that minister. The evil pointed out is the use of the party lash upon members of the House with respect to a project which the government have, as far as it has been able, taken out of the legislative grasp of parliament itself. I think, Mr. Speaker, that if hon. gentlemen would consider the rule and the reason for it, as I have very briefly expressed it, they will agree with me that had the government felt themselves bound last session by the rule as I have endeavoured to state it, had the right hon. leader of the government submitted this matter as one to be discussed solely upon its merits and without regard to the interests of the Reform party, it would not have passed this House. At any rate, it would not have passed in anything like the form it now assumes. Much less could the right hon. gentleman have hoped to pass the resolution now submitted to us, because that resolution calls upon us to adopt an amended agreement which eliminates from the first contract every safeguard for the interests of the country which that document contains. You cannot find an instance in which the interests of the people were attempted to be served by the original agreement, which is not, so far as the people of Canada are concerned, injuriously affected by the supplemental contract. Had the contract of last year been presented, as it should have been, to the intelligent consideration of this House, and not on strict party lines, I have no hesitation in saying that even the followers of the right hon. gentleman would have refused to endorse it. As a matter of fact, many of them were opposed to it. One gentleman who was then in the cabinet, and whom the right hon. the First Minister has

declared, in the most emphatic manner, to be a man eminently worthy of passing judgment on the scheme, left the government rather than support it. During the debate of last session, the dissatisfaction which prevailed in the ranks of the Reform party was quite evident. It did not require a very close observer to detect numerous gentlemen on that side who were being dragooned into supporting the Bill. It was commonly reported that certain prominent gentlemen, up to a very late day in the history of the debate, refused to support the measure, and if current rumour is to be trusted, there are yet some members of the government itself representing Ontario, who have failed up to the present to give any very active support to either the Bill of last session or the resolution now before the House. Every one conversant at all with the state of public opinion in Ontario, must know that this project has failed to be received in that province with anything like the acclaim which the government expected. In fact, so very coldly was it received, that, according to general belief, the people will fail to endorse it at the polls. It is for that reason that these gentlemen to whom I refer have refused up to the present to give more than a passive support to this measure, and this must be a very weak spot indeed in the government armour.

Undeniably one of the most important and sacred of the rights, privileges and duties of the House of Commons is to stand between the executive and the people they represent, more particularly with regard to the finances of the country, and its expenditure, present and prospective, submitted to the consideration of parliament. Therefore, though the point may be a dry constitutional one, I think it is a most practical point if we are able to show that not alone in this matter, but in every similar project dealing with the finances of Canada or other assets of this country, the universal practice of the government has been to pursue an unconstitutional course, and I think we would be derelict in our duty to the electors of Canada if we failed to point that out and submit it to the consideration of the electorate. One notable instance of the result of the unconstitutional methods pursued by the government arose in connection with the Yukon Railway deal. During the session of 1902, in the consideration of the estimates, an item was reached of some $300,000, proposed to be paid to Mackenzie & Mann as compensation for the expenses they had incurred in furnishing materials and work preparatory to the construction of the Yukon Railway. The item was explained by the right hon. the First Minister, who said (See 'Hansard,' p. 4870)—that he did not pretend that Mackenzie & Mann had any legal authority or right to call upon Canada for the payment of the money, but he thought there was a moral obligation resting upon us to discharge this debt. But that debt was due to the unconstitutional course pursued by the government. The government had made an absolute agreement with Mackenzie & Mann for the building of that railway. The first notice we had of the agreement was when it was brought up to this House in the shape of a Bill, and the supporters of the government were, for the first time, called upon to put the measure through. Subsequently that Bill failed to become law, and Messrs. Mackenzie & Mann put in a claim based upon a contract, which should never have been made, and which on its face required to be affirmed by parliament. That is an instance of the effect of the disregard by the government of the constitutional rule to which I have referred. This government, however, has always, ever since it came into power in 1896, when dealing with projects of this nature, first dealt with them by passing an Order in Council or by conducting a secret contract and have then come to parliament to force the measure through with the aid of the party whip. To this practice we owe the Drummond County deal, the Yukon Railway deal, the Treadgold concession, and now this contract, overshadowing all previous transactions, and involving interests greater than 'have been'.

This course, no doubt, has been adopted by the government because it suited political exigencies. It suits political exigencies, in this case, because we have the evidence of the president of the Grand Trunk Railway, that he has entered into a partnership with this government. And the evidences are that it is a political partnership, for hon. gentlemen are all aware of the very prominent part taken by the senior partner of this firm (the G.T.R.) in a late election in the province of Quebec. In these other cases also, there were political exigencies to be provided for. The partnership is expected to extend over a great many years; it is expected, in fact, to keep this government in power for many years to come. That is, no doubt, the primary object of the government in entering into the arrangement which they have made with the railway company. This government has never, so far as I am aware, held itself bound by constitutional rules, or even by the statutes of the country. An instance of that, and a striking one, was afforded last session when the matter of the Treadgold concession was under discussion. In a certain minute of council, it had been stated for the information of His Excellency the Governor General, that a certain statute—I believe it was the Dominion Lands Act—directly authorized the particular course which council was then recommending. On turning to the section of the statute indicated, it was found that that section absolutely forbade the precise thing as authority for which the government cited it.

That is a striking instance; and it seems to me that the matter under discussion discloses a no less flagrant departure from proper methods.

The second ground which I propose to urge, very shortly, with regard to this measure, is that the scheme ought not to have been brought down until it had been examined and reported on by the transportation commission or some similar board. Hon. gentlemen are aware that, for over three years, this government had been promising the country the appointment of a commission to be composed of master minds on questions of transportation, the best experts whose services could be secured. Presumably the recommendations of expert minds of that description given after the most minute inquiry into the whole subject, would be a most valuable state document. We should then have precisely what hon. gentlemen on this side of the House have always been asking for; full information. We on this side of the House have never stated that there should be no railway, or that a railway should not be constructed over a route to some extent approaching that described by the government though under very widely different conditions. But we have said, we continue to say, and we must say in the future, that we consider it impolitic, unwise and improper to call upon the parliament of Canada to vote means for the enormous expenditures which this scheme will involve without one particle of adequate information upon the thousand and one points which present themselves for consideration, and of which the members of the House should be seized before they are called upon to exercise their judgment by way of voting either for or against the scheme presented. If that commission had been appointed; if it had taken evidence, as it was represented that it would, if it had examined all phases of the transportation question, we should have had full information. We were told that they were to examine the entire question of transportation by land and by water—transcontinental and other. That is what the country expected. On the 9th of May last, this government issued an Order in Council very fully, very wisely and very adequately dealing with the entire question, promising the appointment of this commission, prescribing the purview of its duties, and stating that upon the report of the commissioners it was hoped the government would be able to take action with regard to the transportation interests of Canada. The members of this House and the electors of Canada relied as they had a right to do, upon the representations made in that Order in Council. It seems to me, in the light of subsequent events, that this Order dealing with the transportation question in the intelligent manner in which it did, was, in all probability, the product of the gentleman who subsequently left the government because he was unable to give his adhesion to the scheme now before the House. Had that Order in Council been followed up, implemented by proper action on the part of the government by the appointment of the commission, and had the commission gone to work in the manner they should, we should have, perhaps not by this time, but in due time, such a body of evidence as would enable members of this House to vote intelligently upon any scheme of transcontinental transportation which might be submitted. But, though that Order in Council was passed on the 19th of May, in the month of July following and before any appointments to that commission were made, the government deliberately took out of the purview of the work of the commission the one main question which would have been the principal reason for its existence. Surely Sir, the question of transcontinental transportation overshadowed the mere examination—which is all that this commission has done in the meantime—of certain harbours, the discussion of the placing of certain lights and petty matters of that kind with regard to a few of the harbours in Quebec and Ontario. Surely it would have been a reasonable course to leave within the purview of the duties of this commission, this transcontinental scheme, and to allow the commission—as everybody expected it would be allowed—to make the most minute inquiries by taking evidence of all persons from ocean to ocean, having expert knowledge on the subject of transportation and to formulate all that evidence into a report which might reasonably have been made the basis of future action upon that vast question. But we find that, instead of having that commission do the work, which the country expected it to do, we find, I say, the government, taking in their own hands the one principal subject with which the commission should have dealt. It therefore appears to me that we must come to the conclusion that the appointment of that commission was never seriously intended as a bona fide step towards the solution of the transportation question.

The very ineffective manner in which the commission has entered upon its duties, or rather has neglected those duties, appears to corroborate that opinion. Not only does the government remove from the list of subjects to be considered by the commission the question of transcontinental transportation, but it comes to this House with a scheme which it presents as a perfect scheme both as a whole and in all its details. Although the one expert in the government, the one gentleman whom the government themselves have quite lately told us in the most emphatic terms was and is to-day an expert in railway matters, and by whose judgment the railway interests of the people of Canada are to be hereafter guided, opposes the scheme, the government presents it as a perfect scheme

and calls upon its followers to vote it through, thus implying that without the aid of Mr. Blair, the government themselves were more competent to deal with such a question than a board composed of the best experts to be obtained in Canada. The fact that the commission has been appointed appears to me to be a very good reason why this scheme should not be passed until it be reported upon. But we have it upon the evidence of the president of the Grand Trunk Railway that the negotiations between the government and that railway were actually in progress during a period of eighteen months next before the 8th of March last; that is, these negotiations were well under way before the government announced its intention to appoint this commission. Therefore, we are justified in coming to the conclusion that the appointment of the commission was never intended as a bona fide step towards the solution of the transcontinental problem. If the government intended to bring forward this scheme why was the commission ever appointed; I can see no object in appointing a commission simply to look into questions of harbours and breakwaters and lights and matters of that kind as to which the Minister of Marine has certain duties which he will no doubt perform. This is a great and vast scheme, great in the interests involved, in its consequences to future generations of Canadians, and in the expenditure which it entails. Surely, therefore, it should have the fullest and most careful consideration and all necessary time should be taken to give it the most minute inquiry. As the scheme has not received anything approaching that consideration which it deserves, I am of opinion that until the government can show by actual survey that a route can be secured so short and practicable as to enable the best railway experts to say that a railway of the highest type can be constructed on the proposed route and that therefore a rate can be made so cheap as to compete with any existing route, there is no justification for bringing forward this scheme. We were told by the hon. member for North Norfolk (Mr. Charlton) during the last session when he discussed this question at great length as the railway expert of the government, that money expended in the construction of any class of railroad upon any portion of the proposed route, would be money actually thrown away unless that railroad was of the highest type and of the most modern construction. We have no information yet whether any kind of railroad can be constructed upon the very lengthy route between Quebec and Winnipeg; much less have we any information as to the feasibility of building in any portion of that country a road of the class described by that gentleman, as the only class which should be constructed. This scheme deals not alone with the Canada of to-day, but with the Canada of fifty or one hundred years to come. Even if the scheme or any portion of it is expedient to-day it may not be expedient twenty or thirty years from now; no man can say. The movement of wheat from the west to the east is in its infancy. It cannot be said what trade route will be followed in days to come by the golden treasures of the west. Hon. gentlemen are aware that a number of charters have been granted for the construction of railways from the neighbourhood of Winnipeg to Hudson's Bay. It cannot be said with certainty that the route for the removal of the grain from the wheat fields of the west will not be by the Hudson's Bay route. What would be the result of the establishment of that trade route, as upon the railway now proposed to be constructed by this government, especially considering the fact that we already have a railroad covering the entire route from Montreal to the Atlantic, constructed by the people of Canada at an expense of something like $71,000,000? This is not the only thing to be considered; the wheat or the flour, the product of the wheat, may go west. Mr. Hays points that out on page 32 of the pamphlet with which hon. members of the House are familiar, as the report of the meeting of the Grand Trunk shareholders. He says:

> There are many of you here to-day who will live to see the Grand Trunk Pacific hauling as much of its grain towards the Pacific for consumption in China, Japan and that territory as will be hauled in this eastern direction.

These are matters which are to be taken into consideration in discussing the enormous expenditure which the government is now seeking to force upon this country.

The fourth ground to which I propose to call your attention for an instant, is that this parliament is in its last stages. This we presume is the last session of this parliament. It cannot be reasonably said that this parliament has the right or any mandate to force upon the people of Canada a measure of the tremendous importance and the enormous cost of this scheme, introduced in the dying hours of this legislature. It appears to me that it is not necessary to argue that question at all. It is manifestly highly improper and the last thing that the government should undertake to do to force upon the country a scheme for which no one has called, for many features of which no necessity appears, and which has never been mooted until proposed by the right hon. leader of the government himself who seeks to force that scheme upon the country by the aid of his following in parliament in the last days of the government and of this parliament. But, Mr. Speaker, if that is so, much more and upon much higher grounds is it improper for

another reason: During last session this government of its own motion, by its own deliberate act and through its majority forced upon this parliament a most drastic and outrageous Redistribution Bill. By so doing the government publicly announced that this parliament as at present constituted does not fully, fairly, equitably, and properly represent the people of Canada. Surely, after passing an Act such as that and after taking such a position as that before the people of this country, the very last thing that the government should do is to ask this parliament, which it declares is not properly constituted, to pass an Act of this transcendant importance.

Another matter which I wish to speak about is that of route. The question of route is one very material to all the provinces of confederation. But, let me point out that one of the provinces, the province of Ontario, has been absolutely and deliberately left out of the scheme. When the next general election takes place the electors of Ontario will view this matter in this light. They will say to themselves: What interest have we, in this province of Ontario, in a line of railway running through a wilderness which will supply no local traffic 400, or if recent statements be true, 700 miles north of the business centres of that province? Surely, we have not the most remote interest in a line of that description and yet we of Ontario must pay 3-5ths of the cost. I think that will be the view which the people of Ontario will take of this project. During the discussion of this matter in the Railway Committee, hon. gentlemen will recollect that the hon. Minister of Finance was asked about this question of route. His answer was that it will be time enough to discuss that question when the matter of aid, if ever, came before this House. The matter of aid did come before this House and was discussed for many weeks. The same hon. minister, asked the same question in the House during the debate on aid, replied that the route as far as the eastern division was concerned would be where the government, with the concurrence of the company upon the advice of its engineers and surveyors, might see fit hereafter to place it. The effect of that is that the representatives of the people in parliament have absolutely nothing whatever to say in regard to this very important question; in fact, Sir, not only in regard to the route are the representatives of the people absolutely excluded from a voice in this measure, but in regard to various other matters the government has taken the subject absolutely into its own hands. Reading the emendatory agreement now submitted to this House one is struck by this feature. A number of agreements, not one or two, but a number, is to be concluded by the government and the railway company without any intervention from parliament whatever. The phrases 'as hereafter agreed upon' and 'as may be hereafter agreed between the parties' run through a number of the clauses. So that the government is actually taking out of the hands of parliament the decision of one of the most vital questions which, I submit, should be left to this House.

In regard to the aid given, to the western division, it appears to me that unless the company saw fit to take the far northern route and so open up new territory it should have had no aid from this government whatever. What possible reason can there be, what good ground can be assigned for granting aid to a railway to be constructed through a thousand miles of the most magnificently productive territory on the face of the earth? In speaking of the prairie section Mr. Hays says also at page 32 of the report, before quoted:

> There cannot be the slighest doubt as to what the returns will be from the prairie section.

And Sir Charles Rivers-Wilson, as reported at page 12 of the same report, says:

> As regards the prairie section, the government, not unfairly, held that it would be self-sustaining from the day of its completion, and in this view we are willing to concur.

If, on this prairie section, every mile of the road will be productive the moment the rails are laid I can see no reason, and I think the people of the country will agree with the view, no aid should have been given on that section of the road at all.

There is another matter to which I propose drawing the attention of the House for a few moments, and that is the question of the suitability of the hinterland of Quebec and Ontario for the construction of a railway, its adaptability for settlement, and its agricultural capacities. A few days ago, in speaking in this House, the right hon. leader of the government twitted members of the opposition with what he in effect said was their unpatriotic course in seizing with avidity upon every scintilla of evidence which went to show that the country to the north through which this line is proposed to be built was not the land flowing with milk and honey which he and his party represented it to be. In regard to that I would say that we are simply investigating a matter of fact and surely members of the opposition would be derelict in their duty if they failed to point out the evidence emanating from the government and which contradicts the position taken by the government that this country is what they represent it to be. Hon. gentlemen are aware that during last session a book was placed in the hands of members of this House which has become familiarly known as "The mountains of information." I ask the House to bear with me for a moment while I make some observations in regard to this book. It is prefaced by a note signed by Henry M. Ami addressed to the right hon. the leader of the government in these terms:

In compliance with your request, I have the honour to transmit to you an account of the resources of the country between Quebec and Winnipeg along the line of the National Transcontinental Railway.

On the next page he says :

With a view of better understanding the character of the country traversed, its physical features, soil, timber, mineral and other resources, the district has been divided into sections, 100 miles in length, taking in a belt of country seventy-five miles on each side of the proposed line of railway.

Then we have attached to the document a map of Canada across which is traced a line, the deduction from which is that that line represents the intended route of the railway. But, Mr. Speaker, I fail to discover between the covers of this book, or from any official, or other source, that the route of this railway has ever been in any way defined. Therefore it is very difficult to see how Mr. Ami was able to fix it so exactly and to give us the alleged physical features along the line of the National Transcontinental Railway, and to deal in a similar manner with a belt of country one hundred and fifty miles in breadth from Quebec to Winnipeg, along its route—a route never determined. However, he has done so, and I ask hon. gentlemen to turn to page six of that book for the purpose of seeing what evidence the government have placed in our hands with regard to the three reasons they gave for selecting this northern country as the site for their railway. The first of these reasons is, that it is excellently adapted to railway construction ; the second is, that it is a most fertile district of the greatest agricultural possibilities ; and the third, that it is an excellent territory for settlement. On page 6, Mr. Joseph Bouchette, dealing with explorations on the St. Maurice says :

I find it intersected by rivers and their innumerable tributaries rising more generally in the lakes and the immense swamps which cover this section of the province. The essential feature of the land is its unfitness for cultivation, being composed for the most part of light sandy soil, or partaking of a rocky nature. It is frequently broken by chains of hills of no continuity. The cliffs which in many cases discover their barren nature are principally composed of granite of irregular stratification.

On the next page he says : under the heading of 'timber.'

The prevalent timber to be met with is spruce, tamarack, fir, white birch, pine and some cedar.

Around some of the large lakes some arable land is to be found, but so uncomeatable that it must ever remain waste and uncultivated. Indeed, upon the whole, this portion of the country appears to me to be yet in the primitive stage of its formation which I believe could be easily traced by a geologist, and therefore ages may perfect a tract which now is absolutely unfit for cultivation.

Mr. SAM. HUGHES. Is that in a government report ?

Mr. ALCORN. This is in the Prime Minister's mountains of information. Turning to page 14 dealing with the Gatineau district, the report of Mr. James Richardson says :

Here, about 230 miles northward of Ottawa city, and 1,090 feet above the sea appears to be the northern limit of pine on this branch of the Gatineau.

And yet, we were told that this railway was to be constructed some four hundred miles north of settled Ontario. On the next page, under the heading 'Head Waters of Gatineau and St. Maurice rivers' the same gentleman proceeds :

Along Hair-cutting lake, which is about seven miles in length and from two chains to about two miles wide, is a level plain rising over the lake from ten to twenty feet, composed of brown sand, and mostly bare of vegetation. Along the lake shore, where the waves have acted on the sand, iron sands like those of the Lower St. Lawrence are met with. Proceeding down Hair-cutting river to Great and Little Beaver lakes, the country continues comparatively level and consists of sandy plains, rising in terraces sometimes sixty feet over the river, and covered mostly with blueberry bushes, and here and there remains of small burned spruce. From these lakes to where the traverse leaves Hair-cutting river and thence to Kirkendatch on the St. Maurice, a distance of about eighteen miles, the country is still covered with brown sand, and the inequalities of the surface are from twenty to one hundred and twenty feet high.

Turning to page 19 where the river Desert district is referred to under the head of Agriculture it is stated :

For agricultural purposes, this tract of land has no value whatever.

At page 20, dealing with the upper Ottawa district, Mr. H. C. Symmes says :

The frost begins about the 1st of September, and the ice disappears about the end of May, when vegetation proceeds with great activity.

On page 23, dealing again with the upper Ottawa, we find this statement under the heading of 'Soil.'

Although the district as a whole in its southern portion cannot be said to be suitable for agricultural purposes, still, in many places, considerable areas of good land are known to exist.

At page 27, Dr. A. E. Barlow, dealing with the survey of the district of Nipissing, and the county of Pontiac says :

Summer frosts, so much dreaded by the farmers, especially in districts newly opened for settlement, have in the past proved a rather serious barrier to the successful raising of wheat, while oats have suffered severely, particularly in clearances situated some distance from the larger bodies of water. Frosts generally occur from the 18th to the 25th of August on the calm, clear nights following the heavy north winds.

Further on he says :

The red pine seems to flourish on the apparently sterile sand plains which are a feature in many parts of this district.

On page 28, we find this statement :

Jack pine, called by some pitch pine, is very often encountered in the more barren rocky areas, and its presence seems an almost certain indication of the extreme poverty of the underlying soil.

Turning to page 34, still referring to the upper Ottawa, as the result of Lindsay Russell's and H. C. Symmes' surveys, it is said of them :

They give the general character and aspect of the country they observed in their respective traverses of the rivers and lakes assigned to them, representing it as a whole to be a rocky barren country, unfit for agricultural purposes, and as chiefly timbered with a stunted growth of spruce, tamarack, white birch and balsam.

Under the head of 'soil' they say :

The soil in general and with few exceptions is sandy and rocky.

Turning to page 26, dealing with the Gatineau district we find the following :

The Gatineau and Jean des Terres sections, are both rugged and mountainous, and much less adapted for cultivation, and the characteristic features of the latter section are very similar to those described in the lake and river explorations.

At page 38, dealing with the Ottawa river, Mr. Lindsay Russell says :

The portion of the Ottawa river covered by my survey flows through a country of very uniform character in nature of surface, kind and quality of soil, and prevalent growth of wood. The surface is everywhere uneven, being broken by the low and generally rocky hills of the Laurentian formation which extends throughout ; any of the small comparatively level areas are usually spruce and tamarack swamps.

Under the head of 'soil' he says :

The hills, in many cases, were bare, rocky ridges ; in others, but lightly covered with soil and growth. In the valleys and low grounds adjoining streams the soil was deeper, though generally similar in character if dry. The greater part of the level or low gronds was either tamarack or spruce or open mossy swamps. In a few exceptional cases a narrow border of richer soil was observed along the edges of streams, being the alluvium thrown up by them during floods.

At page 40, under the head of 'climate,' he states :

As to climate, the country traversed would seem to be nearly three weeks behind in spring that of the city of Ottawa, with a corresponding earlier setting in of winter.

As to the intensity and duration of the summer heat, I do not think it would ever be sufficient to ripen wheat ; oats and barley might, perhaps, come to maturity ; potatoes of medium size and excellent quality are grown at the Hudson Bay Company's post on Victoria lake.

Of the fitness for settlement or other future resources of the country it is hard to draw any favourable picture.

Apart from climate, the nature of the surface and soil is such that with the exception of the small area before mentioned, at the junction of the Abitibi, I neither know nor have been told of any portion of it fit for profitable cultivation in the sense understood by settlers of the present day in Canada.

At page 41, Mr. John Sullivan says, under the head of the 'good agricultural land :

Several of the Indians, about fifteen or eighteen, I am told, died of starvation last winter within a circuit of thirty miles of where I was surveying.

At page 44 we have the statement of Mr. John Bignell, dealing with the Upper Ottawa, in which he says :

The country is level and no hills are to be seen ; how far the growth of timber and good land extend back from the river I was not instructed to ascertain.

One is naturally lead to the inquiry what he went there for, because this was one of the material points to be investigated.

At page 48 Mr. Walter McOuat, reporting on the country between Lakes Temiscaming and Abitibi, under the head of 'timber,' says :

White and red pine are found over the whole region examined, and are by no means rare even as far north as Lake Abitibi ;, but on this lake, with the exception of a few healthy looking individuals, about six feet in circumference, observed near the outlet, they are all very small and scraggy.

Further down, he says :

From the summit of the hill groves of white pine were observed in all directions. White spruce, yellow birch and cedar, are also tolerably abundant and of good size.

But if we turn to page 137 and compare the statement I have just read with a statement made by William Ogilvy, D.L.S., dealing with a survey of the same section, we shall find that these gentlemen are by no means agreed among themselves. Mr. Ogilvy says :

As we approach Lake Abitibi, the pine gradually thins out, until six miles below it on Abitibi river, the last white pine is seen and thence forward we have only spruce, poplar and some birch and tamarack, of which only the first named is large enough to be of any commercial value, and only a small percentage of that is large enough for lumber in the common acceptation of the term. On Moose river there are many spruce trees fifteen inches and upwards in diameter and some balsam and poplar, which could be utilized for fuel purposes. Very few trees were seen around James Bay of large enough size for other use than fuel. In the vicinity of Rupert's House some building timber might be found but not much suitable for any other purposes, and the same remark applies to East Main and all the intervening country.

At page 51, in a report of a survey of the Abitibi river, by A. S. Cochrane, he gives the route through which he travelled, and which was simply up and down the lakes and rivers. He made no examination of the country itself. It was simply a water expedition. Dr. Bell, at page 53, dealing with the soil, says :

The country around the lakes at the heads of the Michipicoten, Magpie and Kabinakagami rivers is generally hilly and broken. Some patches of fair land, mostly of sandy and gravelly loam, were found among the hills in the neighbourhood of all these lakes.

Then on page 57, we find the following in Mr. Parks' report of an exploration along the Abitibi, Moose and Missanabie rivers in 1889, in which he says :

North of this bend the country is decidedly wetter at any distance from the river, and cannot be described as any but muskeg. The river bank is still dry and high, but it is not composed of as good soil, being far more sandy and covered with less luxuriant vegetation. No considerable areas of arable soil exist on the lower river. The line itself for the last 100 miles traverses almost continuous muskegs. The climate permits the raising of roots, but it is a question whether the cereals will ripen. Barley has been raised at Moose Factory, but its maturing cannot be depended on.

With regard to timber resources, he says :

With the exception of a few small isolated trees no pine was seen in the whole district. Along the rivers and on the shores of lakes the timber is uniformly poplar and birch, the rough bark variety of the former tree increasing to the north. In the wet clay flats, spruce of fair size extends over large areas. This timber will eventually be of great value for pulp wood. Trees of a large size are not numerous, the average being about ten inches. In the muskegs very small and useless red spruce predominates, extending over hundreds of square miles in the northern part.

At page 69, in a report by W. A. Charlton on the Hudson's Bay Railway route via Missanabie and the valley of the Moose river—and this, I may state, is an Ontario surveyor's report—we find the following :

The Indians inform me that the country west of the Missanabie is principally level country, through which a railway could be easily constructed.

Just fancy the government of the country putting forward a report such as this, that the Indians informed a certain surveyor that a portion of the country he was then surveying was an excellent one for railroad construction, and asking the members of this House to come to a conclusion favourable to the contention of the government on evidence of this character ; and not only so, but printing this report by the hundreds of thousands and sending it broadcast throughout the country.

The Indians inform me that the country west of the Missanabie is principally level country, through which a railway could be easily constructed, and that the Missanabie river and its tributaries furnish immense water power at various points all the way down to the Big Falls ; that the middle and the east branches of the Moose, although not so large, furnish abundant water power, and that the country along these branches is more broken than along the Missanabie and westerly therefrom, although all is well timbered with spruce and poplar of fine quality, some pine, tamarack, cedar, birch, balsam, &c. The soil on all branches, more particularly the west branch, is good soil for farming.

Hon. gentlemen from Ontario are well aware that about this time, in 1898, the Reform government of Ontario, wishing to take refuge from the storm of indignation caused by the electoral enormities of which they had been guilty, and seeking to throw dust in the eyes of the people, organized what is known as the New Ontario boom, and we had New Ontario ad nauseam for a very long period. For the purpose of furthering their scheme, they sent out a number of surveyors, and this is one of the reports made by the surveyors. This whole business was simply a matter of political exigency. The government needed a diversion of public opinion from their iniquities and took this means of procuring it, and no doubt these gentlemen who went to explore this northern country had an excellent idea, before they left Toronto, what they were expected to find. And their reports show conclusively that they found what they were sent out to discover. We find Mr. Charlton further saying :

I noticed that a great portion of the way down the river the soil is clay and with favourable climate would be very productive.

From Missanabie to New Brunswick House, fifty miles by water, the country is considerably broken, although the hills are not very high. The timber is small and some portions of it have been destroyed by fire. I would suppose there is more rock than tillable land along that part of our journey.

At New Brunswick House the soil is clay. I am informed that they grow hay, oats and potatoes, but have not tried wheat.

Surely, one would have thought that this gentleman would have taken personal observations on that point and not given hearesay evidence.

Mr. E. B. Borron, on page 70, says :

He expresses the opinion——

This is evidently a summary written by somebody else, probably by some official of the government.

He expresses the opinion that a tract of dry and fertile land extends across the territory from east to west not less than 400 miles long and 50 miles wide, comprising 20,000 square miles or 12,800,000 acres. Making every reasonable deduction for lakes, marshes, swamps, muskegs and unarable land, a very large quantity is fit for settlement, the climate and soil favourable to a mixed system of husbandry ; stock-raising and dairy farming will be the most successful.

The summary thus continues :

On page 46 he expresses the opinion that there is a larger area of arable land along the Missanabie river than on any other, the Kenogami excepted.

So we find these Ontario surveyors brought back what no doubt they knew

they were expected to bring back, namely, most excellent reports with regard to that northern country. At page 76, we find a very extraordinary production, one which upon its face would appear to have been made by some Ontario cabinet minister, calmly sitting in his office and summing up the situation from the notes of Ontario surveyors and so excellent was this summary considered by this government, that they took the trouble of repeating it in its entirety at page 108 :

At the last session of the legislature the sum of $40,000 was voted for that part of the province lying between the Canadian Pacific Railway and James Bay. The knowledge possessed of this country, its topography and the character and extent of its resources in minerals, timber and agricultural land, was of a general nature and was limited indeed. It was believed from official and other information that there were in this country extensive forests of woods suitable for the making of pulp and paper, and great areas of tillable land. Early in the summer ten exploration parties were organized and sent out by the department, each being assigned a different and distinct section, and while it was not anticipated or hoped that they would succeed in penetrating every corner of so extensive a region, yet it was expected that enough would be learned to show that in the region north of the height of land dividing the James Bay from the St. Lawrence river waters, there are great areas of fertile country and immense forests of spruce and pulp woods.

The result of this exploration is——

This is the statement made by the minister :

The result of the exploration is that a tract of arable land has been found north of the height of land, stretching from Quebec boundary west across the districts of Nipissing, Algoma and Thunder Bay, comprising an area of about 24,500 square miles, or 15,680,000 acres. The soil is a clay or clay loam, nearly all suitable for farming purposes, and the region is watered by the Moose and its tributaries, the Abitibi, Mattagami and Missanabie, and the Albany and its tributaries, the Kenogami and Ogoke. Along this latter stream alone, about which nothing was known, a tract of good land was found extending on both sides of the river for a distance of over 40 miles, and in the district of the Rainy river, between the surveyed townships around Dryden and Lac Seul, another extensive area of good land was found, about 600 square miles or 384,000 acres in extent.

The use of such extravagant language 'nearly all suitable for farming purposes' shows the total unreliability of the entire statement. Would any hon. gentleman picture to himself any county in his own province, and can he truthfully say that nearly all the land in that county is suitable for farming purposes ? I have the honour to represent a notably fruitful agricultural county, but I would by no means undertake to use such an expression in describing the land situated in it. Even in the best districts there are immense areas of land unfit for agriculture, and surely it is absurd to make such a statement regarding a country, concerning which it is admitted we had absolutely no information before these surveyors went out to it. I call attention to the fact that no such language as this is used by any surveyor, whose evidence is contained in this book, and who is connected with the Dominion survey. No surveyor sent out by the Dominion authorities brought back any such report, but this man from Ontario was evidently sent out for a certain purpose, and that purpose was to divert public attention from the political sins of the government.

On the whole the information brought in by these exploration parties has been extremely gratifying, and the benefit to the province of conducting the exploration of so extensive a country has been abundantly demonstrated.

On page 78, dealing with the Long Lake district, we have this summary as to the soil :

Productive. Abundant vegetation everywhere. Good timber.

Timber—tamarack, spruce, balsam, white birch, pine, poplar abounds throughout this district. Hardwood in the southern portion and jack pine along the sandy stretches.

Then look at page 116, and we have this report from a Dominion source dealing with the same district.

The district is generally rocky and barren, and not adapted for agricultural settlement. Small tracts of arable land exist at the head of Lower Wabinosh lake and along Highland lake and river. Along Little Mud river the soil is fitted for root crops and fodder, but not for general agriculture. In other parts potatoes and hay are grown. On Little Mud river, near Lake Nepigon, there are deposits of a fibrous peaty character, but of no great depth or area.

With regard to the timber, I find this statement in contradistinction to the last mentioned Ontario Report :

There is little timber of commercial value, and such tracts as are intrinsically valuable, are practically unavailable on account of location, and the limited quantity of the different areas, except along Mud river, where large spruce and tamarack were found.

Then, at page 79, dealing with the Nepigon district, it is said :

The Nepigon region constitutes a dissected plane. Good agricultural land, clay soil and clay loam and sandy loam.

A little north of Lake Nepigon the country is heavily timbered with spruce, banksian pine, poplar and balsam, with occasional birch, also tamarack.

A comparison of that with what is stated at page 116, shows that the two accounts do not by any means agree. Turn then to page 81, which is a report of the country between Lake Superior and the Albany river by Mr. Robert Bell. He speaks of the Nepigon district, and with regard to the soil, he says :

The country which we passed through by the route just described is generally rocky and of little value for agricultural purposes. The only good land which came under our observation was on the west and north sides of Wabinosh lakes, where the soil consists of fine sandy and clay loam.

On the next page he describes the route he took, and this shows that his exploration was conducted entirely by water, and therefore it may be presumed that he had little opportunity to make a proper examination of the soil of that country and ascertain whether or not it was adapted to agricultural purposes. At page 117, we have an Ontario report with regard to the Lake St. Joseph division. It says :

There are some areas of good land, but they are small and scattered, and most of the district is unsuited for successful agriculture. There is a great deal of rocky, broken country, and the soil in some places is scanty, the underlying rock being covered with sand, sandy loam or clay, the surface soil sufficing for the growth of timber.

There is no pine except in isolated clumps. Spruce timber is thickly scattered throughout the territory, but much of it is too small to be marketable, though on the higher land it reaches a good size.

Then, at page 118, which is also an Ontario report, covering the Lac Seul and Lake of the Woods division, it is said :

Owing to the rocky character of the greater portion of the area in this district, the opportunities for agricultural settlement are limited.

Then, turn to page 140. In a letter from Doctor R. Bell, of the Geological Survey, it is said, under the head 'Good Land':

This would comprise about one-third the region between Lake Superior and James Bay.

—which by no means concurs with the Ontario survey, extracts from which I have read to the House. Looking at page 152, we find extracts from a report of Mr. E. B. Barron, stipendiary magistrate of a certain section. At page 156, we find him stating, under the head 'Muskegs':

While, however, there is in the aggregate a larger quantity of arable land as may be seen at New Brunswick and at Flying Post, and a very much larger area still of land that would form fine pastures and meadows, I am, notwithstanding, strongly of the opinion that muskegs or peat mosses overspread by far the greater part of this belt or plateau also. This is more particularly the case as regards the lower or northern part.

On the next page, dealing with 'Climate' he says :

It is only from observations recorded at the Hudson Bay Company's posts, from the statements of parties who either live or have lived in the country and from our limited experience, that we can obtain any knowledge of the climate of the two latter divisions of this territory. As regards the crops which may or may not grow in the territory, much contradictory evidence has been given. Neither is the climate the same in all parts of the territory.

On the next page he continues.

I may candidly state that I was greatly disappointed with the appearance of the country bordering on Albany river, and fear that neither in respect of soil or climate is that portion of it below the Kenogami branch of much value in an agricultural point of view.

At page 160, dealing with 'Timber' he says :

In what has been called 'the level clay country', which embraces all of the first plain or plateau and most of the second, the forest is restricted in a great measure to the narrow belt of good soil reported as extending along the margin of the rivers and streams, and to the banks of the lakes. The alluvial bottoms on the rivers and islands, both in the rivers and lakes are generally well clothed with timber.

Now, Mr. Speaker, it is to be remembered that this book, from which I have quoted rather extensive extracts, is the only body of evidence which the government has furnished us, dealing with this subject. We have absolutely no other information, unless the extract which the right hon. leader of the government read to the House a few days ago descriptive of the journey of Father Albanel, is regarded in that light. But, as has been pointed out, that extract shows on its face that the writer was dealing with a country through no portion of which can this railway by any possibility be projected. He left Tadousac, went up the Saguenay to Lake St. John, around that lake and to the country north of it; and it was there that the roses are said to have been in bloom. Looking at any map that has been issued, and taking all the information we have on the subject, it is perfectly evident that that country is far to the east and north of any possible route that this railway can traverse. At all events, even if one were seriously to consider—and no doubt, the right hon. gentleman did not so intend—that this extract should be taken as supporting the government case, it will not be contended that the statement of an enthusiastic missionary two hundred and forty years ago, when the agriculture of to-day was not in existence, when methods were entirely different and machinery had not been adopted for agricultural purposes, is to be seriously considered in coming to a conclusion on this question.

Right Hon. Sir WILFRID LAURIER (Prime Minister). Mr. Speaker, though this debate has been protracted almost beyond the limit of human endurance, and though nothing—or very little—has been said which we had not heard on previous occasions, perhaps it will not be amiss if I endeavour to review the situation, to ascertain how far we have drifted and to learn in what position the two parties are, in relation to the question before the House, especially in view of the amendment which has been moved by my hon. friend the leader of the opposition (Mr. R. L. Borden) as an

alternative to the proposition which we made. Sir, we are now in the third week of this debate. We have been treated by our friends on the other side of the House to a concert of speeches in which there has been an endeavour to keep all the voices in harmony, though I may say that they have been rather discordant, the fiddles have not always been tuned to the same key. Yet in one thing there has been remarkable uniformity. All the speeches we have heard from hon. gentlemen opposite—and one that has just been concluded is no exception—have been characterized by a redundance of quotations. In fact, we have had mountains of quotations. On a previous occasion I said that we had given the House 'mountains of information.' My statement was received with a good deal of incredulity.

But if I say to-day that gentlemen opposite have given us mountains of quotations, no one could be sceptical upon that statement, because from day to day we have seen the pile going up and up like the tower of Babel, and like the tower of Babel ending in nothing but a confusion of tongues. If I rightly apprehended, the speech of my hon. friend the leader of the opposition (Mr. R. L. Borden) at the opening of the discussion, he did not appreciate the compliment I paid him on a previous occasion, when I said that he was not a bad hand at scrap-book oratory, not yet equal in that respect to his predecessor but not a bad second to him. On this occasion I must say my hon. friend (Mr. R. L. Borden) has excelled himself. He quoted and quoted and quoted; he quoted from speeches delivered in this House; he quoted from speeches delivered outside of this House; he quoted from blue-books; he quoted from editorials in newspapers; he quoted from anonymous correspondence and newspapers; he quoted from an unrevised and private report of the last meeting of the shareholders of the Grand Trunk Railway; he quoted from a document which purported to be a confidential memo. prepared by the late Minister of Railways and submitted confidentially to his colleagues which came into his hands in some manner unascertained and I believe unascertainable, and last, though not least, he quoted from a quotation—he quoted from a circular quoted in a speech delivered at the last meeting of the shareholders of the Grand Trunk Railway Company, a circular, unknown, uncertain, and undescribed, sent by somebody to somebody but who was the sending body and who was the receiving body, no body ever knew and therefore no body need have a care. No, this was not the last quotation. My hon. friend (Mr. R. L. Borden) quoted poetry. In this, my hon. friend followed illustrious example, for it has been the habit of some masters of debate in the English parliament to reach a climax and emphasize a point by some apt citation from the classics. There is this difference, however, between my hon. friend (Mr. R. L. Borden) and these English masters of debate, that he did not quote from the classics, but from his own poetical effusions and perhaps it may be pleasing to him if I should re-quote his verse. Here it is:

POETRY.

To-morrow and to-morrow and to-morrow
Creeps on this petty pace from day to day,
And all our yesterdays have seen the route
Unknown and unsurveyed.

Well, Sir, my hon. friend assuredly reached a climax when, in a grave discussion of this character, bristling with figures and intended to be serious, he so far relaxed as to introduce into this debate this effusion, of which in a moment of weakness, flirting desperately with the muse, he had become the guilty progenitor. My hon. friend (Mr. R. L. Borden) will allow me to say—and I believe he will agree with me in this—that quotations are an adjunct of parliamentary debates; they are often useful, they are sometimes indispensable, they may be necessary to clinch an argument or to found an argument, but quotations have no value, quotations should not be indulged in, quotations should not be received nor introduced in the debate, unless they are of such a character that they can be canvassed, controverted, contradicted by the parties against whom they are used; unless their source is pure and unimpeachable, unless they are of such a character that the party who makes use of them can put them before the House, so that if there is anything in them that can be made use of by those on the other side, it can be used. My hon. friend quoted from a private report of the meeting of the shareholders of the Grand Trunk Railway Company, but we had not come to the end of this debate before he himself recognized that in so doing he had taken a course which should not be followed in this House or in debate. My hon. friend (Mr. R. L. Borden) would not be responsible for an unrevised report, and if he could not be bound himself by an unrevised report, why should he quote such a report against any one else? My hon. friend from West Toronto (Mr. Osler) whom I regret not to see in his place, thought that he would improve the matter by having the report printed and circulated in the House, but I am sure that the hon. member for West Toronto (Mr. Osler) himself would be the first to acknowledge that in this he was wrong. The hon. member for West Toronto (Mr. Osler) is one of these moneyed men and *ownied* men of whom Scott speaks in a famous passage. He is a shareholder and a director of many companies. Would he think it fair to himself if at a meeting of a company of which he is a director and a shareholder, some reporter, paid for the occasion, were to sneak in, take a report, and send it across the ocean to be used against

him. He would be the first to say that such a proceeding was not fair. My hon. friend from West Toronto (Mr. Osler) commented strongly upon the fact that a statement was contained in this report that this session of parliament had been called in order to ratify this agreement which is now before the House. This session of parliament has been called to transact the public business of this country ; it has been called at the usual season, and it is part of the business of the country either to ratify or not to ratify, at all events to take cognizance of, the agreement we have made with the Grand Trunk Railway Company. But there are some men whose memory is very short, and I should have expected that my hon. friend from Toronto (Mr. Osler) is not one of these men. Does he not remember—he had more reason than any member of this House to remember—that once on a time, in 1880, parliament was called not in the usual season, but out of season, in December, to ratify a contract with a syndicate of men, which eventually became the company of which the hon. gentleman is now one of the most prominent stockholders and directors. Now it is against the dignity of the House, it shocks the dignity of a director of the Canadian Pacific Railway who happens to be a member of parliament, if parliament is summoned to do a thing which is not done for his company. To do something for his company was no indignity to parliament ; to do it for any company but the Canadian Pacific Railway is a thing which a director of the Canadian Pacific Railway holds to be an indignity to parliament.

The hon. leader of the opposition (Mr. R. L. Borden) also quoted from a circular prepared by Mr. Blair. I shall not say more about this than I have said on a former occasion in this debate. I do not think my hon. friend (Mr. R. L. Borden) should have made use of this document ; it was a private document, one of those documents which were sacred, which were covered by an oath of secrecy.

Some hon. MEMBERS. Oh, oh ; hear, hear.

Sir WILFRID LAURIER. Does any hon. gentleman opposite take exception to the statement that that was a sacred document. Is it not a fact that it was given confidentially, that every member of the Privy Council is bound by his oath not to give it out, is it not a fact that this document could not go out of the Privy Council except with the sanction of the Governor General in Council and that if it came out in any other way it came out by a breaking of the law by somebody ? Then, Sir, the hon. gentleman also quoted a statement I made in the debate last session when I introduced to the House the contract with the Grand Trunk Pacific Railway Company. The hon. gentleman made that quotation in order to show that in one particular and important respect the new contract which we had made involved a large departure from the old one. This is the statement which the hon. gentleman quoted from the remarks which I made last year :

> I do not deny that the Grand Trunk Railway is at the bottom of this enterprise..... 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 the one part without defaulting upon the whole, and therefore we hold them tight to their bargain and they cannot deviate from it.

My hon. friend stated then that we had not held them tight to their bargain, that we had, if anything loosened the bargain. I say to the hon. gentleman that in this respect we have not loosened the bargain. It is true that we have provided another method of enforcing the penalty of default. I presented that argument then in answer to the objection made that we had entered into an incompetent bargain, that whereas we had taken, as it was called by some persons, the lean portion of the road we had given the fat end to the Grand Trunk Pacific Railway Company, and that if the portion which they had, the eastern end, was unprofitable and if the western end was profitable, the Grand Trunk Pacific could default on the eastern end without our having any remedy against them. I pointed out that the Grand Trunk Pacific could not default upon the eastern end without making default on the whole and that therefore for this reason I stated that we held them tight to their bargain. Again I say, in face of the new agreement before the House, that if they default upon the eastern end they default upon the whole and therefore I am still justified in saying that we hold them tight to their bargain.

Now, referring to the debate which we have listened to for three weeks and referring to the speeches which we have heard from the other side of the House, am I going beyond the mark, Mr. Speaker, when I ask you if you have heard from the other side of the House the enunciation of a single generic idea, of a single constructive thought, if you have heard the expression of a national aspiration or observed the recognition of a single national duty ? No, Sir, I think I am within the mark, and I place myself in the judgment of the House, when I say that the front and rear of the whole discussion which we have heard on this occasion upon this important question has been a continuous pettifogging and quibbling, quibbling and pettifogging as to the meaning of phrases, words and syllables, all with the view of most extravagantly magnifying the assistance which is to be given by the country to the Grand Trunk Pacific Railway Company and the Grand Trunk Railway

Company for the carrying out of this great enterprise. But, Sir, I admit that in one respect we are fortunate. We are fortunate in this, that my hon. friend the leader of the opposition spoke and concluded by putting his ideas in the shape of an amendment. We are fortunate in this, because, in my humble judgment, and again in this I place myself in the judgment of the House, the best justification, the fullest vindication that we can have as to the policy for which we are now asking the support of the House is the very speech and especially the amendment made by my hon. friend. I must say at once, however, that I would not pronounce this encomium upon the whole policy introduced by my hon. friend because the policy of my hon. friend, as it has been embodied and crystallized into the amendment which he has submitted to the House and upon which we shall be called upon to vote in a few minutes, is like the coat of Joseph. It is of many colours. There are more hues in it than in the rainbow, but like the rainbow it is evanescent, fluid. It has been designed and devised to give pleasure to one corporation, to give hope to some of the friends of my hon. friend and to prevent some from falling from discouragement into despair. There is in it enough not to close the door altogether to the friends of my hon. friend in the maritime provinces because my hon. friend, in regard to the Moncton branch, says that he will have no objection to the building of it provided the grades are sufficient. There is in it something to give some hope, at any rate not to discourage absolutely, the friends of my hon. friend in the province of Quebec because he says that he is ready to build the section between Quebec and Winnipeg provided the land is found of good quality. But, there is everything in it to give the most pleasant anticipations to the shareholders and directors of the Canadian Pacific Railway. It is not necessary at this time that I should review the whole policy of my hon. friend. It will be sufficient if I dwell upon one or two particulars. First, let me say that my hon. friend does not object to the Grand Trunk building a railway across the prairies. He is quite satisfied that the present system of the Grand Trunk Railway Company should go into the prairies and there help to develop that great growing country, taking its share of the traffic, but my hon. friend objects, and to this I call especially the attention of the House, that the Grand Trunk Railway should reach the prairie by a line which it can control itself. The plan of my hon. friend is that the Grand Trunk Railway should reach the prairie by using the line of the Canadian Pacific Railway. The plan of my hon. friend is that the government and the people of Canada out of their own resources and taxes should buy the part of the line of the Canadian Pacific Railway from North Bay to Fort William, improve it and thus make a highway that can be used by all railways, including the Grand Trunk. This is a proposition so extraordinary that in order to do no injustice to my hon. friend perhaps it is better that I should put it in his own words. These are the words which he made use of in this House last session and which he repeated in a modified form this year :

That railway——

Speaking of the Canadian Pacific Railway—

From Fort William to North Bay is a line which doubtless could be improved which has cost a great deal of money, and upon which some more money might be advantageously expended. The grades, I understood, are not bad ; the curves are in many respects, very favourable, but could be remedied at no very great expense. This railway undoubtedly is capable of carrying five times, or perhaps with the improvements which I have suggested, ten times the traffic which is carried over it at present. I say it would be a wise thing and a proper thing for this government to acquire that railway from North Bay to Fort William and make it a national highway of Canada, and operate it by means of an independent commission, giving to the Grand Trunk Pacific, the Canadian Northern and the Intercolonial, as well as the Canadian Pacific, equal running powers over it.

Now, this conclusion is very clear. It is in my estimation, and I submit it to the judgment of the House, very innocent also, but if the conclusion be innocent I must say that the proposition is not based on sound principles. In order again to do no injustice to my hon. friend let me quote the language made use of by him on that occasion which I submit for the development of the plan which I have just given to the House. On that occasion my hon. friend made use of this language :

There are in Canada, two great national divisions, the west and the east. These at present are, in some respects, two separate communities. They have business interests, which, though different in some respects would fit harmoniously into each other. These two divisions of our country are connected in summer, by a magnificent highway, the water-way of two great lakes ; in winter they are separated by a thousand miles of uninhabited country, and there is some tendency, with excellent railway communication to the south of us, for two lines of trade to run north and south, instead of east and west, as they showed. Now we have in the west, at the present time, two great railway systems, the Canadian Pacific Railway and the Canadian Northern. We have in the east, three great railway systems, the Canadian Pacific Railway, the Grand Trunk Railway and the Intercolonial Railway. This great uninhabited country between the east and the west—which I hope some day, so far as the northern part of it is concerned, may answer the expectations of hon. gentlemen on both sides who have addressed the House, and may become a prosperous and thickly settled country, is bridged over in the winter by the Canadian Pacific Railway.

Sir, in this language of the leader of the opposition, we have the best justification of our policy. The basis of the policy which we have submitted to the House and to the country ; the basis of the policy upon which we rely for support in this House and out of it, is: that the present means of communication between the two great sections of the country, are inadequate and sufficient, and must be supplemented ; and supplemented by public assistance. If that is not true, nothing is true in our policy ; if we are wrong in that we are wrong in everything in our policy. But, Sir, the statements we made are true, the policy we have laid down is true ; the basis of it is correct, and the best justification of it is the very language of my hon. friend the leader of the opposition which I have quoted. The hon. gentleman tells us, that the country is divided into two great sections, east and west ; that in winter time they are connected by the Canadian Pacific Railway, but that the present means of communication is insufficient, and that it has to be implemented. Well, that is what we have said all along. That is the very basis of the policy which we submit to parliament, and I am proud to say that we have the absolute endorsation of my hon. friend the leader of the opposition. And if it be true that the present mode of communication between the east and the west is not adequate and is insufficient, and that it has to be supplemented ; then the question arises, how is that to be done ? Which shall the country endorse : the policy of the leader of the opposition or the policy of the government ? The policy of the government is, that this improved communication between the east and the west, should be by the construction of another transcontinental line of railway. This would seem to be the most natural remedy for the evil which was admitted by the leader of the opposition, but such is not the remedy which he proposes. His proposal is, that instead of we ourselves building a second transcontinental railway, we should simply acquire part of the Canadian Pacific Railway, and make it a common highway. The position of the leader of the opposition is therefore : that after having made a gift of that line of railway to the Canadian Pacific Railway in the first place, we should now expend money to get it back from them, then expend more money to improve it, and then make it convenient for the Canadian Pacific Railway and all other railways to use it as a single transcontinental line. This proposition of the leader of the opposition was so crude —if I may use the crude without offence— that some person thought that he could not have made it on his own initiative, but that it had been suggested to him by the Canadian Pacific Railway. The hon. gentleman resented that imputation and in order that I may do him no injustice, I shall read his words :

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It has been suggested that I desired to put this country to an enormous expense for the benefit of the Canadian Pacific Railway, and it has been hinted, if not asserted, in this House that I, standing as a public man in parliament, made that suggestion at the instance of the Canadian Pacific Railway. Sir, I desire to repudiate, in the strongest possible language which the usages of parliament will permit, any such suggestions as that.

We admit at once and without any qualification, the repudiation of my hon. friend, and we accept his statement that he did not make that proposition at the suggestion of the Canadian Pacific Railway. But, Sir, I would ask who is the Mephistopheles who has whispered to the leader of the opposition, a project so at variance with not only all the rules of common sense, but of patriotism ? Who is the Mephistopheles who has suggested to the leader of the opposition the idea, that we should force on a single line of railway the whole trade of this growing nation? Who is the Mephistopheles who could have persuaded the leader of the opposition, that the growing trade of this nation of 6,000,000 people to-day; soon to be 10,000,000 and 12,000,000, and 20,000,000 at no very distant date; who said to him, that we should not have another transcontinental railway to provide for the fast growing trade of the Canadian nation ; but that we should have only one transcontinental road, and that the Grand Trunk Railway Company should be forced nolens volens to use that line and no other ? If such a policy were to be adopted by the Canadian people and the Canadian parliament, what would be the effect of it, in view of the national aspirations which we all cherish and entertain? It is the hope of all of us; it is the hope of gentlemen on the other side of the House as well as on this, that Canada will grow by leaps and bounds, and that between the east and the west there will be a constant and ever growing interchange of traffic : It is further our hope that the traffic of the west will not be carried to American ports, but that it will be carried to Canadian ports alone. If it be the hope of gentlemen on the other side of the House, that the trade of the west shall be carried to our Canadian harbours, and since it is part of the policy of my hon. friend that the Grand Trunk should have a line of railway in the prairie country, I want to ask him and to ask his friends behind him, what chance is there to have this trade carried to Canadian harbours if the plan of the leader of the opposition is accepted, and if the Grand trunk is forced to use the Canadian Pacific Railway line from Fort William to North Bay ? Where will the traffic go then, when it reaches North Bay ?

Mr. SAM. HUGHES. The same place as now.

Sir WILFRID LAURIER. My hon. friend (Mr. Hughes) says : the same place as now ; and I thank him for the interruption.

Let it be understood then that from this moment, the Canadian parliament and the Canadian nation, have to choose between the plan of the leader of the opposition, which would force the Grand Trunk to carry its freight on the Canadian Pacific Railway line from Winnipeg to North Bay, and thence to American ports; and the plan which we propose that we should have a line of our own, every inch of it in Canadian territory, and carrying the trade to Canadian seaports.

Mr. SAM. HUGHES. It would still go to Portland.

Sir WILFRID LAURIER. Well, let us discuss that idea for a moment. What we want to do is to give the trade a chance of going to St. John and Halifax. We want to build a line upon Canadian territory which will give the trade an opportunity to go to Halifax and St. John, but my hon. friend (Mr. Sam. Hughes) says it will still go to Portland. Well that statement shows the inconsistency of gentlemen on the other side of the House. We have been reproached, that we have not bound the Grand Trunk with ties adamantine; that we have not taken precautions to force them beyond doubt to go to St. John and Halifax. We think we have taken all proper precautions. But hon. gentlemen say: No, you have not, and therefore we cannot support your scheme; but while we cannot support your scheme, we ask you to support our scheme for bringing the traffic from Winnipeg to North Bay—and surely then it will go to Portland. Sir, I want to know—and I ask it now—was there ever a scheme more unpatriotic—I use the word advisedly—than the scheme which these hon. gentlemen have submitted to this parliament? I submit that our duty at this moment is to endeavour to correct the errors of the past; and the great error of the past has been not to build the connections of the Grand Trunk to maritime province harbours, but to Portland. We are now doing our best to correct that error; we are endeavouring to build a line the object of which is to take the trade to St. John and Halifax. Although this is acknowledged by hon. gentlemen opposite, the only answer they can give us is: Your scheme is not strong enough, but take our scheme, which is absolutely bad. This is the answer and the logic which hon. gentlemen opposite have to give us.

I pass from this aspect of the question, and take up another argument. My hon. friend the leader of the opposition wants to force all the trade of all the companies now doing business in Canada over a single line of railway from Winnipeg to North Bay. The Grand Trunk, the Canadian Pacific and the Canadian Northern will all have to use that line and that line alone; they will not be allowed to use others. Sir, it is a trite saying that competition is the life of trade. This is true of railway traffic as of every kind of trade. In the early days of the province of Manitoba, after it had been saddled with the incubus of the monopoly given to the Canadian Pacific Railway Company, when the people of Manitoba had no power to have a competing line, they begged and begged this parliament to relieve them of that incubus. They begged in vain. Then they had to take the matter into their own hands. They went to their own legislature, and it passed a Bill to give them competition by bringing in the Northern Pacific Railway from the south to compete with the Canadian Pacific Railway; and, Sir, the day came when bloodshed was within measurable distance over that question. The Canadian Pacific would not give up its monopoly, while the people of Manitoba insisted on having competition, and one day in the autumn of 1887, if I remember rightly, two or three hundred of the most respectable citizens of Winnipeg went to the point of crossing of two railways in order to enforce, by force, if necessary, their rights to competition of railway traffic. But the Canadian government and parliament of that day gave way—the people had competition, and immediately the rates came down. I am proud to say that some few years later, during the existence of this government, we gave a charter to the Canadian Northern Railway, and from Port Arthur westward that railway has now a magnificent system, and the rates have been going down still further; and when the Grand Trunk is on the prairies, as it shall be and must be, then, Sir, there will be a further decrease of rates. But, Sir, I ask any man of common sense, if all these railways—the Canadian Pacific, the Canadian Northern and the Grand Trunk—were forced to use the same line to obtain communication with the east, does he believe that that would promote the cause of competition? Does any man of common sense believe that if these railways came over the same line of railway from Winnipeg to North Bay, they would not have the same tariff? Would he expect to see a lowering of rates under such circumstances? The thing is not practicable. If we want to invite a combine of these three railways, not only on the lines they may use in common, but on the lines which they may use separately, my hon. friends opposite are taking the very best way of bringing that about by proposing the resolution which they have proposed, and which is so crude that I am surprised to see them put it before the House and ask us to adopt it.

But more than that. I do not believe that hon. gentlemen sitting behind the hon. leader of the opposition at all relish the plan which he has proposed.

Some hon. MEMBERS. Oh, oh.

Sir WILFRID LAURIER. I do not believe so. I know very well that they will vote for it in a few minutes; but, Sir, they will not vote for it with cheerful hearts. Let me quote the language which was uttered by one of them only a few days ago: I

refer to my hon. friend from East Hastings (Mr. Northrup). The plan he proposed and favoured was not the plan proposed by the hon. leader of the opposition, but the original plan of the Grand Trunk—to build a second line from North Bay westward. This plan has also been advocated by my hon. friend from Centre Toronto (Mr. Brock), who I am sorry to see is absent from his place to-day under painful circumstances. This is their pet scheme, for which they would like to vote. But they will not do so, because they have not been able to induce their leader to adopt it. But if their leader has spoken a different language from their own, their heart has been too strong, and the language has come out in spite of themselves. Let me quote the language of my hon. friend from East Hastings. Speaking of the opposition of which Sir Rivers-Wilson complained, my hon. friend went on in this way :

> And encountered from whom ? Not from His Majesty's loyal opposition, for we always to a man have been in favour of the original proposition of the Grand Trunk Railway Company. All the difficulties, all the trouble of which he complains, and to which he refers the premier, and on the successful overcoming of which he congratulates him, every one of these troubles and difficulties came from the colleagues of the Prime Minister in his government, from his supporters in the caucus, from his followers in this House, and not from the members of the opposition. We never had a chance to express our views on this point, any further than to announce that we were in favour then, as we now are, of a Grand Trunk line from North Bay to the Pacific, as the Grand Trunk itself wished.
>
> Not a line over the Canadian Pacific Railway, but an independent line.
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> When we had this document written to the premier congratulating him on overcoming the difficulties, it is well that we should know what these difficulties were, so that they may not be laid at the doors of the opposition in this parliament, for the opposition had nothing to do with this matter ; and so that the burden of the blame shall be laid upon the shoulders which should properly bear it.

This language seemed to my hon. friend from Selkirk (Mr. McCreary) to be so extraordinary, especially in view of the amendment of the hon. leader of the opposition, for which the hon. member for East Hastings expects to vote in a few moments, that my hon. friend from Selkirk put to him the following question :

> Mr. McCREARY. Do I understand the hon. gentleman (Mr. Northrup) to say, speaking for the opposition, that they would have endorsed the application of the Grand Trunk Railway Company to build a railway from North Bay to the Pacific coast north of Lake Winnipeg ? That was the original proposition of the Grand Trunk. Does the hon. gentleman speak for the Conservative party when he says he endorses that policy ?
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> Mr. NORTHRUP. The hon. gentleman (Mr. McCreary) has asked a fair question and I will give an answer. I do not of course profess to speak authoritatively for the opposition, but from the views I have heard expressed by dozens of members of the opposition, and speaking my own views, I have no hesitation in saying that I believe that every member of the opposition was in favour then, and is in favour now, of assisting the Grand Trunk Railway Company to build west from North Bay.

This would at all events, to some extent, have been a national proposition, but the proposition which my hon. friend has submitted is one which, I humbly submit, cannot be entertained for one moment. We must have—and that is the policy of the government—a transcontinental railway, a railway from ocean to ocean, from tidal water to tidal water.

I heard some days ago with pleasure, the speech of my hon. friend from West Elgin (Mr. Jabez Robinson). He is in favour of a national railway. He is not in favour of the plan of my hon. friend the leader of the opposition. He is not in favour of putting all our eggs into the basket of the Canadian Pacific Railway. He wants an independent route, but his only objection to the scheme of the government is this, that he wants this road administered and carried on by the government. This is the next proposition I propose to deal with. If we are to have another transcontinental railway, what is the best for the country ? Is it better that it should be administered by the government or by a company ?

Mr. R. L. BORDEN. Before my hon. friend leaves that point, I would like to point out to him that it would be only fair for him to know that in proposing assistance to the Grand Trunk Pacific to extend into the west, I used this language :

> This assistance should be coupled with complete control of rates and with all the stipulations now contained in the proposed contract as to carriage through Canadian channels and ports. Furthermore, the Grand Trunk Pacific as well as the Grand Trunk Railway, should covenant that traffic as far as possible should be carried through these ports. We should not only have such a covenant from the Grand Trunk Pacific Railway but also from the Grand Trunk Railway if it be of any value.

Sir WILFRID LAURIER. I have read those words of my hon. friend and they sound well ; but if he will explain to me how the Grand Trunk Railway built to North Bay and to Portland, will carry trade to Canadian ports without a railway to the maritime provinces, I will be glad to have his explanation.

Mr. R. L. BORDEN. Does my right hon. friend wish me to answer now ?

Sir WILFRID LAURIER. My hon. friend will have his opportunity later. This is not a very convenient way of proceeding. If he wishes to make a speech, I would ask him to defer it until I have closed. My hon. friend will then have an opportunity

of explaining what he means. For my part I have read his speech carefully, and I must say—it may be my fault and I shall be glad to be illuminated—if he will explain how, having brought the freight from the west to North Bay, he can send it on to St. John and Halifax, over the Grand Trunk, I will be glad to hear him.

Mr. R. L. BORDEN. I am quite ready to give the answer.

Sir WILFRID LAURIER. Very good, in proper time. I was stating that the proposition of my hon. friend from West Elgin is that we should have another transcontinental railway, but that we should have it administered by the government and not by a company. Before I proceed with that, let me show my hon. friend that it is rather difficult to have a road of this kind administered by the government, and before I proceed further, I may perhaps allude to a proposition made last year, and repeated this year by my hon. friend the leader of the opposition, with regard to the acquisition by the government of the Canada Atlantic Railway. Since he has again made his proposition this year, I will endeavour to show him that it would be of the greatest possible disadvantage to the Canada Atlantic Railway if it were administered by the government. Three-fourths of the business of that railway is done by way of carrying goods from American ports to American ports. These are carried in bond. Under the laws of the United States no goods can be carried in bond over the Canadian lakes unless they are taken in American bottoms; and in order to carry on that trade, Mr. Booth has acquired a fleet of American vessels. My hon. friend the other day spoke rather jocosely of the objections I pointed out to him in this respect, and in order that I may not do him an injustice, I will quote his very words:

> The only reason that has ever been given to the House by my right hon. friend, I think, was that celebrated vision of his when he stood at Depot Harbour and looking out upon the wild waste of waters, came to the conclusion that the government could not engage agents to canvass for freight and could not have anything to do with steamships.

This is not exactly what I said. The Canadian government could very well buy Mr. Booth's fleet, so far as concerns Canadian vessels under Canadian register, but my hon. friend forgets that Mr. Booth is owner of a large fleet of American bottoms, and that no goods taken from one American city and carried to another can be carried in bond over the Canada Atlantic except they came over the water in American bottoms. If we were to acquire the Canada Atlantic Railway and do the work which Mr. Booth is doing, we would have to acquire the fleet of American bottoms which he owns, and I ask how it is possible for the Canadian government to become the owner of vessels under an American register. This is the difficulty I see in the way. In order that there may be no misapprehension, I must refer the House again to what took place last year, because, when I said that the Canada Atlantic could not carry goods from American ports to American ports in bond unless these goods came over the water in American bottoms, my statement was disputed by the hon. member for Leeds and my hon friend the leader of the opposition. Let us make this point perfectly clear. This is the American law:

> Be it enacted by the Senate and House of Representatives of the United States of America in congress assembled: That no merchandise shall be transported by water under penalty of forfeiture thereof from one part of the United States, either directly or via a foreign port or for any part of the voyage in any other vessel than a vessel of the United States.

Nothing could ever be clearer. But as the law would not be accepted by hon. gentlemen opposite, my hon. friend the Minister of Customs sent the following dispatch to our customs agent at Depot Harbour regarding freight originating in Boston:

> Regarding freight originating in Boston destined for Duluth, carried by railway to Depot Harbour, will American officer allow this to be carried from Depot Harbour to Duluth in British vessel? Wire reply.

The reply was as follows:

> Depot Harbour, Ont., Oct., 1903.
>
> To John McDougald,
> Commissioner of Customs, Ottawa.
>
> American customs officer will not allow freight originating in Boston destined for Duluth to be carried in British vessels from Depot Harbour to Duluth.
>
> F. J. DREWITT.

So that the point is clear. If we are to become the owner of the Canada Atlantic and that railway is to be administered by the government, one of two things must happen. Either we shall lose all the trade carried on over that railway from one American city to another or we must become the owners of an American fleet. I do not see how the latter is possible. Perhaps, when hon. gentlemen on the other side come to answer, they will show how a Canadian government could become the owner of an American fleet of steamers. If they do not do that, then, should we become owners of the Canada Atlantic, we would at once lose three-fourths of the trade now carried on over that railway.

Now, Sir, I have always contended that, so long as the bonding system remains in force, it is a valuable means of supply for Canadian railways. The railways we have to-day, the Canada Atlantic, the Canadian Pacific and the Grand Trunk, are all doing a large share of their business by carrying American freights from Ameri-

can cities to Canadian cities. So far so good. But, as the Canada Atlantic ends upon the shores of the lake and has to collect freight from the other side and, to bring freight from the other side, water transportation must be used, therefore, it becomes indispensable that we should make use of American vessels. Do hon. gentlemen, then, think it would be a good bargain—does my hon. friend from West Elgin (Mr. Jabel Robinson) think it would be a good business stroke for the government to become the owner of a railway and give up at once three-quarters of the business that is done over it? I believe that at the present time the Canada Atlantic is a successful concern. I think it is doing a large business. But take away its American business, and it would not have enough to enable it to carry on its operations successfully. I do not pretend, Sir, that the Canadian trade of the Canada Atlantic cannot be improved. It can be improved to a very large extent, and, in course of time, it will be improved. But, in the meantime, while we say that the Canada Atlantic must carry more Canadian freights, we have no intention of giving up the American business that it does. It can do the American business and the Canadian business as well. But, at the present time, when it does a large American business and a small Canadian business, it would be a most lamentable business transaction for the Canadian government to buy the Canada Atlantic Railway and administer it.

Mr. R. L. BORDEN. When the right hon. gentleman (Sir Wilfrid Laurier) speaks of three-quarters of the business of the Canada Atlantic Railway being between American points, is he speaking off hand, or from exact data?

Sir WILFRID LAURIER. I speak from exact data, which I will be glad to give to my hon. friend (Mr. R. L. Borden) privately. I am sorry I cannot give it publicly, but I will furnish it to the hon. gentleman.

Mr. R. L. BORDEN. Quite satisfactory.

Sir WILFRID LAURIER. With regard to the proposition that the Intercolonial should be extended westward, I do not propose to say much at the present time. But I would call the attention of hon. gentlemen on the other side, who say that we should extend the Intercolonial to Winnipeg, and further west if possible, to one point. I do not wish to reproach anybody. The Intercolonial has been administered by Conservative administrations and by Liberal administrations. It has been controlled by six or seven Ministers of Railways, but the result has been invariably this—that, up to the present time the Intercolonial has never earned a dollar on the capital invested in it. Up to this time, four years out of five, it has been necessary to spend a dollar in order to earn a dollar on the road. I do not mean to say that it will never be a financial success. I hope and believe that it will be. But until we have found the secret of making the Intercolonial a financial success, until we have found the way, at all events, to make the Intercolonial pay its running expenses, I do not think it would be advisable or wise to extend that railway further than at the present time. We may have to improve, and, no doubt, in course of time, we must improve, the Intercolonial in many different ways. We may have to extend it westward. But, for my part, I shall be chary of doing so so long as the financial results of the road's operations are not better than they are at the present time.

Hon. gentlemen opposite have spoken of the tremendous expense in which this Grand Trunk Pacific Railway will involve the country. We had this in mind. We knew that if we undertook this railway, we should have to spend a great deal of money. But we thought that, by the plan adopted, of helping the Grand Trunk, a powerful railway company, by forcing it to take the eastern section and pay us three per cent on the cost of it, we should confine the expense of the country to a few millions. One of two things will happen. Either there will be default or there will be no default. If our calculations are correct the Grand Trunk, with the lines it will have in the Northwest serving the prairie region and developing a large trade, will be in a position not only to meet the liabilities of the western section, but to pay three per cent upon the eastern section. If that be true, our expectations will be realized and we shall have a new transcontinental railway at a minimum cost. Suppose that we had adopted the plan suggested by hon. gentlemen opposite and had extended the Intercolonial. Had the results been the same as on the Intercolonial at present, we should have saddled the country with an enormous increase in the public debt, every cent of which we should have had to provide ourselves paying the interest on it annually. That is the reason we thought it preferable to adopt the plan we have adopted rather than go into government ownership which seems to be a fad that is rather developing on the other side of the House.

I have said already that the task we have before us is to correct the errors of the past. It has been stated, and stated truly, that when the Grand Trunk came to us with a project it was different from the project that we have to-day, now the project before the House. Nothing is truer than that. When the Grand Trunk Railway Company came to us it was not with the object of building a railway from ocean

to ocean, such as we have imposed upon them, but it was, as stated by my hon. friend from East Hastings (Mr. Northrup) simply to build a railway from North Bay to the west. But, Sir, we told the Grand Trunk that for that proposition, for the building of a railway from North Bay to the Pacific Ocean, so long as the present government was in office, they could not have a dollar of public money for such a line. We told them we were anxious to have their railway extended into the prairie country, that we were anxious that their immense system, connecting as it does with all parts of old Canada, having a station in every city, town and village in Ontario and Quebec, should have connection with the Northwest. We told them we were anxious to have them extend, to take their share of the trade of the growing country in the west and to help in the development of it. But we told them that the trade collected from that section would have to be taken not to Portland, as on their old system, but must be taken over a new system every inch of which should be upon Canadian territory, to tide water in the maritime provinces. That is the policy imposed upon them; that is the policy upon which we stood then, it is the policy upon which we stand now; and upon that policy—I declare it as the head of the party—upon that policy we stand or fall.

Upon that policy we stand or fall. But fall we shall not. The heart of the people is with us.

An hon. MEMBER. Oh, oh.

Sir WILFRID LAURIER. I do not care for the jibes that may come from the other side of the House. Blind is he who does not read the signs of the times. Blind is he who does not realize that the Canadian people have made up their mind that they will have another transcontinental railway.

Fifty years ago, when the Grand Trunk was first projected the terminus was in the city of Montreal. But the harbour of Montreal, unfortunately, is closed with ice for five months in the year. An extension had to be made somewhere, to some Atlantic port. Where should it be? There was Portland within 300 miles of Montreal, but in foreign territory. There were Halifax and St. John almost double that distance away but in British territory. Where should the winter terminus be? It was decided, unfortunately, so go to Portland and not to St. John or Halifax. The railway should have been extended then, as it was extended afterwards, by the building of the Intercolonial.

And instead of sending the railway to a foreign port it should have been sent to what was not then a Canadian but was a British port. This was not done. There were men at that time as there are now on the other side of the House, biased and perjudiced and with a false idea of economy. It was cheaper to send the road to Portland, and this was done; a great mistake was made commercially and politically, chiefly politically. Then the Grand Trunk Railway was extended westerly to Chicago, and so it happens that the Grand Trunk, the company which has more of Canadian traffic than any other company and which to-day has its foothold in every city, town and village of Ontario and Quebec, has both its termini in foreign territory. We represented to the Grand Trunk that these errors of the past must be corrected. We represented to them that they must become a national company, that they must extend their line to the Northwest, to the prairie country and become here a great factor in the development of our national life, but that the same time they must build eastward to tide water in Canadian territory. Our voice was heeded, the project has been accepted, and there it is now for confirmation or rejection by the Canadian parliament. Friend and foe must admit that during the last fifty years the Grand Trunk Railway has done a great deal for the development of Canadian life. But it is nothing but the truth to say that during the next fifty years the Grand Trunk will do more for that development than it has done in the past. It will no longer be a foreign company; it will become a Canadian company with its termini at Canadian ports on both oceans, at Port Simpson and at St. John, Halifax and Quebec, and fifty years from to-day, no, less than fifty, in ten, fifteen or twenty years we shall have another transcontinental railway, every inch of it in Canadian territory, with immense terminals on both the Pacific and the Atlantic, with the trade flowing over it, not of Canada alone, but of Eastern Asia towards Europe, and of Europe towards Asia. This is the statement which I make to the House; this is the mandate which I have to give to the House and to the people, and I repeat what I said a moment ago, upon that policy of a national railway from east to west on Canadian territory, we stand or we fall.

Mr. A. C. BELL (Pictou). Mr. Speaker, I need scarcely say that it is very gratifying to the gentlemen on this side of the House that after all their efforts to induce some members of the government to say something in reference to the important proposal now under discussion we should at last have had the pleasure and the honour of hearing the right hon. gentleman (Sir Wilfrid Laurier). Not to fall short of the very agreeable and pleasant manner in which the right hon. gentleman commenced his speech I may say that it was a somewhat extraordinary spectacle to find a gentleman who is at the head of the government of Canada who is defending a proposal of the magnitude of that now before the House

indulging in so much humourous and not very apropos criticism of the manner in which the discussion had been carried on from this side of the House. The right hon. gentleman (Sir Wilfrid Laurier) on this occasion was evidently exceedingly hard to please. He did not like the arguments advanced from this side of the House and was somewhat critical even in reference to the somewhat harmless verses with which the hon. the leader of the opposition (Mr. R. L. Borden) enlivened the debate. I would remind him that there was a very decided smack of Shakespeare both in the verses extemporized by the hon. the leader of the opposition and in the figure with which the right hon. gentleman (Sir Wilfrid Laurier) himself adorned the early part of his speech last year when he introduced this subject to the House. My right hon. friend on this occasion was apparently a purist; he thought that nothing should be introduced in this discussion that was not strictly and severely of a business character. He was more particularly a purist in dealing with some of the material of which the hon. leader of the opposition (Mr. R. L. Borden) availed himself in discussing this matter, notably the document of which my right hon friend spoke as being in the highest degree confidential; in fact he spoke of it as being in a sense a sacred document which should not have been made use of under any circumstances whatever in this discussion. I do not know exactly to what extent my right hon. friend (Sir Wilfrid Laurier) is entitled to maintain that this is a confidential document. It was in the first instance unquestionably prepared as a memo. by one minister to be submitted to the council and therefore might originally have been confidential, but it has been suggested and I think not improbably, that the right hon. gentleman (Sir Wilfrid Laurier) or some member of the cabinet saw fit to communicate a copy of that document to some gentleman, not sworn of His Majesty's Privy Council and that in that way the instrument became accessible to the public. Thus I think the instrument had been entirely deprived by the government of its sacred and confidential character. I do not say absolutely that this is the way the document became public, but it has been suggested that possibly the perusal of this document was not confined strictly to members of council and that copies of it were in some cases entrusted to gentlemen in sympathy with my right hon. friend (Sir Wilfrid Laurier) and his followers. That being the case to my mind the sacred or confidential character of that document was to a large extent taken from it by the act of the right hon. gentleman and his friends. Whilst my right hon. friend (Sir Wilfrid Laurier) was in decidedly good form and good voice, and began his speech very happily, he was less happy when he described the great body of argument addressed to this House against the proposal as pettifogging. Was the speech of the hon. member for Hamilton (Mr. Barker) addressed to the House this afternoon and listened to very carefully by the right hon. gentleman (Sir Wilfrid Laurier) pettifogging? Was his demonstration therein that statements have been made by gentlemen opposite and applauded by the Prime Minister and at any rate listened to without contradiction by the Finance Minister (Mr. Fielding) which on this occasion that hon. gentleman felt called on to repudiate—was that able, logical, and conclusive argument, such a one as should be described as pettifogging? My right hon. friend did not do himself justice in his strictures on the criticisms addressed to the House from this side upon the project now before us. I do not propose at this late hour to go very fully into a reply to the right hon. gentleman (Sir Wilfrid Laurier); I rather prefer to call attention to the manner in which he has thought it his duty to deal with the subject on this occasion.

How has he met the argument that has been addressed to the House from this side? He has practically ignored every portion of the sound criticism which has been addressed to the House from this side. All the arguments that have been produced on this side of the House against the sincerity, the soundness and the value of the proposition which the government have put before the House having been ignored by my right hon. friend. He has confined himself to a certain extent to the criticism, and to my mind not very strong criticism, of the alternative proposition of my hon. friend the leader of the opposition. He has challenged the propriety of acquiring the Canada Atlantic Railway and that upon one ground only, upon the ground that it would not be competent or advisable for the government to become the possessor of, or remain in the ownership of, American bottoms. If it can be shown that there is some other way in which the results that are obtained at the present time by the owners of American bottoms, can be achieved, I take it then that the whole argument of the right hon. gentleman will fall to the ground because it rests solely upon that. What is to prevent the government owning a certain number of vessels of Canadian register and leasing vessels or by any other means they choose, making arrangements with the owners of American ships upon the great lakes to carry cargoes to and fro between Canadian and American ports to be transported through Canada over the line of the Canada Atlantic Railway? It seems to me to be the most obvious thing in the world and yet that is the only argument which the right hon. gentleman has advanced against the purchase of

the Canada Atlantic Railway and the extension of the Intercolonial Railway to the great lakes. A little later on the right hon. gentleman addressed a little different argument to the House, not against that particular part of the scheme, but against the extension of the Intercolonial Railway in any direction, giving as his reason, that the Intercolonial Railway has not paid. I would go to a little greater length in order to unfold to the right hon. gentleman what my views were as to the reason the Intercolonial Railway has not paid, if I did not know that he has had the advantage for over a year of a very important and conclusive memorandum prepared by the hon. Mr. Blair, former colleague of his own, in which he demonstrates the fact that there was every probability that the Intercolonial Railway could be made to pay. Carrying out Mr. Blair's argument in which he goes on to say, that the portions of the Intercolonial Railway in the maritime province are profitable, that the portion between Quebec and Montreal is profitable, and that the line is only weighted down and kept in that position inasmuch as the large central body is unproductive, is that not evidence that the further extension of the Intercolonial Railway, largely increasing the area of productive country through which the line would run, would still further tend to overcome the non-productive character of that central piece, and that what is necessary to make it pay is to extend it further west, so as to give it a western terminus in a portion of the country in which it would be profitable ? I am sure that the right hon. leader of the government has only to refer again to the memorandum prepared by the hon. Mr. Blair, to see that the hon. gentleman shows very plainly that the Intercolonial Railway, if not profitable in all its portions, is at least profitable to the people of the country through which it runs—and that to a large extent, it might be made a profitable railway if equal rates of charges and tolls were adopted as those which prevail upon company railways generally. But the right hon. gentleman found absolutely great fault with the proposition of my hon. friend the leader of the opposition, because he suggested that it might be feasible to buy or acquire, or to become possessed of that portion of the Canadian Pacific Railway which runs between North Bay and Winnipeg, or between North Bay and Port Arthur, and utilize that for all companies, which, doing business in the west, want to haul traffic to the east and all companies being in the east which want to haul traffic to the west. I need scarcely say that when my right hon. friend affirms that it is profitable to build a road 300 miles to the north of and paralleling the road which already exists, and that it is unprofitable to use the line of the Canadian Pacific Railway, he makes a statement that would require to be supported by proof before it could receive general acceptance. What is the reason that my hon. friend states that a line from Winnipeg to North Bay paralleling the Canadian Pacific Railway, and 300 miles north of it should be more profitable than the line of the Canadian Pacific Railway ? They are both to carry the same traffic. They are supposed to carry the grain traffic from the west and to carry the merchandise from the east to the west. Why should one road be an absolutely unprofitable and hopeless scheme, and why should we believe for one minute, as my right hon. friend is disposed to believe, that the future greatness and destiny of Canada are altogether bound up in the other proposition ? I can see no reason. It would seem very plain, that, in preference to another road running through that country beside the Canadian Pacific Railway, which is capable of doing five or ten times the amount of business that it now does, it certainly would be more in the interest of the people of Canada and would tend rather to the reduction of rates and the cheaper carriage of goods to send more traffic over this road than to build a rival road beside it, for the purpose of sharing the traffic with it, thereby making it necessary to earn dividends for two roads instead of one. For my part, instead of seeing anything in the argument of the right hon. gentleman it seems to me that everything is against him, because if one road with the whole of the traffic which it is capable of carrying will not pay, how does he expect that two roads competing one with another for the same traffic are going to pay, and if they do not pay, in what direction does the right hon. gentleman look for a lowering of rates on the freight which is going to be carried from the west to the east ? Then, the right hon. gentleman comes to the most remarkable conclusion. He says, and this is really the crux of the position which he takes, this is really the statement upon which he elicited great applause from his supporters, that if the Grand Trunk Railway is taken into the west, establishes a system of railways there, carries freight from that district to the east over the Canadian Pacific Railway, and comes to North Bay, there is an end to all hope of an all-Canadian railway and of the transfer of Canadian products through Canadian harbours and over Canadian soil. How can the right hon. gentleman come to that conclusion ? He must know that in the position in which this scheme stands to-day, as far as the people of the country know what is going to be realized, if anything ever is realized out of this project, if the Grand Trunk Railway Company were able to build their road to the west, they would carry the products of the west to North Bay. They are going to build the main line far enough to come to a point—and that is all the survey that has been made yet—to obtain a connection with North Bay and the traffic is going to be delivered

at the precise point from which the right hon. gentleman says it cannot be carried to Canadian ports. Now, it is all very well for the right hon. gentleman to make this assertion and he does make it with a great deal of authority. He is the Premier of Canada, he is supposed to know the country and its requirements and conditions, and when he says that freight brought by the Grand Trunk Railway Company to North Bay, over one of two parallel lines will go to Canadian ports, will help to develop Canadian traffic, will help to build up the maritime ports of this country and that freight brought to North Bay by another of two parallel lines will not have one of these effects, I cannot frankly concede to him every vestige of authority which he claims for himself. It strikes me that I would like some more evidence than that bare statement of the right hon. gentleman. The right hon. gentleman has seen fit to ignore every bit of the legitimate criticism made against this measure. Some of it might be called small criticism as it dealt with details, but none of it can be called pettifogging nor in any instance was the argument forced. It was a fair and legitimate argument, and it has not been answered ?

Mr. COCHRANE. And cannot be answered.

Mr. BELL. What is the position of this scheme to-day ? The right hon. gentleman, practically declares to the world, that at this moment there is traffic in this country which cannot be accommodated over the lines which at present exist. Does he not know that Mr. Hays and Sir Charles Rivers-Wilson, speaking to their shareholders with a view to persuade them to accept this agreement, stated that in summer, all the freight would be brought across the lakes, and that not one ton of it will come over this railway. Does the Prime Minister not know, that if the freight comes to this end of Lake Huron and is there delivered into trains—not of the Grand Trunk Pacific but of the Grand Trunk Railway—that there is every probability that it will continue to go to Portland as it has gone in the past. If the right hon. gentleman is in a position to show to the people of this country that his Bill contains any clause binding the Grand Trunk Railway to carry the water-borne freight that they receive at this end of Lake Huron to Canadian ports, he could have very profitably spent some time to-night in pointing out to us that clause of the contract. But the Prime Minister has not seen fit to do that. He has simply closed the discussion on this Bill in the same manner in which he opened it, with an appeal to the sentiment of the people of Canada. Well, we are all delighted to know that there are such hopes in his soul and in the souls of his followers for the future of Canada. We are delighted to welcome the right hon. gentleman and his followers into a faith in Canada, and to receive them in the confession of that faith. It is the faith which the Conservative party in this country have held for all time, and which they have supported in days of trial, and have maintained in the face of bitter opposition. There never has been an hour since Canada has become a country, when the loyalty and devotion of the Conservative party, to Canada, and to the great British empire could ever have been held in question for one instant. And, when we saw the Prime Minister so heartily cheered by his supporters to-night, when he talked about national sentiment and national growth, we were delighted with that evidence of the fact, that a sound national sentiment has at last found a home in the hearts of Canadian Liberals.

Certain hon. gentlemen from the lower provinces have seen fit to lay great stress on the fact, that this scheme is going to confer benefits on the province which I have the honour to in part represent. There have been a great many threats, some of them very plain, that members from the maritime provinces who do not support this scheme—vague as it is and remote as it is, because its consummation may be twenty-five years in the future—are taking their political lives in their hands. That evidence alone would be sufficient to convince me that the whole conception of the thing is a political scheme and nothing else. We are here to-day engaged in discussing a Bill which we spent months discussing last year, and why are we discussing it again ? The scheme is here before us now, because it broke down ; it is here, because when it was set up and had to stand by its own strength it proved to be a weakling and a failure. The right hon. gentleman with his majority in this House, can vote it through ; he can vote anything through; but when it passed out on the stage and the sustaining hand of the right hon. gentleman's majority was taken from it, it collapsed. What guarantee have we that it will not collapse again to-morrow. There is not much more to be given to it ; there is not much more which the right hon. gentleman can do for it.

I want to call the attention of the House to the fact that the views of the Grand Trunk directors expressed before their shareholders are in direct variance to the views presented to this House by the right hon. gentleman and his supporters. And in this divergence of opinion there is great probability that the scheme will collapse again. If it becomes known to the Grand Trunk shareholders and to the financiers who are to supply money for the scheme, that their scheme for equipping that road with $20,000,000, of rolling stock, as they present it, cannot be carried out because the Prime Minister of Canada and his supporters have declared that it shall not be done ; if that becomes known it seems to me that that

scheme is likely once more to prove that its own strength never can carry it forward to completion. And it is to be borne in mind—and this is an argument which the right hon. gentleman took great care to keep far far away—it is to be borne in mind, that there is evidence in every portion of the new contract and in the knowledge that has come to our cognizance as to what has been done in the interval: that practically speaking, the great scheme of the Prime Minister of a line from Moncton to Port Simpson is abandoned at this moment. That right hon. gentleman saw fit to sneer at the memorandum which was circulated among certain shareholders of the Grand Trunk Company. The right hon. gentleman should not have sneered at that because, the evidence that there was such a memorandum circulated and seen by shareholders of the Grand Trunk Company is conclusive. It was not by any effort on the part of any gentleman on this side of the House that the extract was published, which says that one of the directors saw a circular handed about, which said that the line from North Bay to Quebec was premature. That evidence could not be procured by any gentleman on this side of the House, nor by any interested party whatsoever. The evidence is strong that the statement that that portion of the line was not to be proceeded with at the present time, induced the shareholders of the Grand Trunk to authorize the directors to proceed with this contract. Then again, we have in the original contract provision for $20,000,000 worth of rolling stock; $5,000,000 of which is to go on the eastern portion of the road. But what have we to-day in this supplemental contract? We have a provision for $20,000,000 worth of rolling stock, less $5,000,000; less that precise quantity which was to go to the eastern division of the road. So far as that $5,000,000 worth of rolling stock for the eastern division is concerned, the argument has been modified, and the government is not going to require the company to provide rolling stock for the whole system, but only for three-fourths of it. Then we have the evidence as to the surveys. We have the announcement made that surveys were conducted by the Grand Trunk Railway Company, not over their own western division while they are going to build but over the eastern division which is going to be built by the government, and the survey of which must be paid for by the government. Unquestionably it must have been on the authority of the government that the Grand Trunk Railway Company undertook to prosecute surveys over the eastern division, and still, the Minister of Railways in reply to a question avowed absolute ignorance of the fact that such surveys were being made, and declared that they were being made only on branches to be constructed by the Grand Trunk Pacific. Three times was that declaration made, and then we had another minister coming here and stating that in the possession of the Grand Trunk Company are certain surveys, which a geographer of his department found to be of such a character as to confirm the idea that a successful location for that road can be obtained. Would it not have become the Prime Minister to spend a few minutes in explaining that most amazing fact?

The surveys made over hundreds of miles of the road which this government is going to build, surveys for which this government must pay every cent of the cost, were made without his knowledge. He has no evidence to show that they were ever made, until it suits the government to make the discovery; and then they will get the geographer of the Department of the Interior to pronounce on the merits of the railway scheme. All these things go to show that what we are going to have is precisely that scheme which the right hon. gentleman has asserted most positively to-day, will disappoint the hopes of Canada—a line built for the Grand Trunk on the prairies and terminating at North Bay; a line which the right hon. gentleman has said will preclude any hope of establishing an all Canadian line, terminating at Canadian ports, and over which Canadian traffic is to be carried. In fact, the right hon. gentleman has done himself scant justice on this occasion. There was ample material provided from this side of this House for a reply from him extending over a considerable time. But he has ignored all that criticism, and has repeated the objections which he advanced last year to the proposals of the hon. leader of the opposition, and has ended his speech with the same heroics that he indulged in then. My right hon. friend should remember that this is a business proposal. It is all very well for him to go through the country shouting Canada for ever! an all Canadian line! Canada is going to have so many millions of people on the prairies! We know all that; but is that any reason why we should spend $150,000,000 to build a line of railway where it should not go, and as to which he has not produced a single bit of evidence to-day that we had not last year to show the character of the route? It would be far more satisfactory to members of this House to have some evidence. Last year he promised to give us mountains of information, and he did the best he could in that regard. On this occasion, he laughed at those mountains of information himself; it was the only thing he could do. Last year I took the opportunity to place on 'Hansard' a list of the mountains of information which the right hon. gentleman had laid on the table. That information was contained in eleven or twelve volumes, which dated from 1865 or earlier. From all the years since then, he had not added even one molehill of information to these mountains. But this year he has introduced

another piece of evidence, more than thirty-five years old; and if we are to revere authorities according to their age, this is most important and valuable, and ought to be looked upon as the most respectable and authoritative evidence with respect to the character of the country through which this railway is to be built that has ever been presented to any parliament; apart from the somewhat sacred character which it assumes from having been taken from one of the relations of the Jesuit Fathers. It is 240 years old. This venerable evidence reminds me of a story of a gentleman who had a guest to whom he offered a bottle of wine. He said 'This is very good wine; it is twenty-five years old.' The friend, who had a good appreciation of wine, looked at it and said, 'Well, it strikes me that it is very small for its age.' Now, it strikes me that the amount of evidence which the right hon. gentleman has been able to give here, and which we have all agreed to dignify with the title of mountains of information, is entitled to the same designation—it is rather small for its age. I have discovered, by a little geographical inquiry—and not through the geographer of the Interior Department either—that the country described by this Jesuit Father is 200 miles north-east of the line of the Grand Trunk Pacific. At the present time they do great execution in war with long distance projectiles, and the right hon. gentleman has improved on the ordinary method of engineering. He has adopted the long-distance method of doing his surveying. By a providential interposition 240 years ago a Jesuit Father went into the North-east, and from the observations which he made of that region we are able to define the character of a country 200 miles to the south-west, for the construction of a transcontinental railway. If this should not prove to be an absolute failure as a mode of locating railways, it is likely to lead to great economy in the future, because we will do away with the great expense of surveyors, theodolites, woodmen and chainmen, and simply send a reverend gentleman 200 miles northeast of the proper line, and he will tell us that 200 miles to the southwest is the proper place to run the line of railway. The fact is that if this is the best information the right hon. gentleman can give us, he leaves the case just in the position in which he found it. There may be a country there through which a railway can be built, or there may not; and here are 214 representatives of the people of this country invited, on two separate occasions, at two different sessions of the House of Commons, to deliberate on a project for spending $150,000,000 of the money of Canada for the purpose of building a railway over a country which the right hon. gentleman has not taken the trouble to have surveyed. It is evident that this government is carried on by faith; and if their works should prove to be equal to their faith, perhaps they may be able to build a railway some time. If not, we must come to the conclusion that their faith is not much better than their works.

There was a very definite proposition made by the hon. leader of the opposition, and he gave his reason for it; and so far as the maritime provinces are concerned, it was a very good reason. He said. If you are going to derive any advantage from the possibility of receiving more cargoes from the west, the scheme of the leader of the government, if it should ever descend from the clouds, may give it to you in eight or nine years. Eight years is the time he has fixed for the construction of the western section of the line, on which there will probably be some progress made. But the hon. leader of the opposition is in a position to say: I will give you that advantage to-morrow. I will buy the Canada Atlantic Railway, and as soon as vessels begin to go into Depot Harbour in April or May this year, the city of St. John and the city of Halifax will be placed in direct communication over one line of railway with the ports to which cargoes are brought by those vessels. That is a more practical proposal and I would expect to see the hon. member for Annapolis (Mr. Wade) grow enthusiastic over that rather than over the vague and unsatisfactory proposal of the right hon. leader of the government, which apparently may not be realized for twenty years to come.

But there was another exceedingly definite proposal made, not only by the hon. leader of the opposition, but by several others on this side of the House. That was this. If the government is going to spend $150,000,000 on the railway as its contribution to the partnership into which is has entered, while the Grand Trunk Railway Company, the other member of the partnership, is going to contribute only $14,500,000, why should not the government spend the whole $165,000,000 and own the road? The right hon. gentleman could not have forgotten that proposal. It formed a very important part of the speech of the hon. leader of the opposition; yet the right hon. gentleman saw fit, I think very prudently, from his point of view, to ignore it and pass it over altogether. But the people of this country will expect him to give an answer to that question. Why should the government contribute nine-tenths of the cost of this road and leave it in the hands of the Grand Trunk Railway Company, who are practically independent of the government for all time to come—who cannot be interfered with for a period of fourteen and a half years, even though they do not pay a dollar of interest in that time?

They get seven years' interest for nothing, three years in which the default is to be added to the capital, and four and a half years further in which the government

will not be warranted by any further default in taking possession of the road. Why did not the right hon. gentleman give a little attention to that proposal? Why does he think that the Grand Trunk Railway, in addition to managing its present system, can take over this line of railway, 3,400 miles in length, and make sufficient profit to enable it to meet all the obligations it is incurring, and at the same time come to the conclusion that he himself and his cabinet are incapable of so managing that property that it will give a good return to the country for the money invested? Is he not aware that the maritime provinces are at present in the enjoyment of a government owned line of road and would not for any consideration part with it? When the suggestion was made some years ago to sell that property to the Canadian Pacific Railway, there was a universal chorus of dissent and opposition, not only from the maritime provinces, but from every part of Canada. Does the right hon. gentleman not know that the time is coming when it will be very imprudent for any public man to speak of government ownership as the right hon. gentleman has done this evening, when he described it as a fad? There is no reason why the people of Canada should not manage their railways just as well as the people of Australia or Austro-Hungary or France. There is nothing in their constitution or make-up which makes them less fitted to manage their own railways than the people of those other countries. Our people have shown themselves capable of self-government. No people have achieved so much in the way of organization, of self-government, and constitutional government as the people of Canada. Though comparatively untrained in public affairs, though young and inexperienced in constitutional government, they have effected a union which is a model for any group of states who wish to join together and to form a commonwealth. They have gathered together the scattered fragments of British power on this northern continent and in the course of a few years have welded them into a homogeneous compact state. Has there ever been an hour from the time of confederation in which our public men have not shown themselves capable of coping with every problem of statesmanship that may have confronted them? Have our people ever failed to respond to any appeal made to them in the interests of good, broad statesmanlike government and honest and good measures? There is nothing at all in the conditions of this country to frighten the right hon. gentleman. But there is some monstrous influence which induces him to surrender himself and the party he leads into the hands of two or three men who have gained his ear and to gratify whom he has parted with one of the ablest men in his cabinet. True, he has since then rewarded his ex-colleague by a very important appointment, but the country looks rather askance on the course taken by the right hon. gentleman. To gratify these men who have gained his ear, he is willing to see his party disrupted. Just observe his attitude to-night. He pleaded with his own party to carry through this measure, on which he staked his political existence, but which he could not and did not try to defend. Why does the right hon. gentleman feel inclined to abdicate in favour of the directors and managers of the Grand Trunk Railway? That is practically what he is doing. He calls this a great national scheme, which is going to call into being a new nation. That is the high-pitched statement which the hon. gentleman has made, but he is not doing that work by means of the cabinet which he has gathered around him and by his own ability. No, he is devolving that task on the shoulders of the Grand Trunk Railway, a corporation which has been perhaps fairly managed but which certainly has not acquired, in any way that I know of, the right to govern Canada. Why has he seen fit to treat the Grand Trunk Railway differently from the Canadian Northern or the Canadian Pacific Railway? Why does he, if he wishes a railway company to build a new transcontinental line, select the Grand Trunk Railway Company of all others to do the work? Of all others, the Grand Trunk Railway Company is the one which is the least interested in Canada and which has the greatest interests outside of Canada. The Canadian Pacific Railway, of which the hon. gentleman spoke rather slightingly to-night, can claim to be a truly Canadian road and company. That road, constructed largely by the capital of foreigners, has always been a truly Canadian road. It has no interests outside of Canada. Its whole interests are in the prosperity and growth of Canada. Why did he pass over the Canadian Pacific Railway and choose the Grand Trunk Railway as the medium by which this government would carry out its scheme of nation building? Or if he did not choose to take the Canadian Pacific Railway, there is another Canadian company—an all-Canadian company, in which two Canadians have shown not only the possession of great ability, but great courage as well. I refer to the Canadian Northern. There is a company which has achieved wonders and is going on quietly to achieve further wonders at this moment. Why did not the hon. gentleman, when that company was given a government guarantee for the prairie section last year, say to it, we will give you connection with North Bay, and you will later on go to Quebec and Moncton and we will make you a great transcontinental all-Canadian railway line? Why did he not do that? These were Canadian roads, both of them.

They have no great interests outside of Canada. But here you have a line selected which has large interests in the United States, and which, if it is going to fulfil the promises made by the right hon. gentleman, is going to make a large part of its property unproductive in the United States, which will make unremunerative the vast expenditure of capital it has invested in Portland. But you have the statement of the right hon. gentleman squarely contradicted by the managers of the Grand Trunk Railway. Mr. Hays said to his shareholders: You have received fair dividends. If I hoped you would continue to receive them, I would not be in favour of this scheme. It is in order that we may continue paying these dividends that I am in favour of this scheme. But where is that line on which Mr. Hays is going to continue these dividends? It is evidently the Grand Trunk Railway which terminates at Portland; and if the right hon. gentleman is going to force the Grand Trunk Pacific to take all the freight which the Grand Trunk and its branches gather in the west and carry it to our maritime ports—for that is what he has said, and I would advise him to go over it carefully in the revised 'Hansard'—then I should think there is a hopeless clash between the right hon. gentleman and Mr. Hays. Either the Grand Trunk shareholders are being deceived by Mr. Hays or the people of Canada and their representatives are being deceived by the right hon. gentleman.

There is not, in all the speech made by the right hon. gentleman to-night, one additional fact or argument to enable us the better to decide how we should vote on this occasion. His speech is open to the same charge as was made against his speech of last year—flowery and graceful, but strictly unbusinesslike. The right hon. gentleman ought to know that he cannot, either by a stroke of the pen or an Order in Council, force trade to go to any particular port in Canada. He must know that the difference of half a cent in the cost of freight will divert trade from one port to another. Still he made the statement, and apparently made it in earnest, that he will force the Grand Trunk Pacific to carry all the traffic it brings to North Bay, to the maritime provinces. Does he believe he can do it? Does he believe that he will force the farmers of the Northwest to bring their grain over a route which will compel them to lose from 5 to 10 cents a bushel on it? His own scheme shows that he does not believe it, because by it he gives the shippers of the west the privilege of routing their freight which ever way they like, and they will route it the cheapest way.

It is not necessary at this time to go any further in the direction of this discussion. My right hon. friend at last did make up his mind to enlighten the House; he at last came to the front and became the government Poo Bah, because he here represents the Minister of Railways; he represents the Minister of Finance; he represents the Postmaster General; he represents the Minister of Trade and Commerce. All these gentlemen, last year could, in some way, be dragged up, willing or unwilling, to say something for the Bill. I do not wonder that the Minister of Finance could not be caught a second time. I know that hon. gentleman has never had such unpleasant reading in his life as the extracts from his speeches which my hon. friend the leader of the opposition, by a stretch of courtesy has done him the honour to embalm in the pages of 'Hansard.' The Minister of Finance, as we who come from the maritime provinces well know, is an exceedingly cautious gentleman. I have had the pleasure of knowing him for many years. I never knew him to be so neatly caught before; and from what I know of him I can well understand that he does not intend to be caught a second time. So, the right hon. Prime Minister had to represent the whole cabinet. There was no Minister of Railways to speak on this subject. Even the Minister of Agriculture (Mr. Fisher) would not speak on this occasion. Neither would the Minister of Trade and Commerce, nor the Minister of Finance. No member of the cabinet could be persuaded to come forward. And at last the right hon. premier said to himself: I will undertake this forlorn hope; I will go up against this deadly breach and will do the best I can. And he came, Mr. Speaker. But he did not see, nor did he conquer. He must have had in mind the old proverb:

> He who fights and runs away
> May live to fight another day.

House divided on amendment (Mr. R. L. Borden).

YEAS:

Messieurs

Alcorn,	Kaulbach,
Armstrong,	Kemp,
Avery,	Kidd,
Barker,	Lancaster,
Bell,	LaRivière,
Bennett,	Lavell,
Birkett,	Lefurgey,
Blain,	Lennox,
Borden (Halifax),	Léonard,
Broder,	MacLaren (Perth),
Bruce,	McGowan,
Calvin,	Monk,
Carscallen,	Morin,
Casgrain,	Osler,
Clancy,	Pope,
Clare,	Porter,
Clarke,	Pringle,
Cochrane,	Reid (Grenville),
Culbert,	Richardson,
Daniel,	Robinson (Elgin),
Donnelly,	Roche (Marquette),
Earle,	Smith (Wentworth),
Fowler,	Sproule,
Ganong,	Taylor,

Gilmour,	Thomson (Grey),
Hackett,	Tolton,
Halliday,	Vrooman,
Henderson,	Ward,
Hughes (Victoria),	Wilmot, and
Ingram,	Wilson.—61.
Johnston (Cardwell),	

NAYS :

Messieurs

Angers,	Law,
Archambault,	LeBlanc,
Bazinet,	Lemieux,
Béland,	Logan,
Bickerdike,	Loy,
Blanchet,	Macdonald,
Borden (Sir Fred'k),	Mackie,
Bourassa,	MacKinnon,
Bourbonnais,	Maclaren (Huntingdon),
Brodeur,	Macpherson,
Bruneau,	McCarthy,
Bureau,	McColl.
Calvert,	McCool,
Campbell,	McCreary,
Carbonneau,	McGugan,
Champagne,	McIsaac,
Christie,	McLennan,
Copp,	Marcil (Bagot),
Costigan,	Marcil (Bonaventure),
Cowan,	Matheson,
Delisle,	Mayrand,
Demers (Lévis),	Meigs,
Demers (St. John),	Mignault,
Desjardins,	Monet,
Douglas,	Morrison,
Emmerson,	Murray,
Ethier,	Oliver,
Fielding,	Parmelee,
Fisher,	Paterson,
Fitzpatrick,	Power,
Fortier,	Préfontaine,
Gallery,	Proulx
Galliher,	Puttee,
Gauvreau,	Reid (Restigouche),
Geoffrion,	Riley,
German,	Rivet,
Gervais,	Roche (Halifax),
Gibson,	Ross (Rimouski),
Girard,	Ross (Victoria, N.S.),
Gould,	Ross (Yukon),
Grant,	Rousseau,
Guthrie,	Russell,
Harty,	Schell,
Harwood,	Scott,
Haszard,	Sifton,
Heyd,	Sinclair,
Holmes,	Smith (Vancouver),
Hughes (King's, P.E.I.),	Stephens,
Hyman,	Stewart,
Johnston (Cape Breton),	Sutherland (Essex),
Johnston (Lambton),	Talbot,
Kendall,	Thompson (Haldimand & Monck)
Lang,	Tobin,
Lapointe,	Tolmie,
Laurier (Sir Wilfrid),	Tucker,
Laurier (L'Assomption),	Turcot,
Lavergne (Drummond & Arth.),	Wade, and
Lavergne (Montmagny),	Wallace.—116.

PAIRS :

Ministerial.	Opposition.
Davis,	Boyd,
Beith,	Brock,
Brown,	Ball,
Lewis,	Tisdale,
Ross (Ontario),	Hale,
Dyment,	McCormick,
Erb,	Maclean,
Cartwright,	Tupper,
Wright,	Rosamond,
Mulock,	Northrup,
Dugas,	Tarte,
McEwen,	Sherritt,
Sutherland (Hon. J.),	Haggart,
Turgeon,	Robinson (North'd),
Lovell,	Roddick,
Malouin,	McIntosh,
Charlton,	Kendry.

Amendment negatived.

Mr. SPEAKER. I declare the motion carried on the same division reversed.

Mr. PUTTEE. I object to having the motion carried on the same division reversed, because if it is put to the vote I must vote against the motion also.

House went into committee on the proposed resolution.

Progress reported.

Sir WILFRID LAURIER moved the adjournment of the House.

Mr. R. L. BORDEN. I suppose the intention is to go on with this Bill to-morrow ?

Sir WILFRID LAURIER. Yes.

Motion agreed to, and House adjourned at 1.55 a.m., Thursday.

HOUSE OF COMMONS.

THURSDAY, April 21, 1904.

The SPEAKER took the Chair at Three o'clock.

QUESTIONS.

PIER AT POINT PRIM, P.E.I.

Mr. HACKETT—by Mr. Sproule—asked :

1. What engineer made survey and report with regard to the construction of a pier at Point Prim, Queen's county, Prince Edward Island ?

2. When was the survey made, and what is the date of the report ?

3. Did the engineer making the survey recommend the construction of this work ?

4. What is the depth of water where the pier is to be built ; and of what nature is the bottom formation, rock, mud or sand ?

5. Will the construction of this pier be of advantage to the shipping interests ?

6. What is the estimated total cost of said pier ?

Hon. JAS. SUTHERLAND (Minister of Public Works) :

1. James B. Higgin.
2. December, 1902. The report was dated January 2nd, 1902.
3. I am not aware that the local engineer recommended the work as now under construction.
4. Six feet at low water and fifteen feet at high water or spring tide.
5. Yes.
6. $15,000.

I.C.R.—EARNINGS AND EXPENSES.

Mr. BARKER asked :

1. What were the gross earnings on the Intercolonial Railway for the eight months ending 29th February, 1904, and the operating expenses for the same period ?
2. For the same period, what were the expenses of operating under the following heads :—(a) locomotive power ; (b) car expenses ; (c) maintenance of way and works ; (d) station expenses ; (e) general charges ; (f) car mileage (g) rental of leased lands ?
3. For the same period, what were the earnings under the following heads :—(a) passenger earnings ; (b) freight earnings ; (c) mails and express ; (d) all other earnings ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. Gross earnings of the Intercolonial Railway for eight months ending February 29th, 1904, $4,179,145.58 ; operating expenses for the same period, $4,840,817.77.
2. (a). Locomotive power, $1,677,884.87 ; (b). Car expenses, $1,048,064.40 ; (c). Maintenance of way and works, $1,169,034.59 ; (d). Station expenses, $596,944.24 ; (e). General charges, $330,766.18 ; (f). Car mileage, credit of, $75,209.87 ; (g). Rental of leased lines, $93,333.36.
3. (a). Passenger earnings, $1,394,522.11 ; (b). Freight earnings, $2,598,588.33 ; (c). Mails and sundries, $186,035.14.

SUCTION DREDGE FOR LOWER PROVINCES.

Mr. BELL—by Mr. Sproule—asked :

1. Has any contract been placed for the construction of the new suction dredge for the lower provinces, for which provision was made in the estimates of last session ?
2. Have contracts been placed for the construction of steel scows, for use of dredge 'Cape Breton' ?
3. If not, have tenders been asked for this work ?
4. What firms have tendered, and what is the amount of such tenders ?

Hon. JAS. S. HAGGERLAND (Minister of Public Works) :

1. No.
2. No.
3 and 4. Yes. Tenders have been asked, but contract has not been awarded.

DRESS REGULATIONS FOR ACTIVE MILITIA.

Mr. BELL—by Mr. Sproule—asked :

1. Is it the practice of the Department of Militia and Defence to reimburse officers who have been required to procure certain uniforms, when the style and colours of such uniforms are afterwards changed by regulation, thus necessitating a change of dress ?
2. Are khaki uniforms still worn in the active militia ; and if so, in what regiments, and under what conditions ?
3. What dress regulations exist at present for the active militia ?

Sir FREDERICK BORDEN (Minister of Militia and Defence) :

1. No.
2. Khaki uniforms are regulation for permanent and city corps, and will be issued as supplies become available. It has been decided not to issue this dress to the rural corps for the present, but officers of these corps who have got the dress will be permitted to wear it out.
3. Dress regulations are contained in Regulations and Orders, 1898, and such changes as have been made since then have been promulgated in General Orders.

HEADGEAR FOR REGULAR MILITIA.

Mr. CLARKE—by Mr. Osler—asked :

1. Has any contract or order been given by the Militia Department for forage caps, or head gear, for the regular or militia forces, within the past three months ?
2. If so, to whom has the contract or order been given, and on what terms ?
3. Were public tenders or bids asked for from Canadian firms generally ? If not, from whom were tenders procured, and what were the figures of each of the tenderers ?
4. When was the order given, and when are the goods to be delivered ?

Sir FREDERICK BORDEN (Minister of Militia and Defence) :

1. (a). No contract has been given ; (b). Orders have been given from time to time.
2. To Christy & Co., London, for helmets and field service caps ; to Hicks & Sons, London, for forage caps ; to J. B. Laliberté, Quebec, for Persian lamb caps ; to R. Z. Bloomfield, London, for field service caps, at the prices fixed by the contracts of the previous year.
3. No. The firms named have been contractors of the Department of Militia and Defence for some years past.

Tenders for Persian lamb caps were asked from A. A. Allan & Co., Toronto, and J. B. Laliberté, Quebec. Prices quoted were $6.45 and $4.50, respectively. Laliberté's tender of $4.50 was accepted.

4. Orders were given to Christy & Co. on February 10th, February 13th and April 8th, 1904 ; to Hicks & Sons, February 17th ; to Laliberté, January 23rd and 26th and February 6th ; to R. Z. Bloomfield, February 13th. No specific time was set for delivery.

GRAZING LICENSES.

Mr. REID (Grenville)—by Mr. Carscallen—asked :

1. What is the number and at what date was the last grazing license issued in Assiniboia or Alberta ?

2. To whom was it issued, and for how many acres ?

Hon. CLIFFORD SIFTON (Minister of the Interior). The last lease issued for grazing lands in Alberta or Assiniboia was numbered 1919 and covers an area of 1,921 acres, designated as ranch No. 2657. Date of lease, 19th of April, 1904. The name of the lessee is Robert H. Roe, of Medicine Hat, Assiniboia, N.W.T.

POSTMASTER AT PUGWASH, N.S.

Mr. BELL asked :

1. Who is the postmaster at Pugwash, N.S. ?

2. How long is it since the death of the late postmaster ?

3. Who is now doing the work ?

4. Is it the intention to appoint the postmaster ?

5. If not, who is to be appointed ?

Hon. JAS. SUTHERLAND (Minister of Public Works). On behalf of my hon. colleague the Postmaster General I beg to reply :

Mr. Peter McLean, jr., is postmaster of Pugwash, county of Cumberland. The death of the late postmaster was reported to the department on the 15th September last. The work of the office is being performed by the postmaster.

ELECTORAL LISTS—PROVINCE OF QUEBEC.

Mr. LEONARD asked :

1. How many of the electoral lists, revised last September, for the province of Quebec, have been printed by the King's Printer ? And what lists have been so printed ?

2. How many have been distributed, and to whom ?

3. What system does the King's Printer follow in the printing of electoral lists ?

The Rt. Hon. Sir WILFRID LAURIER (Prime Minister) :

1. The following lists for the province of Quebec have been distributed :—Bonaventure, Berthier, Beauharnois, Bagot, Chateauguay, Gaspé, Huntingdon, Hochelaga, Jacques Cartier, Kamouraska, Lévis, L'Islet, Maisonneuve, Montmorency, Missisquoi, Montmagny, Pontiac, Portneuf, Quebec East, Quebec West, Quebec Centre, Rouville, St. James, Montreal ; St. Antoine, Montreal ; St. Lawrence, Montreal ; Ste. Anne, Montreal ; Ste. Marie, Montreal ; Shefford, St. Hyacinthe, Temiscouata.

2. Twenty copies have been sent to the sitting member and twenty copies to the defeated candidate of each constituency.

3. The lists are taken up and printed one after the other as fast as they can be done.

CHIEF JUSTICESHIP OF NOVA SCOTIA.

Mr. FOWLER asked :

1. Is the office of chief justice of Nova Scotia vacant ?

Mr. REID (Grenville).

2. If so, how long has it been vacant ?

3. Is it the intention of the government to fill that office before the end of the present session ?

4. What is the cause of the delay in filling the said office ?

5. Has the government any difficulty in procuring a suitable and qualified person to accept the said office ?

Hon. CHAS. FITZPATRICK (Minister of Justice). I beg to say that the Hon. James Macdonald sent in his resignation some time ago. It was the intention of the government to fill the office at the earliest possible moment, but at the same time the filling of the office will depend to some extent upon another position held by the late Chief Justice, that of judge of the Exchequer Court in Admiralty.

I.C.R.—MARITIME EXPRESS.

Mr. GERVAIS asked :

1. Since what date has the Intercolonial Railway maritime express been leaving its Montreal terminus at noon, each day ?

2. Has the change of hour of departure of this train from evening to noon been found detrimental to the convenience of the travelling public ?

3. Has the department noted any material falling off in the passenger traffic since such change was instituted ?

4. Is it within the knowledge of the minister that all passenger trains coming from the south and west, particularly from Toronto, arrive in Montreal in the evening ?

5. Is the minister aware that pasengers coming into Montreal by such trains, and wishing to make connection with the Intercolonial Railway maritime express, have to wait over until next day, or take the Canadian Pacific Railway train ?

6. Can the minister inform this House of any trains, outside of suburban, which leave in the middle of the day in any country outside of Canada ? If so, where, and at what time ?

7. Is it the intention of the minister to have the hour of departure of the Intercolonial Railway maritime express restored to its former time, that is, after 7 o'clock in the evening ?

Hon. H. R. EMMERSON (Minister of Railways and Canals) :

1. Since the 14th of January, 1900.

2. Not to the knowledge of the general manager.

3. No.

4. No. It is understood a number arrive in the morning, as well as i the evening.

5. Passengers coming in y the evening trains, and wishing to make onnection with the Intercolonial Railway would have to wait over until next day.

6. There are very many mid-day trains in the United States, especially in the New England and middle states.

7. It is the hope of the minister to have a second maritime express (so-called) installed between Montreal and the maritime provinces, leaving Montreal daily in the evening.

P.E.I.RY.—MURRAY HARBOUR BRANCH.

Hon. H. R. EMMERSON (Minister of Railways and Canals). The other day when the following question was put by the hon. member for East Prince (Mr. Lefurgey),

1. What was the estimated cost of the first eleven miles of the Murray Harbour branch of the Prince Edward Island Railway from Southport east ?

I gave a reply, in which I stated, through a clerical error of the department, that the cost was $45,628.95. The reply should have been :

The estimated cost of the first 11½ miles of the Murray Harbour branch of the Prince Edward Island Railway from Southport East was, $145,628.93.

GRAND TRUNK PACIFIC RAILWAY.

House again in committee, on the following resolution :

That it is expedient to ratify the agreement between His Majesty the King and the Grand Trunk Pacific Railway Company, dated the eighth day of March, 1904, transmitted by His Excellency the Governor General to this House, by his message of March the eleventh ; and which varies in some respects the provisions of the agreement between His Majesty and Sir Charles Rivers-Wilson and others, representing the said company ; a copy of which forms the schedule to the Act, 3 Edward VII, chapter 71 ; and to authorize the government to do whatever is necessary to give full effect to the first mentioned agreement.—Sir Wilfrid Laurier.

Mr. SAM. HUGHES. I understood, Mr. Chairman, that the Prime Minister was going to make a certain statement. I was in hopes that after the exhibition of the fallacies in the resolution and agreement, which was made during the very excellent debate we have just had, and in view especially of the fact that the right hon. gentleman was unable to obtain the assistance of any of his colleagues, in view also of the further fact that but a very few members of his party, and those gentlemen who do not represent the public sentiment of the country, came to his assistance—in view of all these facts, I was in hopes that the Prime Minister would rise and inform the House that he proposed withdrawing this resolution. The right hon. gentleman pointed out last year, with a great flourish of trumpets, that this Bill provides for the establishment of a national transcontinental road. Well, words are very easily uttered, expecially when required to cover up the defects of a measure and mislead the public. Into this question of a national character of the road, I shall not enter at present further than to cite the language of one of the right hon. gentleman's own followers, who took the ground that this proposed road is in no sense a national one. We find that one of his followers, who is accustomed to dealing in highways, not only upon this mundane sphere but also in a superior region, pointed out fatal defects in the claim of this project to be considered national. I refer to the hon. member for West Huron (Mr. Holmes). On an occasion not very long since that gentleman pointed out that this road was not in any sense to be a great national railway. Speaking before a certain body, within the last six months, he used this language :

For some reason or other, not known to all the members of the committee, some members of this committee from the lower provinces have evidently compromised on Moncton. They seem to lose sight of the country as a whole in preference for those of the lower provinces. Now it seems to me this railway is being built for the country as a whole. If there is one question on which the Liberal party has lambasted the life out of the Conservatives it was in reference to the terminus of the Intercolonial Railway. It landed nowhere and now this railway is going to land at an interior point.

Thus, from the mouth of one of the premier's own friends, the transcontinental aspect of his road is condemned ; it lands nowhere. It might just as well connect with the Intercolonial to Quebec or Montreal as with the Intercolonial at Moncton. It has to connect with the Intercolonial, therefore I was in hopes that the arguments which have been advanced by hon. gentlemen on this side, as well as the calm reflection of the right hon. the Prime Minister himself—because we would not like to charge him with being under the hypnotic influence of any evil disposed person with designs on Canada—had dissuaded the right hon. the Prime Minister (Sir Wilfrid Laurier) from pursuing this measure. We were in hopes that he would rally and allow his name to be perpetuated in connection with a genuine national transcontinental railway, built, owned and operated by the people of Canada. We were in hopes that the right hon. the Prime Minister was going at the last minute to assert his manhood and obey the mandate of the great mass of his own followers at the same time that he would meet the wishes of the Liberal party of Canada, and take that course. I was, in hopes when a pause occurred at the beginning of this debate, that the right hon. the Prime Minister was going to rise in his place and frankly tell the House and the country that owing to the fact that he had not the endorsation of his colleagues and his own party following in the House—and he dare not call a caucus of his followers.

Mr. CAMPBELL. Order.

Mr. SAM. HUGHES. Did I hear the musical voice of my hon. friend from West York (Mr. Campbell) ? He is always ready, always aspiring to a position in the cabinet to which his colleagues say he will never attain, always ready to dance when any one touches the button to have him interrupt, always ready to be a hewer of wood and carrier of water for his party. The hon. gentleman, however, can never attain to

the position to which he aspires, that of cabinet rank. Personally, I regret this very much, because I have the highest regard for the hon. member for West York (Mr. Campbell), and I regret to see that he has so reduced himself in the estimation of his own colleagues, that they to-day have passed him by and promoted the hon. member for London (Mr. Hyman) over his head. Then too, we know that the hon. member for Middlesex (Mr. Calvert) the hon. member for Haldimand (Mr. A. T. Thompson), the hon. member for South Wellington (Mr. Guthrie) and a half dozen other members are now leading him in the race for cabinet rank, all owing to the fact that the hon. member for West York (Mr. Campbell) is always ready to play second fiddle when any one touches the button. I can assure him that his own Prime Minister does not regard him with any greater respect owing to the fact that he has played that role.

I am anxious to see the right hon. the Prime Minister (Sir Wilfrid Laurier) withdraw this Bill. He knows right well that I have always had a very high regard for him personally, therefore I want to see if I cannot persuade him to withdraw this Bill even though all my colleagues on this side have failed to impress him sufficiently to induce him to do that. I have great faith also in being able to win over the hon. the Minister of the Interior (Mr. Sifton). These are the only two gentlemen in the cabinet who have had the hardihood to stand up and defend this measure before the country, and they both know that I have great respect for their ability, and desire to have them perpetuate something that will be for the benefit of Canada. Therefore they know that when I am thus appealing to them I am endeavouring to win them away from the erroneous path on which they have set out, and to have this measure so altered that the best interests of Canada will be served. Look at the countenances of the ministers around them ; not one of them endorses the movement. I trust that these hon. gentlemen will be able to stand in their places and with the approval of both sides of the House and of the country, withdraw these resolutions and introduce a measure providing for a great national transcontinental railway, built, owned and operated by the people of Canada. I believe that we have made some impression on the right hon. the premier (Sir Wilfrid Laurier). He knows he has been buncoed in relation to the rolling stock trust. He knows that in relation to the operation of the line west of Winnipeg, the operation of the western division, he has secured nothing that will be in the interests of the people of Canada. He knows that when he reaches Quebec, supposing the road is ever constructed to Quebec. then the freight will be at that point 150 miles nearer Portland than it will be to St. John or Halifax. I care not what route he takes. He knows also that there is not one line in his Bill that will cause that freight to go to St. John or Halifax in preference to Portland.

We know in relation to tariff matters that secret and confidential letters have been sent to a dozen gentlemen in almost every city in the Dominion of Canada, private and confidential, signed with the name of the present First Minister, telling these people : You need have no fear, return us to power and we will see that you are all right under the tariff. The Prime Minister shakes his head very faintly. He knows that a document prepared by the late Minister of Railways and Canals (Mr. Blair) marked 'confidential' was printed in cold type in the Printing Bureau of the Dominion of Canada in numbers and sent out to him and his colleagues for consideration. That document was suppressed so far as they could keep it from the general public. He knows moreover, that at the public meeting of the shareholders of the Grand Trunk Railway Company—for it is not a private meeting, but is reported in the fullest manner—in financial papers on the other side, statements were made which were not intended to reach the people of Canada. Does any one pretend to say that the Grand Trunk shareholders went there and deliberately voted away their dividends from the Grand Trunk Railway of Canada in return for a sentimental control of the Grand Trunk Pacific from Winnipeg to the coast ? Where is the poor unfortunate shareholder of the Grand Trunk in England or anywhere in the world going to reap a return of one dollar of interest on his dividends under this scheme ?

If the theory of the First Minister is carried out, where are the Grand Trunk Railway shareholders going to get one dollar of dividend from this road ? The poor Grand Trunk Railway shareholder does not own the Grand Trunk Pacific ; it is owned by Senator Cox, Mr. Hays and a few of these gentlemen. The dividends on that road will not go to the hard-pressed shareholder of the Grand Trunk Railway ; it will go to the others. Does the First Minister think that unless the Grand Trunk Railway shareholders had some confidential or secret assurance, they would deliberately sit down in meeting and vote away the dividends on their investment in the Grand Trunk Railway Company of Canada, and especially in the line to Portland. I am satisfied that the First Minister does not for a moment believe anything of the kind. The fact is that this Grand Trunk Pacific is not a transcontinental road, and it is not a national road, because to be a national road it must be owned by the nation. The nation builds it and hands it over to the Grand Trunk Pacific : the nation gives to the Grand Trunk Pacific a guarantee on its construction from Winnipeg to the west, and the Grand Trunk Pacific is just as much independent of the government as either

the Canadian Pacific Railway or the Canadian Northern. It is neither a national nor transcontinental road; it is an ordinary hybrid road.

Mr. BENNETT. For highwaymen.

Mr. SAM. HUGHES. Yes; but, of course, that does not apply to the First Minister who has been carried away by sentiment only. The men who engineered this thing knew the open heart of the Prime Minister well; they appealed to the sentimental end of his character, and I am glad to admit that there is much sentiment in the make-up of the First Minister. They have tickled his fancy by saying that this would be a grand thing for Canada, and they are winking their off-eye, to see how they have humbugged the Prime Minister. However, I have great faith in him, and I believe that before this debate is closed he will rise in his place and withdraw this whole business.

Sir WILFRID LAURIER. Perhaps you think I should do it now?

Mr. SAM. HUGHES. I hope you will before the debate is closed. The Grand Trunk Pacific has its charter from Winnipeg to the Pacific coast and that road must be completed inside of eight years. Meantime, in a year or two; their line will be completed through the prairies and what is the company going to do with the freight they collect on the prairie section? Undoubtedly they will send it over their American connections. The directors and the shareholders are looking for dividends on the Grand Trunk and undoubtedly they will get their own railway at the nearest point. There is not one word or line in this whole contract to prevent the Grand Trunk Pacific from diverting that freight at Winnipeg and sending it via Chicago. There it will go, at all events until the other line is built, and the other line will not be built until most of us are translated to a higher and better sphere. And suppose that the government road from Winnipeg east is constructed as far as North Bay; what then? Under this amended agreement, the Grand Trunk Pacific need not send one wheel over that road except upon terms to be agreed upon between them and the commissioners appointed by this government, and these terms are to be arranged irrespective of the government and irrespective of the wishes of the people of Canada. In the meantime the Grand Trunk Pacific is built to the Pacific coast; it has a magnificent traffic from the prairies which it is sending over its own line via Chicago, and the trade is directed into that channel. The commissioners will go to the Grand Trunk Pacific and say, when the section is built to North Bay: Now, gentlemen we want you to take this section over; and the Grand Trunk Pacific will reply: Thank you very much; that is a little out of our way, the haul is much longer; it is very difficult to get coal in that region, the snows of winter are more expensive to handle than on our southern line via Chicago, but nevertheless we will be delighted to operate that section if you will allow us ordinary wheelage on car mileage, and if you pay the cost on interest and maintenance account. The government is absolutely at the mercy of the Grand Trunk Pacific. Even supposing that line is built from Winnipeg to North Bay, and from North Bay to Quebec, and from Quebec to within a mile of Moncton; until the last spike is driven in the eastern division for the entire distance, the government is absolutely and entirely under the control of the Grand Trunk Pacific. Let the Prime Minister point out anything that proves the contrary in this agreement. I assert, therefore, that the Grand Trunk Pacific will undoubtedly demand that they be paid for operating any portion of this government road from Winnipeg east, from time to time as it may be completed. Am I right?

Mr. COWAN. No.

Mr. SAM. HUGHES. Excuse me; I was not addressing myself to the distinguished gentleman who comes from the suburbs of Detroit; I was addressing myself to the First Minister.

Sir WILFRID LAURIER. I would give you the same answer.

Mr. SAM. HUGHES. The last gentleman in the world I would think of asking for a legal opinion or a sensible opinion on anything, would be the hon. gentleman for Essex (Mr. Cowan). Of course our friends who are interested in the Quebec bridge, would be anxious to have that road pressed on to Quebec. I have looked in vain in the Bill and in the resolutions for anything that guarantees the construction of the eastern division. In spite of all the protestations made by the First Minister last night, and in spite of all the inspiration and Dutch courage he enthused into his followers, I do not believe that the First Minister believes that that eastern section will ever be completed; at all events, within the lifetime of an ordinary man. There is no guarantee that the eastern division will be constructed, and there is no guarantee that the Grand Trunk Pacific will operate any portion of it until the whole thing is completed, nor is there any penalty imposed on the Grand Trunk Pacific in case it undertakes to operate it and fails.

The right hon. the First Minister must know that, and why he has allowed these gentlemen to get the start of him I fail to see. But the most important part of all, the part that is intended to tickle the fancy

of the people of the maritime provinces, is the claim that the freight will go to a winter port in Canadian territory—in other words, to St. John or Halifax. We admit that it will go to a Canadian port in summer; it cannot go elsewhere. In a few years the whole freight of the western states will go through Canada to Canadian ports. When the policy of the hon. leader of the opposition is carried out; when we have a truly national transcontinental railway built, owned and operated by the people of Canada; when we have the Intercolonial Railway extended to the Georgian Bay to meet the lake and rail traffic of grain not only from western Canada, but from the western states; when we have our grand system of canals completed—the Trent canal and the Ottawa and Georgian Bay canal—so that vessels of ocean draught shall be able to sail past this city to the Georgian Bay and the great ports of the west; when we have these and many other magnificent improvements completed, and all at a cost of many millions of dollars less than the First Minister is going to throw away on this hybrid scheme of his, then there will be a guarantee that the freight of the west will go through Canadian channels to Canadian ports. Where is there anything in this Bill that will guarantee this? Of course, whether the Grand Trunk Pacific runs to Duluth, where it intends to run, or Nepigon Bay or somewhere else where brother Conmee has a railway charter, or wherever it touches the water, the grain from that point will be carried to Midland by water, and be carried over the Grand Trunk Railway system to Montreal or Portland. But when the winter traffic reaches North Bay, where will it go to? Does any one suppose that that freight will be diverted from the Grand Trunk to the government road? Why should the Grand Trunk shareholder deprive himself of dividends by turning freight away from his own road and sending it over the government road to Halifax? What interest will he have in sending it to Halifax? His interest lies in sending it to Portland or to Montreal. That is where he has put his good money from which he has waited so long for a dividend. That is why he has put so many millions into terminals at Portland. The Grand Trunk shareholder can bring his directors to time and compel them to send the freight to Portland either from North Bay or Quebec. Let us suppose that the line is ultimately constructed to the city of Quebec, and crosses the Quebec bridge. From that point a car requires to be hauled 150 miles less distance to Portland than to St. John, and over a better road than the First Minister is going to provide, and hundreds of miles less distance than to Halifax. Is the shareholder of the Grand Trunk Railway Company going to let his directors send the freight over a road in which he has not a particle of interest rather than over the Grand Trunk Railway, which he controls? To use the right hon. First Minister's own language, they are going to send it where their interest lies, and I fail to see how any man of ordinary understanding can imagine that one dollar of that traffic is going over any other road than the Grand Trunk Railway, even if the proposed line should be constructed as far as Quebec. The right hon. First Minister may say, we are going to control that sort of thing. Well, I will not ask him to take my word. I did see the Minister of Railways and Canals (Hon. Mr. Emmerson) in his place in the House inside of a week. It was the general impression that they were keeping him locked up for fear he would say something; but they let him out occasionally. They have taken him away again.

Mr. MORIN. He is on the strike.

Mr. SAM. HUGHES. No, I do not think he is on the strike. I think they keep him locked up, perhaps with a guard over him. He may be in cold storage; but certainly he is not in the House. We are told that it is necessary to build the Grand Trunk Pacific to Quebec in order to encourage traffic to go that way, because the Intercolonial, which has been such a burden on the country for so many years, will be unable to carry the traffic. Now, I will quote what was said by a gentleman whom the right hon. the First Minister himself has declared to be the greatest railway expert in the country. I do this to show that he thought that the Intercolonial Railway, passing along the shore of the St. Laurence and the gulf, is amply sufficient to handle the traffic.

Mr. CAMPBELL. What is his name?

Mr. SAM. HUGHES. His name is not Campbell, but Blair. I refer to the Hon. Mr. Blair, late Minister of Railways and Canals. Although the name of Campbell is magnetic and carries a great deal of weight in some ways, nevertheless, on railway matters, I think the name of Blair in the Liberal ranks even yet carries greater weight.

An hon. MEMBER. The Campbells are coming.

Mr. SAM. HUGHES. Not yet—the Campbells are not coming. The mandate has gone out, so far as one Campbell is concerned, that no seat in the cabinet can fall to his lot. I regret that, because personally I have a very warm place in my heart for him, and if another Liberal from Ontario should be called to the cabinet, I think the hon. member for West York, for his long work for the party, would be entitled to the place. But the mandate has

gone forth that there is no seat for him there, and he must remain among the rank and file of the party ready to interrupt, ready to get up and make a speech whenever he is called upon, whether he believes in it or not. Mr. Blair, speaking before the committee last session in answer to a question by an hon. member of the House, said :

I would say without any hesitation or reluctance whatever that we can handle by the Intercolonial for the two ports of Halifax and St. John all the traffic that the Grand Trunk Pacific would be able to give us at the city of Quebec.

Mr. LOGAN. All they would have to give you ?

Hon. Mr. BLAIR. All they would have to give us or all that they might give us.

Then a gentleman of the name of Talbot says :

But suppose they were not anxious to give it to you ?

Hon. Mr. BRODEUR. Order, order.

Mr. SAM. HUGHES. I am quoting from the report, and I hope the newly-fledged minister will try to recall the dignity he used to show in the Speaker's chair :

Hon. Mr. BLAIR. We cannot take them by the throat. There is no question in my mind, however, from the nature of the road and the improvements that are taking place, that we would be fully equal to the capabilities of the Grand Trunk Pacific at any time and under any circumstances.

Therefore this new road which is being built from Quebec to Moncton as a part of a great transcontinental line, is in the opinion of this expert of the government absolutely unnecessary. But lest our friends from that part of Quebec should feel that the Conservative party, in opposing this part of the transcontinental project, are objecting to a road through that part of the country, let it be understood that the Conservative party are on record as having voted four years ago for a subsidy of $6,400 a mile for a colonization road through that part of the country. We have placed ourselves on record. We have given to that region, so far as we are concerned, more consideration than has been given to any part of the province of Ontario under similar conditions.

Mr. LEMIEUX. What road ?

Mr. SAM. HUGHES. I do not recollect the name, but the name does not matter. It is a road running by the Etchemin Valley around the Maine border. By the route by which it must go, there is a part of the line, from St. Anselm to a point on the River Noire, a distance of 38 miles. To connect these points, the road will have to traverse no less than 63 miles in order to get even a one per cent grade ; and if it is to get a half per cent grade, such as is estimated for the Grand Trunk Pacific Railway, it will have to cover about twice that mileage. We have placed ourselves on record and no charge can be made against us that we are opposed to developing that part of the country. I am advised that the name of the road to which I have referred is the Quebec and New Brunswick.

Now, as to the question whether the Intercolonial would be able to control the freight or whether the Grand Trunk Pacific would be able to control it, so as to send it to the maritime province ports, I would quote briefly :

Mr. FOWLER. I would like to ask Mr. Hays if he would be willing to have incorporated in this charter a clause to the effect that all the Canadian trade developed along the route of the Grand Trunk Pacific should go through Canadian ports—that is, all the freight which is intended for export ?

Mr. HAYS. Does the hon. member wish me to say we would disregard the routing of the shipper ?

Then, Mr. Fowler repeated his question, and Mr. Hays answers :

I would say to the hon. gentleman that we find the largest portion of our shipments are routed by the shipper, and we are legally compelled to observe his route.

We will suppose that this government road is completed as far as Quebec—it will never be built there, though—and the freight goes over it to Quebec. Then, according to Mr. Hays, the manager of the Grand Trunk Railway, this road cannot prevent it being sent to Portland or any other place the shippers chose to direct. In that case, there is no guarantee in the Bill, or in the government's control of rates, or anywhere else, that the freight will be sent over this road to St. John or Halifax, unless the shipper routes it by that way—and the Grand Trunk Railway Company always sees to it that the shipper sends it where it suits the Grand Trunk shareholders. They wish to keep on sending traffic to Portland. There is no man of common sense whom I have met yet, but believes that the stockholders of the Grand Trunk Pacific want the traffic to go where it will bring them a dividend. So, even if the traffic goes to Quebec, it will still go to Portland by rail.

Then, we find that the hon. member for West York (Mr. Campbell)—always getting himself into hot water ; always putting in his oar where he has no business to—got himself into trouble here again. On this question he says :

I would like to say a word or two as to whether the Grand Trunk Pacific will put a clause in their charter that all freight originating in Canada would be transported to a Canadian port. That clause would be utterly absurd if it were put in, because the Grand Trunk Railway nor any other railway controls the freights. It is the shippers that control the freights, and if I want to ship 1,000 barrels of flour via New York or Portland, it is not the Grand Trunk

Railway that is going to determine that, they have to carry it just where I send it. If the people of the Northwest choose to send their wheat via Portland or New York, how could the Grand Trunk prevent it ? It is the shippers that control the route by which the freight goes, and so the whole question comes down to the shippers. A firm wishing to ship wheat or flour will certainly always send it by the route that will carry it cheapest.

That car of flour, let me say, is shipped over this government road and reaches Quebec. I would like the First Minister, or any other minister, or any man in this House or out of it, to point out how that flour is going to be sent to the maritime provinces in preference to taking it, by a haul of 150 miles less, to Portland. There is only one way, and that is for the government to operate the road, if they are going to build it by Quebec. And so I again appeal to the First Minister. I know that he knows I am sincere in my confidence in him. I again appeal to him to stand up in his place and make as energetic—I am glad to see our dear old friend the Minister of Trade and Commerce (Sir Richard Cartwright) is getting some life in him. This is the first time I have seen a smile on his countenance for weeks, much less observed him mutter a word as prompter, to the First Minister. I say, I again appeal to the First Minister to stand up and make one of these sentimental speeches such as only he can make, but on the reasonable lines I suggest. I venture to say, there is not a man of his following but will support him. And, wild as was their enthusiasm last evening, they will be infinitely more enthusiastic over such a speech, because their hearts will be in it. They will be glad to hear that the government has determined to throw aside this scheme of a line under Grand Trunk Pacific ownership from the coast to Winnipeg and under government ownership from Winnipeg eastward. I know right well, and the country knows right well, and these hon. gentlemen themselves know right well, that they are whipped into line. Do we not recollect how, when the First Minister rose to present these resolutions—and we were glad to see him in such good health—the chill of the reception accorded him by his own followers. Throughout his whole speech he was applauded only three times, and then very mildly. The Minister of the Interior (Mr. Sifton) came on a little later. There is more the master hand about him. He is the ring master in the circus, so to speak. He told the government's following : Look here, you terriers, fall into line and cheer as you never cheered before, or not a man jack of you who is looking for judgeship or a collectorship of customs, or any other good place need expect to warm the office chair he is looking for.

Mr. Deputy Speaker left the chair and it was taken by Mr. Archibald Campbell.

Mr. SAM. HUGHES. I am a little sorry, Mr. Chairman, that they have played this game of giving you the place in the chair, to deprive me of any further reference which I might wish to make. But we will endeavour to get on nicely. And, as I was saying, the Minister of the Interior says to the government's following : If you wish to come here again, you must toe the line. And, as he was speaking he would turn and shake his fist at his followers as much as to say : Now cheer. And they would cheer, but their hearts were not in it. I appeal to the First Minister to go to the Minister of the Interior, if he is the master-mind, or to go to Mr. Hays, if he is the mysterious power behind the scenes—go to whoever may wield control, and say : You must release me from this ridiculous bargain. Let him stand before the members of this House and before the people of Canada and say : We wash our hands of the iniquitous bargain, we find we have been deceived—and I pledge him that we on this side of the House, every man of us, will back him. It is not too late to save the country, it is not yet too late to save the honour of the First Minister. That is the only position he can take : let him stand up and wash his hands of this affair, and the people of this country, and the members of both sides will endorse him. But, Sir, there were others. Speaking of the utter absurdity of the contention that because the railroad would run in any one place that of necessity freight must follow that route and be diverted from the Grand Trunk, I find no less an authority than the hon. gentleman who has been selected by the First Minister to succeed this expert of his—Hon. Mr. Blair—I find no less a gentleman than the present Minister of Railways and Canals taking this ground. Possibly that is the reason why the present Minister of Railways and Canals cannot be driven, cannot be dragged so far, to speak on this subject. We find him on record against this, and really it touched the hearts of members on this side of the House to see the Prime Minister not as strong as he used to be, obliged to stand up before this House and the country last night without one solitary minister at his back to defend this project, to see him turning to appeal to his followers, to see him through with the scheme. On a former occasion the present Minister of Railways and Canals, then the private member for Westmoreland (Hon. Mr. Emmerson), said :

> To my mind we talk about whether Mr. Hays is prepared to do this or prepared to do that, and we ask him questions, but I for one, and I take the responsibility of my attitude on the question, believe that you can never guarantee either in this proposition or any other that it shall be through all-Canadian territory and that it shall be at the minimum cost, unless you are prepared to build and to extend the system of railways into the wheat fields of the west.

The very proposition that has been advanced by my hon. friend the leader of the opposition. If we are going to pledge this road, if we are going to pledge the country to these enormous sums, then let us own it and operate it as well as build it. I see that the Minister of Railways and Canals has just come into the House. This is the fourth time that hon. gentleman has shown himself in the House while this debate was going on during the last three or four weeks. I was just reading from some remarks made by the hon. member from Westmoreland last year in refutation of the arguments advanced by the First Minister. The First Minister was claiming that the freight would necessarily have to go to a port in the maritime provinces if the road was built via Quebec. In refutation of that I have quoted from two or three members on the government side to show that the First Minister was entirely in the wrong, and among them I quoted from the hon. member for Westmoreland. He goes on to say :

Several hon. MEMBERS. That is the proper thing.

Mr. EMMERSON. Without you do that you cannot guarantee. We must recognize the fact that as far as the interests of the Grand Trunk Railway are concerned, their interests lie in utilizing the facilities which they have at Portland. They claim that it is a shorter haul, and probably it is, and they may claim that they have spent large sums of money in providing terminal facilities which they would wish to utilize. The question is : Can this committee furnish to them, can the committee point out to them, that they can with advantage to themselves, because we must recognize that these gentlemen are looking after their own interests, and we cannot blame them, can we show them that it will be to their interests to carry the products of the west, the products which they will gather in Canada, entirely through Canadian territory to Canadian seaports at all seasons of the year. If not, they are not likely to accept our view of the matter at all, no matter what you may put in the Bill, even if you are to amend their Bill for that purpose. You have to bind them down to that, and it would be evaded in my judgment, unless indeed, they propose to carry their railway to some point in the maritime provinces for their winter traffic, and to a point at Quebec for the summer traffic. They have not in this Bill proposed to do that.

Those were the views of the present Minister of Railways and Canals, and I believe they are his views to-day, and I say to his credit that the government have not been able to drive him in this House into disclaiming those views. The Prime Minister himself, with all the magic power he has over his followers has not been able to compel the present Minister of Railways and Canals to rise in his place and defend this ridiculous Bill. I trust he will still stand to his guns. I trust he will recognize that this is a free country, and that the time has passed when the Minister of the Interior could turn around and tell his followers : If there are any weak-kneed members among you you must fall into line. The time has passed when the Prime Minister can say to them : Unless you stand up and fall into line we will wipe you out of political existence. I trust that the Minister of Railways and Canals, recognizing that this country is ruled by parliamentary government, will decline to bow the knee, and that like his predecessor in office, rather than retract his views, he will walk out of the cabinet.

Some hon. MEMBERS. He won't do it.

Mr. SAM. HUGHES. I have some faith in him. Now then, there is much more. I will give another little extract from the speech made by the present Minister of Railways and Canals on that occasion. He said :

I for one am not in favour of granting the privilege to this railway under the terms which they have asked, and I think that this country, that this parliament, should be ready to grapple with this question in the way that will ensure what we all want from a national standpoint, and in the only way in which it can be successfully done, and the only way in which it will ever be done will be by the government of Canada undertaking to extend the government system of railways into the wheat fields of the west.

Those were the views held by the hon. gentleman at that date. Now there was another maritime province member who spoke on this subject, and I am proud of him too. I am proud to know that with all the pressure the cabinet have been exerting on their followers they have not been able to force him into line—I refer to the hon. member for Cumberland (Mr. Logan). He is thus reported :

Coming to the winter shipments, they say : We will give it over to the Intercolonial Railway if we can make a satisfactory arrangement with the Intercolonial. Is any man so childish as to believe that if the Grand Trunk Pacific has a car of wheat at North Bay it will take it to Quebec and hand it over to the Intercolonial when they can take it right through to Portland. It is absolutely ridiculous to make such a suggestion. We have had some experience with the Grand Trunk in dealings with the Grand Trunk system. When the Drummond County Railway was purchased they made certain promises ; we had it signed, sealed and delivered and I am bound to say they have broken every promise. Now we are asked to-day to take their word that they will give us a preference for Canadian ports.

When we are dealing with the Grand Trunk Pacific or any other railway we do not want promises or preferences to depend upon. We want it in such a way that it is to their material advantage to take that grain through Canadian ports.

These are splendid words, and I believe the hon. member for Cumberland (Mr. Logan) endorses them to-day. I believe that in his heart he is endeavouring to win the First

Minister back from those who have this unfortunate influence over him, and that he is endeavouring to make the Prime Minister repudiate such an iniquitous measure. Let us look at the eloquent words uttered by the hon. member for Cumberland (Mr. Logan) on that occasion :

Coming to the winter shipments, they say : We will give it over to the Intercolonial Railway if we can make a satisfactory arrangement with the Intercolonial Railway.

We know that the Grand Trunk Pacific will have but a short haul from a point on its main line north of North Bay to North Bay, where it will make connections with the Ontario system of the Grand Trunk Railway. When the Grand Trunk Pacific have their traffic at this point, is it conceivable that the Grand Trunk shareholder who bosses the directors is going to allow that traffic to be hauled over the Intercolonial, from which he will not receive one dollar of return from the freight rates ? Is he not going to force the directors to send that freight down over the Grand Trunk system to Portland, in order that he may get a dividend from it ? I endorse this language of the hon. member for Cumberland (Mr. Logan. He proceeds :

Is any man so childish as to believe that if the Grand Trunk Pacific has a car of wheat at North Bay it will take it through to Quebec and hand it over to the Intercolonial when they can take it right through to Portland. It is absolutely ridiculous to make such a suggestion.

I endorse in its entirety this noble language of the hon. member for Cumberland (Mr. Logan). Why then did we find him last night bowing to the party lash, to the demand of the Minister of the Interior and to the sentimental appeal—and I do not know what other influence—of the First Minister ? Why did he sacrifice the first principles of responsible government by going back on the noble language he used a year ago, and fall into line behind these men at the beck of the party lash ? Let us hope it is because of a determination to privately win the right hon. the Prime Minister over from this scheme.

I regret that the right hon. the Prime Minister was absent while I was reading the noble language of the hon. member for Cumberland (Mr. Logan), but as he is now in his place I shall read it for him.

Sir WILFRID LAURIER. I will take it as read.

Mr. SAM. HUGHES. No, no ; I know the First Minister has a warm spot for the member for Cumberland, and if the hon. member for Cumberland would only persevere in his course of last year, if the Minister of Railways (Mr. Emmerson) would only stand to his guns as he did last year, and unite with us who have the welfare of the country and of the First Minister at heart, I believe that we can yet get him to repudiate this iniquitous measure.

I noticed that the moment the Prime Minister entered the chamber the Minister of Railways left it. I hope that there is not between them that repellant influence which sometimes exists in magnetic bodies that forces them apart. Possibly they are afraid to leave the management of the House to the great old Knight of Oxford and the newly fledged Minister of Inland Revenue (Mr. Brodeur). I would be very sorry if there should be that repellant influence of which I spoke.

Sir WILFRID LAURIER. Perhaps he is on the same hinge as I am.

Mr. SAM. HUGHES. He may be. I shall quote from the language of the hon. member for Cumberland (Mr. Logan) :

Coming to the winter shipments they say : We will give it over to the Intercolonial Railway if we can make a satisfactory arrangement with the Intercolonial. Is any man so childish as to believe that if the Grand Trunk Pacific has a car of wheat at North Bay it will take it through to Quebec and hand it over to the Intercolonial when they can take it right through to Portland. It is absolutely ridiculous to make such a suggestion. We have had some experience with the Grand Trunk Railway in dealings with the Grand Trunk system. When the Drummond County Railway was purchased, they made certain promises ; we had it signed, sealed and delivered and I am bound to say they have broken every promise.

This is from the lips of the hon. member for Cumberland when he was not under the party lash, but was exercising the rights and privileges of a free man. Of course, I admit that the party system may demand such a vote as the hon. member (Mr. Logan) gave last night, but I hope that the hon. member gave it while thinking it his duty to endeavour to persuade the Prime Minister to abandon this iniquitous measure.

We are asked to-day to take the word of the Grand Trunk that they will give us a preference for Canadian ports.

When we are dealing with the Grand Trunk or any other railway we do not want promises or preferences to depend upon ; we want it in such a way that it is to their material advantage to take that grain to Canadian ports.

I endorse this statement of the hon. member for Cumberland (Mr. Logan). We know that the shareholders of the Grand Trunk Railway, who control the districts—

Mr. COCHRANE. And the government.

Mr. SAM. HUGHES. And the government. The shareholders control the directors, the directors control the road and the road controls the government. The directors, we know, will compel all freight to be carried to Portland in order that they may receive dividends.

Is there a man of common sense in the country, who would not do the same thing ? Why, if the Grand Trunk directors would permit the traffic to go on any other but their own road, they should be locked up,

the same as some of the hon. gentleman's supporters are locked up here for fear they would say something. There is only one way that freight can be guaranteed to the maritime ports, and that is by the construction of a road that will have no interest in sending freight to American ports. We already have the Intercolonial Railway, and the only way you can guarantee to carry freight to Canadian ports, is to extend the Intercolonial Railway to the west and that the government shall build, own and operate the whole system. Then and not till then, may the people of the maritime provinces rest assured, that the freight of the west will go through their ports, and that the country will have some return for the expenditure made. There is the member for Annapolis (Mr. Wade), who was also a member of the committee last year, and who said :

I agree also with the statements made by Mr. Hays and Mr. Campbell (West York), that you cannot control the routing of the products or goods of the shipper. We are fully aware of this fact however, that a transportation company has a good deal to do with the fixing of the routes for the shipper, and in nine cases out of ten it is a matter of supreme indifference to the shipper as to which route his goods take, provided they go by the cheapest route.

The Grand Trunk Pacific will have its agents in the west, and even if the goods are shipped to Quebec, the Grand Trunk is going to get a rake off some way or other, and they will see that when the goods get to Quebec they will be sent over the Grand Trunk Railway, to Portland, which is about 150 miles nearer to the sea-board, than the nearest Canadian port by the shortest route you can take. I cannot, for the life of me see how it is, that the Prime Minister has been deceived in this matter, because he is usually a very shrewd and astute gentleman. I again appeal to him to look at the matter from any view he chooses, and he will see that there is no possibility, under his present scheme of diverting this freight from being carried over the Grand Trunk line to Portland. The only way that can be done, is by giving us an all-Canadian route, built by the people of Canada, owned by the people of Canada, and controlled by the people of Canada. The people of the west might then rest assured that they will get the cheapest rates possible to an ocean port, and that the Grand Trunk, the Canadian Pacific Railway and the Canadian Northern, will each have a fair chance of competing with the others. If the Prime Minister adopts such a policy, it will redound to the benefit, not only of eastern Canada, but of western Canada as well. In the hope that the First Minister will withdraw this measure, I shall resume my seat for the time being.

Mr. R. L. BORDEN. Before the resolution is adopted, I would like to ask the Prime Minister, whether he is aware of any meeting of the Grand Trunk shareholders, at which the original agreement was presented to them and rejected. I refer to a remark made in the course of the debate by my hon. friend from Haldimand (Mr. Thompson), who used this language :

Has anybody in this House impeached the sincerity of Mr. Hays or of Sir Charles Rivers-Wilson when they made that promise ? Not at all. They went to their shareholders and they said everything in their power to induce them to meet their views ; they had to put up this money in order that that contract might be carried out as it was originally framed. But the shareholders point blank refused to do so.

I asked :

Might I ask the hon. gentleman when this meeting of the shareholders took place to which he has referred ?

And the hon. gentleman (Mr. Thompson) dismissed me with a somewhat lordly wave of his hand in this way :

I have not got the exact date, but I can supply the hon. gentleman with it after I have finished my speech.

I have not yet had any intimation of the date at which that meeting was held, nor was I aware, until the hon. member mentioned it, that such a meeting had been held. Can the right hon. gentleman give me any information on the subject ?

Sir WILFRID LAURIER. I am not aware that there was any meeting of the shareholders of the Grand Trunk Company, other than that which took place on the 8th of March.

Mr. R. L. BORDEN. Then the original agreement was never submitted to any meeting until the original and amended agreements were submitted to this meeting.

Sir WILFRID LAURIER. My hon. friend from Haldimand may have information as to that, but perhaps these words do not cover exactly what he meant, as sometimes happens. Perhaps he meant to say that the shareholders had been canvassed. But as my hon. friend (Mr. R. L. Borden) has asked me a precise question, I am bound to give him a precise answer. I am not aware of any other meeting.

Mr. R. L. BORDEN. My right hon. friend paid me a very tremendous compliment last night, but I feel it absolutely necessary that I should disclaim it. He stated that I was responsible for certain quotations which I introduced into my remarks, and in order that I may do him no injustice let me follow his own course and quote exactly what he did say. By the way, let me say in passing, that while my right hon. friend has objections to much quotation, I think he did very well in that line last night.

Sir WILFRID LAURIER. Sometimes.

Mr. R. L. BORDEN. I think that with a little practice he will soon have about nine-tenths quotation, and one-tenth his own speech.

Sir WILFRID LAURIER. Perhaps the bad example has affected me.

Mr. R. L. BORDEN. I must say that I was a little surprised, that after we heard on this side of the House, that the right hon. gentleman was only going to make a few remarks, he came in with a carefully prepared speech, and spoke for nearly an hour. He surpassed our expectations in that regard. But my right hon. friend was in very good form, and we were very glad indeed to hear him. My right hon. friend spoke first of great masters of debate, using quotation, and then he went on to state that I had used quotation, and that I had dropped into poetry. Here is the right hon. gentleman's language.

> There is this difference, however, between my hon. friend (Mr. R. L. Borden) and these English masters of debate, that he did not quote from the classics, but from his own poetical effusions and perhaps it may be pleasing to him if I should read his verse. Here it is :
>
> POETRY.
>
> To-morrow and to-morrow and to-morrow
> Creeps on this petty pace from day to day,
> And all our yesterdays have seen the route
> Unknown and unsurveyed.

Well, Sir, my hon. friend assuredly reached a climax when, in a grave discussion of this character, bristling with figures and intended to be serious, he so far relaxed as to introduce into this debate this effusion, of which in a moment of weakness, flirting with the spirit of the muse, he had become the guilty progenitor.

I must not take this compliment, Mr. Chairman. Let me refer my right hon. friend, who seems to be in doubt about this, to act 5, scene 5 of Macbeth—I dare say he may have heard of the author of that play.

Sir WILFRID LAURIER. Oh, yes. I am familiar with the quotation.

Mr. R. L. BORDEN. Well the right hon. gentleman did not seem to be so familiar with it last night, because he attributed the quotation to me :

> To-morow and to-morrow and to-morrow
> Creeps in this petty pace from day to day,
> To the last syllable of recorded time ;
> And all our yesterdays have lighted fools
> The way to dusty death.

I changed seven words at the end, adapted them, and my right hon. friend gives me credit for the whole. Might I quote the passage further :

> Out, out, brief candle !
> Life's but a walking shadow ; a poor player,
> That struts and frets his hour upon the stage,
> And then is heard no more : it is a tale
> Told by an idiot, full of sound and fury,
> Signifying nothing.

Sir WILFRID LAURIER.

I would not for one moment apply that epithet to my right hon. friend, for whose ability I have every respect ; but I think his speech of last night might be characterized as a tale told by a premier, full of eloquence and poetry, signifying nothing.

Now, my right hon. friend was good enough to point out once more, as he has endeavoured to point out on previous occasions, that the extension of the Intercolonial Railway to the Georgian Bay would be an act of perfect madness. One might pause to observe that it is a remarkably curious thing that a gentleman who has been commended by my right hon. friend as one of the most expert railway men in Canada, should regard a project of that kind as the most perfect wisdom, while my right hon. friend regards it as the most perfect madness. If Mr. Blair is the best man in Canada to fill the position which he now does fill ; if he, of all men in Canada, is the most competent to consider questions of railway policy and development, how is it that he entertains so absolutely different an opinion on this point from that which my right hon. friend entertains ? I am not unwilling to meet my right hon. friend on that point.

But apart from any argument which may be derived from Mr. Blair's suggestion to extend the Intercolonial to the Georgian Bay, either by the acquisition of the Canada Atlantic or otherwise, my right hon. friend says it would be a foolish thing to do so, because three-fourths of the traffic that goes westward over the Canada Atlantic, comes from United States points and must be carried to United States points in the west. I have not examined very carefully, although my right hon. friend was good enough to show me the figures on which he relied last night; but I do not think he pretends that there is any such proportion as that of the freight going the other way to American ports. If we extended the Intercolonial to the Georgian Bay, my right hon. friend says we could not get any of that traffic, because there would be no steamers to carry it to American points in the west. Are there not American steamers under American registry now ? Why would there not be American steamers then just as there are now ? Why must these steamers vanish from the lakes the moment the Intercolonial is extended to the Georgian Bay ? It is a mere matter of detail how that line of steamers should be arranged. It could be arranged in half a dozen ways—by a company such as I suggested last year controlled by the government, or by an independent company altogether. If the Intercolonial brings to the Georgian Bay that traffic destined for American points in the west, my right hon. friend can rest assured that there will be steamers under the American flag to carry it to its destination.

After I had brought to my right hon. friend's attention a certain quotation from my speech of last year, he said this :

I have read those words of my hon. friend and they sound well ; but if he will explain to me how the Grand Trunk Railway built to North Bay and to Portland, will carry trade to Canadian ports without a railway to the maritime provinces I will be glad to have his explanation.

Well, my right hon. friend has an exceedingly short memory. Does he not remember that five or six years ago, his Minister of Railways brought down to this House a proposal to extend the Intercolonial Railway from Lévis to Montreal for the very purpose of taking from the Grand Trunk Railway the traffic from the west, and that his Minister of Railways justified the enormous expenditure of public money on that occasion by the argument that he had made such an arrangement with the Grand Trunk Company that they were bound to give to the Intercolonial the traffic from the west destined for the maritime provinces or for Europe via maritime province ports ? Has my right hon. friend so soon forgotten his own project that he asks me a question of that kind, in view of the fact that fifteen or twenty millions of dollars were expended by this government for the purpose of extending the Intercolonial to Montreal, and with the express object that this traffic should be taken from the Grand Trunk, and that as a result of that arrangement we would see traffic brought from the west to the maritime province ports in larger quantities ? I am free to admit that the expectations of the government in that respect have not been fulfilled, as we all hoped they would be. Let me say in passing that when the hon. Minister of the Interior (Hon. Mr. Sifton)—who, I regret is not in his place now—said the other day that the Conservative party—and he alluded particularly to myself—had opposed the extension of the Intercolonial Railway from Lévis to Montreal, he spoke without warrant. I have more than one reference under my hand in which I declared myself strongly in favour of the extension of the Intercolonial to Montreal. What I did object to was the improvident bargain which was made by this government with the Drummond Counties Railway Company, and certain gentlemen behind them, and with the Grand Trunk Railway Company, but so far as the proposal to extend the Intercolonial to Montreal was concerned, I did not oppose it, but supported it. But I pointed out that a bad bargain had been made ; and in that view I was sustained by a supporter of the government now in the Senate, who said that the rejection by the Senate of the first proposal of the government had saved to this country no less than $400,000.

My right hon. friend has introduced the question how to keep the traffic to be gathered up in the Northwest for the maritime provinces., I will say once more to my right hon. friend, at the risk of being wearisome, that the only way to secure that favour for the maritime provinces, I know of, is to extend the Intercolonial Railway to the shores of the Georgian Bay.

The people, controlling their own railway reaching to the shores of Georgian Bay, surely will see to it that the traffic brought across these lakes to the eastern shores of Georgian Bay, will go on the people's railway to Canadian ports, whether on the St. Lawrence or in the maritime provinces. That is the only solution of the difficulty, and I invite the attention to it of my hon friend from Annapolis (Mr. Wade) who professes a great interest in this subject, and my hon. friend from Hants (Mr. Russell), my hon. friend from Guysborough (Mr. Sinclair), both of whom, I regret, are not in their place. All these gentlemen profess great interest in the maritime ports. I invite any one of them to show me one line or stipulation in this contract which will prevent the Grand Trunk Railway from taking that traffic from the eastern shores of Georgian Bay and carrying every pound of it to Portland. The Grand Trunk Railway can do that and be in absolute consistency with this contract. There is not a line or stipulation in the contract to prevent them. There is a stipulation binding upon the Grand Trunk Pacific, but the Grand Trunk Pacific does not reach the shores of Georgian Bay. It is the Grand Trunk Railway which reaches the shores of Georgian Bay and has its terminus in Portland, and although we asked last year that this same stipulation should be imposed upon the Grand Trunk Railway, these hon. gentlemen, who are professing so great interest in the maritime ports and such great distress about the attitude of the opposition, all stood up and voted against my resolution. We asked that this contract should be amended by imposing at least that stipulation upon the Grand Trunk Railway. My hon. friend from Annapolis voted against it. My hon. friend from Hants voted against it, and I suppose, if it be proposed again this year, my hon. friend from Guysborough will vote against it. Yet every one of these gentlemen will profess the greatest anxiety that freight should be brought from western Canada to St. John and Halifax. I would rather observe some practical evidence of the interest these hon. gentlemen profess in our maritime ports, such as their support of the policy I advocate, than mere controversial displays of that interest. Halifax and St. John are entitled to their share of the western traffic. They are entitled to have the Intercolonial Railway extended to the shores of Georgian Bay, and the government, by an answer to a question put during the present session, demonstrated, in the plainest possible way, the possibility of carrying through-traffic from the shores of Georgian

Bay to Halifax by the Intercolonial at a good profit. There is no doubt about that. The figures are there and I shall not go over them again. I gave them when I previously spoke on this subject. Therefore, if my right hon. friend is so solicitous, as he says he is, about the maritime ports of Canada, there is just one way to preserve the trade for those ports, and that is to extend the Intercolonial to the shores of Georgian Bay, and by that means absolutely control the traffic which will come from the west and be gathered at the shores of Georgian Bay by whatever railways may be there to reach out for it.

I have not very much more to say about the speech of my right hon. friend last night, because it was very fully and ably answered by my hon. friend from Pictou (Mr. Bell), but there is just one other matter to which I would like to refer, and that is the report of the proceedings at the meeting of the Grand Trunk Railway shareholders. My right hon. friend reproached us for having disclosed to this House a report of the proceedings at that meeting. I would like to know why these proceedings should not be disclosed? Is there anything private about them? Were they not published in the newspapers? Has not the 'Railway News' given a report of the meeting, which is, to all intents and purposes, the same as that which I quoted? Why does my right hon. friend say there is anything improper in disclosing these proceedings? Was there anything secret about that meeting? Was it intended that there should be anything transacted at it which the people of Canada ought not to know? I do not understand the suggestion of my right hon. friend in that regard, and lest I should do him an injustice, let me quote his words:—

> My hon. friend quoted from a private report of the meeting of the shareholders of the Grand Trunk Railway Company, but we had not come to the end of this debate before he himself recognized that in so doing he had taken a course which should not be followed in this House or in debate.

I recognized nothing of the kind. I say that we are entitled to have the proceedings of the meeting of the Grand Trunk Railway before this House. Their proceedings have been published in the public press, and there is no possible reason that I am aware of why they should not be printed and distributed to the country.

But my right hon. friend also referred to another matter. He referred to the memorandum of Mr. Blair, to which some reference has been made in this House. Let me say a word or two on that point. It seems to me that my right hon. friend is much more sensitive on this subject than he was in times gone by. I recollect very well when he did not seem to be so particular. When it was the object of hon. gentlemen opposite to discredit a gentleman by the name of Mr. Hamilton Smith, a certain telegram was sent to Lord Strathcona, and as soon as the answer was received, my right hon. friend, through his secretary, sent it out to ever Liberal paper. Sir Charles Tupper, who was then leader of the opposition, asked my right hon. friend across the floor whether or not he would bring down the telegram to which that reply was an answer. My right hon. friend's statement can be found on page 939 of the 'Hansard' of 1898. He said he would bring down that telegram and lay it on the table of the House the next day. But the next day he changed his mind and told us that, despite his promise, he would not do anything of the kind. And he refused to bring it down on the ground that the telegram he sent was confidential. The answer was not confidential, you will observe, but the telegram sent was. That was a rather extraordinary view to take of the position, but when he was reproached by Sir Charles Tupper, what did my right hon. friend reply? He said: I am the guardian of my own honour. Well, so far as I am concerned, I am equally the guardian of my own honour. And should I ever desire to put that honour in trust, I will select myself the gentleman to whom I shall entrust it. Let me point out further that my right hon. friend was not so particular on this subject some time after. Let us consider the position of Mr. Blair's memorandum. What was the position? Mr. Blair left this government on a certain question of policy. While that question of policy was being discussed by this government, Mr. Blair's views, communicated to his colleagues, I suppose, would have been regarded as confidential, but they were not so regarded even by himself, when he differed from his colleagues, and ministerial explanations were in order. We have the statement of Mr. Blair himself in his letter published in this House, in which he refers to the very negotiations which were intimately connected at least with this document read to the House. In his letter of the 10th of July, 1896, Mr. Blair says this:

> Let me state our position on the main question. My decided preference is for a government owned and government operated railway across the continent, and my chief reason for favouring it is that it will have an equalizing and regulating influence upon all other railways throughout the western territories. In this view I am practically alone, and therefore I admit at once that this proposition must be laid aside. But the cabinet has decided that the government shall build half way across the continent as a government road, namely, between Quebec and Winnipeg.

Mr. Blair, on that occasion, went into two things. In the first place, he went into a statement of what his own policy, advocated by him to the members of the cabinet, was; and in the next place, he went into

a statement of what the policy of the cabinet, to which he alone was opposed, was to be with regard to this great question Mr. Blair would have been at perfect liberty, when he made that statement in this House, to repeat every word of the memorandum. And I say that every word of that memorandum ought to have been brought down with the correspondence laid before this House, because that memorandum is directly and closely connected with the cause which led to the resignation of Mr. Blair. There were two causes which led to that resignation. The first was that he was opposed to the policy of the government as now laid down, and the second was that he himself had proposed a policy to the cabinet, but his colleagues had not seen fit to accept it. So the House and the country were informed of one half of the reason for that resignation, but the other half was kept absolutely secret, in order that this government might be able to tell the people that Mr. Blair was as much opposed to the policy of the leader of the opposition as he was to the policy of the leader of the government. I would like to ask my right hon. friend why it was that that carefully prepared memorandum was suppressed instead of being brought down with the rest of the correspondence? Suppose it had been in the form of a letter to the Prime Minister, as it might have been, it is evident that it would have been the duty of the government to bring it down with the correspondence. And is the situation altered because, instead of publishing it in the form of a letter to the Prime Minister, Mr. Blair saw fit to print it as he did, and hand the copies to his colleagues? Why is it that the Prime Minister has seen fit, on this occasion, to bring down what I say is only part of the correspondence and to withhold that which, according to any fair, and reasonable, and honest view of the circumstances, is as much a part of the communications between Mr. Blair and his colleagues on this question of public policy as is the correspondence which has actually been brought down? My right hon. friend will have to justify himself, when he refers to this document, and point out to the people of this country some reason why he should have said that Mr. Blair, professing the view set forth in this correspondence and set forth more fully in the document to which I have referred, was as much opposed to the policy advocated on this side of the House as he was to the policy advocated by the government.

My right hon. friend should not forget another thing. This document related to a matter of public policy, a matter that has been settled and determined by the government. That matter of public policy was the cause of the resignation of Mr. Blair. As I have said before, I think that all the reasons which induced Mr. Blair to leave the cabinet should have been placed fairly and fully before the people of this country. And, speaking with deference and without any desire to be in any way offensive, it does not seem to me that that was done, or that the government in that regard discharged the duties which they owe to the people and especially to this parliament. But does my right hon. friend recollect an occasion when he himself had private documents printed and distributed in this House? I have here the sessional papers of 1897, and I find in them a confidential letter, duly marked 'confidential,' from Hon. N. Clarke Wallace to Colonel William White, Deputy Postmaster General, and printed by my right hon. friend—and printed, too, at the public expense—and placed before parliament and the country for the purpose of securing, if possible, a paltry party advantage. The letter to which I refer is to be found at page 26 of Sessional Paper 12A of 1897. Then, I find at page 27, another private letter—also duly marked 'private.' This is from Hon. N. Clarke Wallace to Colonel William White, dated 24th October, 1895. And this is printed and placed before parliament and the people of this country for the same purpose. Did not my right hon. friend get up in this House and justify that action? Is he not as much responsible for it as the Postmaster General (Sir William Mulock), by whose direction, it would appear, this document was printed? And how does my right hon. friend justify that, if his sense of delicacy with regard to these things is so fine as he professed last night? I find at page 30 another letter marked 'private.' It is from Hon. W. H. Montague to Sir A. P. Caron. And at page 44 of the same sessional paper there is another letter headed 'private' from Colonel William White to the Hon. Dr. Montague. The printing of this my right hon. friend justified on that occasion. I wonder, in view of the professions he makes with regard to these matters, that he could have found it possible to justify that action. Because, let it be understood, these letters did not relate to matters of public policy; they related to matters of party arrangement and party patronage. They were essentially and in every respect private and confidential letters. They were letters between members of the same party, left by inadvertence in the rooms occupied by the Post Office Department here, and they were seized upon by this government after it came into power, and printed and placed before parliament and the public. There is a clear distinction between such letters and this document of Mr. Blair's. And I should think that in the sense of delicacy that would forbid the publication of this would still more strongly forbid the printing of private correspondence of this kind between members of the same party and not relating to any great question of public policy or public interest, such as we have had discussed this afternoon.

There are many more of these letters in this sessional paper. At page 58 there is a letter from Hon. David Tisdale to

Coloniel White, dated 1st December, 1891, and there is a postscript especially marked 'private,' yet that postscript is published with the rest of the letter. At page 68 there is a letter, dated 1st April, 1896, from Colonel William White to H. H. Ross, M.P. That letter was marked 'private,' yet it was published on that occasion by the Postmaster General. At page 84 of this sessional paper there is a letter which is especially noteworthy. It was from a gentleman who was very much respected in public life, Hon. Thomas White. At the time of this publication Mr. White had been for many years in his grave. And this government did not even stop at the publication of this private letter of Hon. Thomas White eight or ten years after his death. That letter, though marked 'private,' is to be found in this sessional paper published by the Postmaster General, and its publication was justified by my right hon. friend at the time. Let me go on and give a few more. At page 98 there is a letter from A. B. Ingram to Hon. Mr. Haggart, dated 19th November, 1891, and marked 'private.' This also was published by the Postmaster General at the public expense, and its publication was justified by the right hon. Prime Minister. It relates to a matter which, it is true, regarded the mail service, which was of no great public interest and which was confidential between the Hon. Mr. Haggart and Mr. Ingram. On page 117 a private letter from Mr. Wm. White to Mr. H. H. Ross, M.P., is published with the other letters in the sessional papers to which I have referred. On page 130 a letter from J. C. Rykert, a long time out of public life, to Mr. Haggart, dated 24th of November, 1888, marked 'private.' On page 131 a further letter from Mr. Rykert marked 'private' addressed to Mr. Wm. White, and also published. A further letter on page 132 from J. C. Rykert to Mr. White marked 'private,' and also published in this series to which I have referred. On page 163 a private letter from Mr. Wm. White to Mr. Joncas, marked 'private,' published with these other letters. On page 164 a letter from the Hon. Louis Pelletier, to Sir Adolphe Caron, marked 'private,' and not only published but translated in order that the publication of it should be as wide as possible. On page 178 a further letter dated 31st of August, 1895, from Hon. Louis Pelletier to Sir Adolphe Caron, also marked 'private,' and also translated into English in order that there should not be the slightest difficulty about its publication being made as wide as possible. There are many others mentioned in this book. I will give one or two more. A letter from Mr. Wm. White to Mr. Kaulbach, marked 'private,' and published by my hon. friend's government, a letter from Mr. Wm. White to Mr. Foster, on page 260, marked 'private' and published with these other letters. A letter from Mr. D. W. Davis, M.P., to Lieut.-Col. White, marked 'private,' and published on page 279 of the sessional papers. A letter from Mr. T. Mayne Daly to Sir Adolphe Caron, marked 'private,' and dated the 15th of May, 1895. Now, these letters did not concern any great public question, they were private letters as between members of the same party. They were left by inadvertence, I think, by Sir Adolphe Caron, in the Post Office Department when he gave up that department. They were found by my hon. friend the Postmaster General, and they were published by the government of the right hon. gentleman, but my right hon. friend stood up in the House and justified their publication. Under these circumstances I must say that I do not feel very much the strictures which my right hon. friend has been good enough to pass upon me, and I think under the circumstances he might well, even at this late date, consider a little the motives and reasons which induced the publication of these letters, and whether they stand in any different position from the document which has been read to the House, and if they do stand in a different position, whether it is not very much to the advantage of the position I have taken than to the advantage of the position which the right hon. gentleman has taken.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I do not intend at this moment to enter very fully into a controversy with my hon. friend with regard to the ethics of parliamentary life. I think a few observations will be quite sufficient, and even more than sufficient, to show him that in the way he has treated this question he is altogether in the wrong. My hon. friend has introduced a new doctrine to justify his course, a doctrine which I leave in the judgment of his own friends and followers, and I ask them to say whether they want it to be observed or not. The justification which my hon. friend makes for the course which he took a few days ago when he made public a private and confidential memorandum of Mr. Blair, addressed to his colleagues when he was a member of the Privy Council—the justification which he makes is to say: You have done somethings worse, you have published private letters addressed to ministers. Well, let me make one remark. I do not at this moment well remember the matters to which he has referred, but taking the statement made by the hon. gentleman to-day, what does it amount to? If the Postmaster-General brought private letters to the attention of this House in the session of 1897, he did not do it in a surreptitious manner, he did not spring them upon the House. They were introduced after being called for, in answer to a resolution passed by this House to have all the correspondence in the archives brought down upon a cer-

tain date. All the letters which my hon. friend has quoted here a moment ago are letters which I am sure, without looking at the papers myself, were brought down in answer to resolutions moved in this House and passed calling for the correspondence. Now, Sir, I ask my hon. friend this question: It is one of the most valuable privileges of an opposition to be able to call upon the government for correspondence which is in the archives of the government, which may throw light upon some subject of public concern, or even of private concern to somebody. It is a privilege of every British subject to have his grievances ventilated. If any man in the country writes to the member of his riding and asks for correspondence referring to a certain question in which he is interested, it is not only the privilege, but it is the duty of the member so addressed to move in the House for that correspondence. This is a privilege which is used every day. As I said, it is one of the safeguards of the opposition. Now, I ask the hon. gentleman: How do they want the government to answer this resolution, how do they want the government to obey this mandate of the House? When the House has given its mandate to the government to bring down certain correspondence, is it the intention and meaning of my hon. friend that the minister should discriminate in the correspondence which is on file, and tear off from the file those papers which the minister thinks proper to bring down and leave the others? Is that the way the mandate of the House is to be obeyed?

Mr. INGRAM. That is not the way it is done.

Sir WILFRID LAURIER. That is the way it is done every session. I agree with him that the papers on file ought to be brought down, but this is not what my hon. friend wants. He says: I leave it to the discrimination of the government to tear off this paper or that paper, and bring down only what will suit them. Sir, if the government were to obey a mandate of the House in the manner suggested by the leader of the opposition, the opposition would be the first to complain of such a course, and rightly to complain.

Mr. SPROULE. Is it not a fact that when a motion is simply for papers, the responsible minister of the department usually says he will bring down such papers as are not confidential?

Sir WILFRID LAURIER. Yes, Sir.

Mr. SPROULE. That is all the House looks for.

Mr. HAGGART. Where does the right hon. gentleman get his information that these papers were brought down in answer to a motion for correspondence?

Sir WILFRID LAURIER. I do not know how they could have been brought down otherwise.

Mr. HAGGART. Not at all.

Sir WILFRID LAURIER. I do not see how they could be brought down otherwise. If they were not brought down in answer to a resolution of the House, will the hon. gentleman tell me how they were brought down?

Mr. HAGGART. They were brought down by the Postmaster General off his own bat, without any request at all.

Mr. INGRAM. Published in every Grit paper in the country.

Mr. SAM. HUGHES. Pure malice aforethought.

Sir WILFRID LAURIER. Here is the reference:

Correspondence relating to certain mail contract, sessional papers of 1896.

I shall inquire further how they were brought down, but they were brought down as an official correspondence and were taken from the files which were in the department of the Postmaster General. It cannot be anything else. Wherever a motion for papers is made, it is always understood that those papers which are confidential are not to be brought down; the papers which are confidential to the minister alone are not put on file. Some of that correspondence is of a confidential nature, and if it is of a confidential nature to himself it is not put on file. It may happen that a confidential paper is of a public character and such a document must be put on file in order to have something like an intelligent record. Under such circumstances if an officer of the department places private papers on the file because they relate to the matter in hand, then such papers become public property. I do not think it would be possible to transact public business otherwise, or to carry on the correspondence in any other way than this. I believe the opposition would be the first to blame the government and to attack it if they did not bring down all the papers on record in relation to the question for which papers were moved.

Mr. R. L. BORDEN. Does my right hon. friend (Sir Wilfrid Laurier) say that the bringing down of private papers depends on the accident of their being put on file by some officer of the department?

Sir WILFRID LAURIER. I did not say they were placed there by accident. My hon. friend (Mr. Borden) will understand that although a letter is marked private it may be necessary to have it become part of a public record because if that letter is not included, the record will not be com-

plete, the transaction will not be intelligible. I assume that these papers were brought down upon a motion.

Mr. HAGGART. No.

Sir WILFRID LAURIER. If they were not brought down upon a motion, I shall have to correct myself. I assume they were brought down in the ordinary course of business and if I was wrong I shall have to say that I was in error. I shall look at the record however, as to how they were brought down.

Mr. R. L. BORDEN. I would like to ask what justification there was for their production if there was not an order for a return ?

Sir WILFRID LAURIER. My hon. friend (Mr. Borden) will not expect me to say at this moment what the justification for it was, because it is a matter of seven years ago, and I did not charge my memory with it and I do not know that my attention was called to it before.

My hon. friend (Mr. Borden) will expect me to give an answer upon the point he has brought to the attention of the House, that he was justified in bringing that letter of Mr. Blair's to the House, as he did. The point he endeavoured to make was that this memo. of Mr. Blair's should have been brought down as part of the correspondence which took place between Mr. Blair and myself at the time of Mr. Blair's resignation. Mr. Blair resigned as a member of the cabinet in June, 1903 ; the memo. to which my hon. friend (Mr. Borden) referred and from which he quoted, is a memo. which was written and given to the government in December, 1902, or about that time. It had nothing to do with the project of the Grand Trunk Pacific Railway Company because at that time the project of the Grand Trunk Pacific had not been discussed. To make that perfectly clear let me say that Mr. Blair when he resigned was himself the master in the choice as to what portion of the correspondence he wished to have brought down to the House. The paper from which the hon. gentleman quoted was one of the general subject of railways and had no reference to the concrete question on which Mr. Blair's resignation took place. When the concrete question came up, Mr. Blair did not agree with his colleagues and his severance from them was so far that he thought it due to himself to resign. If Mr. Blair had thought it due to himself to bring down a paper which he had given to his colleagues a few months before, it was open to him to ask of His Excellency the Governor General the privilege of bringing down the correspondence in the House. Mr. Blair stated that before bringing down the correspondence which he did he had asked permission from the Governor General to publish it, but Mr. Blair did not think it advisable to ask the permission of the Governor General to publish that paper, and therefore it is evident that he did not believe it was part of the difference that existed between him and his colleagues. That is surely the best reason why the paper was not brought down. The government did not bring down any papers on that occasion, but Mr. Blair saw fit, for his own justification, to ask leave of His Excellency to bring down certain papers, and of course under such circumstances, when a minister asks the privilege of bringing down correspondence which up to that moment had been private, that permission is never denied, and therefore when my hon. friend says we should have brought down that paper, I have to state that the man who of all men was interested in that question, Mr. Blair, who my hon. friend said was the guardian of his own honour—and in that I agree, for every man is the guardian of his own honour—did not think it advisable to bring down the correspondence to the House and if he did not choose to do it, nobody else had the right to do so.

Mr. R. L. BORDEN. I would like to ask if there is not something further to be considered besides Mr. Blair and the remaining members of the government. Are not parliament and the country interested in knowing the exact causes and all the causes of Mr. Blair's resignation ?

Sir WILFRID LAURIER. The exact causes were brought down to the House and no one was a better judge of the exact causes than Mr. Blair himself. No man had a greater interest to make his record and position as favourable in the eyes of the country than Mr. Blair himself, and if Mr. Blair thought that this correspondence was not germane to the causes of his resignation, I say that so far as this paper is concerned the matter is concluded. My hon. friend said a moment ago that in Mr. Blair's paper there would have been something to justify him. I do not see how my hon. friend (Mr. Borden) intends to justify himself by anything in the statement addressed by Mr. Blair to the electorate of St. John, his constituents, before he signed his mandate. This letter was addressed to Mr. McAvity, chairman of the Liberal Association, St. John, N.B. I am now quoting what Mr. Blair says in that letter in order to show that my hon. friend (Mr. Borden) cannot take refuge in the opinion expressed by Mr. Blair in regard to the acquisition of the Canada Atlantic Railway because Mr. Blair stated in that letter in so many words that he did not agree with the project of my hon. friend (Mr. Borden). Mr. Blair first of all gave the reason why he severed his connection with the government. He proceeded :

I was also of opinion that my duty as a retiring minister did not demand that I should take part, in any controversial discussion which should ensue between the government and the

opposition, during the passage of the details of the Bill through its committee stage.

Upon this view I acted, and in the light of all that has occurred of the amendments proposed to the Bill and the discussion which took place after the second reading had been carried by a large majority, I cannot see that I would have strengthened my attitude in opposition to the project, had I participated in subsequent debates.

The opposition itself very much complicated the situation by proposing an alternative scheme to that of the ministry. This alternative proposal involved a distinct admission that the necessity for a new railway from the Atlantic to the Pacific was one of immediate and pressing urgency. To this view I could not subscribe. I had contended strongly that the few months' consideration given by the government to its measure during the pressure of parliamentary session was quite insufficient to justify the country in embarking upon so great an undertaking. How then could I endorse the alternative which the opposition had adopted after two or three weeks consideration only, and to which it was prepared to commit the country ?

Sir, this language of Mr. Blair shows conclusively that my hon. friend (Mr. Borden) can take no comfort from the memo. which Mr. Blair had prepared for the consideration of his colleagues alone. Of course it goes without saying that in a cabinet or in any assembly of men with common interests, some matters are discussed, and must be discussed confidentially. It cannot be otherwise and these confidential memos. must be the property of those to whom they are addressed until they are released in some way by those who are parties to them. This course was not adopted, and I must repeat that I do not think my hon. friend, in acting as he did, consulted the best rules of parliamentary government. Judging from the manner in which my hon friend (Mr. Borden) generally conducts the business of this House, I am led to think that if he had followed his own instincts in this matter, he would have abstained from bringing to public light a document which was not his own property, and which therefore he had not the right to lay his hands on.

Mr. HAGGART. The rule observed in England is, that the contents of a document are the proof whether or not it is private and confidential. If a document is of such a nature that in the public interest it should be made public, then the fact of it being marked 'confidential' or being read in the Privy Council, does not entitle it to immunity from getting into the hands of another gentleman and being made public by him.

An hon. MEMBER. No.

Mr. HAGGART. Yes ; that is the rule observed in England. Ministers of the Crown have done it in England, and they have specially drawn attention of parliament to the fact, that the mark 'private and confidential' on a matter which affects the interests of the public, does not entitle it to secrecy, but that they themselves are the judges as to whether it shall be made public. The Minister of Finance in this case has stated that this document was stolen, and that my hon friend the leader of the opposition is in the position of a receiver of stolen goods and equally guilty with the thief. Did any one ever hear such a monstrous and nonsensical accusation as that ? Is there a lawyer or a man of common sense in the House, who does not realize the absurdity of it. Are there not a hundred ways in which he might have got that document ; might he not have got it from the ex-Minister of Railways himself.

Some hon. MEMBERS. No.

Mr. HAGGART. Before you can accuse a person of being the receiver of stolen goods, you must first prove that the goods have been stolen. Nobody has charged that the document was stolen, except the Finance Minister. There are a hundred ways in which the leader of the opposition might have got it, and when he has it in his possession, he is the judge of his own honour, and he is the person to say whether the seal of 'confidential' should be removed or not. This is a document that it was in the public interests to publish ; it is a document that should be published. But the First Minister says that the 'tu quoque' argument should not be applied. These gentlemen opposite are very fond of giving advice and lectures on the rules of propriety. It is so nice to think that such great authorities on honour are kind enough to draw attention to subjects of this kind. But let us look at some of their own little lapses. What do they think of the confidential documents that were published by the Postmaster General in his report ? The excuse of the First Minister is, that the House ordered these documents to be brought down, and that the Postmaster General had no option. Although this publication by the Postmaster General was undignified and dishonourable and in the worst possible taste, it was justified by the right hon. gentleman.

Now, as a matter of fact, these papers were published without a motion of the House to bring them down. Let us see what the Postmaster General himself says about it ? Here it is published in his report :

In explanation of the supplementary report, it may be proper to state the circumstances which call for it.

That is all off his own bat.

Shortly after entering upon my duties as Postmaster General information reached me from persons who had tendered for mail services, but who had not been awarded the contracts, to the effect that their lower tenders had been passed over, and the contracts awarded at higher prices, and I accordingly called upon the officers of the department to produce and enter in a register all tenders so passed

over. This was accordingly done, when it appeared that tenders for 330 services had not been considered when the contracts were awarded, and in upwards of 100 instances the department, at the time of awarding the contracts, had received tenders to perform the services at lower rates than those at which the contracts had been awarded.

The Postmaster General goes on in that style, and he winds up for the information of parliament:

I beg to submit the foregoing statements and certain correspondence in connection with various contracts referred to, as a supplement to the Departmental Report for the fiscal year 1895-96.

These are the reasons which induced the Postmaster General to bring down letters marked 'private'; bearing the impress of privacy upon them, and addressed to myself and to Sir Adolphe Caron. I did not know that I had left one of them in the department. My instructions were that every private document and letter was to be taken off the file, and a memo. placed there instead. Here we have it announced that Mr. Ingram says that he recommends a postmaster for a certain place, and adds that he is a good friend of ours, and a strong supporter of his. Letters in that direction writen by Col. Tisdale and others were published, and they even went to the private file of the Deputy Minister, and his private copy book must have been ransacked for the purpose of publishing private letters which were addressed to the minister by different members of parliament. Not only that, but in the debate that took place, the right hon. gentleman who talks to the leader of the opposition about propriety, justified the course of his Postmaster General. And the Finance Minister, who has been reading a lecture to the leader of the opposition; we all know what he did. A confidential memo. prepared for my colleagues containing an estimate, based on all the applications, no matter from whom, that had been made for subsidies for different railways and sent by me to council, was used openly in the House, and the statement was added, that I had submitted to my colleagues a certain estimate for financial requirements which was greatly in excess of that brought down by the Finance Minister himself. Not only did they make use of a private memo. which was prepared for council, but they justified it and falsified it too. I hope we will hear the last of this from such gentlemen. The correct principle is, that if a person is in possession of a document which appertains to the public interest, he can make it public without committing any impropriety, and the person in possession is the best judge of whether he ought to do it or not. The principle is well known, and it has been done a hundred times in England by ministers of the Crown. The responsibility is with the person who reads the document, without him being open to the accusation of his being a thief or a receiver of stolen goods.

Mr. INGRAM. Mr. Chairman, I would not have risen to say anything more on this question were it not that I think I have fair ground for complaining of the want of courtesy on the part of the right hon. leader of the government, who I must say is usually very courteous to gentlemen on this side of the House. The right hon. gentleman has based his argument on false premises when he states that the reason of this correspondence being brought before this House is that a resolution was passed by the House ordering these documents to be brought down. Now, I have been a good many years in this House, and I challenge the right hon. gentleman or any hon. gentleman opposite to point to one document published by the Conservative government of which I was supporter during all these years, or by his own government, containing private correspondence. The right hon. gentleman's statement only goes to show his idea of a high moral standard. He uses an argument without knowing whether the premises on which he bases it are correct or not. That would be bad enough in a follower of the right hon. gentleman; but he must be hard pressed for arguments to carry this legislation through this House when he has to use arguments based on false premises. Is that the state of affairs? It would certainly appear so. Now, while I do not profess to be governed by that high moral standard which the right hon. gentleman professes——

Some hon. MEMBERS. Oh, oh.

Mr. INGRAM—Nevertheless I practice what I preach. I do not pretend to be a saint. I have no wings. Some hon. gentlemen opposite have wings, or try to lead the people to believe they have. Whatever my faults may be—and God knows they are not any better than they ought to be—I am willing to admit that, if it is any satisfaction to hon. gentlemen opposite—my idea of private conversation or of private and confidential correspondence is that it ought to be regarded as strictly sacred, and not for public use in any shape or form. So far as my name is associated with the correspondence in the document which has been laid before this House, I do not care personally if all Canada knows what it contains. I am not ashamed of the contents of the letters in that document. What I object to is the principle of submitting private correspondence to this House. The right hon. gentleman tries to justify his course by saying that this is the custom of the Post Office Department—to go over the file, and when they come across a private and confidential letter, to submit it to the House. I deny that statement. That

has never been done during the time I have been a member of this House, unless it may have been under an order of the House that some member of the opposition obtained. If hon. gentlemen opposite could take advantage of hon. gentlemen on this side they were not very particular, so long as they could serve the party interests. But I deny that any private letter written by a Conservative member to the Conservative government was ever brought down to this House during the time of that government. They reserved to themselves the right to say whether they would produce such a document or not. Now, I wish to call attention to the debate which occurred the other day, when the Finance Minister got livid and white in the face with rage on account of the hon. leader of the opposition submitting this memorandum to the House. But that I expected that the ex-Minister of Railways was going to speak on that occasion, I would have referred to the very incident to which the ex-Minister of Railways has referred to-day. I was going to point out that the Finance Minister himself was guilty of a worse charge than the leader of the opposition. I have been long enough in this House to know that when hon. gentlemen opposite howl about purity and morality, and all that sort of thing, that is the time to keep an eye on them.

Mr. CLANCY. It is rather refreshing to hear hon. gentlemen opposite attempt to lecture this House on political ethics. I think the country and the House can well afford to take the right hon. gentleman on his own rule ground. He attempts to justify the publication of the correspondence by the Postmaster General on the ground that it was in the public interest. That was the sole ground, if there was any, but he added that there was an order of the House for that correspondence. I want to ask the right hon. gentleman and his friends behind him: If it is justifiable on public grounds to lay before the House these private letters relating to trivial matters and in a very indifferent sense, what is the position of this memorandum which was held back, and why was it not brought down? And if it was not brought down, and afterwards came into the hands of myself or any other member of this House, why should it not be used in the public interest? There is absolutely no escape from the position which the right hon. gentleman himself has taken. Hon. gentlemen who profess such virtue and talk about sacred documents, simply regard them as sacred so far as it serves their purpose to do so. The taxpayers of this country have a right to know everything that transpires affecting the public interest. But the right hon. gentleman sought to find refuge in a letter which Mr. Blair had sent to Mr. McAvity with relation to his resignation. The whole pith of that letter was that Mr. Blair was opposed to the immediate construction of another transcontinental railway. That did not imply in any sense that he was opposed to the details of the scheme brought down by the leader of the opposition. His letter simply shows that Mr. Blair was not prepared to support the undertaking of the construction of a transcontinental line on any grounds at that moment, but that did not in the slightest degree affect the details of the scheme now involved, and the question as to which of the two schemes is the better is a live one.

Sir WILFRID LAURIER. I must explain to the House that I have looked at the blue book which was quoted by my hon. friend the leader of the opposition, from which it appears that certain private letters were brought down. I said that this was done in answer to a motion of this House, but in saying this, I was in error. The letters were brought down, not at the instance of this House, but by my hon. friend the Postmaster General, on his own motion.

Mr. SAM. HUGHES. Not on a motion made in this House.

Sir WILFRID LAURIER. I have just said it was not. But coming to the point which has given rise to this debate, the contention of my hon. friend, the leader of the opposition, that he was justified in bringing to the attention of the House a confidential document written by a Minister of the Crown to his colleagues, let me quote from a standard authority, namely, parliamentary government in England, by Todd, Vol. 2nd, page 240. Mr. Todd uses this language:

> The deliberations of the cabinet upon all matters which engage their attention are strictly private and confidential; being kept secret even from the other members of the administration, who have no seat in the cabinet, and who therefore are not directly responsible for the conduct of the government. Upon their first introduction into the Privy Council, ministers are invariably sworn to secrecy. Hence they are not at liberty, thenceforth, to divulge conversations of proceedings in Council—or to reveal to others any confidential communications they may have had, either with the sovereign or with a colleague in office—without express permission from the Crown. This applies equally to those who have ceased to form part of an administration, as to members of an existing government.

Nothing could be clearer than this. The writer lays down the rule that no communication of that kind can be given away except with the previous sanction of the sovereign, and in a note on this very subject, Todd goes on further to say:

> See observations in parliament upon a letter from the lord-lieutenant of Ireland (Marquess of Anglesey) to the prime minister (Earl Grey) pointing out, for information of the cabinet, views entertained by his lordship in regard to

Ireland ; which letter was read in the House of Commons by Mr. Hume and other members. The unauthorized publication of this letter was stigmatized as 'a most foul and scandalous breach of confidence.'

There can be no doubt that whatever passes between members of an administration in the conduct of the affiairs of government, is privileged and sacred, covered even by the oath of secrecy, which oath cannot be removed except with the sanction of the representative of the sovereign himself.

Mr. R. L. BORDEN. What difficulty would there have been in getting permission of the Crown to bring down this memorandum and make it a part of this correspondence ? The same permission of the Crown would have been granted with regard to this which was already granted with regard to the correspondence produced by Mr. Blair. But my right hon. friend, who is to-day so punctilious, has not given us any justification for the printing of the private correspondence of the Postmaster General of the late Conservative administration, which was ordered by his successor in the present government. Let us have my right hon. friend's views with regard to that, since we are going into the question of ethics. The reason my right hon. friend first gave why this correspondence was brought down was that the House had ordered it. I do not think that that would have justified the publishing of that correspondence in the eyes of my right hon. friend, if it had consisted of letters from his own followers, but it evidently was complete justification in his eyes when the correspondence was from hon. gentlemen on this side of the House. But the right hon. gentleman finds now that the correspondence was brought down by his honourable colleague the Postmaster General of his own motion—private and confidential correspondence. The only ground, therefore, which he offered to the House in extenuation of the conduct of his own colleague and himself, for he is equally responsible, is one which has now disappeared. If we are to have a discussion of the ethics of this matter, if we are to go into this question exhaustively so as to guide our conduct in the future, let us have some justification for this extraordinary conduct in 1897. Let my right hon. friend state his view of the action of the Postmaster General and his own on that occasion, when the Postmaster General brought down this secret and private correspondence.

Mr. SPROULE. It seems to me that the right hon. the First Minister appears to imagine that there ought to be one code of honour for this side and another for the government side. But in the opinion of many the same code ought to apply to both sides. If the sending of correspondence marked 'private and confidential' out to the world is wrong in the one party, it must be equally wrong in the other. Much of the correspondence of the Postmaster General in the late government, which was laid on the table of this House, and thus published to the world, was marked private and confidential. That correspondence was discussed in this House more than once, yet the First Minister never rose in his place to condemn its publication, but when a certain document, which is regarded by the right hon. gentleman as confidential, is quoted from this side, no matter in what way it came into the possession of the hon. member who used it, he regards it as stolen goods, and the one who used it was stigmatized by the Minister of Finance as the receiver of stolen goods. That is what was said by the hon. Minister of Finance, but that hon. gentleman, I assume, does not care to have it revived now and applied to his own government and colleagues. I would ask him if he has any recollection of a transaction which took place some years ago, when the private correspondence of the late hon. Mr. Abbott was abstracted from his desk and used in this House by one of the First Minister's own friends, the late Mr. Huntington. The right hon. gentleman had no condemnation to express then. By what code of honour was he and his friends actuated at that time when he did not get up and condemn the making public of correspondence which was stolen from another man's private desk ? He had nothing to say in condemnation of that act at that time, but when he finds his chickens coming home to roost, he feels a little sore and his conscience is very tender on the question of ethics.

Now, a word as to the Postmaster General. I went into his office the other day to get certain information. My request was to be informed what the inspector had recommended with regard to an application that had been made for a change of mail service to a certain office. I was told by the party in charge of the report that he could not give it, that his instructions were that it was a confidential report. It was not marked private so far as I know. Besides, it related to a matter of the public service, and certainly should have been available to a representative of the people. The Postmaster General knows nothing of private and confidential correspondence in his department when he desires to give documents to the public in order to make political capital. These hon. gentlemen apply one code of honour to their own side and another to this side. I think we should have a better understanding as to what is to be considered private and confidential and what is not. Is it to be said that a representative of the people who goes into a department and inquires what recommendation is made with regard to the service of a certain post office cannot get that information—and yet the Postmaster General can come down after-

wards and give it to the world when it suits his purpose for political ends ? There seems to be a very crude idea in the minds of some hon. gentlemen on the other side as to what should be considered private and confidential and what should be made public. If it suits their purpose that a thing should be private, they declare it private. But another document of exactly the same character, and under similar circumstances, they will make public, if by so doing they help their party. The same code of honour should apply to both sides, and it should be observed by both alike.

At six o'clock, Committee took recess.

After Recess.

Committee resumed at eight o'clock.

Mr. GEO. W. FOWLER. Before this resolution is carried, I would like to say a word or two as to the matter that was under discussion when the Committee took recess. A statement was made the other day by the Minister of Finance (Mr. Fielding), in which he charged the leader of the opposition with being almost, if not quite, in the position of a receiver of stolen goods, in connection with this memorandum which was submitted by Mr. Blair, while he was a member of the administration, to his colleagues. It seems to me a cardinal principle that before one can receive stolen goods those goods must be stolen. And before the minister made that statement he should have satisfied himself that there had been some stealing of goods. Now, it is to be presumed that Mr. Blair, in having this memorandum printed, would only have a sufficient number printed for circulation among the members of the cabinet. I am not in a position at this moment to say how many members there are in this cabinet—I fancy seventeen or eighteen.

An hon. MEMBER. Thirteen.

Mr. FOWLER. It is suggested that there are thirteen. A very unlucky number. I think it would be well for the Prime Minister to line up the members of his cabinet and ascertain which of them has lost his copy of this document. I hope the right hon. gentleman will take this hint into his careful consideration. As soon as this memorandum was printed, as a matter of law, it was published ; and it is a public document which should have been submitted to the House along with the other papers in the case. That being the case, the Minister of Finance should withdraw the remarks he made until he can show to this committee that some member of the cabinet has had his copy of the memorandum stolen from him. Now, the First Minister stated that the Hon. Mr. Blair was not in accord with the position taken by the leader of the opposition on this transportation question. In order to prove that statement, he read from a letter which Hon. Mr. Blair had addressed to his constituents on resigning his seat. But, in taking that letter into consideration, we should remember that Hon. Mr. Blair wrote it after he had received from this government a position worth $10,000 a year. It is a good deal like the patent medicine advertisements with their examples 'before taking' and 'after taking.' The memorandum was written before he got this ten thousand-dollar job, and the other after he had been appointed.

Mr. FITZPATRICK. His photograph——

Mr. FOWLER. Yes; his photograph should be published showing him as he was when writing the one and as he was when writing the other. But even in that letter to his constituents he does not condemn his former position. He could not do it without stultifying himself. And that is why the government is so touchy and so sore about the publication of this statement that was made by this expert, whom they have lauded to the skies for his knowledge of railway matters, justifying the position that the leader of the opposition has taken in regard to the transportation question. In that letter Hon. Mr. Blair does not say that he has altered his former opinion on the question. So I think the Prime Minister would do well to inquire, as I have suggested, and learn which of his colleagues has lost his copy of the memorandum.

Mr. R. L. BORDEN. I desire to say to my right hon. friend (Sir Wilfrid Laurier) that I am most anxious to be instructed by him in this matter. He is an older man in public life than I am.

Some hon. MEMBERS. Oh, oh.

Mr. R. L. BORDEN. I am saying this in perfect sincerity across the floor. I am perfectly willing to have the matter debated, and am perfectly willing to have the opinion of my right hon. friend with regard to it. If there is anything improper about the course which has been taken by myself I am perfectly ready and willing to consider it, but up to the present time I have not found anything in the argument of my right hon. friend to convince me that my course was wrong. I hope that if, either in public or private life, I commit any impropriety I shall not be too small a man to acknowledge it and try to do better for the future. But I have looked at the reference which was handed to the Minister of Justice a little while ago—and it was read by my right hon. friend—out of Todd's Parliamentary Practice, and I find on looking at the references upon which that citation is founded that the wrong thing, the principal part of the iniquity charged, was the reading of a confidential letter. It is true that the other point is mentioned. The point is made that these matters were to be submitted to the council.

I do not want to minimize that, but the fact that it was a confidential letter is mentioned as a reason why it was a great impropriety to publish it. Now I referred to at least thirty confidential letters, some of them written by one member of the cabinet to another. I think Dr. Montague was a member of the cabinet at the time he wrote to Sir Adolphe Caron, and I think one of the letters from Colonel Tisdale, was written to a member of the cabinet. Several of them were addressed to members of the cabinet, and they were all marked 'private' and 'confidential.' And the extraordinary course was taken of publishing a letter from the Hon. Thomas White, then eight years in his grave, a private and confidential letter written by that gentleman respecting a matter not of a very public nature, but more a matter of party patronage. We had the extraordinary course of having that letter published. Well, it would almost seem to me that political animus ought to stop at the grave at least, and that when the Hon. Thomas White had been dead eight years before this letter was found on the files of the department, even if the letters had to be published, that letter might at least have been excepted, because there could be no object in publishing it except to cast discredit upon his memory, and in that way incidentally to injure the Conservative party. I think Mr. White was regarded by my right hon. friend as a fair and generous opponent in his lifetime, and even if he were not so, one would think that after he had been eight years in the grave his private letters might have been spared. I would like to ask my right hon. friend in all sincerity to tell me what his opinion now, upon reflection, really is with regard to the publication of these letters, because if I am to receive instructions from him in what is right in public life, I certainly am at least entitled to know what his views are as to these confidential communications. I think I have a right to say this to my hon. friend across the House, and I think he will recognize it.

Sir WILFRID LAURIER. When this matter arose this afternoon and when the publication of these documents was called to my attention, I spoke under the assumption then that these letters had been brought down upon a return moved for in the House. In that I was mistaken. They were brought down by my hon. friend the Postmaster General, who happens at this moment to be out of the House, and I would not presume to express any opinion on his action, or to offer any criticism in his absence. But I will put the question in another way to my hon. friend. My hon. friend criticised the action taken by the Postmaster General, and he is of opinion that these letters should not have been brought down at all because they were under the seal of secrecy. He finds fault especially with the fact that the letter of the Hon. Thomas White was brought down. I agree with everything my hon. friend said of Mr. White. Mr. White was an honourable man. I have nothing to say against his memory, far from it. I would say nothing but good of him, and I cherish his memory so far as my personal relations with him were concerned. But if my hon. friend finds fault with the Postmaster General for having brought down these letters which were marked 'private' and 'confidential' he cannot take that as a precedent for his own course. My hon. friend will admit with me that he is not justified in following a wrong example. But I understand him to say that the Postmaster General was wrong in that matter, that the Postmaster General not only exceeded his duty but committed a breach of propriety in bringing down those letters. If that be the opinion of my hon. friend, surely he cannot find a justification for his own course in the present matter. Moreover, I think my hon. friend will see the difference between a private letter and a communication to council, which is not only private, but is made under oath. I do not want to carry this discussion any further, but I think on reflection he will agree with me that whether the Postmaster General was right or wrong he cannot himself justify his own course.

Mr. R. L. BORDEN. I am afraid I am not getting much assistance from my hon. friend with regard to the general doctrine of ethics. I appealed to him for his own views. I did not criticise the Postmaster General, not at all; I pointed out that here were some thirty confidential letters, one of them written by a man eight years in his grave, and that those letters were published with the sanction of my right hon. friend, and the publication was as much his act as that of the Postmaster General because he justified it afterwards. I wanted to get his views on the general question of the ethics of that act, because it seems to me it is pushing matters to the extreme when, for the purpose of making political capital, the government publish the private letter of a man who was recognized by my right hon. friend as a fair and generous opponent, and who had been eight years in his grave, the only object of which was to cast discredit on Mr. White's memory and indirectly upon the Conservative party. However, I will let that pass. We have talked a good deal about it, possibly we have gained some valuable information on both sides of the House. My right hon. friend has been speaking rather plainly sometimes during this session, I may call to his recollection that early in this session he referred to the Conservative party as an old battered, leaky hulk that stank in the nostrils of the country, even in the nostrils of the Conservatives themselves in his own

province. Well, I would perhaps be inclined to think a remark of that kind was a little coarse, but as it comes out of the mouth of my right hon. friend I am bound to assume that it is refined and dignified. But be that as it may, I do think perhaps my hon. friend had better not set that example to hon. gentlemen in the House, because even as it is we are a little inclined sometimes to let our language, in moments of excitement, go beyond the limits of parliamentary decorum. I do not think it is a very good example to hon. gentlemen on either side of the House, because I am bound to say that it is a very easy thing to give way to remarks of this kind and to use language that will cause bitter feeling. We do not want any more bitter feeling in this House than we can help. We are ready to fight with each other, but it is not necessary to use insulting language for that purpose. My hon. friend made a remark last night that I did not think was in very good taste when he referred to my hon. friend from West Toronto (Mr. Osler) in this way :

> The hon. member for West Toronto (Mr. Osler) is one of the moneyed men and ownied men of whom Scott speaks in a famous passage.

Well, I was inclined to think that possibly a reference to the private affairs of any gentleman on either side of the House is a little gratuitous, and possibly might be regarded as a little offensive. I do not suppose my right hon. friend intends to invite discussion of that kind, I trust that he is not inviting discussion of that kind. If he is inviting discussion of that kind when he makes remarks of that nature with regard to the private affairs of hon. gentlemen on this side of the House, why he cannot complain if the challenge is taken up, that is all. But I trust we will not have a repetition of an incident of that kind, because I do not think that the remark of my right hon. friend, with regard to my hon. friend from West Toronto, was justified by anything that has taken place in this House during this session or during past sessions. I think we will get on a great deal better in this House if we avoid discussions of that kind. But it will have to be understood that if references of that kind are made by the Prime Minister, the gentleman to whom we all look as an example of dignity and refinement in debate, if they are made on that side of the House, there cannot be any just cause of complaint if they are made on this side of the House as well. I wish to make these remarks in all good feeling to my right hon. friend. I trust he will not have occasion to indulge in language of that kind in future, and that we may be able during the balance of this session to conduct the debate in the fairly harmonious spirit which has characterized the proceedings of this parliament for the most part, I think, during the past three years.

Sir WILFRID LAURIER. It is certainly my intention, so far as my share of the business of the House is concerned, to carry it on with the dignity that is due to the House. I am not infallible, far from it. It may be that sometimes I make mistakes in that regard. If ever I make mistakes I do not ask my hon. friend (Mr. Borden) or any one else to spare me. I am prepared to receive whatever blows may be due me ; all I can say is that I shall endeavour to return them. If I invite blows, my hon. friend will not find me wailing if I have to take the punishment. But I must say that I do not think the reflections which my hon. friend (Mr. Borden) endeavoured to cast upon me on this occasion are at all justified. My hon. friend referred to my statement upon the Address, when I spoke of the Conservative party as an old hulk. My hon. friend knows that I should not be called upon to make any explanation of that remark, it was a purely metaphorical expression and did not apply to any one in particular. There was nothing in it to which any one could take the slightest objection.

Mr. R. L. BORDEN. Just the latter part of it.

Sir WILFRID LAURIER. It was purely metaphorical and in that way some latitude may be allowed.

With regard to the reference which I made yesterday to the member for West Toronto I may say that I had no intention of saying anything offensive to him. I applied to him an expression employed by Sir Walter Scott in a famous letter which was published in newspapers some few months ago. Sir Walter Scott had been made a director of an assurance company, and he wrote that he had found himself in the company of moneyed men and *ownied* men. I applied that to the hon. member for Toronto (Mr. Osler) and it was far from my mind to say anything offensive to him or to any one else. If the hon. member for West Toronto (Mr. Osler) has the good fortune to be a wealthy man that is not a crime or a fault. If I had any feeling in the matter, it would be rather one of envy than of anything else. I may err in matters of this kind, as in many others, but if I err my hon. friend (Mr. Borden) will not find me wailing if I am taken to task for my errors.

Mr. BENNETT. When this matter was under discussion last year, I made some remarks on the main motion. I did not do so this year owing to the large number of gentlemen on this side of the House who desired to speak. This afternoon I waited hoping to see the hon. the Minister of Customs (Mr. Paterson) in his place in order to get from him a little information which I desired. Perhaps, however, the First Minister and the other members of the cabinet

who are present will be able, as they have given so much attention to this matter, to give me the information I desire.

Since the last session two by-elections have been held in Ontario. I had the pleasure of being in both of these ridings, and I can tell the government that no question was more discussed or listened to with greater interest than this Grand Trunk Pacific proposition, and the hon. gentlemen opposite must see from the verdict there, that the people are not in favour of the project now before the House. When the question was up last year and throughout the debate this session, a great hue and cry has been raised on the ground of sentiment, that this was to be a great national railway. The First Minister dwelt at great length on this last year and he and others have done so again this year, and yet when the whole contract is reviewed and sifted, I venture to say that neither the Minister of Justice (Mr. Fitzpatrick) who no doubt had had charge of the legal end of this Bill, the Prime Minister (Sir Wilfrid Laurier) nor any other gentleman on that side of the House is able to show a single clause in that Bill that will compel the shipment of one bushel of grain by a Canadian port. If the Minister of Justice will point out a clause of that kind, I shall take my seat and permit him to do so. The Minister of Justice knows and every gentleman opposite knows that there is not a single letter, clause or tittle that will compel any shipper to ship by way of a Canadian port. It is a notorious fact that the Grand Trunk Railway have laid all their pipes for shipment by North Bay and Portland. Any gentleman conversant with what has been done by the Grand Trunk Railway proper, knows that at North Bay the Grand Trunk are making immense preparations for the trade they intend to divert from the Grand Trunk Pacific down the main line of the Grand Trunk Railway. Every bushel of grain that will be carried by the Grand Trunk Pacific during the winter is to go to North Bay, then to Orillia, and then on by the so-called Midland division through to Montreal, crossing over the bridge and so on to Portland for winter transportation. As to summer transportation, the Grand Trunk Railway Company have in the last two years laid and are to-day laying plans for the expenditure of thousands and tens of thousands of dollars on the so-called Midland division of the Grand Trunk Railway. That means simply that it is their intention as hon. gentlemen opposite have been forced to admit, to carry all their grain from the head of the lake to Midland and to other points on the Georgian Bay, and from there to carry it through to Portland, as they have been doing in the past few years. All the talk of taking this grain down to the maritime ports is absurd on its face. When this Bill came before the Railway Committee, Sir Charles Rivers-Wilson or Mr. Hays was asked: Do you intend to construct your road beyond Quebec? The answer came at once: No, because we have excellent arrangements with the Intercolonial Railway for an interchange of commerce at that point. It was the clear intention of the Grand Trunk Railway people, after they had been taken by the throat by the Quebec city people who possessed the trans-Canada charter, and by the Quebec bridge people, never to go beyond Quebec.

The present proposition of the Grand Trunk Railway is to carry all this grain by way of the Georgian Bay, Midland, Collingwood and other ports—chiefly Midland, because it is most favourably situated, being closer to Montreal and having other advantages—over the Midland division because that line of railway will be used primarily as a freight line. There is not a single clause in the agreement to compel the shipping of grain by a Canadian port and by the conjunction of the interests of the Grand Trunk Railway and the Grand Trunk Pacific, it will certainly go by way of Portland, as in the past.

I have here the report of the port of Buffalo for the past year and I find that the farmers of the Northwest and the grain shippers of the Northwest shipped from Fort William to Buffalo last year no less than 5,198,277 bushels of wheat and from Port Arthur 2,946,476 bushels. I am now going to ask some gentleman in the cabinet to explain how it was that there were shipped from Fort William 1,349,300 bushels of corn. I am sorry the Minister of Customs (Mr. Paterson) is not in his place, as it is hardly fair to ask other members of the cabinet to answer this question. But my hon. friend from Selkirk (Mr. McCreary) is in his seat and he knows that there is no export of corn from Manitoba or the Northwest Territories. I am sure that he will assent to that.

It means that there were brought into western Canada from some point on the American side, nearly one and a half million bushels of corn which found an outlet by Fort William. I have been informed that large quantities of lumber are brought from the United States into British Columbia, and that they again go out at certain points to the American side. In view of the fact that the American people are actually shipping on Canadian railways in bond through Canada, and on to the lakes and Buffalo, is it not folly to say that the farmer of the Canadian west is going to burden himself with an extra charge, in order that this grain may be carried to St. John and Halifax, simply to please this government or because of a feeling of sentiment? The hon. member for Annapolis (Mr. Wade) gave the whole case away when he said in effect: The people of the maritime provinces want the people of the rest of this Dominion to understand that

if anything is going around we want our share. Any one who attended the Railway Committee meetings last year must have seen that it was a case of hold-up on the part of the Quebec members first, and afterwards on the part of the members from the maritime provinces, to drive the government into coercing the Grand Trunk Pacific into this scheme. This thing is going to cut both ways. The province of Ontario has to pay the bulk of the taxes on this proposition, and if the maritime provinces representatives tell us that Ontario and the rest of the Dominion are going to be coerced, then I suppose the people of Ontario will understand that members like the hon. member from Annapolis (Mr. Wade) come here, not to represent the Dominion as a whole, but to represent the selfish interests of their own province in the distribution of vast sums of money. I believe that this railway scheme of the government is not in the interests of the Dominion as a whole; I believe that in the great province of Ontario the public opinion on it was reflected in the Bruce and the Lambton elections, and I believe further, that it is not the intention of the government to keep faith with the people of the maritime provinces and extend the road further than North Bay. We see that from the circular issued to the shareholders of the Grand Trunk. The old Grand Trunk Company deemed it necessary to issue a circular to their directors stating that there was no intention on the part of the government to ever build this so-called premature section eastward to Moncton. That means that the government are using this scheme for a political emergency. They have had ample opportunity to get this statement contradicted by Mr. Hays, but they have never done so. It means that the government intend to go to the province of Quebec and say to the people: You had a charter for this Trans-Canada Railway, and you were in a position to ask for a government subsidy, but this Grand Trunk Pacific has brushed your scheme to one side, and it is a better line for your province; it means they can go to the people of the maritime provinces and say: The government intends to keep faith with you; there cannot be a doubt that the Grand Trunk Pacific will take the railway over after it is built. These gentlemen on the treasury benches have played on the credulity of the people for the past seven years, with, I am sorry to say, moderate success; they have humbugged the people for seven years and to-day they are not ashamed of their broken pledges and their broken promises. Why, I remember on one occasion when the Hon. Mr. Foster taunted them with a list of their broken pledges, the answer of the Prime Minister was: We are here and you are there, and what are you going to do about it? But the government to-day are afraid of the people of Canada, and they are afraid to let them express their opinion on this great question. The time will come, however, when the people will record their votes, and I trust that the government of Canada as a result will never undertake the construction of the road east of North Bay, because I believe it would be a fatal mistake and a grievous loss not only to the people of Canada, but to the Grand Trunk itself, if ever it is done.

Mr. McCREARY. Where did the hon. gentleman get the information that 1,300,000 bushels of corn were shipped from Duluth.

Mr. BENNETT. Not from Duluth, but from Fort William. I will send the report of the Buffalo Chamber of Commerce to the hon. gentleman, and it contains the information.

Mr. FITZPATRICK. Where did the hon. gentleman find the report of the proceedings of the Grand Trunk Pacific shareholders, that this line is not to be built east to Moncton. I have the report here, and I cannot find the reference.

Mr. BENNETT. It says:

In the official memo. I read that the 500 miles——

Mr. FITZPATRICK. From whose speech are you quoting?

Mr. BENNETT. From Mr. Allen's letter.

In the official memorandum I read that the 500 miles, Quebec to North Bay, is probably premature.

It was evidently stated in this document that was handed to Mr. Allen, one of the directors of the Grand Trunk Pacific Company, that no construction of the road would be continued to Quebec, at least for the present.

Mr. FITZPATRICK. Mr. Allen was not at the meeting at all.

Mr. BENNETT. It was Mr. Allen's son, as I understand.

Mr. FITZPATRICK. I have his words here; will my hon. friend read them?

Mr. BENNETT (reading):

In the official report I read that the 500 miles, Quebec to North Bay, is probably premature——

I am at a loss to understand what these last words mean, probably the reference is to Winnipeg.

The words 'probably premature' are italicised here.

—and that the 1,000 miles from North Bay to Quebec is not throughout the country.

Mr. FITZPATRICK. It is the gentleman who resigned, who is alleged to have made that statement.

Mr. BENNETT. Yes, but he is quoting the exact words that appear in a document that was issued by the directors to the shareholders, and as I understand it, Mr. Allen was one of the directors.

Mr. FITZPATRICK. Let me see that document.

Mr. BENNETT. I will hand it over.

Mr. McCARTHY. The hon. gentleman (Mr. Bennett) stated, that a monster expenditure was being made by the Grand Trunk Railway Company at North Bay. Is he certain of that fact? I was there on Sunday last and I saw a great lot of improvements being made, but I understood that they were being made by the Candian Pacific Railway. Whether my information is correct or not, it can easily be ascertained who is making the expenditure. I believe, however, that at present it is being made entirely by the Canadian Pacific Railway, as the place is used as a terminal point by the Grand Trunk.

Mr. BENNETT. I have not been to North Bay for about a year, but I have repeatedly heard from people who have been there that large improvements are being made, and I assumed that they were being made by the Grand Trunk Railway Company. But there is no doubt that they have been doing work there, which shows quite plainly that they intend to carry an immense quantity of grain over that line to Montreal and from Montreal to Portland, as they have done in the past.

Mr. R. L. BORDEN. That report, to which reference has just been made, has been criticised more or less on the other side of the House, and more than one hon. gentleman, from ministers of the Crown down, have cast discredit on its genuineness. One hon. gentleman went so far as to call it a fake report, and to allege that it was a mere pretense to say that a reporter had been at that meeting; and he practically charged gentlemen on this side of the House with having produced as a genuine report of that meeting a document which they knew was not a genuine report. Under these circumstances, I think I shall have to ask the ministers of the Crown who are present, or whomsoever is leading the House, to say whether or not they persist in that assertion, or whether they regard that as a fair and genuine report of the meeting. Because, if not, I must have a report from an unbiased source spread on the pages of 'Hansard,' in order that there may be no doubt about it.

Mr. FITZPATRICK. So far as I am concerned, I know nothing of the report in question. I have never challenged it or referred to it in any way. But the report of the meeting of shareholders does not bear out the statement that it was not the intention of the company to proceed further than North Bay. Mr. Allen is reported in this document to have said, in a rather hazy way, speaking of the disbursements:

> This may mean an additional heavy burden. Now, what is there to pay this? In an official memorandum I read that the 500 miles—Quebec to North Bay—'is probably premature' and that the 1,000 miles from North Bay to Quebec 'is not throughout the country.'

Hon. gentlemen may make what they like out of that; I cannot make much of it; but I do not find in it any justification for the statement made by my hon. friend.

Mr. BENNETT. Perhaps I did not make myself plain. I understand that Mr. Allen, senior, was a director of the old Grand Trunk Railway Company, and that he had received a circular as a member of the board, and that in that circular, in order to allay the feeling of opposition that existed against this proposition, it was stated, among other things, that the question of construction from Quebec to North Bay is probably premature.

Mr. FITZPATRICK. My hon. friend will admit that that is a mere assumption on his part. It is not in the document. That is my point.

Mr. BENNETT. I can only say that it is marked as a question from the circular; and I infer that that was the case from certain remarks which dropped from hon. gentlemen in this House during the discussion.

Mr. FITZPATRICK. I have myself an official report of the proceedings, which has been supplied to me, and I presume to other hon. gentlemen. It is described as follows:

> Grand Trunk Railway Company of Canada—Report of the proceedings at the ordinary general meeting of the company, held at the City Terminus Hotel, Cannon Street, London, E.C., on Tuesday, 8th March, 1904.

This purports to be an official report of the proceedings of that day, containing all the motions and everything that occurred, and I can find in it no such statement as my hon. friend has referred to. But I would like to say that the question is not whether the Grand Trunk Railway Company or the Grand Trunk Pacific intend to proceed east of North Bay. The question is whether this government will build that connection from Winnipeg to Quebec and from Quebec to Moncton. It is whether, having entered into this undertaking, the government of Canada will carry it out. There is no desire to coerce Ontario. I can quite understand that my hon. friend wants this traffic to stop at North Bay and to come down in the channels in which it comes now and go to Portland. That is a clear, well-defined issue between our hon. friends opposite and ourselves—whether that trade is to go to Portland or to Quebec and the maritime provinces. That is the issue which our hon. friends opposite put forward. We

accept that issue, and we want to go to the country upon it. We do not want to coerce Ontario. We believe that Ontario is entitled to have additional facilities. We believe that this road should be constructed for 1,000 miles through Ontario and for 500 miles through Quebec. We want Ontario to get the benefit of 1,000 miles of it, but we also want Quebec to get the benefit of 500 miles of it, and the maritime provinces the benefit of about 400 miles of it. That is what we want, and our hon. friends opposite do not want that. Let the issue be understood, and let us abide by the result, whatever it may be.

Mr. BENNETT. The argument of the Minister of Justice is this, that had the Grand Trunk Pacific a line constructed to North Bay, but no further eastward, all the trade would go to Portland.

Mr. FITZPATRICK. Yes, that is my argument.

Mr. BENNETT. That being the case, the Grand Trunk Pacific Company are not compelled under this agreement, when they reach a point directly north of North Bay, from which point the agreement calls for the construction of a branch to North Bay, to send the grain to North Bay and then to Portland. There is nothing to compel them to bring it in that way.

Mr. FITZPATRICK. Nothing, except the geographical conditions.

Mr. BENNETT. Then the geographical conditions are such that it would be a shorter route to bring that grain by that branch to North Bay and then to Portland.

Mr. FITZPATRICK. No.

Mr. BENNETT. I beg pardon. That has been threshed out.

Mr. FITZPATRICK. No; I have the official figures.

Mr. BENNETT. Assuming, for the sake of argument, that the distances are equal, what would be the result? The result would be that the Grand Trunk Company, with their hundreds of thousands of dollars invested in terminal facilities at Portland, are expected to brush them all aside and carry the traffic, not to North Bay, but eastward to some point in the maritime provinces. But after all was said and done, what a trifling amount is going to be carried by all-rail through the winter months. The right hon. the Prime Minister and other hon. gentlemen on that side have been forced to admit that in the spring of the year the grain held over from the preceding winter will be brought down by water, and in the fall of the year the rush of grain will also be brought down by water. How can my hon. friend the Minister of Justice ever hope, with his railway from Winnipeg to Quebec, much less to St. John or Halifax, to compete in carrying grain, when he remembers that during the past season of navigation there was carried from the head of the lakes through to Quebec grain at three cents a bushel? The most sanguine admirer of the Grand Trunk Pacific, in his maddest and most delirious moments, will not say that grain can ever be carried from Winnipeg to Halifax by rail for three cents a bushel.

Mr. FITZPATRICK. It is true that grain was carried last season to Quebec from Duluth for three and a half cents a bushel, but the result was that the company which carried that grain became practically insolvent last autumn and has gone out of business. That company was the Great Lakes and St. Lawrence Transportation Company. It has removed all its business to Montreal, and the reason it carried that grain to Quebec at that figure was because it carried that freight merely as a makeshift all the way down. What it really came down from Duluth for was to get pulp wood at Quebec, and carry it back to the mills at Niagara. That is the reason why it carried the grain at this low freight last year. I do not pretend to be an expert on freight traffic or transportation, but there are certain geographical conditions which everyone can take into account. When we compare an all-water route with a mixed rail and water route, there are questions which experts on traffic arrangements alone can decide. I cannot put myself up as an authority against my hon. friend, when he makes the very emphatic assertion that grain cannot be carried by an all-rail route as against a mixed rail and water route, but I can put against him the authority of Sir Sandford Fleming, who says that it can be done.

Mr. BENNETT. Do I understand my hon. friend to say that grain can be carried from Halifax to Winnipeg at a less rate than I have mentioned?

Mr. FITZPATRICK. My hon. friend must not endeavour to obscure the issue. The question is as to whether an all-rail route can compete against a mixed rail and water route, and Sir Sandford Fleming says that a mixed rail and water route is at a disadvantage as compared with an all-rail route. Let me endeavour to illustrate this to my hon. friend. Assuming that this line will be built from Winnipeg to Quebec, my hon. friend says that the grain will be brought down to North Bay and go from North Bay to Portland. Well, in my opinion there are geographical conditions against that. From North Bay to Quebec by the present Grand Trunk Railway route is 657 miles. From North Bay north to where connection will be made with the proposed Grand Trunk Pacific, the distance is 150 miles, which you must add to the 657 miles. But from that point of junction north of North Bay to Quebec, by the projected Grand Trunk Pacific, the distance is 500

miles, so that you will have an advantage by this proposed line of almost 300 miles of direct communication compared with the route by the way of North Bay over the Grand Trunk Railway to Quebec. I have this on the authority of gentlemen connected with the Grand Trunk Railway, and if my hon. friend wants to verify it, all he need do is look at the time table of the Grand Trunk Railway. If my figures are accurate, the advantage is with the projected line of the Grand Trunk Pacific, because it is the shortest. In so far as water-borne traffic is concerned, it is possible my hon. friend is right when he says that the line from Winnipeg to Port Arthur will carry a large amount of freight and from Port Arthur to Midland. If I would care to express a personal opinion, I would say that the line from Winnipeg to Port Arthur, from Port Arthur to Midland and from Midland to Montreal, is the route that would be commercially preferable in the season of navigation. But the other question remains. What is to become of the freight that has to be carried during the winter months ? If you have a short line from Winnipeg to Quebec, why not utilize it ? If a train will go by way of North Bay, what is the objection to giving the line from Quebec to Moncton a fair opportunity to compete with Portland ? That is all we ask. We have no desire to compete with the Ontario ports.

Mr. FOWLER. Is there any difference in the distance between Quebec and Halifax or Quebec and St. John or between Quebec and Portland ?

Mr. FITZPATRICK. Very slight. I speak from memory, and I must say perhaps that my memory is not very good. But the line from Quebec to Portland is 311 miles.

Mr. R. L. BORDEN. 317½.

Mr. FITZPATRICK. There are two lines which might be taken, and I think my hon. friend has in mind the line to Richmond.

Mr. R. L. BORDEN. Yes.

Mr. FITZPATRICK. And then around by Richmond down to Portland, but there is another route by the valley of the Chaudière and out by the Maine Central, which would shorten the distance some six miles. I think that the distance to St. John is a very little greater than that. It is provided by the contract that where the grain is not routed it must go by Canadian ports. My hon. friend said a moment ago that there is no provision which will force grain over this route. Of course there is not. No express provision could be made which would force a shipper to close a particular route, Why should we try to do it ? After all, we must bear in mind that every farthing added to the cost of transportation comes out of the pockets of the farmers of the Northwest. What we want to do is to create facilities such as will enable Canadian ports to compete on equal terms with American ports, and we have provided for that by creating geographical conditions which will operate in favour of Canadian ports. We have inserted, therefore, in this contract a clause to the effect that when grain is not routed, then the carrier will be obliged to bring it to Canadian ports. What more can we do ? If the shipper is silent, then it is the obligation of the carrier to carry the grain through to a Canadian port.

Mr. BENNETT. Does that ever happen ?

Mr. FITZPATRICK. That is the obligation of the carrier, and it will be the duty of this government, whether it be in the hands of Liberals or Conservatives, to see that that obligation is carried out.

Mr. COCHRANE. Does any man ever ship grain without directing where it is to go ?

Mr. FITZPATRICK. Let me put the answer in this form. We are dealing with the farmers of the Northwest, and they must be our first consideration. Our first consideration must be to develop that country and create facilities for the carriage of the grain, and what we are attempting to do is to give such facilities to our Canadian ports that our farmers will be able to ship to them on equal terms as to the American ports. When we have done that, all that we can do is leave the choice to the patriotism of our Canadian farmer.

Mr. COCHRANE. The hon. minister has evaded the question. I sympathize with the farmers of the Northwest just as much as he does. He and his friends are very solicitous for the farmers when they want their votes, but once they have got their votes, they proceed to spend lavishly the money they take out of their pockets. I asked if grain is ever shipped without being routed. The farmers have nothing to do with the routing of the grain. I am a farmer myself, and I sell my grain to the grain buyer who ships it by what channel he sees fit. So, when he talks about a farmer shipping grain, he is talking through his hat, as the boys say.

An hon. MEMBER. No, you are wrong.

Mr. COCHRANE. Some think that nobody is right but themselves.

Mr. COWAN. That is yourself.

Mr. COCHRANE. They are so conceited that they lose control of their judgment. I suppose the hon. gentleman (Mr. Cowan) never raised a bushel of grain in his life. If it were not for the fact that he is reputed to have some knowledge of law, he would go hungry sometimes. It is absurd to say that farmers ship grain—they sell it to the dealers and the dealers ship it as they see fit. The Minister of Justice was making an argument based upon the

theory that if grain was unrouted this company would be obliged to take it to a Canadian port, and I ask the hon. gentleman if that contingency arose—if grain was ever put aboard train without being routed ?

Mr. FITZPATRICK. I did not ask the hon. gentleman (Mr. Cochrane) to rely upon my information. I do not pretend a monopoly of information on all subjects—that I must leave to others. I can only give the answer which is supplied by Mr. Hays, of the Grand Trunk, who, in this report, says that seventy-five per cent of the grain is routed and twenty-five per cent is unrouted.

Mr. COCHRANE. I will ask the hon. gentleman another question if he will allow me. I understand him to say he has an official report of that meeting. If so, cannot he lay it on the table, or tell us what that report says ?

Mr. FITZPATRICK. I should be trespassing unusually upon the time of the House if I were to do what so many hon. gentlemen have done—read documents to the House for the benefit of 'Hansard.'

Mr. BENNETT. The Prime Minister last night made a great appeal on behalf of the Grand Trunk Pacific, that every city, town and village in Ontario would get the benefit of this communication, that so much freight would be brought down from the Northwest and Manitoba through Ontario. But how is it to be carried ? If it goes to Moncton, Halifax or St. John, then, the cars must go back empty to a point about two hundred miles north of North Bay, and from there taken down to Toronto and distributed to the different points in older Ontario. But, if they carry their freight through to Portland the empty cars will come back to Montreal, whence they can be scattered through Ontario. Does any man of common sense doubt that the Grand Trunk Pacific would prefer the Portland route as being the more convenient one for them ?

Mr. FITZPATRICK. I do not intend to get into a controversy on the question of transportation. It would appear from the debate that there are experts here, more competent to speak on the subject than I am. But let me read from the 'Queen's Quarterly' for April, page 414 :

> By establishing on the northern route a modern first-class railway devoid of gradients and every other hindrances to cheap transportation, we would possess the means of carrying the products of the northern half of the prairie region to Canadian tidal ports at all seasons of the year at less rates than by any other route whatever.

Mr. BARKER. Who says that ?

Mr. FITZPATRICK. Sir Sandford Fleming.

Mr. BENNETT. Of course we all have a great admiration for Sir Sandford Fleming's ability. But, as against what he says let me mention one fact in modern transportation. Now, I believe the railways south of Lake Erie are as perfect as money will make them. They have been constructed for quick carrying and also with a view to carrying cheaply. Yet, the reports of the Buffalo Board of Trade show that every year grain is brought by rail to Toledo, and there it is taken from the cars, placed in vessels and taken to Buffalo, where it is elevated, transferred to the cars and so taken to New York. Now, I do not know the exact mileage from Toledo to Buffalo, but I should think it would be not more than 200 miles—probably not more than 150 miles. If there are such advantages in handling grain by rail, how is it that the grain is handled twice in order to make this trip of 150 or 200 miles by water ? Last year no less than 5,000,000 bushels of grain were received at Buffalo from Toledo. The men in Toledo who owned the grain must have found it to their advantage to send it by this rail and water route.

Mr. McCARTHY. How much of that would be circulated for consumption in New York state ?

Mr. BENNETT. That is easily answered. If it were intended for consumption in New York state why would they not take it through in the cars from Toledo to its destination ? Apparently, however, this grain was for export.

Mr. FITZPATRICK. I do not think that ends the controversy. Let me state another fact for the benefit of my hon. friend (Mr. Bennett). If this all-water route is so absolutely advantageous, how does it come to pass that last year, 15,000,000 bushels of Canadian grain—I have this on the authority of Sir Thomas Shaughnessy—were carried from Port Arthur and Fort William to Buffalo, there to be put on cars, though you have the magnificent stretches of the St. Lawrence to carry it to Montreal ?

Mr. BENNETT. I will answer that at once. It goes to prove that the Canadian Pacific Railway had that grain at Winnipeg to carry through to St. John, a Canadian port, by all-rail, if they wished to. But they could not possibly carry it at a rate that would pay.

Mr. FITZPATRICK. How about Montreal and the intervening distance ?

Mr. BENNETT. When the grain reaches the head of Lake Superior at Fort William or Port Arthur, there is the option given, the American carrier may go on and take it to Buffalo, or the Canadian carrier may come in and take it to some points on the Georgian Bay. That is the reason the Grand Trunk

were not able to compete by the all-rail route, and they were obliged, I suppose regretfully, to hand it over to the American vessel carrier who took it on down to Buffalo.

Mr. R. L. BORDEN. What does the Minister of Justice understand by the northern route to which Sir Sandford Fleming refers ?

A railway built on the northern route would be the shortest line between the two oceans.

Mr. FITZPATRICK. Along the Trans-Canadian route, which would be practically, so far as the country north of North Bay is concerned, the same as the Grand Trunk Pacific. The point in dispute was as between an all-rail route and a mixed rail and water route.

Mr. R. L. BORDEN. Not at all, my hon. friend is absolutely mistaken. I will read on and see what Sir Sandford Fleming says :

A railway built on the northern route——

That is to say, north of Lake Abitibi and Lake Winnipeg, as I understand it.

—would be the shortest line between the two oceans, besides being the most direct for the markets of the northern half of the prairie regions to the nearest Canadian shipping port.

Then he goes on further :

By establishing on the northern route a modern first-class railway, devoid of gradients and every other hindrance to cheap transportation, we would possess the means of carrying the products of the northern half of the prairie region to Canadian tidal ports at all seasons of the year, at less cost than by any other route whatever. The advantages of the lake route have been much extolled. Transportation by water certainly has advantages under certain circumstances, but it also has limitations due to climatic and geographical conditions. In all probability the country west of Winnipeg, and Winnipeg itself, will continue to enjoy during summer all the advantages which the lakes can yield, but there is a vast cultivable country farther north and west, from which it is believed freight may be carried to Quebec by railway on the northern route at less cost than by the lake route. Of course it will be understood that this is conditional upon the line to be constructed being free from such gradients as we find on ordinary Canadian railways, a condition which can only be definitively determined by adequate surveys.

Well, have we any of those surveys yet ? I think not. If we have, why are they not on the table of the House ? Why has the government not taken steps to make them ? He continues :

Should such a favourable line be established as is believed possible, I venture to state that owing to the reduced total mileage, and still more owing to the reduced gradients on the new line, grain may be carried to Quebec by the direct route at less cost than by the southern route, even if carried almost free of charge across the lakes from Fort William to Depot Harbour, Owen Sound or Sarnia. This of course only applies to the half year of open navigation; during the other half year the northern route would be without a rival worthy of the name.

Now that is altogether dependent upon your having a railway in the north which is absolutely free of gradients, and is Sir Sandford Fleming or any one else able to estimate within $20,000,000 what such a road would cost ? Can the Minister of Justice give us any estimate ? What then is the use of talking about something that they have not surveyed, something which is not in the government project at all ? That is not the project of the government, that is not the national transcontinental railway that we are discussing in this House ; that is, as the Minister of Justice truly says, the Trans-Canada route, a different line altogether, a different route altogether. My hon. friend the Minister of Justice says that there is an issue between the two parties as to whether freight shall go from Quebec to Halifax and St. John or whether it shall go to Portland. It is the issue, but it is he who is supporting Portland's claims and we on this side of the House who are supporting the claims of maritime ports. Does my hon. friend deny that ?

Mr. FITZPATRICK. Yes. I refer you to the speech of the member for West Toronto (Mr. Osler), and to the cheers which greeted it.

Mr. R. L. BORDEN. I will read from a speech of my hon. friend the Minister of Justice :

Our great competitor in the English market is the United States, and for six months in the year, yes, for seven months in the year, we are depending upon our chief competitor for an outlet to that market for our Canadian products.

That is the gentleman who is standing up so strongly for the maritime ports. He ignores them absolutely. Now all of a sudden he has a change of heart, I am glad to know that he is at present a great advocate of the maritime ports. He was no great advocate of them last year.

Mr. FITZPATRICK. Yes I was.

Mr. R. L. BORDEN. I will go on and read the rest of it :

Is that wise or is it prudent ? How can you get out from Montreal in winter except by way of Portland or Boston or New York ?

Mr. BROCK. By way of Halifax.

The MINISTER OF JUSTICE. Halifax competing with Portland ? It is double the distance practically.

Mr. FITZPATRICK. That has reference to existing conditions, that under existing conditions the company cannot carry freight from Montreal to Halifax in competition with Portland. That is what I said. It is not fair to misrepresent me.

Mr. R. L. BORDEN. Let me see if I am misrepresenting my hon. friend.

Mr. FITZPATRICK. I am entitled to the page of the reference the hon. gentleman is reading. I want to see what my statement was.

Mr. R. L. BORDEN. I am reading from the reference before me, I will send out to my room and get the page of the reference. I will show my hon. friend that it is literally correct. Does he know how far it is from Quebec to Halifax by these lines which he is advocating ? Does he know at this moment ?

Mr. FITZPATRICK. Is St. John in the interval ?

Mr. R. L. BORDEN. I am talking about Halifax, and that is what my hon. friend was talking about when he made this reference. He is a pronounced advocate of the maritime ports, does he know how far it is from Quebec to Halifax by the line which he proposes ? I do not think he does. But I will tell him. Take the lowest estimate that can be made, the estimate of the Minister of Finance last year. You find that the distance from Quebec to Moncton, according to the Minister of Finance, a very favourable estimate for the government, is 400 miles. How far is it from Moncton to Halifax by the Intercolonial? 186 miles. So then you have the distance by this transcontinental railway to Halifax, 586 miles, and you have the distance from Quebec to Portland according to the statement of my hon. friend to-night, 311 miles. So that my hon. friend cannot explain his statement that it was practically double the distance, because that is exactly what the figures turn out to be, according to the estimate of his colleagues. It is more than double the distance by the Intercolonial at present. Well, my hon. friend says the issue is whether we shall go to Portland or to Halifax. Does he not know that his colleague the Minister of Finance last year admitted, as the Minister of Justice himself admits, that the Grand Trunk can make more money by carrying that traffic to Portland than by carrying it to Halifax ? Has he any doubt that his own colleague admitted that last year ? Let me read what the Minister of Finance said :

Mr. FIELDING. No doubt they would make more money by carrying the traffic to Portland, but we do not intend to permit them to carry it there.

Mr. BORDEN (Halifax). Where is the restriction to prevent them.

The MINISTER OF FINANCE. By the fact that the Canadian rate is not greater than the American rate, and we will trust to the patriotism of the Canadian shipper that when the rate to a Canadian port is not greater than to an American port, he will ship by the Canadian port.

Now, that is the safeguard we are to have. We are to incur obligations to the extent of $150,000,000 to make these ports national ports of Canada, and then trust to the patriotism of the Canadian shipper to accomplish that which the government pretend is accomplished by this measure. Is there any escape from that, I ask the Minister of Justice ? When they get the freight to Quebec, the Grand Trunk Railway can carry it to Portland without infringing one line or stipulation in this contract.

Mr. FITZPATRICK. I do not know it.

Mr. R. L. BORDEN. He ought to know it if he does not. The Grand Trunk Railway is not a party to this contract, and therefore is not bound by any stipulations in it, and the Minister of Justice (Mr. Fitzpatrick) ought to know that. It was argued out here at great length last year. How is it possible that the Grand Trunk can be bound by any stipulation in the contract to which it is not asked to be a party ? I would like to ask the Minister of Justice that. How can he pretend that any action or proceeding can be taken against the Grand Trunk Railway upon a contract to which it is not a party ? It is not the Grand Trunk Pacific that will be carrying freight from Quebec to Portland, but the Grand Trunk Railway, and that company is not bound by any stipulation in this contract, although last year we urged over and over again, and moved resolutions in this House asking that the company should have imposed upon it all the stipulations imposed in this contract upon the Grand Trunk Pacific. These resolutions were not accepted by the Minister of Justice (Mr. Fitzpatrick), who was leading the House on that side with regard to that particular aspect of the case. We argued the matter over and over again, and I have not previously heard any hon. gentleman on the opposite side take such a position as that which my hon. friend seems inclined to take to-night. It is impossible that the Grand Trunk Railway can be bound by a contract to which it is not a party. If my hon. friend desired to give to the maritime ports of Canada even the feeble protection which would be conferred by the stipulations of this contract, he should have made these stipulations binding, not upon the Grand Trunk Pacific only, but upon the Grand Trunk Railway as well. The reference which I gave is to be found at page 9014 of 'Hansard' of last year.

Mr. KEMP. I would like to ask the Minister of Justice if he seriously contends now that grain can be carried to Quebec by this route in the summer time as cheaply as it can be carried to the sea-board, either at Montreal or at Quebec, by all water route or water and rail route ?

Mr. FITZPATRICK. My hon. friend must not look to me for expert opinion on matters of transportation. As I said before, there are so many amateur experts on that question in the House that I do not think it

necessary to add to the number. I will, however, make a few statments of facts. At the present time the Canadian Pacific Railway carry grain from Winnipeg to Port Arthur. They have a line from Port Arthur to Montreal, but I have it on the authority of the president of the Canadian Pacific Railway that last year, notwithstanding the fact that there is direct water communication between Port Arthur and Montreal, 15,000,000 bushels of grain were carried from Port Arthur to Buffalo and from Buffalo by rail to New York. That is a fact. If the water rate is so cheap, I would like to know why the grain did not go direct to Montreal. That is the first question I would submit. The second is the expert opinion of Sir Sandford Fleming, who says :

An all-rail route can compete on advantageous terms with a water and rail route.

Now, I do not give my opinion as against the expert opinion of the hon. gentleman from East Toronto (Mr. Kemp), but I put against it the expert opinion of Sir Sandford Fleming, and leave the people of Canada to judge between them. I do not put my opinion against his.

Mr. KEMP. I do not claim to be an expert, because I am not ; I do not ship any grain, I merely judge from such things as the Minister of Justice would form his opinion from. In respect to the shipments of grain by the Canadian Pacific Railway via Fort William and Port Arthur, I may say that all of this was carefully gone into last year. There were about 15,000,000 bushels shipped from that point, but I think if the Minister of Justice looks more carefully he will find that part of that grain went to Ontario points for milling purposes and part to St. John.

Mr. FITZPATRICK. Not one bushel of that went by Canadian ports.

Mr. KEMP. I have very full information on that subject, and I have no information at all with reference to any grain shipped from Port Arthur to Buffalo. I think the Minister of Justice will find he is mistaken, as this was discussed last year.

Mr. FITZPATRICK. It could not be discussed last year, as these were last year's shipments.

Mr. KEMP. The grain that went to Port Arthur in the winter went partly to St. John and partly to Ontario points for milling purposes.

Mr. FITZPATRICK. Sir Sandford Fleming says :

Does not a large bulk of Manitoba grain now find its way through the United States to be shipped from United States seaports ?

That is clear, is it not ?

Mr. KEMP. That is clear enough.

Mr. FITZPATRICK. He continues :

According to reliable authority, six, eight and ten million bushels a year have been so shipped ; Sir Thomas Shaughnessy stated to the Canadian Club a few weeks ago that last year it reached nearly 15 million bushels and it may be expected that this transfer from Canadian to United States channels will go on increasing with the increase in the total yield.

There is no question about that, it is in the summer time.

Mr. KEMP. The question I asked the Minister of Justice was if, in his opinion, it was possible for this railway to compete during the summer time, taking grain to Quebec in competition with the water route, or the water and rail route, to Quebec.

Mr. FITZPATRICK. I gave an answer to that also on the authority of Sir Sandford Fleming.

Mr. KEMP. I cannot see that Sir Sandford Fleming states anything of the kind.

Mr. FITZPATRICK. My hon. friend had better read it again.

Mr. KEMP. I hardly think that conclusion can be drawn from what Sir Sandford Fleming states. The Minister of Justice says that in summer grain has been carried from Port Arthur to Quebec at 3½ cents a bushel, but that it was a losing game and the people are now bankrupt. Grain has been carried to Georgian Bay ports all this season for one cent a bushel from Port Arthur, and it has been carried from Port Arthur to Buffalo for from 1¼ to 1½ cents. We are building improvements at Port Colborne, and grain can be carried there as cheaply as to Buffalo. If you can carry grain to Port Colborne for 1½ cents a bushel and pay dividends on the capital invested in the ships, you can carry it to Quebec for 3½ cents a bushel and make a profit. What I said last year was that I hoped that Quebec would be a port for the transhipment of grain, that I believed it was by an all-rail route, or a water and rail route, that this would be done, but I said that in the summer time it was impossible for Quebec to compete by all-rail route, because grain in the summer is not carried by all-rail on this continent. I thought this question had been settled, and would not be up for discussion this year. When the Minister of the Interior (Mr. Sifton) spoke on this question, he admitted to the House that it was impracticable, and that we should not expect to take grain in summer by all-rail route to the sea-board. Here is what he said :

What I say is, that when the wheat gets to Port Arthur and Fort William it does not make any difference what the Grand Trunk Railway will or will not do. In summer time the wheat will go out by water to Montreal or Quebec or by the Erie canal to New York, so that the question of what the contract with the Grand Trunk is, in respect of summer traffic in wheat is absolutely immaterial ; it has nothing to do

with what will happen to the traffic. We expect that owing to the improvements that have been made to the waterways of this country, Montreal and Quebec will be able to compete successfully with the route to the south. It is now competing successfully. Wheat was hauled last season from Duluth to Quebec for 3½ cents a bushel and certainly a railway will not compete with this ; that may be taken as evident. But during the winter months, during the four and a half or five months when rolling stock would otherwise be idle and when ships are coming to our ports and demanding cargoes, then the railways will and do haul wheat all-rail.

I am just as anxious as the Minister of Justice to see Quebec become a port for the shipment of the products of the west, but I say that in the summer time, that cannot be accomplished by this proposed government railway scheme. I know it is the hope of the people of Quebec, but I regret that it cannot be so in the natural course of events. Another argument used by the Minister of Justice was that according to geographical conditions, the trade would go to Quebec even if there were no stipulation in the contract. Let me point out to him that Portland is 317½ miles from Quebec, and that Halifax,—even according to the figures given by the most sanguine on that side of the House—is 286½ miles further from Quebec than is Portland from Quebec ; St. John will be 150 or 175 miles further from Quebec than is Portland, and therefore what we contend is, that as there is no penalty in the agreement to compel the Grand Trunk Pacific to take that grain to a Canadian port—even though the cost of taking it to a Canadian port be no greater than to an American port—the Grand Trunk will of course take the grain to Portland where they have their facilities, and where they can ship it at so much better advantage to themselves.

Mr. FITZPATRICK. I do not intend to inflict any further remarks upon the House, but I may say to the gentlemen who are interested in having some knowledge of the views I expressed on this question last year, that if they will consult vol. 4 of 'Hansard' pp. 9013 and 9014, they will see that there is slight justification indeed for the opinions expressed by the leader of the opposition as to myself.

Mr. R. L. BORDEN. Does the hon. gentleman say that I did not quote him literally ?

Mr. FITZPATRICK. The hon. gentleman extracted one or two sentences without the context, and of course they might bear the construction he put upon them, but last year, speaking of the scheme that was then put forward by the opposition as to carriage by way of North Bay and then by the Intercolonial Railway, I said :

It is a good scheme for the summer, but where is your winter port ? It brings the trade to Montreal and the winter port for Montreal is Boston, or Portland, or New York. These are the winter ports for Montreal from the month of November to the month of April, both months inclusive. We take issue with hon. gentlemen opposite who say : Benefit Ontario, benefit the particular section we are interested in, and then let the trade drift southward if it may. We take issue with these hon. gentlemen, and we say : benefit Ontario, give equal advantages to Quebec, and let the maritime provinces not be forgotten.

That is what I said last year, and that is what I say now.

Mr. R. L. BORDEN. Are we not forgetting the maritime provinces a little ?

Mr. FITZPATRICK. The issue now is, what I said last year.

Mr. R. L. BORDEN. Let me see the book.

Mr. FITZPATRICK. Oh, yes, you can find it all there.

Mr. R. L. BORDEN. The Minister of Justice seems a little excited.

Mr. FITZPATRICK. Not at all. When the hon. gentleman tells us that we ought to know this, and we ought to know that, and we ought to know the other thing ; it is time for some of us to think that we know a little of something—not very much, but a little.

Mr. R. L. BORDEN. The Minister of Justice said that the terms of this contract were binding on the Grand Trunk Railway Company.

Mr. FITZPATRICK. I never said anything of the sort ; except in so far as the guarantee is concerned.

Mr. R. L. BORDEN. Then I misunderstood my hon. friend, and we will see to-morrow whether or not I was justified, in misunderstanding him. I accept his statement that he did not say it. I distinctly understood him to dissent from my statement, that this contract was not binding on the Grand Trunk Railway Company, so far as those stipulations in it are concerned. I am glad that the Minister of Justice now admits that they are not binding; and his admission amounts to this : that the Grand Trunk Railway Company is at perfect liberty, to take every pound of freight that comes to Quebec, and to carry it to Portland, instead of to St. John or Halifax.

Mr. FITZPATRICK. I don't admit anything of the sort.

Mr. R. L. BORDEN. My hon. friend does not admit that ?

Mr. FITZPATRICK. No, I do not.

Mr. R. L. BORDEN. It is very hard to know what he does admit. Does the Minister of Justice say, that there is any stipulation in this contract binding upon the

Grand Trunk Railway, which would prevent it from taking that freight to Quebec, and carrying it to Portland.

Mr. FITZPATRICK. No, but there is on the Grand Trunk Pacific.

Mr. R. L. BORDEN. Oh, yes, there is on the Grand Trunk Pacific, and I had always supposed that it was the Grand Trunk Railway Company that ran from Quebec to Portland.

Mr. FITZPATRICK My hon. friend is supposing things that are not in the contract.

Mr. R. L. BORDEN. Am I ?

Mr. FITZPATRICK. Yes, you are.

Mr. R. L. BORDEN. Oh, indeed ; the Grand Trunk Pacific Railway Company then, is to run from Quebec to Portland ; that is my hon. friend's position ?

Mr. FITZPATRICK. That's nonsense.

Mr. R. L. BORDEN. I do not know what he means ; I am trying to understand my hon. friend ; I suppose it must be my fault.

Mr. FITZPATRICK. I am sure it is.

Mr. R. L. BORDEN. The Minister of Justice is good enough to compliment himself ; no one else is doing so at present. I repeat, that there is not one line or one stipulation in that contract which prevents the Grand Trunk Railway Company from taking that freight at Quebec, and carrying it to Portland. And if the Minister of Justice can point to one line or stipulation in that contract which does prevent that, I will pause and give him an opportunity to do so. He knows he cannot do it ; he knows that the Grand Trunk Railway Company is not a party to that contract, and that it is at perfect liberty to take every pound of that freight, and carry it to Portland, and he himself has stated in the passage to which I refer—I will read it again.

How can you get out from Montreal in winter except by way of Portland or Boston or New York ?

Mr. BROCK. By way of Halifax.

The MINISTER OF JUSTICE. Halifax competing with Portland ? It is double the distance practically.

Mr. BROCK. What is the use of talikng ?

The MINISTER OF JUSTICE. What is the use of talking ? Can we shut our eyes to geography ? Can we shut our eyes to facts ? How much of the trade of Montreal has gone to Halifax ? How much grain has gone from Montreal to Halifax or to St. John ? How much of our food products have gone that way ? Invariably they have gone to Portland or to Boston or to New York. As Portland is to the Grand Trunk Railway so Boston is going to be to the Canadian Pacific Railway.

In that passage the Minister of Justice seems to entirely ignore the maritime ports. I have been trying to urge upon this government that if there is any value in these stipulations which were paraded before the country as the acme of statemanship, upon which the right hon. gentleman relied and as to which he has not been able to give any better explanation than has been given by the Minister of Justice to-night ;—I have endeavoured to point out over and over again that if these stipulations are to be of any service at all, we must make them binding on the Grand Trunk Railway Company. The government, for some reason known to itself, absolutely refuses to do that ; it prefers for some reason which no one can comprehend, that the Grand Trunk Railway Company shall be at perfect liberty to carry this freight to Portland instead of to Canadian maritime ports. And these hon. gentlemen opposite from my own province, and from New Brunswick, who are so solicitous with regard to the interests of our maritime ports, stand up and vote against any amendment which we offer for the purpose of inserting these stipulations in the contract. And then, they have the inconsistency to stand up in the House and pretend before the country, that the opposition is not prepared to do justice to the ports in the maritime provinces. There is only one effective way of controlling the sending of the western products through to our Canadian maritime ports, and that is to extend the Intercolonial Railway to Georgian Bay, where it can get a share of that traffic. My hon. friend the Minister of Justice knows that as well as I do; my right hon. friend the Prime Minister knows that as well as I do——

Sir WILFRID LAURIER. No.

Mr. R. L. BORDEN. Well, if he does not know it he ought to know it, and I hope he will learn it before we get through this session. It shall not be for want of effort on our part that he will not learn it, because we shall endeavour to press that idea upon him at frequent intervals in the hope that in some lucid moment, the idea may get possession of his mind. There is only one way to get control of the traffic and to be sure that it will go to Canadian ports, and that is to extend the Intercolonial Railway to the Georgian Bay. But as long as you adhere to this plan which Mr. Hays puts forward in a perfectly candid manner, of carrying that grain by the Grand Trunk Pacific to Thunder Bay, taking it across the lakes by steamer, landing it on the shores of Georgian Bay, and handing it to the Grand Trunk Railway Company ; you hand it to a corporation whose interests are in Portland ; and you hand it to a corporation which will have the unrestricted right under this contract to carry it to Portland, and will enjoy a greater advantage by carrying it there than it would by carrying it to any port in the maritime provinces. Even if you bring it around the head of Lake Su-

perior by this all-rail route, you have it in precisely the same position. You bring it to the city of Quebec. There the Grand Trunk Railway has its choice between carrying it to St. John or Halifax on the one hand, or to Portland on the other hand. As the Minister of Justice and the Finance Minister have pointed out, Portland is about half the distance from Quebec that Halifax is, and the company will make more money by carrying it to Portland, and there is no stipulation in the contract to prevent them doing that. Under these circumstances there is no question that the Grand Trunk will carry the traffic to Portland.

Sir WILFRID LAURIER. I have only one word to say in reply to my hon. friend. I presume that we may expect to have an amendment moved to this contract, perhaps in the line of what my hon. friend has just stated; and when my hon. friend brings that amendment, for my part I shall be glad to discuss the question with him. If my mind is not lucid enough to see the force of his argument, and if we cannot agree on the conclusion, we shall have to leave it to somebody else to decide who is in the right and who is in the wrong. I am afraid I cannot convince him, whatever argument I may use, and I doubt if he can move me from my present position.

Mr. R. L. BORDEN. That is the reason I hope for a lucid interval for my right hon. friend. I daresay it will be more pertinent to discuss the question when we have the amendment. My right hon. friend talks about argument to convince me. I have not heard any argument so far.

Sir WILFRID LAURIER. Perhaps my hon. friend had not a lucid interval.

Mr. R. L. BORDEN. I have heard specious suggestions, but no argument. There is the position—what has my right hon. friend to say about it? When the traffic reaches Quebec, the Grand Trunk is at liberty to take it to Portland.

Mr. FIELDING. But not the Grand Trunk Pacific. They are not at liberty.

Mr. R. L. BORDEN. I understand that the Grand Trunk Pacific does not operate a line from Quebec to Portland; but the Grand Trunk Pacific, which will be controlled by the Grand Trunk, will have the freight delivered at Quebec; and then, instead of the Grand Trunk Pacific carrying it to Moncton, it can be carried by the Grand Trunk to Portland without violating any stipulation of this contract. Every condition of this contract is fulfilled when it is carried to Quebec.

Mr. FIELDING. Not in winter.

Mr. R. L. BORDEN. Quebec is a Canadian port.

Mr. FIELDING. So is Port Arthur.

Mr. R. L. BORDEN. Quite so, and when the Grand Trunk Pacific has carried the freight to Port Arthur, it has performed everything that it is required to perform under the contract.

Mr. FITZPATRICK. The words of the contract are 'a Canadian ocean port.'

Mr. R. L. BORDEN. The Minister of Finance did not say a Canadian ocean port, he said a Canadian port. Quebec happens to be closed during part of the year, and the freight must be carried somewhere else. The point I am making is that the Grand Trunk will be at liberty to carry it to Portland. However, I am quite willing to act on the suggestion of my right hon. friend. We cannot move amendments to this resolution in committee, because it is a single resolution relating to the whole contract. We can move amendments by and by, when the Bill is in Committee of the Whole.

Mr. LOGAN. May I ask the hon. leader of the opposition a question? Suppose a car of grain came from the west in winter time unrouted by the Grand Trunk Pacific, the railway being built into the maritime provinces. Does he say that that car of grain could be handed over by the Grand Trunk Pacific at Quebec to the Grand Trunk Railway to be taken to Portland without violating any part of the contract?

Mr. R. L. BORDEN. I do not know what my hon. friend means by unrouted. I do not see how a carload of grain can be carried on the Grand Trunk Pacific and be unrouted.

Mr. LOGAN. Unrouted by the shipper. Suppose it were shipped to Liverpool.

Mr. R. L. BORDEN. If it were shipped to Liverpool, it would be routed. I do not know what my hon. friend means. Will he make himself clear?

Mr. LOGAN. I will try to make myself clear. If a car of grain were shipped from the west to Liverpool, and it were carried to Quebec by the Grand Trunk Pacific, does the hon. gentleman say that the Grand Trunk Pacific could hand that car of grain to the Grand Trunk Railway to be carried to Portland without violating any part of their contract?

Mr. R. L. BORDEN. Well, that is a rather remarkable question. If it be routed, it must be routed by some particular line. If it were routed by the Grand Trunk Pacific to Moncton or Halifax, it would have to go that way. If it were routed to Liverpool by the Grand Trunk going to Portland, it would go that way.

Mr. FIELDING. Suppose a car of grain is committed to the Grand Trunk Pacific

at any point in the west on a through Bill to Liverpool, but not specifically routed, does my hon. friend claim that the Grand Trunk Pacific Company could send that carload of grain over the Grand Trunk line to Portland without violating their contract ?

Mr. R. L. BORDEN. I do not understand that that is the practice. I understand that the line is always designated. If not, I would ask my hon. friend to give me some proof of that. If it were routed by the Grand Trunk Pacific, and there were no other stipulation in the Bill of lading, I would say that the Grand Trunk Pacific would very likely be found to carry it to Moncton or St. John or Halifax. That is not the point I am making at present. What I say is that the Grand Trunk can always control the traffic, and see that it is routed to Quebec, and that when it is delivered there it shall be handled over to the Grand Trunk, which can carry it to Portland without violating any provision of this contract.

Mr. FIELDING. I differ from the hon. gentleman's statement that the Grand Trunk can control the traffic. The traffic can be controlled by the shipper of the grain. It is his right to ship it by any route he chooses, and we cannot deprive him of that right. No legislation we can devise could interfere with his right in that respect. If a man at Winnipeg says, I want my grain to go by Portland, his decision must be respected. But, if he does not specify the route, then the Grand Trunk Pacific is obliged to carry it over Canadian soil to a Canadian ocean port.

Mr. R. L. BORDEN. I say that the Grand Trunk Railway, controlling as it does the policy of the Grand Trunk Pacific, can so manage that the grain will be routed to Quebec ; and when it is once routed to Quebec, the Grand Trunk Railway can take possession of it there and carry it to Portland in spite of any stipulation in the contract.

Mr. FIELDING. The Grand Trunk Railway can only control this enterprise within the four corners of this contract, and the contract specifically declares that the Grand Trunk Pacific shall not send traffic originating on its lines or branches in the western part of our country to any other than a Canadian seaport, unless it be specifically routed otherwise. If the owner of the freight simply asks a quotation to an ocean port and does not specify that it shall go to Portland, the Grand Trunk Pacific are obligated, in the plainest terms, to carry it to a Canadian port and cannot do otherwise. Let me read the two clauses, 42 and 43. Section 42 provides :

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.

That is a declaration of policy carried into a statute, in order that there may be no misunderstanding of the principle, the intention and the purpose of the agreement. Then we go on to say :

The company accepts the aid on these conditions and agrees that all freight originating on the line of the railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory, or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ocean ports.

Then section 43 provides :

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

No words could be used in the English language, which could be more full, comprehensive or specific. They are certainly fuller, more comprehensive and more specific than those which were employed for the same purpose by one of my hon. friends opposite, who, at an earlier stage, prepared an amendment to the same end.

Mr. R. L. BORDEN. And when we asked that these important, comprehensive and effective words should be made binding, not only on the Grand Trunk Pacific, but on the Grand Trunk Railway itself, my hon. friend stood up in this House and voted down the amendment.

Mr. FIELDING. Because this scheme contemplates traffic originating in the western part of our country on the line of the Grand Trunk Pacific—not on the line of the Grand Trunk Railway—to be constructed, coming down to Winnipeg and from Winnipeg over the government line leased by Grand Trunk Pacific down to Quebec and thence to Moncton. There is no Grand Trunk Railway in that part of the business at all. The traffic goes over the Grand Trunk Pacific new road and the government new road and connects with the Intercolonial Railway at Moncton, and does not touch the old Grand Trunk Ralway at all.

Mr. CLANCY. Are the relations between the Grand Trunk Pacific and the Grand Trunk Railway the same as those between the Grand Trunk Pacific and other railways? Are not the Grand Trunk Pacific and the Grand Trunk Railway, although separate

in name, precisely the same corporation? Suppose a man wants to ship a carload of grain to Liverpool and makes inquiry at the Grand Trunk Pacific office for the quickest and cheapest route, will not the man in the Grand Trunk Pacific office tell him that if he sends it by Portland, it will get there twelve to twenty-four hours sooner over the Grand Trunk Railway than if he sent it on to Moncton and thence to St. John or Halifax, and the price would be the same? Does the hon. gentleman mean to say that the shipper, in that case would not play into the hands of the Grand Trunk Pacific and Grand Trunk Railway? The fact, is that the Grand Trunk Railway is practically free to do just as it pleases with the Grand Trunk Pacific. If the Grand Trunk Railway were bound in the same manner as the Grand Trunk Pacific, my hon. friend might have something to argue on. The difficulty is that having entered into a contract with a railway, which is controlled by the Grand Trunk Railway, we must expect that the Grand Trunk Pacific will do all in its power to send grain freight over the Grand Trunk Railway to Portland. These hon. gentlemen have fallen into a trap and bound themselves up with a railway company, whose every interest it is to take freight to an American port. Is there any other railway in Canada which these hon. gentlemen could choose which it would be so difficult to prevent from taking freight to American ports? Can the Finance Minister point to one other railway in Canada which it would be as difficult to prevent taking Canadian products to American ports. It seems to that the hon. gentleman has put himself, so to speak out of court, when he fails to bind the corporation that is behind this whole affiair. The Grand Trunk Pacific has no interest in this country and has not a dollar invested. It is a mere name, a mere fiction so far as the control of rates is concerned. It will never have any existence except in name in this regard. Yet, the hon. gentleman stubbornly refuses to bind the Grand Trunk, the real corporation that must be controlled, the one with which we are entering into a partnership.

Mr. FIELDING. In reply to the hon. gentleman's statement that this company is only a name and has not a dollar invested in this country, perhaps the most effective answer is that I hold, in my official capacity, $5,000,000 that has been put up by this company.

Mr. CLANCY. What does that mean?

Mr. FIELDING. This is the best evidence that I can give my hon. friend, and I am sorry that he does not like it. With regard to the relative position of the Grand Trunk and the Grand Trunk Pacific, it seems to me the hon. gentleman is making the mistake of confusing two things. The traffic we are talking of will not pass over the Grand Trunk; it will come from the west over the new Grand Trunk Pacific, and so will be subject to this contract. It will come from Winnipeg over the new government road which will be leased to the Grand Trunk Pacific. And so it will come under this contract.

Mr. CLANCY. Does the hon. minister say that, after the traffic reaches Winnipeg the Grand Trunk will not follow their own interest and offer better inducements for the traffic to go to Portland?

Mr. FIELDING. The shipper must have absolute control over his own products, and no legislation that this House can devise can or should interfere with his right to ship it as he pleases. We do not profess to interfere with the rights of the shipper. So far as the Grand Trunk Pacific is concerned, which company will have possession of the trade, receiving it in the west, it can not make any arrangement to divert that traffic from Canadian ports without violating the conditions of this contract.

Mr. CLANCY. And the Grand Trunk, though it does not nominally go into the west, will control this freight from the very day it is taken.

Mr. FIELDING. No, the Grand Trunk Pacific.

Mr. CLANCY. If my hon. friend will wait a moment he will understand what I am saying. The traffic will be controlled in name by the Grand Trunk Pacific, in fact by the Grand Trunk. This will be the case from the first day an officer is placed in the west. Now, does the minister think it will be a matter of business, according to everyday practice, for the Grand Trunk Railway, controlling this traffic, to send it in a way that would not be advantageous to themselves? If it can be done, this traffic will be diverted to Grand Trunk lines.

Mr. FIELDING. I say it cannot be done.

Mr. CLANCY. I will not ask the hon. minister to assent to that. But wherever they can do it, they will seek to draw the freight over their own line. The hon. minister will admit that?

Mr. FIELDING. It is a selfish world, I will admit.

Mr. CLANCY. What is the opportunity for selfishness to have full play in this case: It is clear that, if they can prevent it, the Grand Trunk Pacific will never send a dollar's worth of traffic over any other railway than the Grand Trunk. That is business. The very day the Grand Trunk Pacific goes into the west, that day the Grand Trunk goes into the west, and they will offer such facilities and opportunities and rates as will make it to the advantage of the shipper to go over the Grand Trunk Railway. And they are waiting at Quebec

to take the traffic to their own terminals. They are not going to spend money to carry it further than is necessary. Now, the distance from Quebec to St. John is 489 miles. From Quebec to Portland it is only 316 miles. Does the hon. gentleman pretend to say that the Grand Trunk and the Grand Trunk Pacific together will not send the traffic to Portland, rather than to St. John ? It is absurd, it seems to me, to argue that such a thing could take place in business ; and it does not and will not. As the hon. gentlemen knows, if there were no Grand Trunk Railway terminals in the city of Portland, the hon. gentleman might say : We have nothing to do with binding the Grand Trunk. But the Grand Trunk is a railway with its terminals in the city of Portland. And it is a railway at the city of Quebec ready to take that traffic. And they have all the advantage of the shorter lines as a means of competing, and, if their competition is successful they can carry the traffic to Portland. They are not going to carry a pound of freight to St. John if it costs them more to take it there than it costs to take it to Portland. It is pointed out to me by an hon. friend that the Grand Trunk Railway controls the policy of the Grand Trunk Pacific. That is perfectly clear. And, of course, the Grand Trunk will control that policy to the benefit of the Grand Trunk, and not to the benefit of the country. Very often the interest of the Grand Trunk and the interest of the country are at variance. The hon. gentleman knows that arises every day. And the hon. gentleman says, in effect, that in this case men will act differently from the way they act in every day affairs. Is not that a strange position to take ? If the hon. gentleman could point out that, by the construction of this road and by entering into this partnership, there is greater reason than already exists why Canadian products should be carried to Canadian ports, I could understand that. Does the hon. gentleman pretend to tell us that he has overcome this difficulty of going to Portland because the city of Quebec is eighteen or nineteen miles further from Portland than the city of Montreal—does he mean to say that that is a factor in railway traffic and will induce the Grand Trunk to send the freight to St. John any more than they did before ?

Mr. FIELDING. I think the contract contains every provision to that end.

Mr. CLANCY. But I ask, apart from the contract. Is there any inducement ? Is there any substantial difference whether freight is landed in Quebec or Montreal as determining whether it will go to Portland or St. John ?

Mr. FIELDING. I am afraid I do not understand my hon. friend.

Mr. CLANCY. It may be my fault if the hon. gentleman cannot understand me. I was asking if there was any better security that freight landed at the city of Quebec over the Grand Trunk Pacific, or landed at Montreal say, if a line was constructed from North Bay to Montreal—is there any reason, by advantages to the shipper, that it should go to Portland from Quebec ? In other words, if there is any inducement why it should not as readily go to Portland from Quebec as from Montreal ?

Mr. FIELDING. Suppose the shipper gets a quotation for a rate from Winnipeg, as a common point, to Liverpool, it is not, as a pure matter of business, much concern to him whether that freight goes over a Canadian road or any other road. But, as I pointed out to the leader of the opposition last session when we were discussing this matter, we think that where we have provided a Canadian route with the stipulation that the rate from Winnipeg, for example, to Liverpool—treating them as common points—that the rate by way of Canadian ports is no higher than the rate by way of United States ports, we are willing to believe that the Canadian shipper's own patriotism will lead him to give the preference to the Canadian route when it does not cost him anything more. We have more faith in the willingness of the western shipper to send his produce by the Canadian port in preference to the American port than my hon. friends opposite seem to have.

Mr. CLANCY. The hon. gentleman must have more faith in what would seem to be the stupidity of people than we have. People always do the intelligent thing, as a rule. The hon. gentlemen have made it impossible for the people of Canada to carry out their views. He knows that the Grand Trunk Company will take care to favour the Grand Trunk Pacific, and the Grand Trunk Pacific will take care to favour the Grand Trunk. If that be the case, how will the freight be routed ? It will always be routed so that these two roads will mutually help each other. The Grand Trunk Pacific has an interest in the Grand Trunk financially outside the rates, and they will so shape matters, in spite of the government or any legislation we can pass, as to direct freight into channels that best suit these two lines. Now, what is the remedy ? The remedy was not to have entered into this contract. It is no use saying now : We have passed stringent laws, we have bound the Grand Trunk, we have bound the Grand Trunk Pacific. The hon. gentleman knows it is impossible to bind them. What is the use of entering into a contract with a party that you cannot bind ? The whole difficulty is that the hon. gentleman has entered into a partnership with a great railway corporation, and he now comes down to this House and confesses that he is utterly unable to bind it.

Mr. HEYD. Won't self-interest bind them?

Mr. BENNETT. It bound them to send 8,000,000 bushels last year to Buffalo.

Mr. CLANCY. I will answer the hon. gentleman in the words of the Finance Minister. He says the Grand Trunk is in and of the Grand Trunk Pacific, that the Grand Trunk and the Grand Trunk Pacific are one and the same thing—the same red-headed boy.

Mr. HEYD. Supposing their interests were identical, and it could be demonstrated that it would be to their mutual interest to carry it by Canadian ports, would that be satisfactory ?

Mr. CLANCY. If the hon. gentleman will demonstrate that freight can be carried a longer distance and in a shorter time, then he has a good case. I am afraid the hon. gentleman is in rather an awkward position. We now have the Finance Minister compelled, unwillingly, I believe, to confess to the House that he has entered into a contract with a great railway corporation that he is utterly helpless to control, because they will send their freight just as they like, and under this contract we make it to their interest to take freight to American channels and to American ports. That is what the contract means, unless it can be controlled by the previous contract.

Mr. HEYD. Or by self-interest.

Mr. CLANCY. I do not think the hon. gentleman has any interest separate from his own, has he ? If he is the one and the same red-headed boy, he has no interest apart from himself. Neither have these two corporations any interest separate from each other. The Grand Trunk and the Grand Trunk Pacific are one and the same concern, and the Grand Trunk will find it to its interest to take freight to American ports, where they have $25,000,000 invested in railways and terminal facilities.

Mr. FIELDING. I suppose the hon. member for Bothwell (Mr. Clancy) would admit that if the Grand Trunk would not be inclined to bring its traffic down to the maritime ports over the section from Winnipeg to Quebec and Moncton, they certainly would not be disposed to bring it over the present road. If the hon. gentleman claims that the Grand Trunk would not bring this western traffic down for Canadian shippers over the proposed new road that the government are going to build, then they would not bring it down over their present existing road. The hon. gentleman will have to admit that. Now, I want to ask the hon. gentleman to explain this extraordinary transaction. He has pictured this Grand Trunk as a very dreadful concern ; he says we cannot control them. He says neither by this legislation nor by any legislation can we control the Grand Trunk Company in matters of that sort. Now, my hon. friend has made a strong statement, I do not say it is too strong, but in the presence of that statement, what are we to say when we recall what passed here two or three days ago, when the hon. member for North Hastings stood up in his place and used these words—I am quoting from memory :

> We, the opposition, have been to a man prepared to aid the Grand Trunk to build a road from North Bay to the Pacific, leaving the whole matter in the hands of that wicked Grand Trunk Company.

That is the declaration of a member of the opposition.

Some hon. MEMBERS. No.

Mr. FIELDING. I am glad we have woke up some hon. gentlemen to say 'no.' It is time they said 'no.' But the 'no' comes too late. No one will question the fact that the hon. member for East Hastings (Mr. Northrup) is a very capable, and able, and influential member of the opposition. We always listen to him with great respect, and he states his case forcibly. That hon. gentleman, without any qualification, declares that the opposition to a man—I am quoting his words from memory—We to a man are prepared to aid the Grand Trunk Company to build their original scheme from North Bay to Winnipeg and the Pacific. Yes, and the hon. members applauded. The hon. member for Selkirk (Mr. McCreary), whom I do not see in his place, rose and asked a question. I shall give the whole context lest I be accused of misquoting—I do not like any gentleman to say 'no' when I make a reference——

Mr. POPE. When you try to bind us all you get 'nos.'

Mr. FIELDING. I am not binding my hon. friend ; it was the hon. member for East Hastings (Mr. Northrup) who was binding him. I was lectured by the hon. member for Hamilton (Mr. Barker) because when some things were said by hon. members I did not get up and quarrel with them, but hon. gentlemen sat in their seats while the hon. member for Hastings (Mr. Northrup)——

Mr. POPE. I did not.

Mr. FIELDING. I do not know about the hon. member for Compton (Mr. Pope), but scores of them sat in the House and applauded the hon. member for Hastings (Mr. Northrup).

Mr. FOWLER. We would generally be out if we followed your example.

Mr. FIELDING. I go out of work.

An hon. MEMBER. We get good evidence of it.

Mr. FIELDING. I give good evidence of it

Mr. TARTE. You do not give it away.

Mr. FIELDING. I do not give it away, that is quite true. The hon. member for East Hastings (Mr. Northrup) was quoting a speech of Sir Rivers-Wilson which has frequently been referred to. Sir Rivers-Wilson had made some reference to the opposition which the Grand Trunk project had encountered in this House, and after quoting from that speech the hon. member (Mr. Northrup) proceeded :

And encountered from whom ? Not from His Majesty's loyal opposition, for we always to a man have been in favour of the original proposition of the Grand Trunk Company.

Some hon. MEMBERS. Read on.

Mr. FIELDING (reading)—

All the difficulties, all the trouble of which he complains, and to which he refers the premier, and on the successful overcoming of which he congratulates him, every one of these troubles and difficulties came from the colleagues of the Prime Minister in his government, from his supporters in the caucus, from his followers in this House, and not from the members of the opposition.

We are told at one stage of this discussion that the government have given to the Grand Trunk everything they want : all they have to do is to ask something and they get it. Then a member like the hon. member for Halton (Mr. Henderson) spends half an hour in proving that the Grand Trunk Railway Company wanted something different and that this government forced upon them a scheme that they did not want at all. How you are going to reconcile these two views is not clear to me. I continue to quote :

We never had a chance to express our views on this point, any further than to announce that we were in favour then, as we now are——

Of course that was three or four days ago, and we must make allowances for changes.

—of a Grand Trunk line from North Bay to the Pacific, as the Grand Trunk itself wished.

Think of the action of my hon. friend from King's (Mr. Fowler) who before the Railway Committee of this House badgered the Grand Trunk day by day and said that on no condition should they be allowed to have that scheme as they wished, but we are told by the member for East Hastings (Mr. Northrup) that the opposition to a man, every one of them, including the hon. member for King's (Mr. Fowler), including the member for Compton (Mr. Pope), including them all to a man, were in favour of the original scheme of the Grand Trunk Railway.

Some hon. MEMBERS. Read on.

Mr. FIELDING. It is too good to miss a piece of it.

When we find this document written to the premier congratulating him on overcoming the difficulties, it is well that we should know what these difficulties were, so that they may not be laid at the doors of the opposition in this parliament, for the opposition had nothing to do with this matter ; and so that the burden of the blame shall be laid upon the shoulders which should properly bear it.

It is not the opposition who have been standing in the way of the Grand Trunk scheme ; here is a public declaration that the Grand Trunk Railway could have anything they wanted from the opposition—all they had to do was to ask for it. And then Mr. McCreary interrupted :

Mr. McCREARY. Do I understand the hon. gentleman (Mr. Northrup) to say, speaking for the opposition, that they would have endorsed the application of the Grand Trunk Railway Company to build a railway from North Bay to the Pacific coast north to Lake Winnipeg? That was the original proposition of the Grand Trunk. Does the hon. gentleman speak for the Conservative party when he says he endorses that policy ?

The hon. member for Hastings (Mr. Northrup) had already said one and all, he made no exceptions, were for that policy. Mr. Northrup continues :

Mr. NORTHRUP. The hon. gentleman (Mr. McCreary) has asked a fair question and I will give an answer. I do not of course profess to speak authoritatively for the opposition, but from the views I have heard expressed by dozens of members of the opposition, and speaking my own views, I have no hesitation in saying that I believe that every member of the opposition was in favour then, and is in favour now, of assisting the Grand Trunk Railway Company to build west from North Bay ; let them put their line wherever they like providing only that it is a reasonable distance from other lines.

Mr. CLANCY. Where is the hon. gentleman's comfort in that ?

Mr. FIELDING. My comfort in that is a fact that when that passage occurred in this House, we had not the 'no, no,' that we got to-night when hon. gentlemen have had this pressed home to them. It was not 'no, no,' it was 'yes, yes.' There was a storm of applause, and the hon. member for East Hastings (Mr. Northrup) realized that the applause was a confirmation of his utterance for he proceeded :

Mr. NORTHRUP. The hon. gentleman (Mr. McCreary) will see from the expression of assent which has greeted my statement, that I have not altogether misvoiced the opinions of the gentlemen with whom I have the honour to sit.

I notice the hon. leader of the opposition (Mr. R. L. Borden) trying to find a loophole to escape the consequences of that most damaging statement made as respects the opposition—

Every one of us, to a man.

My hon. friend made some allusion to some terms and conditions that he would

make with the Grand Trunk Company though just what they are I do not know, but they will not serve as a defence at this stage of the discussion, because the hon. mem ber for Bothwell (Mr. Clancy) in the observations he has made within the last few minutes, has laid it down that there is no use making any bargain with the Grand Trunk Railway, that they will override any legislation you can put on the statute-book. But the hon. gentleman is prepared to give to the wicked Grand Trunk people the whole management of the business. The hon. member for West Toronto (Mr. Osler) declared that these men were fakirs. Sir Charles Rivers-Wilson was a fakir, Lord Welby was a fakir, Mr. Charles M. Hays was a fakir, Mr. Wm. Wainwright was a fakir, Mr. John Bell was a fakir. They were all fakirs, but these are the gentlemen to whom the hon. member for East Hastings (Mr. Northrup) tells us, the opposition, one and all, to a man, were prepared to deliver over the whole scheme.

Mr. LEFURGEY. There seems to be rather a dearth of information upon this subject. All afternoon and evening we have been trying to elicit information from the Minister of Justice, the Minister of Finance and the leader of the government, but with no result. It is strange that when such a project as this is before the country, a project which professes to be for the purpose of nationalizing the ports of the maritime provinces and to build up the ports of Montreal and Quebec, we are not able to obtain information from the government. The mountains of information which the hon. the premier professes to have upon this scheme have turned out to be very small.

I had a good deal of trouble in chasing after this paper I hold in my hand, the Railway News, to try to get a comprehensive idea of what took place at that meeting. Every one seems to want this railway news. Apparently it gives an idea of what the president of the Grand Trunk Railway and his colleagues think of the scheme, and apparently from the statement of Sir Rivers-Wilson and some others, in this scheme involving an expenditure of from $150,000,000 to $170,000,000, the obligations of the Grand Trunk Railway Company were not going to infringe upon their credit to any extent. It is only fair that the report of this meeting, important as it is, should be in the hands of every member of this House. I would suggest to the leader of the government, that this report, published in the Railway News, Financial and Joint Stock Company's Journal, in which is incorporated the Railway Record. Established 1844, No. 297, vol. 91, Registered at the General Post Office as a Newspaper, Saturday, March 12th, 1904. Price six pence.

Mr. BENNETT. What is the colour of the ink ?

Mr. LEFURGEY. It is published in London, England. The price of it is not so much if we were where we could get a copy, but we cannot get copies of it. Discussing this meeting in an editorial they say :

For fuller details of this important meeting we would refer our readers to the report on another page. Cable advices from Ottawa, since received, state that the ratification of the agreement between the company and the Canadian government gives satisfaction there, although the government confidently expected this result in view of the favourable terms of the new arrangement.

I would suggest to the right hon. gentleman that instead of having this document read, I should lay it on the table and have it incorporated in Hansard, as is done when other important documents are presented by the Finance Minister and others.

Sir WILFRID LAURIER. That is against the rules.

Mr. FIELDING. I have been refused the privilege.

Mr. BENNETT. Read it in French first.

Mr. LEFURGEY. I shall be compelled to read it in the interest of the country.

Sir WILFRID LAURIER. I have a suggestion to make which will perhaps help my hon. friend. I understand that during this session, there was a report read by the leader of the opposition and proceedings of this meeting of the shareholders of the Grand Trunk Railway Company. It came here, as I understand typewritten, but my friend from Toronto the other day informed us, or perhaps it was my hon. friend the leader of the opposition, that he had it printed in Toronto ; it would mean only a few cents more to have some extra copies printed.

Mr. BENNETT. The printing houses are all burnt up.

Mr. LEFURGEY. I am glad that some one had sufficient interest in the matter to have this document printed and circulated at his private expense. It would be well to have this document and the document prepared by Hon. Mr. Blair presented to members of this House for their perusal.

MEETINGS OF SHAREHOLDERS OF THE GRAND TRUNK RAILWAY COMPANY OF CANADA.

The ordinary half yearly general meeting of the proprietors of this railway was held at the Cannon Street Hotel, on Tuesday, March 8th, 1904 ; Sir Charles Rivers-Wilson, G.C.M.G., C.B., president in the chair.

Mr. FIELDING. Has my hon. friend got the name of the hotel correctly ?

Mr. LEFURGEY. I think so.

Mr. FIELDING : Our report is defferent, we have another hotel.

Mr. FITZPATRICK. Was it not the Terminus Hotel ?

Mr. LEFURGEY (reading) :

The President—Mr. Norman will now read the notice convening the meeting.

The Secretary (Mr. H. H. Norman) read the notice accordingly.

The President (who was received with applause)—Ladies and gentlemen, it has been our agreeable duty at many general meetings to report that the operation of each half-year showed an augmentation of the prosperity of the company. Our report upon the half-year, terminating 31st December last, proves to be no exception, for we can again say that the revenue and profits are in excess of those of any previous year. (Applause.) I trust that you will not allow the satisfaction you must naturally feel at such a result to be diminished by the inauspicious opening of the year 1904. The large falling away of the revenue during the last two months is solely attributable to the extraordinary severity of the weather which has prevailed both in Canada and the United States, in Canada with a continuity hardly ever known within the memory of man. A state of things so abnormal and transitory affords not the least reason for the discouragement which it seems to have caused to some shareholders. (Applause.)

Mr. FITZPATRICK. You left out the word 'timid.'

Mr. LEFURGEY (reading) :

Indeed, I am at a loss to understand the fears expressed in some quarters which a little reflection will show to be entirely unreasonable Up to the very last hour almost of 1903, business was progressing with its usual activity, and there is no reason to suppose that when the unusual stress of weather ceases, traffic will not be returned in the same proportion as before. (Applause.) We shall have some leeway to make up, but the year is young. We have still some ten months before us, and our last reports as to weather and general conditions are improving, and the delayed traffic is coming forward. However, our business to-day is not with the current half-year, but with the half-year just expired, and to that I will now address myself. The gross receipts of the half-year amounted to £3,138,468, being an increase of £326,590 compared with the corresponding period of 1902, or 11·61 per cent. The receipts from passenger traffic show an increase of £93,533, or 10·72 per cent——

Mr. FIELDING. £90,533 ; you read it £93,000.

Mr. LEFURGEY (reading) :

—and the number of passengers carried increased from 4,687,651 in the half-year ended December, 1902, to 5,139,073 in 1903. and this increase in numbers was accompanied by a slight increase in the average fare per passenger, the rate being 3s. 7¼d. in 1902, and 3s. 7⅔d. in 1903. In connection with this improvement in the passenger traffic, you will observe that although the receipts increased by 10·72 per cent, the passenger train mileage only increased by 4·75 per cent, the receipts per passenger train mile increasing from 4s. 5⅔d. in 1902 to 4s. 9d. in 1903. It is expected that considerable benefit will accrue to this branch of our business from the inducements to travel offered by the exhibition in St. Louis to be opened on the 1st May, and that not only the people of Canada, but also those from the New England states will take advantage of the special rates and accommodation provided by us, and our connections for the purpose of enabling them to visit the exhibition. The receipts derived from the mails and express traffic showed the very satisfactory increase of £16,820, being in practically the same ratio as the increase in the passenger traffic. The freight and live stock traffic, as usual, provided us with the greater proportion of the increase in our gross revenue. The receipts from this traffic amounted to £1,971,955 during the past half-year, compared with £1,755,488 in the corresponding period of 1902, showing an increase of £216,467, or 12:33 per cent, the number of tons carried being 6,738,702 compared with 6,148,530, an increase of 590,172 tons. There was also an increase in the average rate received per ton of 1⅔d., the figures being 5s. 10¼d. in the past half-year, as against 5s. 8½d. in the corresponding period. There is also a very satisfactory increase in the rate received per ton per mile, which was the highest rate received by the company for any corresponding half-year in the past five years, being 0·68 of a cent per ton per mile, compared with 0·64 of a cent per ton mile in the corresponding period. There is one other satisfactory feature which I ought to mention in connection with the freight traffic, and that is the average load per car, 9·84 tons, which is the highest average load we have ever carried. No doubt some portion of this increased load is due to the larger capacity of the cars we are now constructing in place of the old cars of lighter capacity, but it is also due, in a great measure, to the great care exercised by our officers in the matter of loading the cars. Before leaving the subject of the receipts for the past half-year, I think I ought to say that they are the largest the company has ever received in the December half of any year, and that the number of tons of freight moved and the number of passengers carried also reached the maximum. (Applause.) I now come to a less pleasant portion of our accounts, that of the working expenses, which, I regret to say, from causes which are common to all railroads in the United States and Canada, continued to show a considerable increase, although I am glad to say not to so great an extent in proportion to the increase in the gross receipts as in the two previous half-years. Of course, it cannot be expected that the large increases in gross receipts, to which I have just referred, can be earned without a more or less proportionate augmentation of working expenses, but this increase has been accentuated by an advance in price of materials generally, and to a still greater extent by the increased wages of all classes of employees which we have been compelled to grant, owing to the great demand for labour of every description. The total working expenses for the half-year amounted to £2,214,084, compared with £1,974,821 in the corresponding period, an increase of £239,263, the proportion to gross receipts being 70·55 per cent, compared with 70·23 per cent, or an increase of 0·32 per cent. The expenditure on maintenance of way and structures is the only item in the working expenses which shows a decrease, the decrease being £814, but even under this head there was an increase of £24,000 in wages arising from advances granted in the rate per day paid for labour. This increase in wages was, however, counterbalanc-

ed by reductions in other items of expenditure in that department, principally in materials owing to a greater proportion of the work than usual having been done in the first half of the year. The expenditure on the maintenance of equipment shows an increase of £52,485. Some portion of this increase was due to the increased mileage run, and there was also a greater amount of work done in the repairs of engines and cars, but a considerable portion of the increase was due to the advances made in the wages of all shop employees. During the year 1903, 49 locomotives, 20 passenger cars and 1,341 freight cars of various descriptions have been constructed in the company's shops, which cannot but be considered a very creditable performance. The thanks of the board, and of the company, are due to those excellent officers, Mr. McWood, superintendent of our car department, and to Mr. Robb, superintendent of motive power. They are entitled to all praise for the excellent results I have just stated to you. The cost of conducting transportation is responsible for three-fourths of the total increase in our expenses during the half-year, or £179,616.

I hope, Mr. Chairman, that hon. gentlemen opposite are paying attention to this.

Sir WILFRID LAURIER. My hon. friend is a very poor reader.

Mr. CLARKE. I would suggest that the hon. gentleman might commence again.

Some hon. MEMBERS. Hear, hear.

Mr. FITZPATRICK. My hon. friend has skipped about seven lines in succession.

Sir WILFRID LAURIER. I rise to a point of order. I insist that the report be taken by the reporters, and my hon. friend must read so that they can hear him.

Mr. LEFURGEY. I am speaking very much louder than the ordinary member speaks when addressing this House. I may say to the right hon. leader of the House that I do not intend to impair the usefulness of my articulative organs by shouting at the top of my voice. I do not think there is any parliamentary law that can compel any member of this House to impair his health in any possible way.

Sir WILFRID LAURIER. My hon. friend speaks very much better than he reads. It is a pleasure to listen to him, but not to-night. It is quite a task to follow him to-night.

Mr. LEFURGEY. I was doing that out of particular compliment to the right hon. leader of the House.

(reading.) Applause.

Mr. FIELDING. The reason we want my hon. friend to be exact is that we expect afterwards to put the official report on record too, and it is a pity that the two should differ. Therefore I hope that my hon. friend will not skip, as he has been doing.

Mr. LEFURGEY. I would like the hon. Minister of Finance to understand that I am reading this report as it is here, and that I have not been skipping anything.

Mr. FIELDING. My hon. friend may not have meant to, but I can assure him he skipped some.

Mr. LEFURGEY. I beg the Finance Minister's pardon. I have read all that is on this page so far. Perhaps my hon. friend is measuring me by his own bushel—by what he would do under similar circumstances.

Mr. FIELDING. Yes, I would skip the whole of it.

Sir WILFRID LAURIER. I will insist on the report being taken down as my hon. friend reads it, and no correction will be allowed unless the reporters say it is what they heard; but they will not be allowed to copy from that book.

Mr. LEFURGEY. The right hon. Prime Minister is rather arbitrary.

Sir WILFRID LAURIER. That is the rule.

Mr. LEFURGEY. We are allowed to make corrections in 'Hansard.'

Sir WILFRID LAURIER. Not to that extent. If anything in the report is found to be incorrect, the speaker can change a word here and there to make his meaning clear; but my hon. friend knows that it is one of the rules of the House that the reporters are not allowed to insert in the report anything that they do not hear, and I will insist on that rule being observed.

Mr. LEFURGEY. The reporter is paying attention to this.

Mr. FOWLER. I rise to a point of order. It seems to me that the right hon. the First Minister cannot be stating the rule correctly when he says that there can be no correction of a quotation simply because the reporter might not happen to hear it. As the hon. member says, he is reading every word, and should the reporter not happen to hear some sentence, does the right hon. gentleman say that a correction cannot be made?

Sir WILFRID LAURIER. The reporter knows his duty, and I expect him to do it.

Mr. FOWLER. The right hon. gentleman raised a point of order, and I expect you, Mr. Chairman, to decide it.

Mr. CLANCY. It seems to me that the First Minister is laying down a new rule. I have noticed that when hon. gentlemen read extracts, the reporters follow them closely, but as a matter of convenience to them, and in order that there may be no mistake, they are allowed to see the original. But my right hon. friend is now laying down the rule that the reporter is not to see the original at all.

Sir WILFRID LAURIER. The reporter knows his duty, and I do not want to dictate to him.

Mr. CLANCY. Then the right hon. gentleman should not have seen fit to dictate to him.

Mr. LEFURGEY. With the permission of the right hon. leader of the House, I shall resume :

Of this amount, no less than £92,712—or more than one-half, is in the item of fuel for locomotives. On this amount £15,800 is due to the additional engine mileage which had to be run to provide for the increased traffic, and the remainder, £76,912, is, with the exception of a slight increase in the amount paid for labour in handling, due to higher prices. I explained to you in October last that the prices we were then paying for fuel were higher than those paid in the corresponding period of 1902, but that the price at which contracts had been made was considerably less than the prices we had been compelled to pay from November, 1902, to April, 1903, and that during the early months of 1904 we should derive considerable benefit from the reduced prices, but I am afraid that our anticipations in this respect will be disappointed to a considerable extent—at any rate, for the first two months—owing to the exceptionally severe weather during that period, which has necessitated the duplicating, and even triplicating, the engines on the trains we have been able to run, which, together with the extreme cold, has, of course, had the effect of considerably increasing the consumption of fuel. I may say the unusual demand and unprecedented prices resulting from the hard coal strike two years ago, and its effect in advancing the price of bituminous coal, have stimulated an over-production of the latter, and an effort is already being made by the proprietors of the bituminous coal mines to secure a reduction in the price of mining. Whether or not this can be accomplished has not yet been determined, but be that as it may, we are certain to eventually secure lower prices in the near future. (Applause.) The wages of employees of various descriptions included under the head of conducting transportation showed an increase of £49,762, or about 11 per cent, some portion of which is attributable to increased rates of pay, but which is principally due to the increased traffic handled, which has necessitated large additions to the clerical staff and a number of freight handlers employed at all principal stations, as well as in the yard forces. The result of the operation of the railway for the past half-year was a net profit of £924,383, which was increased by the credits to net revenue to £1,013,254, an increase of £76,771 compared with 1902.

Mr. SCOTT. The hon. gentleman is reading the statement at a faster rate than it is possible for any stenographer to follow, and I rise to a point of order.

The CHAIRMAN (Mr. Campbell). I am afraid that is not a point of order.

Mr. LEFURGEY. I shall proceed to read :

(Applause). The net revenue charges were £614,874, compared with £608,357, an increase of £6,517, leaving the surplus on the Grand Trunk proper £398,380, against £328,126, an increase of £70,254. (Applause.) The Detroit, Grand Haven and Milwaukee Railway showed a surplus of £464, which, added to the surplus on the Grand Trunk proper, makes a total amount of £398,844, and including the balance brought forward from the previous half-year, we have a total amount available for dividend of £404,386, out of which we recommend the payment of the full dividends for the half-year on the guaranteed and first and second preference stocks, and a dividend of 2 per cent for the year on the third preference stock for the first time in the history of the company. (Applause.) The actual expenditure on capital account, amounting to £494,200, was heavier than we had been accustomed to, but having regard to the enormous increase in traffic in recent years, and the necessity of handling it efficiently and economically, the outlay was absolutely essential. The principal item of £299,877 was in respect of 1,000 double-hopper coal cars of 50 tons capacity, 500 box freight cars of 30 tons capacity, and 300 cattle cars. We have, for a considerable time past, been very much inconvenienced even in obtaining our own coal supply owing to the stock being inadequate for our requirements, and have had to pay large sums for mileage of cars belonging to other companies from the neighbourhood of whose lines our principal supplies are obtained, and it is anticipated that a considerable saving will be made in consequence of this necessary addition to our stock. (Applause.) As an evidence of the conservative policy which we have consistently pursued in regard to capital expenditure, I should like to say that although from 1895, when we took office, to 1903, the freight traffic receipts of the company increased by about 70 per cent, the additions to the freight car stock at the cost of capital only amounted to 20 per cent. (Applause.) No locomotives or passenger cars have been charged to capital during that period. The only other important charge to capital is for double track, amounting to £144,164.

We have, during the half-year, completed the doubling of the track of the remaining link between Montreal and Toronto—from Whitby to Port Hope—and we have now a continuous double track between Montreal and Niagara Falls, a distance of over 400 miles, which will be of very great assistance in the operation of the road, and the expenditure incurred will be amply repaid by the savings which will be effective in the handling of the traffic. So much then, ladies and gentlemen, for the accounts of the past half-year ; but before leaving that subject, I must allude with great regret—a regret which I cannot help thinking will be fully shared by the shareholders of the company—at the retirement of our friend, Mr. Joseph Price, from the vice-presidency of the company (Applause.) Mr. Price has been associated more or less with this company for many years. As far back as the year 1864 he became treasurer, and afterwards general manager, of the Great Western Railway of Canada. Afterwards he continued to take a great interest in our company, and during the past nine years you know he has been a director of the company. I speak feelingly of the great assistance which he has rendered to the board, and more especially to myself, and whilst deeply lamenting the cause of his retirement from the more active duties of the vice-presidency on account of ill-health, we still cherish the expectation and hope that he may still remain with us to guide us by his advice and experience as an ordinary director of the board. (Applause.) We have, with much

satisfaction, chosen as his successor in the vice-presidency, Mr. Alfred Smithers. Mr. Smithers' name, is, no doubt, well known to many of you. To those to whom he is not so well known I should like to say that he has consistently during the time he has been a member of your board, namely, for the last nine years, been of invaluable use to the company, and I may say, again speaking personally, of the greatest possible assistance to the president —(Applause)—especially during the late arduous and difficult negotiations which we have been carrying on with the Canadian government with reference to the establishment of the new transcontinental line. Mr. Smithers has shown a good will and an ability, I may say, which have been of very great assistance to us all throughout this anxious time. (Hear. hear.)

Mr. BRODEUR. The hon. gentleman is passing over a part. In the copy which Mr. Osler had printed, there are these words :

I think we will have reason to congratulate ourselves very much—

Mr. LEFURGEY. This is the report I want to have on Hansard.

Mr. BRODEUR. Then the copies distributed by the hon. member for West Toronto (Mr. Osler) are not correct.

Mr. LEFURGEY. That does not follow. The hon. gentleman will be at liberty to compare them when this one is on Hansard. One of the great advantages of my reading this is that you will have the report before you at all times to compare with the other.

Mr. SCOTT. The hon. gentleman is reading at a rate which no shorthand reporter could be expected to follow acurately.

Mr. LEFURGEY (reading) :

I now approach a question which forms the subject of the special report issued to you a few days ago dealing with the proposed construction of a transcontinental line of railway—a question which has occupied the continuous and most anxious attention of your directors for the last eighteen months—a question which is or greater interest and of more far-reaching importance to the Grand Trunk Company than any which has ever been presented to the shareholders. (Applause.) Let me recall to you the reasons which prompted the board to enter upon this important scheme. The history of the Grand Trunk Company shows how it has grown with the growth and prospered with the prosperity of Canada.

It shows how the company has itself been largely instrumental in promoting prosperity of the country, and how it has been one of the leading factors in knitting together the various provinces which now constitute the great Dominion of Canada. As it has been in the past, so it should be in the future, and as Canada continues to develop, so it becomes an absolute necessity for the Grand Trunk Company to lend itself to the circumstances which surround it, and not neglect the oportunity of obtaining a share in the growing prosperity of the country. (Applause.) The chief feature of the progress of Canada during a recent period has been the rapid development of the North-west Territory. Emigrants are crowding into the country—the number for 1903 is calculated at 110,000. A notable feature of the emigration is that it consists in a large measure of farmers crossing the border from the United States, who bring with them not only capital, but agricultural knowledge and experience. Millions of acres are being thus occupied and brought under cultivation. Already the grain crop has risen from 56 million bushels in 1898 to 124 millions bushels in 1902. This vast agricultural production has been obtained upon a comparatively small acreage of about 6 millions, and by means of a very scanty population. It is certain that the increase of population and production continue in a progessing ratio, and imagination fails to conceive what the result may be when this great area has been filled up, and has been brought under cultivation. (Applause.) It is calculated that the present uninhabited area of the province of Manitoba and the Territories of Assiniboia. Alberta, Saskatchewan, and Athabaska amounts to nearly 300 millions of acres, the greater portion of which is excellent farming land, and that the unoccupied portion of British Columbia amounts to some 200 millions of acres, much of which is also suitable for farming and grazing. There is no time to be lost, if we are to avail ourselves of the great opportunities presented. Prosperity is flowing rapidly from the east to the west, outside and beyond the territory covered by the Grand Trunk. Thus, surrounded on all sides by elements of progress, it is absolutely impossible for our company to stand still. We must either continue to advance, or we must recede and yield the offered advantages to more enterprising and far-seeing competitors. Having arrived, then, at the conclusion that the best interests of the company necessitated some early measure in the direction I have indicated, we caused a Bill to be introduced into the Canadian parliament for securing a charter of incorporation for the creation of a company with an independent organization, but in close connection with, and under the control of, the Grand Trunk Company, for the purpose of building a line of railway from a point of junction at or on the Grand Trunk line, passing through the most fertile districts of the north-west, and terminating at a port on the Pacific coast. Under the natural impression that a scheme of this nature would commend itself to the approval, and would obtain the support and encouragement of, the government and parliament of Canada, so liberally accorded to other railway enterprises, I ventured to suggest to the shareholders, when I addressed them in the month of April, last year, that it might reasonably be expected that such a scheme might be carried through without engaging in any way the credit of the shareholders of the Grand Trunk Company. (Hear, hear.) Such was my conviction at that time, founded,——

Such was my conviction at that time, founded——

Mr. BRODEUR. Do I understand that the words do not appear in that hon. gentleman's copy which appears in the copy which I have in my hands——

A VOICE.—I hope it is now.

—are these words included, or not ?

Mr. LEFURGEY. I think it was pointed out to the House in a previous debate that

those words were not in this copy, but that that copy was the earlier copy. That is the authentic copy.

Mr. BRODEUR. Which one ?

Mr. LEFURGEY. The paragraph taken from there is authentic, and, what you would possibly call the unrevised.

Mr. BRODEUR. Do I understand, then, that the copy which the hon. gentleman (Mr. Lefurgey) is reading from is not a correct one ?

Mr. LEFURGEY. We will be willing to abide by any of the changes which you will find in that record.

Mr. CLARKE. The hon. gentleman (Mr. Lefurgey) is reading from the 'Railway News,' published in London.

Mr. LEFURGEY. (reading).

Such was my conviction at that time, founded upon reasonable data, and in view of the precedents to which I have alluded, I must confess that when I made that suggestion I appear to have been somewhat over-sanguine, not sufficiently considering, perhaps, the weight of political and interested opposition which the scheme was destined to encounter. It has been accordingly found impossible to carry the measure through the Canadian parliament without imposing some limited obligations on the Grand Trunk Company, not by any means, however—as I think I shall satisfy you—to be weighed against the advantages which we anticipate will result to the company. We certainly could not hope to obtain such generous terms as were granted to the Canadian Pacific Railway Company, but without claiming to receive assistance from the government, which, in the case of that company, reached, I believe, something —in cash, or representing cash—like $120,000,000—we did reasonably expect to obtain liberal treatment at the hands of the parliament of Canada. (Hear, hear.) Our original idea was to build from a point on the Grand Trunk Railway to the Pacific coast. The intention was that the point of junction should be at or in the neighbourhood of North Bay. It was made, however, by the government a condition of the grant of the charter of the Grand Trunk Pacific Company that the line should be extended eastward from North Bay to Quebec into the city of Moncton, in New Brunswick, the point of junction on the Intercolonial, communicating with St. John, New Brunswick, to the southwest, and Halifax, Nova Scotia, to the southeast. As a result, however, of the negotiations with the government, another Bill was introduced by the government itself for ensuring the construction of the contemplated line from New Brunswick to the Pacific in joint partnership between the government and the Grand Trunk Pacific Company. An agreement under which this line would be constructed and worked was embodied in the government Bill, and it is the first of the two agreements which are submitted to you to-day, so far as they affect the interests of the Grand Trunk Company. The Bills and agreements were discussed by parliament during the whole of an unprecedentedly prolonged session. They met with strong opposition from the usual political opponents of the government, supplemented by the hostility of competitors who imagined that they saw in the proposed arrangement with the Grand Trunk Pacific Company, a measure which would be detrimental to their own interests ; and I may say, in passing, that I consider that this latter opposition which I have alluded to may be taken as in some degree a measure of the advantages which are well recognized in Canada as likely to accrue to us from this scheme. (Applause.) I think it is only due to Sir Wilfrid Laurier to express my appreciation of his patriotic and statesmanlike conduct of this great measure through parliament. Treating the question as he did, exclusively as one of national importance, it might have been not unreasonably expected that the question would have been lifted out of the sphere of party politics, but that was not the case, and it was only after encountering every sort of obstruction and exercising the greatest forbearance, patience, and ability, that he was able eventually to carry the measure. His leading object was to secure additional facilities for enabling the growing population of the Northwest to bring the products of the western prairies to the eastern sea-board by means of a trunk railroad passing exclusively through Canadian territory. He pointed out the advantages of the contemplated line, which would not only open up fresh districts of fertility in the west, but would afford further facilities for eventually giving an outlet for those products at Canadian ports on the Atlantic, as well as eventually to the countries beyond the Pacific, the route in question being, indeed, the shortest route between the manufacturing centres of Canada and China and Japan. While, then, the objects of the premier were of this large and essentially national character, your directors, on their part, saw in the accomplishment of such an undertaking great benefits to be obtained for their own company by securing a permanent connection with the Northwest, which would otherwise pass under other control, and by enabling the company to participate in the prospective advantage offered by that vast and fertile territory. The result, therefore, of the agreement was a combination of these two interests for the construction of the proposed road which would thus be carried out, as I have said, by means of a partnership between the government and the Grand Trunk Pacific Company, supported, as that company would be, by the influence and connections of the Grand Trunk Company. The Act which embodied the first agreement, as well as the Act incorporating the Grand Trunk Pacific Company, received the Royal Assent on October 24, 1903. The directors had been in consultation, through their general manager, with the government throughout the lengthened discussion of these measures, and we are bound to acknowledge the fairness with which we were met by Sir Wilfrid Laurier and his colleagues in their endeavour to meet the views of the boards so far as they could do so conformably with their own views, of which they were very tenacious, and having regard to the great pressure brought to bear upon them by the opposition. And here, I must say, that if these negotiations reach, as I hope they will reach, a successful issue, it has been in a great measure owing to the efforts and great ability shown by our general manager, Mr. Hays. (Applause.) It is imposible to speak too highly of the assistance which Mr. Hays has rendered in this matter. His merits are well known to you already. You

have only to contemplate the past history of the company during the last nine years to see what sort of a man Mr. Hays is. He seems to have put all his activity and energy into this particular negotiation, and I ask you to concur with me in expressing your gratitude to him for the good work he has done for us. (Applause.) Mr. Hays, in his anxiety to see the thing through, has come over here at some inconvenience, and he sits beside me now, and I have no doubt you will be glad to hear from him, after I have addressed you, what he thinks generally of the condition of the company, and of the prospects of the company as connected with this scheme. (Applause.)

In the meantime a great and unfavourable change has occurred in the financial position throughout the markets of the world, and the directors, in the interests of the shareholders, came to the conclusion that modifications in the agreement were imperative in order to safeguard the credit of the company, one important modification being that relating to the conditions which were imposed on the Grand Trunk Pacific Company for making the deposit, to which I will refer more particularly later on. Negotiations were accordingly resumed, and the result is embodied in the second or supplemental agreement, which is now in your hands, and which, read together with the first agreement, we now submit for your approval.

Should it receive that approval—as I do not doubt will be the case—it will be brought before the parliament of Canada—which has been specially summoned to meet on the 10th March, the day after to-morrow—for consideration and, I hope, confirmation. I will now proceed to explain to you the leading features of the agreements, especially as relating to the participation of the Grand Trunk Company in the scheme. I think, in the first place, it will be of interest to you that I should describe the course of the proposed railroad. The whole distance covered by the road from its extreme eastern point at Moncton to Port Simpson on the Pacific is about 3,400 miles, and for the clearer comprehension of the scheme, I will ask you to consider it as divided into two portions—the eastern and western divisions—the western portion being subdivided into two sections. It is intended that the eastern division, i.e., from Winnipeg through Quebec to Moncton, shall be owned by the government, and that it shall be constructed by them under joint supervision of the Grand Trunk Pacific Company and the government, and leased wholly when completed—or in sections pending such completion—to the Grand Trunk Pacific Company. The distance of 3,400 miles, which I mentioned just now, is divided as follows: The distance from Moncton to Quebec, about 400 miles; from Quebec to North Bay from the point of junction in connection with North Bay, about 500 miles—and then to Winnipeg another 1,000 miles. Therefore, you will observe that the length of the government portion of the road is about 1,900 miles. Proceeding to the west—the prairie section—that is to say, the section from Winnipeg to the proximity of the Rocky Mountains, is about 1,000 miles, and the section through the Mountains about 500. Thus observe the distance of the Grand Trunk Pacific road proper will be about 1,500 miles as compared with the 1,900 miles of the government road. The line will pass from 100 to 150 miles north of North Bay, whence a branch line will connect it with the Grand Trunk system, and another branch line will be constructed from some point between Winnipeg and North Bay to a point on Lake Superior. The Grand Trunk Pacific Company will, undoubtedly, receive the usual subsidies per mile from the Dominion and Ontario governments in aid of the construction of these two branches. From Winnipeg to the Pacific Coast (the western division) the road will be constructed by, and be, as I have said, the exclusive property of, the Grand Trunk Pacific Company. It is divided into two sections—one from Winnipeg to a point where the Rocky Mountains commence, which will be known as the prairie section, and the other passing over or through the Rocky Mountains to the Pacific Coast, which will be known as the mountain section. It is provided that the western division from Winnipeg to the Pacific Coast shall be completed within eight years. No special time is provided for the completion of the eastern division, but the work of construction on both divisions will, of course, be prosecuted with good judgment, hastening or retarding its progress as financial conditions, price of material, labour conditions and so forth, may make it desirable. I will now state what are the terms under which the eastern division of the road is to be leased to the Grand Trunk Pacific Company. In the first place the lease is to be for a period of fifty years. At the end of that time, it is open to the government to take over the operation of the road themselves in which case running and haulage powers are reserved to the Grand Trunk Pacific Company for another term of fifty years, or, in the event of the government not electing to take over the road, the right of priority over any other company is reserved to the Grand Trunk Pacific Company for a renewal of the lease. The rent payable by the Grand Trunk Pacific Company is to be 3 per cent upon the cost of construction, but for the first seven years after completion, no rent is payable, and for the next succeeding three years only so much as may be earned in excess of working expenses up to 3 per cent, any deficit during such three years being capitalized and added to the cost of construction; consequently, there will be no liability on the Grand Trunk Pacific Company for rent for ten years from completion. For the last forty years of the lease, the full rent of 3 per cent on the cost of construction is payable by the Grand Trunk Pacific Company. I may here remark that the Act, in virtue of which the government construct the road as far west as Winnipeg, relieves the Grand Trunk Pacific Company from the necessity originally contemplated of building that portion of the line from North Bay to Winnipeg, which, although passing through a district which I believe is infinitely more promising than that through which the Canadian Pacific line passes some 100 or 150 miles south, yet is of a character requiring longer time for development than the western and more favoured portion of the line which will be the property of the Grand Trunk Pacific Company. Coming now to the western division, i.e., the Grand Trunk Pacific line proper, the government undertake to guarantee interest at 3 per cent on first mortgage bonds to be issued for three-fourths of the entire cost of construction of the road, but in respect to the prairie section such guarantee is not to exceed $13,000 per mile. The detailed surveys have not been perfected on this portion of the road,

but the country and its facilities for railroad construction are well known, and we are advised there can be little doubt that an excellent line can be built at a figure not to exceed more than $20,000 per mile. The balance of the cost of construction, that is to say, one-fourth, will be provided by an issue of bonds by the Grand Trunk Pacific Company on a second mortgage to be guaranteed by the Grand Trunk Company. Passing as it will do through the most fertile and most promising belt of country in the whole of the North-west Territory, there cannot be the slightest doubt that this portion of the road, built, as I have said, under such favourable and economical conditions, will immediately produce excellent results, and will by itself more than justify the adoption of the scheme in its entirety. (Applause.) The mountain section, as its name implies, naturally presents features of greater difficulty and cost, but here again, although the survey parties have not completed their work, the country has been quite sufficiently explored to enable us to say that its general features are well known, and our advisers are satisfied that the cost of laying the road will be considerably less than that of other roads traversing these mountains, and notably, the Canadian Pacific which passes through the same range of mountains under conditions of far greater difficulty than are presented by the more northern route. The government surveys which were made prior to the construction of the Canadian Pacific Railway under the auspices of the government, and conducted by their distinguished engineer, Sir Sandford Fleming, afford conclusive evidence to this effect, and if the Canadian Pacific Company chose a more southern and more expensive road, it was, I believe, for the reason that the location was considered at that time to be much more advantageously situated, especially on account of its close proximity to the American frontier than that of the routes by the Peace and Pine River passes. I need only add that the maximum elevation by way of the Peace River or Pine River routes—one of which we shall probably select as the route of our line, is only 2,400 feet, that by the Canadian Pacific Railway 5,299 feet, the Great Northern Railway 5,202 feet, and the Northern Pacific Railway 5,567 feet. The maximum gradients both east and west by way of the proposed Grand Trunk Pacific route are estimated at 91 feet in the mile, as contrasted with 116 east and 237 west on the Canadian Pacific, and 116 respectively on the Great Northern, Northern Pacific and Union Pacific. You will, therefore, at once see by contrast the favourable conditions under which the proposed new road will be built. The financial conditions under which the mountain section will be constructed are that the Canadian government guarantee 3 per cent interest on the bonds to be issued to the extent of 75 per cent of the cost of construction, the remaining 25 per cent being obtained by bonds to be issued by the Grand Trunk Pacific Company and guaranteed by the Grand Trunk Company. For the first seven years, however, after completion of the mountain section, the government will pay the interest on the bonds guaranteed by them, without recourse to the Grand Trunk Pacific Company, and during the next succeeding three years only so much as may be earned over working expenses towards making up 3 per cent will be paid by the

Mr. LEFURGEY.

Grand Trunk Pacific Company, so that in effect, for the term of ten years from the completion of the line—or, assuming that the western division should not be completed until the expiration of the full period of eight years allowed by the agreement, for a term of 18 years from now—no claim will arise against the Grand Trunk Pacific Company in respect of three-fourths of the cost of construction. (Applause.) It is natural to most new enterprises that the earlier periods of operation are not likely to be immediately or largely productive, and this remark applies with particular force to one of this special character and magnitude. However rapidly the development of the country may proceed, a certain amount of time must elapse before the Grand Trunk Pacific Company can expect to reap any substantial measure of benefit in respect of a considerable portion of the country to be traversed by the new road, and this view has been recognized by the government accordingly. As you will have gathered from my preceding remarks, neither in respect of the lease of the eastern division or any of the sections, nor in respect of the working of the mountain section of the western division will any charge for rent in the one case, or, in the order case, for interest on three-quarters of the cost of construction be imposed upon the Grand Trunk Pacific Company for a period of ten years after completion. As regards the prairie section, the government, not unfairly, held that it would be self-sustaining from the day of its completion, and in this view we are willing to concur. (Applause.) I alluded just now to the obligation imposed on the Grand Trunk Pacific Company of making a deposit as evidence of its bona fides. This deposit which was to be made within 30 days of the passing of the government Act, was to consist of $5,000,000 in cash or government securities. I am bound to record my opinion that this was an extremely unnecessary and unreasonable demand, and I may, in passing, contrast it with the similar obligation imposed upon the Canadian Pacific Company at the inception of their undertaking, which was confined to a deposit of $1,000,000 in cash or approved securities, without having behind it the support of a powerful corporation like that of the company which is promoting the Grand Trunk Pacific Company. The obligation was, however, reluctantly accepted in view of the concession required by us on other essential points. It must have been obvious that the Grand Trunk Pacific Company, which had not even been organized, was not in a position, within the limited period exacted, to make the deposit, and the Grand Trunk Company, of course, was unable to afford assistance without first obtaining the sanction of its shareholders, for which a certain time was required. In order, however, to show no lack of good faith on the part of the promoters, and in order to satisfy the conditions of the contract, an interim and conditional deposit was made by the Grand Trunk Company of £1,000,000 4 per cent guaranteed stock, subject to the subsequent approval of the shareholders, and confirmation by parliament. The approval, however, of the arrangement in that precise form by the shareholders of the Grand Trunk Company will not now be required, and the condition deposit of guaranteed stock already made will be cancelled. In substitution thereof, it is now provided by the supplemental

agreement that the deposit shall be made in cash or approved securities, and the Grand Trunk Company will—subject to your approval—make the necessary arrangements for complying with the requirements of the agreements. The deposit itself will be released as soon as the rolling stock for the equipment of the road has been provided, and there only remains £1,000,000 required for the completion of the western division. I must not forget to mention that in return for the support which we ask you to accord to the Grand Trunk Pacific Company, the Grand Trunk Company will retain a controlling interest in that company, and will become the possessors of the whole of the common stock, amounting to $25,000,000, or £5,000,000.

What may be the prospective value of that security, or when it may acquire a substantial value, I cannot precisely predict, but you must bear in mind the certain and rapid development of the Northwest on the one hand, and the actual and very profitable results on the other hand, which have attended the working of other railroads operated under conditions and in districts not dissimilar from those contemplated for the Grand Trunk Pacific Company. I think I have now enumerated the essential features and conditions of the agreements, and you will reasonably ask what we calculate will be the liability which may be incurred by the Grand Trunk Company. (Applause.) The obligation proposed to be assumed by the Grand Trunk Company, is, as I have explained, limited to a guarantee of bonds representing one-fourth of the cost of constructing the western division, with the reservation that in respect to the prairie section—inasmuch as the government guarantee is limited to $13,000 per mile—the company's guarantee may somewhat exceed the one-fourth proportion. Assuming, therefore, the cost of construction on the prairie section, over a distance of 1,000 miles, to be at the rate of $20,000 per mile, the amount to be guaranteed by the company will be of bonds at the rate of $7,000 per mile, and in the whole $7,000,000, or £1,400,000. Interest on this amount at 4 per cent during the period of construction may be taken at £168,000, making a total principal to be guaranteed of £1,568,000, representing an annual interest of £62,720. Assuming again the cost of building of 500 miles on the mountain section to be $50,000 a mile, or $25,000,000, that is to say, £5,000,000 in all, the one-fourth amount of bonds to be guaranteed by the company will be £1,250,000, or, adding interest during construction, say, £150,000, a total of £1,400,000 carrying interest at the rate of £56,000 a year. If you have followed the figures which I have just mentioned, you will find that the result shows an amount of principal bonds to be guaranteed in respect of both sections of £2,968,000, and of annual interest of £118,720, but even this interest liability, comparatively small as it is, need not accrue until the expiration of eight years—the period allowed for construction—the interest on cost during construction being provided for out of capital. This, then, constitutes the responsibility of the Grand Trunk Company, and I hope this statement will allay the apprehensions which have been already expressed by a few critics, who may not have sufficiently studied or accurately understood the provisions of the agreements. (Hear, hear.) As fairly as I can, and without exaggerating, I have stated to you, on the one hand, the risk which the Grand Trunk would assume, and, on the other hand, I have pointed out the certain accretion of a great and valuable traffic to our company in the future, and the almost equally certain loss of existing traffic should the connections, which might be permanently ours, pass into the hands of rivals and competitors, who would promptly occupy the place which is now offered to us. We claim for the scheme that it is a fair and business-like arrangement, most carefully thought out, and surrounded by every safeguard that prudence can suggest for the protection and enhancement of the interests of our shareholders. We consider it alike as a measure of necessity, and as affording an opportunity which, if neglected, will never again occur of assuring and improving the fortunes of our company, and as such your board unanimously and confidently commend it to your approval. (Applause.) I shall have to present two resolutions covering the matters which I have been speaking of. The first resolution is the ordinary resolution approving of the reports and accounts for the last half-year, and then I shall ask you to vote upon the special resolution affecting the question of the Grand Trunk Pacific road. Therefore, in the first instance, I will ask you to vote upon the following resolution :—'That the report of the directors and the accounts for the half-year ended December 31, 1903, now presented be and the same are hereby approved and adopted, and that the following dividends be paid, namely, to the holders of the four per cent guaranteed stock of £2 10s. per cent, to the holders of the first preference stock of £2 10 s. per cent, to the holders of the second preference stock of £2 10s. per cent to the holders of the third preference stock of £2 per cent.' I will ask Mr. Smithers, our vice-president, to second that resolution. (Applause.)

Mr. Alfred Smithers—I beg to second the resolution with regard to the report and accounts and the payment of the dividends.

The President—I will just ask the shareholders who are present, if they have any remark to make upon this resolution to kindly confine their remarks to the reports and accounts of the half-year, so that we may not wander into a general discussion upon the other question. After I have put the resolution with regard to the Pacific Company, we shall discuss that by itself.

Mr. Seal referred at some length to the increased ratio of expenditure, which he regarded as an extremely unsatisfactory feature.

The president stated that no reasonable business man could expect enormous increases in revenue to be attained without some additional increased expenditure.

Mr. BRODEUR. Will the hon. gentleman permit me ? In the copy I have here, which was furnished by the hon. member for West Toronto (Mr. Osler), there is a whole page devoted to the speech of Mr. Seal which my hon. friend (Mr. Lefurgey) has not read. Do I understand that my hon. friend (Mr. Lefurgey) is reading from the copy which he holds exactly as it is printed ?

Mr. LEFURGEY. I am reading it word for word.

Mr. DEPUTY SPEAKER. I would draw the attention of the hon. member (Mr. Lefurgey) to what I think is an abuse on his part of the privileges of the House, in read-

ing continuously and for so long under the rule which permits the reading of extracts.

Mr. POPE. What is the limit ?

Mr. DEPUTY SPEAKER. I think that is largely in the discretion of the presiding officer. A case came up in 1885, and a decision was then given by the late Speaker (Mr. Kirkpatrick), who said :

I think it is an abuse of the privilege when a member occupies the greater part of his speech by reading a whole essay on the subject. It is taking up the time of the House contrary to the meaning of the rule, and to the interpretation which I would put on the rule, prohibiting the reading of newspapers except as extracts. It is an abuse of the rule which I shall endeavour to stop.

Further on he says :

I have ruled that the hon. gentleman is entitled by the rules of the House to read extracts, but to read continuously I consider an abuse of the rules.

If the hon. gentleman (Mr. Lefurgey) concludes the reading of the extract, he will be in order, but to continue reading for the whole length of time which he has been reading, is an abuse of the rules of the House.

Mr. POPE. What is your decision ?

Mr. DEPUTY SPEAKER. My decision is that this is not an extract ; the hon. gentleman purposes reading the whole article, and if I understand the meaning of the word 'extract,' it is only a portion or part of an article ; for the hon. gentleman to continue reading and to detain the Committee for an hour or an hour and a half, is surely an abuse of the privileges of the House.

Mr. CLANCY. It is evident that in the case to which the Chairman has referred, the member was reading his whole speech, but the Speaker then distinctly stated that there is no objection to reading an extract. The hon. gentleman has been reading an extract.

Mr. DEPUTY SPEAKER. He is reading the whole article.

Mr. CLANCY. The whole article is an extract.

Mr. DEPUTY SPEAKER. An extract is a part, but not the whole. An extract does not include the whole.

Mr. CLANCY. Why not ?

Mr. DEPUTY SPEAKER. Because then it would not be an extract. The hon. gentleman will not argue that point.

Mr. LEFURGEY. I may say that I intend reading the balance of the extract now, and as I am——

Mr. DEPUTY SPEAKER. There is no special rule which will apply to the extract. If the Committee is willing to sit and listen to the reading of long articles of that kind, there is no particular rule from Bourinot which I can apply ; there is only the judgment which I would bring to bear upon each particular case as it arose, and the opinions given by other presiding officers.

Mr. CLANCY. I understand that an extract does not mean a part or a whole ; it does not mean a part any more than the whole. An extract is what is printed in a book, or newspaper, and which is read to the House, whether it be the whole or a portion of it.

Mr. DEPUTY SPEAKER. Bourinot lays down the rule :

It is not regular to quote a whole essay or pamphlet of a general character.

It is evident that under the heading of 'extracts' Sir John Bourinot does not mean the whole of an article, or the whole of a pamphlet, but extracts or excerpts from it.

Mr. LEFURGEY. This is not an article of a general character, but of a particular character and germane to the subject under consideration.

Mr. HOLMES. Before you rule upon this point of order, may I say——

Mr. LEFURGEY. Have I the floor ?

Mr. DEPUTY SPEAKER. I did not give any ruling ; I merely drew the attention of the committee in a general way, with the object that hon. gentlemen might follow the usages of parliament in this respect, and I quoted the opinion of a very able speaker. I leave it to the committee to decide.

Mr. HOLMES. Unless you decide against me, Sir, I think I have the floor, while you are discussing this point of order.

Mr. DEPUTY SPEAKER. Do you raise a point of order ?

Mr. HOLMES. The point of order was raised by the member for Bothwell.

Mr. CLANCY. The chairman raised the point of order himself.

Mr. LEFURGEY. I have the floor, and I have no desire to infringe upon the rules of the House. This is a most important document, bearing upon the subject under discussion, and I will go on to read :

Mr. HAYS (general manager) challenged comparison in the matter of working expenses with any of the railways in the United States or Canada, worked under similar conditions to the Grand Trunk.

The PRESIDENT.—I will now ask you to vote on the resolution I have read to you just now. All those who are in favour of the resolution kindly signify their approval by holding up their hands. Those of the contrary opinion ? The resolution is adopted. It is now my duty to read to you, and to ask you to vote upon the special resolution relating to the other ques-

tion which I dealt with in my statement. The resolution is as follows :

'That the agreement dated July 29, 1903, between the government of Canada and the promoters of the Grand Trunk Pacific Railway Company as amended by a supplemental agreement thereto dated the 18th day of February, 1904. (copies of which agreements are now submitted to this meeting), be, and the same is hereby approved and the directors are hereby authorized and empowered to carry the same into effect so far as the said agreements relate to or affect this company, and in particular the directors are authorized to make such arrangements as they may think fit with the government and the Grand Trunk Pacific Company for providing or securing deposit of $5,000,000, either in cash or securities and are further empowered to guarantee the second mortgage bonds of the Grand Trunk Pacific Railway Company both for principal and interest to be issued pursuant to the provisions of the agreements and to enter into any contract or contracts relating thereto.'

That is the resolution, ladies and gentlemen, which I have the honour to propose to you, and which I will ask Lord Welby to be good enough to second.

Lord WELBY.—Ladies and gentlemen, I am sure that every citizen of the empire has rejoiced in times past at the rapid development of Canada, and it is evident to anybody who studies the question of Canada that her development is in rapid progress, and that the great line of the development will be along the prairie section, to which allusion has been made already. The government of Canada has decided that the time has come for the further development of that enormous belt of wheat-growing country. They have decided that a line should be made, and practically, they have made us the offer of carrying out that development. The discussion which has taken place at your board upon the subject has been long and most anxious I can only assure you, ladies and gentlemen, that the board are deeply alive to the responsibility which they incur when they are placing this scheme before you. The fact of the matter is, that we have arrived now at the parting of the ways. You have to decide whether in the future you think it best to restrict yourselves to the comparatively limited sphere of action in which your railroad is now operating, or whether, in view of the development which is taking place towards the west, you will think it right to obtain your share in that development, as I hope and think, we may fairly trust your share in the great profits which will accrue to Canada. Well, the offer is placed before you, and you have to decide to-day whether or not you will accept it. The government of Canada has come to a provisional arrangement, subject to your approval, with the board. If you say 'No,' there is very little doubt that there are many others ready to avail themselves of the opportunity, and we have every reason to believe that the government of Canada has entirely decided that it will carry out this new line, and, if you refuse to do it then other parties, without any doubt, are ready to come forward and take up the work which is offered, and the opportunity will pass away from you. (Hear, hear.) It is under these circumstances that the board, as I say, with the fullest sense of their responsibility to you, have come to the conclusion that the wisest course, the most prudent course, and the right course for them to pursue, is to submit this scheme to you for your ratification. With regard to the risk that is incurred—and, of course, when a great work of this kind is in progress there must be some risk—the board think that that risk is really reduced to a minimum. From every source of information which they can obtain there can be but little doubt, first of all, that the carrying out of that part of the line which runs over the prairie section is a line that can be easily and cheaply made, and from the information that we can derive from that is going on all round us there—because that prairie section has hardly been scratched, I may say, as yet—from the influx of the Americans into that country, and from the fact that the Americans themselves, with their immense increase of population, are already, to a certain extent, limiting their great supplies—or will be limiting them within a few years—of corn, which they have to place at the disposal of the old countries of Europe, the consequence is that we may confidently and absolutely expect that the supply of grain of this country and of the old countries of Europe, will within a very few years be in a large measure derived from Canada. (Hear, hear.) That being the case, when we ask you, so far as this prairie section is concerned, in laying this scheme before you, we are speaking of a certainty that, from the time the line is accomplished, it will produce a very considerable revenue, and that from the rapid settlement of the country, which will follow the establishment of the line it will within a very few years, be a very profitable line. So far as that is concerned, your directors have not the slightest hesitation in submitting to your acceptance that part of the scheme. Of course, the question of the mountain section is a more difficult one, but, as I think you will hear from Mr. Hays, and as you have heard from the president, there are many circumstances which make even this part of the undertaking, the subject at all events, of a reasonable estimate even at the present moment. You will have heard first of all, that the passes over which the line will go are really not more than half the height of those over which the more southern railways have gone, and we know, at all events, that they are at the present moment paying lines ; and, further than that, we have got one indispensable condition connected with it, as the result of the long and intricate negotiations—the Canadian government has become absolute partners with us in the expenditure on that mountain section ; that means that we have made their interests one with ours, and we are, therefore, assured of their hearty cooperation and assent to any reasonable proposition on their part. On these grounds we think we are entitled to place that part of our scheme before you for ratification. And, now, I have to repeat to you the great sense which we have of our own responsibility to you. If you go back to nine years, I think your board of directors, with their very able manager, Mr. Hays, may fairly point out the results of the last nine years as justifying, up to the present, the confidence which you have so generously reposed in us. (Applause.) The situation of the Grand Trunk at the present moment, it must be evident to every one, is a very different one to what it was in 1895. (Applause.) Now, your directors and your general manager are not likely to jeopardize lightly that result, nor the confidence you have reposed in them. We think that you will, at all events, give us credit for

this, that, having seen what has been the action of the board, and what have been the results during the past nine years, you will be convinced that we have entered seriously and most carefully into the proposition which has been laid before us, that we have conducted these negotiations with a rather hard taskmaster—the Canadian government—entirely with a view to your interests, and it is only because we are satisfied that the Grand Trunk Railway would be losing a very great opportunity of profitable development in the future, and would be limiting itself to a degree which we think the shareholders would in a very few years repent, that we have come to the conclusion that we are justified in laying before you the scheme which we confidently recommend to your acceptance. (Applause.)

Mr. ALLEN read a statement on behalf of his father, George Allen, a late member of the board setting forth his reasons for objecting to the scheme. He had objected from July 24 last to proceed further with the Grand Trunk Pacific scheme without having a great deal of necessary information afforded to the board, and believing firmly, as he did, that the scheme, if carried out, will gradually ruin the Grand Trunk. There are two courses open to them now : (1) To reject the agreements altogether ; (2) to postpone the consideration of the agreements until the board and the proprietors have sufficient facts before them to enable them to form an opinion on their merits. (Applause.)

Mr. ALLEN concluded by moving an amendment for the postponement of the further consideration of the agreements until the board had been supplied with certain information specified in the amendment.

Mr. MERLYN seconded the amendment.

Mr. BRODEUR. Has the hon. member read the amendment ?

Mr. LEFURGEY. That is all that is here.

Mr. BRODEUR. Will he read it again if he pleases ?

Mr. LEFURGEY. I don't think we have come to the amendment yet.

Mr. BRODEUR. No, I think the hon. gentleman began to read the amendment.

Mr. LEFURGEY. That is exactly as it is here :

Mr. SEAL suggested that the board should consent to the adjournment of the meeting so as to give the proprietors time to consider the matter.

Mr. LEA SMITH and Mr. BENNET concurred in this view.

Mr. GIRDLESTONE and Dr. DRYSDALE spoke in support of the board's policy.

The PRESIDENT—I should like to say, first of all, on the question of adjournment, I can assure you it is really out of the question. The thing for good or for bad—I hope for good—must be settled now. ('Hear, hear,' and applause.) It is open, of course, for the meeting to declare, in consequence of there not being sufficient information, that they do not accept the scheme, but the idea of adjournment is out of the question, I am afraid ; and for this reason, the parliament of Canada meets the day after to-morrow for the special purpose of discussing what I hope will be, the favourable decision of this meeting, but under any circumstances parliament will meet ; therefore, in the event of an adjournment taking place, and parliament meeting the day after to-morrow, the agreements will not be ratified, and those advantages which we sincerely believe likely to accrue to our company, will pass into other hands. Therefore, I am afraid we cannot agree to adjourn the discussion. The decision must be taken by your vote, and taken now.

Mr. MACPHERSON. I rise to a point of order. I believe the hon. gentleman is not speaking from his place in the House.

Some hon. MEMBERS. Oh, oh.

Mr. LEFURGEY. Mr. Chairman, I think it is your duty to keep the members in order. While the business of the House is going on in the satisfactory manner in which it is now, we should not be subject to interruptions from hon. members who have been spending the evening in gaiety outside.

Mr. DEPUTY SPEAKER. The hon. member is in perfect order in rising to a point of order ; but I do not think the hon. member (Mr. Lefurgey) is out of order in speaking from where he is now standing.

Mr. LEFURGEY. (reading).

I should like—and it is only due to our late colleague, for whom I have, notwithstanding his having severed his connection with us, sincere regard—I should like to say a few words with reference to the remarks which were made by Mr. Allen's son, and with reference to the points raised in the paper which he read. I very much regret that Mr. Allen, jun., and some other gentlemen here present should have taken up an attitude which I cannot help thinking is very likely to be very detrimental to the interests of this company and therefore very detrimental to their own interests as shareholders. (Hear, hear.) Mr. Allen differed in opinion from the rest of the board, and he showed his conviction that we were wrong and that he was right, by leaving the board. The matter treated of in the paper read and the remarks made by Mr. Allen, jun., show me conclusively that Mr. Allen has not studied the second agreement, the modified agreement, but that he has founded his criticisms upon the first agreement which was laid before the board when he was a member of it. I will only take one instance of the inaccuracy of his criticisms. He boldly states that the liability upon the Grand Trunk will amount to nine millions sterling, and he divides that nine millions sterling into three millions liability in respect of guarantees, five millions in respect of rolling stock, and one million in respect of the deposit. As regards the three millions of guarantee, that, as I stated to you, will undoubtedly be a liability. As regards the five millions for rolling stock—in the first place, the estimate is not five millions, but three millions. With that the Grand Trunk has nothing to do. That rolling stock will be provided by the Grand Trunk Pacific Company, and, as the general manager will tell you, they have laid their plans for providing that rolling stock by a trust fund. As regards the one million deposit, that deposit will not cost you one single halfpenny. Therefore, the liability comes back to the sum which I have just mentioned—

namely, about three millions, and I have stated distinctly and clearly that that is what we estimate the liability of the Grand Trunk to be—eventually a possibility of three millions of capital and £118,000 of annual interest. I really do not think I need go into the other matters which have been raised, for I think I have sufficiently dwelt upon the benefits we are sincerely convinced will accrue from the acceptance of this scheme. I should like you now to hear from Mr. Hays, who has so ably negotiated this matter, his general views upon the situation, and I have no doubt he will endorse more or less what I have stated; but, coming as he does fresh from Canada, and from his negotiations with Sir Wilfrid Laurier and the cabinet, I know he will speak to you with considerable weight, and no doubt carry conviction to you.

Mr. HAYS—Ladies and gentlemen, it is not unnatural that before embarking on an enterprise of this character you should have some hesitation, some doubt, and begin to query amongst yourselves as to what interest and what advantage this undertaking will be to the Grand Trunk Railway. I can see the holders of the first preference, of the second preference, and of the third preference securities saying to themselves 'Why, we are pretty well contented with our portion as it is; we are getting dividends year after year in an increasing ratio. Why should we, therefore, proceed to risk these dividends; why should we take any chance that may work in the end to a diminution of these dividends? Let us stay just where we are. We are doing well now; why take any chances at all?' Ladies and gentlemen, if I thought I could assure you that those dividends on the first, second and third preferences, to the extent they have been paid, would continue, then I would not be here to-day advocating this new enterprise. I cannot but feel that any objection that arises in this body to this project arises largely from a failure to fully recognize the situation. (Hear, hear.) The Grand Trunk to-day is drawing from this country that we are now seeking to enter, and seeking to tie up to the system, a very large portion of its traffic which we stand to lose if we do not embrace this enterprise. We cannot hold it. We are to-day handling from fifteen to twenty million—last year it reached 24,000,000—bushels of grain, which came across the lake from Lake Superior down to our ports, feeding the whole Grand Trunk system throughout Ontario, and this gives us the whole of the way from Montreal, thus contributing a very large portion of our earnings. We cannot hold that to our system if we do not take some means of fastening it to us. (Hear, hear.) That business to-day, gentlemen, is given to us by our competitors. It is not collected by the Grand Trunk Railway itself. The Grand Trunk Railway is in this rather ridiculous position from a business standpoint of gathering up traffic from the largest and most prosperous portion of Canada, taking it to North Bay, our connection with the Canadian Pacific, and from there giving it to the Canadian Pacific to haul across the country into this prosperous and rapidly developing district we are speaking of. And what do we get back? Nothing at all. Simply because the Canadian Pacific with its own line to the east, naturally as we would do if we were in their place, takes it away and gives nothing back. Now, we have another rival in that same territory which is competing with us to a certain extent now, that brings the grain down to the lake and conveys it by water across from Port Arthur and Fort William to these Ontario ports of ours. That line we do not control, and there is no likelihood or possibility of our controlling it in the near future; and that railway is making its connections with the United States lines to the south of St. Paul and Minneapolis up to Winnipeg, and drawing this grain and traffic, but is the only direction in which we can look for an increasing traffic. That traffic will be lost to us if we do not tie it up, so that to-day the question is not what your position is going to be if you embark on this enterprise, but what it is going to be if you do not embark on this enterprise. (Hear, hear.) That is the question that this meeting must decide to-day; that is the question to which you must give serious consideration. Your directors and your management have spent eighteen months at it. Some shareholders said 'Give us time to consider it.' Your directors and management have been going into this question detail by detail for eighteen months. Surely, that is enough to warrant them coming to some business-like conclusion as to the enterprise, and they stand here to-day, and not only advocate it, but say to you: 'If you lose it you cannot maintain your present position'; and that is what I say, and what I am willing to stake my reputation—whatever it may be—upon as a railway manager. (Applause.) Now, gentlemen, the Grand Trunk Pacific is going to be in quite a different position from that of an ordinary new enterprise stretching across the territory I have explained to you. Here is the Grand Trunk, the parent company, standing with a large traffic ready to deliver it westbound. This traffic is now given to a competitor. It does not have to wait five, ten or fifteen years to build up a traffic; it starts with a traffic right from the beginning, and that is of a most remunerative character,—a high class traffic, consisting of agricultural material, dry goods, boots and shoes, and all that class of merchandise that a new and rapidly developing country requires. The Grand Trunk as it is to-day hauls it 200 miles and hands it over to a competitor and gets nothing back. Is that a business-like position to be in? Is that a position for the directors and management of the Grand Trunk to maintain and to acquiesce in? I do not think you will say so. This enterprise which we are advocating to-day, ladies and gentlemen, combines points and advantages that no other transcontinental line in the United States of Canada can have. I will briefly enumerate a few of them. In the first place, I have already indicated that they start with a traffic under their control ready to go over this new line. The line stretches one thousand miles through the wheat belt of the country further than any other transcontinental line. It goes through that country on level grades, on practically what in railway parlance is called 1½ per cent grade, twenty-six feet to the mile. It crosses the mountains at the lowest elevation of any other transcontinental line of the country—2,500 feet at a maximum by the Pine pass, and 2,200 feet only by the Peace river—we have not decided which will be adopted—as against an elevation of 8,000 feet by some of the lower routes. You can determine in more careful detail the cost of a road when you know the elevation that you must attain. When you know the gradients that you adopt it is simply a matter of calculation what the cost of the road is going

to be. You take the price of rails, the price of ties, the price of labour ; it is not a mathematical problem at all what the cost will be. It may be varied by deflections one way or another, but you can tell within a very close amount what it is going to be. Then, in addition to the advantages of grade, location and so on, the line will be shortest one between the east—China and Japan and all of that country to which we must look for our future development—the road is 1,500 miles shorter from Montreal to Yokohama than via New York and San Francisco. It is 500 miles shorter than the Canadian Pacific route to Victoria. We will have taken a passenger half-away across the territory, before he could be far on his way by other routes. In all these great questions arising to-day in connection with Russia, Japan and all that territory, the importance of the shortest route must be apparent to you. There are many of you here to-day who will live to see the Grand Trunk Pacific hauling as much of its grain towards the Pacific for consumption in China, Japan and that territory as will be hauled in this eastern direction. The route will give the Grand Trunk Railway control of the rapidly growing business of the Yukon territory. That traffic all goes down now either by Vancouver, Seattle or the southern coast towns, and there is takes steamer some 2,000 miles. We shall have shortened that distance by rail in that neighbourhood by 1,000 miles. One shareholder a minute ago, in speaking of the obligation the Grand Trunk was to assume in this conection, seemed to have the impression that his interests, whatever they may be in whatever class of securities, were jeopardized from the outset, and I fear that there is a general impression arising entirely from this misunderstanding. The Grand Trunk Railway is not going to be called upon under its guarantees for one cent for eight years after this enterprise is started—after the construction of the line is commenced—the cost of the line during construction being added to capital and provided out of capital, and the securities which the Grand Trunk will guarantee will not be issued for eight years, and then after that eight years have rolled by, you have seven years yet on the mountain section, a part on which there seems to be some doubt. There can be not the slightest doubt as to what the returns will be from the prairie section, but on the mountain section you have seven years without any claim at all, three years after that only a claim on what is earned, making, therefore, before the mountain section becomes anything of a burden on the railway, eighteen years. All I have to do is to to ask you to look back at meetings and discussions which took place of a similar character in connection with the Canadian Pacific, where it was freely prophecied by gentlemen who were doubters, as we have doubters here to-day, that it would not earn the axle grease. (Laughter.) The gentlemen who were fortunate enough to buy the securities from those who held that impression have profited. We are going into the territory which was originally selected as the route of the Canadian Pacific. The surveys were made by the Canadian government who spent $3,000,000 in determining and selecting what was the most easy and direct route for a transcontinental line. This route was selected, but a change of government took place just about the time the report was made, and the idea was abandoned. A lower route was taken through a less desirable country than that which we are now taking, so that we are simply confirming the judgment of fifteen or twenty years ago as to the desirableness of the route, and the character of the country we are going through. To my mind it is difficult to conceive that there can be any objection to this scheme which promises so much to the Grand Trunk Railway, and which links its fortunes with those of the government of Canada in a way that the two must work together, not only for the benefit of the country at large, but for the joint benefit of the country and the Grand Trunk Railroad. Gentlemen, I shall be very glad to answer any other question, but I think I have covered the whole ground. The question is not what is going to happen to you if you adopt this enterprise, but what is going to happen if you do not adopt it. (Loud applause.)

A shareholder—I should like to ask Mr. Hays if he will tell us something about the climate of Port Simpson.

Mr. Hays—The gentleman asks about the climate along the proposed line and at Port Simpson. You will all understand that the question of climate and its severity is largely one of elevation. The country through which we are going commences to slope down towards Hudson Bay—the trend is all towards the Hudson Bay. The waters of that portion all drain to the north instead of to the south. Our line is on a very much lower elevation, and therefore there is a very much less rigorous climate than that followed by the lines not only south of us in Canada, but in the United States, which reach elevations of 5,000, 6,000 and 8,000 feet. In the neighbourhood of Edmonton where some of our officers were last winter, there were only six inches of snow. They rarely have six or eight inches of snow through all their territory. They have not begun to have the snow west of Winnipeg this year that we have had on our lines in Ontario where the storm centre seems to have been located principally. As to Port Simpson, there are several ports in that immediate vicinity which may be adopted for the final terminal of the road. In the agreement we speak of Port Simpson, but that would cover a radius of fifty miles, but the exact location of the terminal would be determined by anchorage facilities and advantages of harbourage. The climate at Port Simpson rarely exceeds a mean temperature of 50 to 55. It is on a degree of latitude about midway between that of London and Glasgow.

A shareholder—Is it an open port ?

Mr. Hays—Yes.

Mr. Alfred W. Smithers—I do not wish to detain the meeting after this long discussion for another moment, but I want to call the attention of the meeting to the position in in which we stand in regard to the government. There is no disposition on the part of the Grand Trunk Board, or its management, to hurry this discussion, but I may say that we have not been placed in this position by ourselves, but by the government of Canada. The government are going to bring this question before parliament the day after to-morrow, and we had to make the very greatest efforts to bring the thing into shape. It had to be put before you to-day, and I can only say, on the part of the board, and on the part of Mr. Hays, that the position of this company with the government of Canada, and in the estimation of the people of Canada, is of the closest description, and, after the way in which we have looked at this thing from every point of view, our position with the govern-

ment of Canada and the people of Canada would be very seriously imperilled for many years to come if we did not carry out this agreement. (Hear, hear.) A great corporation like this must be guided by its management and by its directors. It is not good for this company to have all its reasons and policies proclaimed on the housetops. (Applause.) I presume that every speech that has been made here to-day has been made solely in the interests of the Grand Trunk, and solely with a view to helping us; but there have been such things known as views being put forward, even within a Company, that were not wholly guided by the interest of that company. I can tell you—and Mr. Hays will support me in saying it—that there are many schemes in Canada, which are only waiting to come out, but we consider the scheme we propose to you to-day, after long examination, is the best means for defeating those competing schemes —(hear, hear)—and we believe—not that we are leading you into new dangers to-day, by asking you to pass this scheme, but that we are putting the Grand Trunk into a position in which it has never been before, that we are strengthening it from the large increase of points from which we shall draw traffic, and to which we shall give traffic ; and, with regard to those holders of the junior securities, who have complained to-day, I consider the junior securities of this company, are only valuable because of the reversion for the future, and it is to the junior security holders I would commend this scheme more than to any others, as immensely increasing the value of their reversion. I have been rather led off the subject by my anxiety to put this question before you, but I will now go back to the question of the exact position of the board to-day. I do not know wheher Mr. Allen feels that he could—his father not being here to-day—having fully ventilated his father's reason for leaving us—whether he could see his way to withdraw the amendment he has put before us. (Cries of 'No.') Mr. Allen was a colleague of ours for eight or nine years, and the most pleasant relations existed between us, and I am only sorry that Mr. Allen is not here to-day. I am only sorry that Mr. Allen has not taken the trouble of asking us for an interview. I myself would have gladly gone and seen him, and gone through the amended agreement we have obtained since he left office; and I wish to say, with all respect to Mr. Allen, that the statement which he has put forward to-day really relates to the agreement, or what he thought was the agreement, when he left the board, but it does not relate to the agreement which we present to you to-day. That which we present you to-day is a modified and a much more favourable agreement—(applause)—and it seems a hard thing that our late colleague, acting within his perfect right in leaving us should now set himself against the most anxious consideration that eleven of his colleagues have given to this matter, to which I venture to say his colleagues have given a great deal more attention to it than he ever was able to do, and he has also set his opinion against the opinion of Mr. Hays.

Now you know, gentlemen, it is no use telling us that we have done well for the last nine years, it is no use telling us that Mr. Hays is a very clever manager—I believe him to be one of the cleverest railway managers in the United States—but is it reasonable that Mr. Allen who, as I say, is a great friend of mine, is it reasonable or likely that, living in England, brought up, no doubt, in a strictly legal and somewhat conservative atmosphere, that his opinion is to be more correct than the unanimous opinion of eleven of his colleagues, and, above all, more correct than the opinion of such an expert as we have got in Mr. Hays. Now, with regard to the question of voting to-day. It is not our fault that we are in this position. We have got to send Sir Wilfrid Laurier the result of this meeting. As the president has told you—and as I was in Winnipeg last year with him, I am able to confirm what he says—as the president has told you, we are wanted in the Northwest ; the government have entered into a partnership to take us to the Northwest under conditions which amply safeguard the Grand Trunk. But your company, if you reject this to-day will not be in the position it was before. You will lose power and prestige with the people of Canada and with the government of Canada, and you will be looked upon as having no lot or part in the development of that country. They will say 'There is that old fogey of a board in England who cannot settle upon anything ; we must rely upon the Canadian Pacific or some other line.' I wish to impress that upon you that the condition to-day is a very serious one. We have given the very best attention we can to this thing. The government has made us what we consider to be a fair offer, and we believe we can do business with them profitably to you. We believe that by this means, and by no other means, you will get into the Northwest, and we also believe that unless railways do get into the Northwest that territory can never be properly developed, and that railways getting there will have a great future in Canada. Therefore I ask you seriously to pause before you refuse to ratify the agreements for which the board and Mr. Hays have worked with the government and negotiated with the government for the last eighteen months, and which they now lay before you with a full sense of their responsibility.

The PRESIDENT.—Do you wish me to again read the resolution, or rather the amendment to the motion ? (Cries of 'No.') I will only remark that the tendency of the amendment is that the discussion should be further adjourned until certain information of a very detailed description has been furnished. Upon a mere glance at the amendment, I see that a large portion of it asks for information which under no circumstances can be obtained. Therefore, on that ground the meeting, if it were passed, would be stultifying itself. There can be no question of postponement. I have told you the position. The question is, do you, or do you not, accept the scheme ? We, all of us, regret that there has not been more time for consideration, but circumstances have been too strong for us—they have been explained by Mr. Smithers and Mr. Hays. I think you have before you all the material for coming to a decision, and I will ask you to come to a decision immediately. But it is my duty to put before you the amendment which has been proposed by and seconded by another gentleman. Shall I read it again ? (Cries of 'No.') Well, those who are in favour of the amendment be good enough to signify their approval. Those who are of the contrary opinion. The amendment is lost. I now have to propose the substantive resolution which I read to you just now. Those of opinion that that resolution be approved, be good enough to signify in the usual way. (Cries

of 'All.') Those of the contrary opinion. The resolution is carried. (Loud applause.)

The retiring directors and auditors having been re-elected, the proceedings terminated with a vote of thanks to the president and directors.

Mr. Chairman, I am pleased with the attention the hon. leader of the House, the Finance Minister, the Minister of Justice and the hon. member for London (Mr. Hyman) and the other members of the government have paid to this very important document. I can only say that I hope they will read it over again very carefully, with more leisure to consider the different clauses than they have had to-night, I think they will profit by the reading.

Mr. FIELDING. I think we ought to say that the hon. gentleman (Mr. Lefurgey) has contributed the most interesting statement that has come from that side of the House on this subject.

Resolution reported, read the second time and agreed to.

Mr. TAYLOR. I suppose the House will rise now.

Mr. FIELDING. We will just introduce the Bill and take the first reading.

Mr. TAYLOR. We should only proceed one stage to-day.

Mr. FIELDING. That is all—the introduction of the Bill usually follows the resolution.

Mr. TAYLOR. Introduce the Bill to-morrow. When it is introduced it will probably provoke discussion.

Mr. FIELDING. Not on the introduction.

Mr. TAYLOR. It may. There are one or two hon. gentlemen who are absent now but who had purposed saying something before the resolution passed.

Mr. BRODEUR. On the second reading of the Bill full discussion can take place. The usual course is, after the resolution is reported the Bill is introduced.

Mr. FIELDING. But not proceeded with.

Mr. FITZPATRICK moved for leave to introduce Bill (No. 72) to amend the National Transcontinental Railway Act.

Motion agreed to, and Bill read the first time.

Mr. TAYLOR: Is the Bill printed? Is it to be proceeded with to-morrow?

Mr. FIELDING. I understand that it is printed and will be distributed to-night; and, if there is no objection, it will be proceeded with to-morrow. The Bill is a very small one, and is no substantial addition to what is already before the House.

Mr. LEFURGEY.

ADJOURNMENT—BUSINESS OF THE HOUSE.

Mr. FIELDING moved the adjournment of the House.

Mr. SPROULE. It would be forcing this Grand Trunk Pacific measure through the House very rapidly to proceed with it to-morrow. We must have some time to consider it.

Mr. FIELDING. If to-morrow objection is taken, no doubt the Prime Minister will meet the views of hon. gentlemen. Before he left this evening, I asked what business would be taken up to-morrow, and he said we would proceed with this Bill. But, if any suggestion is made I have no doubt he will readily agree to it.

Motion agreed to, and House adjourned at 12.10 a.m., Friday.

HOUSE OF COMMONS.

FRIDAY, April 22, 1904.

The SPEAKER took the Chair at Three o'clock.

RAILWAY ACT AMENDMENT.

Mr. HAUGHTON LENNOX (South Simcoe) moved for leave to introduce Bill (No. 73) to amend the Railway Act.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). Explain.

Mr. LENNOX. This is a Bill very much on the same lines as the Bill introduced by the hon. member for South Wellington (Mr Guthrie) last session. It was then Bill No. 74. That Bill went to the Railway Committee and was reported on favourably. An Act was passed in 1874 and another in 1878, enabling the Grand Trunk Railway Company to provide insurance for their employees. My hon. friend the Minister of Justice (Mr. Fitzpatrick) will recollect that there is a question as to the jurisdiction of the two parliaments. The object of the Bill I introduce to-day is the same as that of the Bill introduced last session.

Motion agreed to, and Bill read the first time.

FISHERIES ACT AMENDMENT.

Hon. RAYMOND PREFONTAINE (Minister of Marine and Fisheries) moved for leave to introduce Bill (No. 74) to amend the Fisheries Act.

Mr. R. L. BORDEN. Will the hon. gentleman kindly explain briefly?

Mr. PREFONTAINE. The main object of the Bill is to provide for the licensing of whale fishing establishments. At the present time we have in the Dominion no law regulating the establishment of whale factories. The idea of this Bill has come to the government from legislation of the same

kind which exists in Newfoundland. During the past year quite a number of demands have been made for whale factory licenses. As there are no regulations, the department has thought it proper to introduce this Bill so as to regulate this industry in the future. The legislation does not seek to license whale fishing or whale fishing areas but merely to regulate and control the whaling industry.

Motion agreed to, and Bill read the first time.

JOINT STOCK COMPANIES' ACT AMENDMENT.

Mr. M. K. COWAN (South Essex) moved for leave to introduce Bill (No. 75) to amend the Companies' Act, 1902.

Mr. R. L. BORDEN. Explain.

Mr. COWAN. The Bill is to amend section 40, chapter 15, of the Joint Stock Companies' Act. Under the section as it now reads you can reduce shares by by-law below the par value of $100, but if the shares are below par value there is no power to raise them up to $100 shares. This is simply to permit you by by-law to group a number of shares and thereby raise them up to $100 shares.

Motion agreed to and Bill read the first time.

CRIMINAL CODE AMENDMENT.

Mr. F. B. WADE (Annapolis) moved for leave to introduce Bill (No. 76) to amend the Criminal Code.

Mr. LENNOX. Explain.

Mr. WADE. The object of the Bill is to amend the Criminal Code, as far as it relates to the province of Nova Scotia, so as to provide a better and speedier way of punishing parties who are caught stealing, or who are found in possession of gold quartz or amalgam. Under the law as it stands at the present time it is almost impossible to convict the parties. The principal provision of this Bill is that if a party is found with gold amalgam or gold-bearing quartz in his possession the burden is put upon him of proving that he has come by it honestly, a provision largely taken from the Act in force in western Australia. It was discussed in the House at some length last session, and was introduced as a part of the government amendments at that time. As the Bill did not get through then, I have taken the responsibility of having the amendments introduced this year in exactly the same form they were last session.

Motion agreed to, and Bill read the first time.

ALLOWANCES OF STAFF OFFICERS.

Sir FREDERICK W. BORDEN (Minister of Militia and Defence) moved that the House go into Committee of the Whole on Monday next to consider the following resolution :

That the pay and allowances of the officers of the general staff, headquarters staff, and district staff, respectively, not provided for in the Bill respecting the militia of Canada, shall be fixed by the Governor in Council.

He said : In reference to the notice of motion which has just been moved for consideration, I beg to say that I have received the consent of His Excellency the Governor General to its introduction.

Motion agreed to.

THE ESSEX FUSILIERS.

Mr. M. K. COWAN (South Essex). Before the Orders of the Day are called, I wish to call attention to a paragraph in the Ottawa 'Citizen' of this morning and if necessary in order to put myself in order I shall conclude with a motion. The paragraph is as follows :

The Essex Fusiliers are to represent the Canadian militia at the St. Louis exposition. The Fusiliers are a fairly good regiment, but they are not exactly the class of corps to be put on exhibition before the world as a representative corps.

I desire to say that while I have no knowledge of the Essex Fusiliers having been chosen to represent the Canadian militia at the St. Louis exposition, if any regiment is to be chosen that no wiser or better course could be made from regiments of the same number of companies as the Fusiliers. I feel that I must remonstrate against the aspersion cast upon that regiment by the paragraph in question. While I am not going to say that the Essex Fusiliers, for the number of companies, is the best regiment in Canada, I do say that it is second to none. The Essex Fusiliers have already on one occasion represented the Dominion of Canada in the United States. A year or so ago, when President Roosevelt visited Detroit, the Essex Fusiliers, crossed the river and participated in the review. President Roosevelt spoke in the highest terms of them. It was a gala day in Detroit, as you may imagine. Every newspaper in the state of Michigan was represented and they were unanimous in stating that so far as the bearing of the officers, fine physique of the men, the nattiness of their appearance, the perfection of their marching, they were surpassed by none of the American regiments present on that occasion. I wish to place myself on record in regard to this matter and to say that no aspersion of that character shall be allowed to pass while I have the honour to hold a seat in this House without my protest and something being said in favour of the officers and men of a regiment whose merits and position any language of

mine would be inadequate to express. I therefore move that the House do now adjourn.

Mr. CLARKE. Might I ask the hon the Minister of Militia (Sir Frederick Borden) if the selection of this Fusilier regiment—and I agree with all that the hon. gentleman (Mr. Cowan) has said respecting it—has been made by the militia authorities ?

Sir FREDERICK BORDEN. No.

Mr. CLARKE. This regiment has not been selected by the militia authorities to represent the Canadian militia at St. Louis.

Sir FREDERICK BORDEN. No, no regiment so far as I know has been selected for this duty.

Motion (Mr. Cowan) to adjourn, negatived.

THE TARIFF AND SHIPS' CABLES.

Mr. C. E. KAULBACH. Before the Orders of the Day are called, I wish to draw the attention of the hon. the Minister of Customs (Mr. Paterson) for a few moments to a matter respecting the customs tariff which materially interests the fishermen of the maritime provinces. I observe that by tariff item 542, ships' cables are admitted free of duty, whilst fishermen's ships' cables are charged 25 per cent. The fishermen are a class who contribute very largely to the revenue of the country. They are a class who should be looked after very carefully. The farmer is cared for to the greatest possible extent, and his binder twine is admitted free. I do not see why ships' cables for fishing purposes should not be admitted free as well. I wish to ask the minister if he will kindly give this matter his attention and view it as favourably as he can in the interests of the fishermen. I would also ask that the hon. minister consider this matter carefully and give the benefit they desire at as early a date as possible, as many new vessels are being built this year and it would be a great advantage to the fishermen if their ships' hawsers for fishing purposes were admitted free of duty as ships' cables are. I cannot see why the difference should exist.

Hon. W. S. FIELDING (Minister of Finance). My hon. friend (Mr. Kaulbach) is of course aware that his request would require a tariff change. It is pleasant to hear hon. gentlemen on that side of the House express the desire to have something admitted free. We promise to give favourable consideration to all these matters.

Mr. COCHRANE. It must affect your heart I know.

GRAND TRUNK PACIFIC RAILWAY.

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) moved second reading of Bill (No. 72) to amend the National Transcontiental Railway Act.

Mr. SPROULE. I understood last night that the second reading of this Bill was not to be gone on with to-day. As it was only presented to the House at 12 o'clock last night, it seems hardly reasonable to go on with the second reading now.

Mr. FIELDING. My hon. friend (Mr. Sproule) will remember that I said last night that the right hon. the Prime Minister wished me to say that it was the intention of the government to proceed with the Bill to-day, and therefore I announced that as the day's business. I said that if to-day reasonable grounds were shown why we should take a different course I had no doubt, the right hon. the Premier would be prepared to give the suggestion favourable consideration.

Mr. SPROULE. That is exactly what the minister said, but I understood him to say that if any reasonable objections were raised it would not be gone on with.

Mr. FIELDING. The hon. gentleman might present his objections.

Mr. R. L. BORDEN. I made more than one application to obtain a copy of the Bill, but was unable to do so up to one o'clock to-day. I sent to the post office twice, it was not ready, and I have not yet received, it, and therefore, under these circumstances think the Bill should not be proceeded with.

Sir WILFRID LAURIER. Under such circumstances I withdraw my motion, and will say that I would like, if possible, to take that Bill up again on Tuesday next.

Mr. R. L. BORDEN. That will be quite satisfactory.

Sir WILFRID LAURIER. There is a good deal of private business to be disposed of on Monday. We might dispose of it, and then take up this Bill on Tuesday again and then proceed with it from day to day until it is disposed of.

Mr. R. L. BORDEN. So far as proceeding with it on Tuesday is concerned, I am quite ready ; so far as the other part of the right hon. gentleman's suggestion is concerned, I shall let him know on Monday what I think. I did not understand that it was covered by the terms of the resolution, and therefore I did not take that into consideration.

Sir WILFRID LAURIER. It is not. I have just given notice of a motion to have the Bill taken up from day to day until it is disposed of, and on Tuesday I intend to move this order.

Mr. R. L. BORDEN. We shall be ready to go on with the Bill on Tuesday.

Motion withdrawn.

PETITION OF RIGHT ACT AMENDMENT.

Hon. CHARLES FITZPATRICK (Minister of Justice) moved second reading of Bill (No. 38) to amend the petition of Right Act.

Hon. Mr. HAGGART. What is the effect of the Bill ?

Hon. Mr. FITZPATRICK. It is of no great importance. The practice now is, when a petition for a fiat is presented, after the fiat is granted, to hand over the petition with the fiat to the solicitor for the petitioner, who takes it to the Exchequer Court and files it there. We have no control over the petition in the interval after the fiat is granted and before it reaches the Exchequer Court. The intention of the amendment is to keep control of the petition until it forms part of the record of the court. After the fiat is granted the Secretary of State will deposit the petition in the Exchequer Court office, and in that way any possibility of tampering with the petition will be avoided, and we shall be sure that it will reach the Exchequer Court in the form in which it was granted.

Motion agreed to and Bill read the second time, considered in committee, reported, read the third time and passed.

YUKON TERRITORY ACT AMENDED.

Hon. CHARLES FITZPATRICK moved second reading of Bill (No. 39) to amend the Yukon Territory Act.

Mr. HAGGART. Explain.

Mr. FITZPATRICK. Subsection 3 of section 5 of the Yukon Territory Act provides as follows :

> The natural-born and naturalized male British subjects in the territory, who have attained the full age of twenty-one years and continuously resided there for a period of not less than twelve months, shall elect two representatives to the Territorial Council, and such representatives shall have the same power and be charged with the same duties as those members of the council who are appointed by the Governor in Council ; and any person qualified to vote shall be eligible for election.

That section taken literally means that five representatives to the Territorial Council are to be chosen by the electors at large ; that is to say, every elector would have the right to vote for each of the five members. Acting upon what I conceive to be an improper construction of the Yukon Territory Act, the Yukon council have proceeded to divide the territory into five electoral divisions, and have given to the electors for each division the right to elect one man. I have some doubts as to their right to do that, although I concede it to be convenient for the purposes of an election ; and in order to set the matter at rest and to avoid all doubt as to the regularity of the ordinance passed by the Yukon council, I have introduced this Bill sanctioning what they have done.

Mr. HAGGART. We do not know what the divisions are. Perhaps the Minister of Justice can let us have a report showing them on the third reading.

Mr. LANCASTER. Has the Minister of Justice an explanation to make to the House on the latter part of the Bill, in regard to the qualifications of voters ?

Mr. FITZPATRICK. It refers merely to qualification as to residence. The council have the right to give the power to vote to any British subject who has resided in the district any time within twelve months prior to the time of voting. The ordinance of the Yukon council, No. 29, provides that, and has fixed the period of three months residence within the territorial district.

Mr. LANCASTER. Does the minister intend that this shall mean that a person who was entitled to be a voter at any time within twelve months, even if he has left the territory, should still be entitled to vote at an election. Because that is what it means, taken literally.

Mr. FITZPATRICK. The Commissioner in Council in 1902, by ordinance 28, provided for the division of the territory into electoral districts, and for the election of a representative from each district instead of from the country at large ; and by ordinance 29 of the same year, a person tendering his vote is required to swear that he is a British subject and has resided for twelve months in the electoral district where he desires to exercise his right to vote. Since that time that period has been shortened to three months residence within the district ; so that in order that a man may vote in any one of these five electoral districts it is necessary that he should be a British subject, and if required, should prove that he has lived in the electoral district for three months immediately preceding the time of the election.

Motion agreed to, Bill read the second time, and House went into committee thereon.

On section 1,

> 1. Notwithstanding anything contained in the Yukon Territory Act, chapter 6 of the statutes of 1898, or in any Act in amendment thereof, the Commissioner in Council may make ordinances providing for the division of the territory into electoral districts for the purposes of the election of the representative members of the council of the territory, each of such districts to be represented by one or more of such members, and ordinances prescribing, as a qualification necessary to entitle any person to vote at an election of a representative member for an electoral district, residence in the district at the time of the election or for any period not longer than twelve months prior thereto ; and any ordinance heretofore made by the Commis-

sioner in Council in so far as it did or does so provide or prescribe, is hereby declared to have been valid and effectual from the date when it was passed.

Mr. LANCASTER. This Bill practically makes but one qualification to entitle any one to vote, and it is doubtful whether it therefore does not override the other provision on the same subject which my hon. friend says exists. We are prescribing what may be done by ordinances, and we are providing that a Commissioner in Council, may make ordinances prescribing, as a qualification necessary to entitle any person to vote at an election, residence in the district at the time of the election or for any period not longer than twelve months prior thereto. It seems to me that by this we are giving a chance for a very strong argument that we thereby exclude other qualifications. Suppose a person had been a resident for three months, during the twelve months prior to the election and then went away to Ontario, he could, under this Act, come back and claim the right to vote, notwithstanding the fact that he had given up his residence and gone to live somewhere else and he need not even be a British subject or of age.

Mr. FITZPATRICK. The intention is to ratify and confirm the ordinances passed by the Territorial Council of the Yukon. My Bill was drafted from the ordinance and my desire is to follow the words as closely as I can. I should not like to amend it without having the ordinance before me. My hon. friend's objection is that the quality of British subject and residence in any territorial district at any time within the twelve months prior to the election, would justify a vote by a person who may no longer be a resident. In order to avoid the difficulty, I would be glad to ask that the committee rise for the purpose of considering the objection and seeing how far I can meet it.

Mr. SPROULE. Has there been any litigation ?

Mr. FITZPATRICK. I want to anticipate any trouble of that sort.

Progress reported.

EXCHEQUER COURT ACT.

Bill (No. 37) to amend the Exchequer Court Act (Mr. Fitzpatrick) read the second time, and House went into committee thereon.

On section 1,

1. Section 4 of chapter 8 of the statutes of 1902 is repealed, and the following is substituted therefor :—

4. Notwithstanding anything contained in section 51 (as enacted by section 1 of chapter 35 of the statutes of 1890) or section 52 of the Exchequer Court Act, where the Crown is a party to any action, suit, cause, matter, or other judicial proceeding, an appeal shall lie on behalf of the Crown from any judgment, decree or order of the Exchequer Court or of any judge thereof.

Mr. HAGGART. What is the reason for this ?

Mr. FITZPATRICK. When the Exchequer Court was first established, the right of appeal from it was given only in cases in which the amount at issue exceeded $500. Since then we have enlarged the scope of the Act so as to give the Crown the right to appeal, irrespective of the amount, subject to the control of a judge of the Supreme Court. We are now giving the right absolutely in all cases. We conceive that to be in the public interest. For instance, there may be cases in which the amount involved is very trivial and the principle at issue an important one, and we desire to have the right to appeal in all cases at the discretion of the minister.

Mr. HAGGART. I can quite understand that in exercising the right of expropriation, though the property may not be worth more than fifteen or twenty dollars, there may be a principle involved, and the Crown might like to have that principle decided otherwise than according to the judgment of the Exchequer Court. But what about the poor litigant, who has only twenty dollars worth of property in contestation. The modern principle is that where the litigation is for a small amount, the judgment shall be final. There are hundreds of cases of expropriation for the purposes of a canal or railway, in which a principle may be involved, but the poor devil whose property is being taken, does not care much about the principle. He wants the money.

Mr. FITZPATRICK. It seems to me that—if my hon. friend (Mr. Haggart) will pardon me for borrowing his expression—the poor devil would be glad of a decision ; but what about the forty or fifty other poor devils who are dependent upon the points determined in the case ? My hon. friend is best qualified to speak on that point, because he must have in mind cases that occur on the canals. For instance, I have in mind a case that occurred recently, I think, in the vicinity of Cornwall canal, where a whole village was affected as a result of a diversion of a highway, and we had forty or fifty petitions for fiats to sue the Crown. One case was tried, but the others were held in suspense, because we wanted to have the question determined how far we were liable. The principle being determined for one, all the other cases could be settled. It may be that the amount involved in any of these cases is not large, but all the claims would aggregate a considerable amount. This amendment is for the purpose of avoiding litigation. I can well understand that it is not in the interest of lawyers ; but it is in the interest of litigants that we should endeavour to have some principle settled

that will avoid what is going on now. There may be forty or fifty cases brought, in which the same principle is involved.

Mr. LANCASTER. Will not the same rule apply as applies in cases between subject and subject? We have many small claims for instance, arising in railway cases. We can trust the judges to learn what judgments have been given on appeal and to take the law from those cases. There must be enough cases decided by the Exchequer Court in which the amount is large enough to allow an appeal, and the decisions given in these cases appealed will guide the judgments of the court itself. There is this difference in favour of the contention of the hon. member for South Lanark (Mr. Haggart) that, whereas in cases between subject and subject you have the decisions of many judges, in cases of the Exchequer Court you have always the same judge.

Mr. FITZPATRICK. He is not always the same man.

Mr. LANCASTER. Nearly always. At any rate, we have a number of judges presiding over county courts who take different views of the decisions of the higher courts on questions of principle. I think there is a good deal in what the hon. member for South Lanark says; and the litigant, whether you call him by the name that has been applied to him in this debate or whether you call him 'the poor fellow,' or 'the persecuted individual,' ought to be treated with a little more consideration in these matters than this Bill will allow him. Suppose that a poor man has a small claim against the government, he ought not to be asked to have appeals in regard to that, more numerous than he would have in a suit between subject and subject. If the minimum for which an appeal is allowed is too large, it might be made lower. I do not recollect what the limit is in the Exchequer Court.

Mr. FITZPATRICK. Five hundred dollars.

Mr. LANCASTER. It seems to me that would be a fair amount to leave it at. The Exchequer Court ought not to be appealed from in cases of less than $500. But, if the minister thinks the amount should be $300 or $400, that might be discussed. But, up to a certain amount the Crown ought to be satisfied, if the decision goes against it, that it owes the amount. There may be circumstances under which you wish to make a test case and, for that reason to appeal the decision in a small suit. But would not any existing difficulty be overcome in practice by the number of cases which would go above the minimum. And, could not we trust the Exchequer Court judge, knowing the law as shown by the appeals in these larger cases, to do justice in the smaller cases?

Mr. FITZPATRICK. My hon. friend (Mr. Lancaster) would be quite correct if this were dependent upon a mere question of law. But he must bear in mind that, under our Expropriation Act the judge determines in particular cases whether or not the work done by the government may not have benefited property, and if that may not be taken into consideration in diminution of damages. So, you have not only the difficulty my hon. friend pointed out, but you have the difficulty that the question may be a mixed one of law and facts, and so it is important to have each of the class of cases determined to which the same law and class of facts apply, so as to avoid litigation with an unnecessary number of people. Hon. gentlemen need not be afraid that the government will take an appeal in cases in which it is not justified. I can assure them there is much more difficulty in getting these cases tried in court than in settling them. It is more convenient to settle them, and much more pressure is brought upon the government to settle than to litigate. And it is only because we feel it necessary, at times, to have the question of law and fact tried out that we insist upon petitions of right. My hon. friend will bear in mind the principle that he enunciated that would apply in ordinary cases does not apply in a case of mixed law and fact.

Mr. LANCASTER. I do not know whether I am right or not—the minister can tell me. Is it not usual for the Exchequer Court judge to refer questions to some referee to ascertain the facts, the judge then deciding upon those facts? If so, we have in the Exchequer Court practically an appeal within the court. The high court judges often leave questions of fact to the county judge or to some referee to decide the facts while the judges themselves apply the law. This would be a guarantee against the mixing up of the law and fact. If this practice prevails in the Exchequer Court, it seems to me it would be a fairly safe rule it being understood, of course, that the Exchequer Court judge need not adopt the report of the referee, if he thinks it not right.

Mr. FITZPATRICK. There is a practice of referring these matters, I think, as a rule, to the registrar of the court. I think this is exclusively for evidence as to the facts. But that would not apply in the case I pointed out. I shall have to ask the committee to allow me to amend the Bill by adding a section which will have the effect of authorizing by law a practice which has grown up in the court, but which, if not authorized may expose us to trouble some day. The practice of the Exchequer Court is for the judge to settle the question of liability or non-liability, without assessing damages, and thereupon an appeal is taken to the Supreme Court upon that judgment. In such a case, you will observe, the amount of the claim is not assessed. There are cases in England, which I have recently

come across, in which it is held that there is no appeal under those circumstances because there is no definite liability ascertained. I am afraid of difficulty arising some day if some cute lawyer raises this objection. In order to avoid that I want to establish by statute what has been established by practice up to the present time, in regard to these railway appeals.

Section 1 agreed to.

Mr. FITZPATRICK. I move to add the following section :

Section 2 of chapter 8 of the statutes of 1902 is repealed and the following substituted therefor :—

2. The section substituted for section 51 of the said Act by section 1, of chapter 35, of the statutes of 1890, is amended by inserting after the word 'judgment' in the fourth line of the said section, the words 'or with any judgment on any demurrer or with any judgment which determines the rights of the parties, although the amount of liabilities or damages remains to be subsequently ascertained or assessed.'

Mr. HAGGART. Will this have any ex post facto effect ?

Mr. FITZPATRICK. Only for the future. I do not think it would be fair to apply it to a lis pendens.

Amendment agreed to, and Bill reported.

Mr. SPEAKER. When shall the Bill be read the third time ?

Mr. HAGGART. The leader of the opposition is not here. He has a purview of all these Bills. I would like him to see it before the third reading.

Mr. SPEAKER. At the next meeting of the House.

SUPPLY.

House again in Committee of Supply.

Department of Customs, salaries, $57,160.

Mr. CLARKE. Are there any increases provided for ?

Hon. WILLIAM PATERSON (Minister of Customs). Yes, you will notice in this item there is an increase of $3,185 in the estimates for 1903-4. In the comparative statement of the clerical and other assistance under the estimates for contingencies last year, $5,625 are included in the vote for the permanent salaries this year. You will notice there is no corresponding item for clerical or other assistance in the contingencies this year, the reason being that these men have been made permanent employees. In a comparison of these two amendments added together there is an increase of $3,185, when you take it in that way.

Mr. CLARKE. To whom are these increases to be given ?

Mr. PATERSON. This item deals with the inside service entirely, the estimates for the outside service come later.

Mr. CLARKE. Have you any particulars as to whom these increases are to be given?

Mr. PATERSON. Yes. Under the provision of the Civil Service Bill of last session the temporary clerks in the department were appointed third class clerks. The hon. gentleman will remember the change in the law. On the 1st of January. 1904, the estimates for their salaries for the coming year ceased to be found in the contingencies.

Mr. CLARKE. How much of the increase will that account for ?

Mr. PATERSON. Some $700 is provided for increases. Mr. J. R. K. Bristol is raised from $1,400 to $1,500 ; John A. Watson is raised from $1,400 to $1,500 ; Charles Scofield from $700 to $800 ; Miss J. Young from $600 to $800 ; William Wall from $600 to $800. That makes $700.

Mr. COCHRANE. Why should you give to some an increase of $200 and to others an increase of only $100 ?

Mr. PATERSON. Because $800 is the minimum salary of a junior second and they were all put up to the minimum of a junior second. Then there was $1,200 for what are termed statutory increases. All the officers of the department who were entitled to it have received their increases of $50.

Mr. CLARKE. All of them have received it ?

Mr. PATERSON. All who were entitled to it. Some are at the maximum.

Mr. SPROULE. I notice you have three more junior second-class clerks. Were these raised from the other class ?

Mr. PATERSON. No, these are in the service at the present time but they are paid from the outside vote, and we are making provision now that they may be paid from the vote for the inside service. Of course, they will not be paid from the vote for the outside service. They are working in the office. The work in the office has increased so that we had to bring in some from the statistical branch.

Mr. COCHRANE. They would have been out of a job if you had not given them one.

Mr. PATERSON. No, they are now in the service and get their salaries. They were working in the statistical department, but the work in the inside has developed so much that we had to avail ourselves of their services.

Mr. COCHRANE. We hear a great deal about development. I do not think there is any place in Canada where it is going on

so much as around this part of the country. You have not only got the buildings so overcrowded, that, as you used to say when we were in power, the roofs were almost lifted off, but you have every shack around the city rented as well. I see that your department has taken the old building vacated by Mr. Wood. What development there must be in the country when you require all this space!

Mr. PATERSON. That cannot be charged against the department very well.

Mr. COCHRANE. I think it is chargeable to the department. You have so many political heelers around that you cannot find room to accommodate them. You declaimed so loudly when we were in power that you made your voice heard almost up to the riding which I have the honour to represent in regard to this matter, but now you have the departments which we used to occupy so full that you have to rent places outside to accommodate all the people whom you have in the service. I go along the street and I see the customs located in a big building that the owner vacated to rent to the hon. Minister of Militia and Defence.

Mr. PATERSON. I still maintain the ground that we cannot be blamed for that very well. The customs house in Ottawa was burned down and the city of Ottawa had to get some place in which to transact its business. The local customs office had to get into quarters somewhere. We had to have some customs-house in the city where people could transact their business I think the local customs office has rented a portion of the Woods building for that purpose. If it had not rented that building it would have been obliged to have rented one some place else.

Mr. COCHRANE. You are quite ingenious at framing excuses.

Mr. PATERSON. Well, the hon. gentleman admits that it is an excuse anyway.

Mr. CLARKE. But he thinks it a very bad excuse.

Mr. HAGGART. I suppose the hon. Minister of Customs has the report of the deputy head of the department in favour of this change and the approval of council?

Mr. PATERSON. These estimates have passed council.

Mr. HAGGART. I beg pardon; I am asking you if you have performed what the law requires, that is to say, if you have secured a report from the deputy head of your department approving of the changes and if you have the sanction of council. If not, you have no right to ask for this vote.

Mr. PATERSON. If the hon. gentleman's question is as to whether the commissioner approves of this, I can only tell him yes.

Mr. HAGGART. Not at all; I am asking you if you have the report of the deptuy head of the department approving of this and if you have the approbation of council.

Mr. WILSON. Is the commissioner the deputy minister of the department and did he participate in the raise given to the deputy ministers generally last year?

Mr. PATERSON. Yes, the Commissioner of Customs is the deputy head.

Mr. WILSON. What is his salary now?

Mr. PATERSON. $4,000.

Mr. WILSON. That is a raise of $1,200.

Mr. PATERSON. No.

Mr. WILSON. According to the Auditor General's Report.

Mr. PATERSON. The hon. gentleman will find that he appears before that. He got $800 as chairman of the board of customs in addition to that. The advance he actually gets is that while he had $3,600 before he now has $4,000. He gets that under the new Act that was passed.

Mr. WILSON. In the Auditor General's Report his salary is given for twelve months.

Mr. PATERSON. The hon. gentleman will find another item of $800 as chairman of the Board of Customs.

Mr. WILSON. Does he still get that $800 as chairman of the Board of Customs?

Mr. PATERSON. No.

Mr. WILSON. It is all covered by the $4,000?

Mr. LANCASTER. I would like to know from the hon. minister exactly in plain language whether he has got a report from the deputy head of the department and the authority of an Order in Council which are necessary in order to enable him to legally grant these increases. I think the committee ought to know that.

Mr. PATERSON. These are not granted yet; these are estimates that are not being prepared. Before these increases are passed by Order in Council of course there will be a report from the deputy minister recommending them.

Mr. LANCASTER. I think that these things are required by law as necessary conditions precedent to our being asked to sanction the payment of this money. I do not think that the hon. Minister of Customs ought to ask the committee to pass these items in this way without these things that the law requires as conditions precedent.

Mr. FIELDING. You must first get your parliamentary authority.

Mr. SPROULE. No, no.

Mr. FIELDING. I think so. I have not the Act at hand but I think these conditions must be complied with. The hon. Minister of Customs cannot increase any salary without first getting the money voted.

Mr. SPROULE. You are now providing for the increases.

Mr. FIELDING. We are providing for increases which the hon. Minister of Customs proposes to make from the first day of July next.

Mr. LANCASTER. I cannot understand how it could be as the hon. Minister of Finance puts it. We are asked here to vote the money on the faith of something that the statute requires to have been done. We should not be asked to vote this money unless the increases have been legally and properly brought about. This committee ought to know whether the conditions precedent have been observed, before we are asked to grant these increases. We have no power to pass this item unless the deputy head has recommended these increases and unless an Order in Council has been passed. How do we know that these conditions will be observed? How do we know that the deputy head of the department is not going to say: Out of respect to the House of Commons I will certify to these increases? He is not obliged to do so and he ought not to do it for that reason. He ought to act upon his own opinion. He should not do it because parliament has given him an invitation to do so. I think we are beginning at the wrong end. The deputy head is supposed to say to parliament and to the country through parliament: In my opinion as the chief officer of these people, they are entitled to increases in salary. We give weight to his recommendation and vote money for such increases. We are supposed to give increases to officials because their superior officer, knowing their fitness and faithfulness, recommends them for increases.

Mr. FIELDING. I think my hon. friend has a mistaken conception of the situation. We are really not increasing the salaries of these gentlemen by this vote at all; we are giving the department power to increase them, subject to the requirements of the statutes.

Mr. COCHRANE. No, no.

Mr. FIELDING. Before the Minister of Customs can effectively recommend these increases, the recommendation of the deputy minister must intervene, but the recommendation of the deputy and the minister would alike be worthless if parliament did not provide the money.

Mr. CLARKE. Are you proceeding in the usual course?

Mr. FIELDING. Yes.

Mr. SPROULE.

Mr. CLARKE. We are placing so much money, as I understand it, at the disposal of the minister, but we have not the recommendation of the deputy and do not know to whom these increases are to be paid. Is it not reasonable when we are asked to vote money, that we should have this recommendation of the deputy or a statement from the minister of the officers to whom it is intended to give the increases?

Mr. FIELDING. The Minister of Customs (Mr. Paterson) has given the names of the officers to whom it is proposed to give the increases. The House is not granting these increases at this moment, and if these estimates are passed and nothing more is done, these men cannot get the increases. They can only get the increase when it is recommended to the Treasury Board and to Council by the minister, and the minister can only do that when a recommendation is made by the deputy minister.

Mr. CLARKE. Is not parliament entitled to ask for that recommendation before voting the money?

Mr. FIELDING. I think the intention is altogether the reverse. You must get your appropriation of money in the first place.

Mr. CLARKE. It is in the power of the department to ask for it. In the way it is now being done, the minister can say to his deputy: I have so much money at my disposal to increase salaries; I would suggest to you—and a wink is often as good as a nod—that so and so, and so and so, should have an increase in salary. In this way he could go over the list until the appropriation given by parliament was exhausted. I would ask the Finance Minister if that is the intention. Is it unreasonable to ask that parliament should be in possession of the information we are now asking, the names of the persons to whom these increases are to be paid? We have received no specific information on this, but are merely providing money in advance, without knowing to whom it is to be paid.

Mr. FIELDING. There are sometimes proposals for increases outside the ordinary form and these have to be stated but I understand that we are now dealing entirely with statutory increases.

Mr. HAGGART. There is a change in the number of the staff, an increase from 34 to 45, and my argument was that it is absolutely necessary, before a vote is made, that the report of the head of the department shall be approved of by the minister and receive the support of council before any change can be made in the staff.

Mr. FIELDING. I agree that before a change in staff can be made there must be these reports, but they are not required

before the money is asked from parliament.

Mr. CLARKE. I appeal to the minister if this does not place the matter absolutely in the hands of the minister of the department; that the opposition have to go it blind? All we are asked to do is to vote a lump sum.

Mr. FIELDING. Not at all.

Mr. CLARKE. We do not know to whom these moneys are being paid, and I think we are entirely reasonable in asking for definite information as to who are to receive these increases.

Mr. FIELDING. My hon. friend (Mr. Clarke) is entirely wrong when he says we are to go it blind. These are statutory increases which are regulated by the statute. I understand the hon. minister (Mr. Paterson) to say that every man in his department who is eligible is to receive an increase.

Mr. CLARKE. Do the ordinary statutory increases exhaust the amount asked for?

Mr. PATERSON. Seven hundred dollars of the increase is accounted for by the fact that the minimum salary was increased $100 by the Act of last year. With reference to the $1,200, if the hon. gentleman has a civil service list and will turn to page 51, he will find the names of all the officers who have been permanent in the department hitherto. Next year there will be some more.

Mr. CLARKE. Does the Act contemplate that before an increase is given, a report must be had from the deputy minister recommending it?

Mr. FIELDING. Before it is given, but not before it is voted.

Mr. CLARKE. The argument was made for many years that worthy civil servants were discriminated against. If this is an automatic business, it will be possible for the minister to say that these increases have occurred all along the line.

Mr. PATERSON. Certainly we have had such an increase.

Mr. CLARKE. Where is the deputy's recommendation?

Mr. PATERSON. I have never known that the estimates as prepared by the deputy minister should be submitted to the House.

Mr. CLARKE. These are not estimates, they are increases.

Mr. PATERSON. They are increases founded on estimates. They have to be prepared and submitted to council and passed upon.

Mr. SPROULE. That is not the real question.

Mr. PATERSON. The real question is, am I doing it on my own responsibility or does the commissioner recommend these increases?

Mr. COCHRANE. No, you are trying to evade the question.

Mr. PATERSON. I am not trying to evade the question; the hon. gentleman (Mr. Cochrane) does not understand what he is talking about.

Mr. COCHRANE. I am glad the minister has wakened up. He did not know much until the Minister of Finance woke him up.

Mr. SPROULE. Last year there were nine junior second-class clerks, now there are 12, an increase of three. There were no second-class clerks, but some will have to be paid this year. The Civil Service Act provides:

> The government shall, from time to time, decide the number of officers, clerks, junior clerks, and messengers required for the work in the several departments of each division of the civil service.

Upon the basis of this estimate, an item is put in the estimates asking for so much money to pay these employees, but precedent to voting the money, the government must determine the number of servants they require or, otherwise, how could they ask for any specific sum of money? They must determine how many employees are required and then, when additional ones are needed they must say: We want money to pay for so many more employees.

Mr. ALCORN. The Minister of Finance argues the matter as if it were dealing merely with automatic statutory increases. As I understand, there is an addition of eleven officers to the staff, and therefore that part of his argument falls to the ground. The Minister of Customs says that these are estimates now being prepared; but he is applying to parliament for an appropriation, an entirely different matter. From the moment this is adopted by parliament it becomes an appropriation and ceases to be an estimate; and those in whose favour the hon. minister is asking for increases, or whom he is seeking to appoint, may, if this irregular proceeding is allowed, find themselves in the unpleasant position of having the Auditor General hereafter say that the whole thing is irregular and he may refuse to issue cheques.

Mr. FIELDING. I must protest against this statement that the matter is irregular. It is perfectly regular, in accordance with custom, practice and law. These statutory increases can only be made when the deputy recommends them.

Mr. ALCORN. I must call the minister's attention to the fact that it is not only in regard to statutory increases.

Mr. FIELDING. The Act says you shall not create clerkships until you have done

certain things ; but you do not create them by passing this Act. You are simply giving authority to the minister, who must have the recommendation of the deputy after the money is voted by parliament.

Mr. LENNOX. No.

Mr. FIELDING. The hon. gentleman had better read the Act.

Mr. LENNOX. The Minister of Finance says this is perfectly regular, as a matter of law and also as a matter of practice. As a matter of practice, it is perfectly regular, for year after year, for the last three or four sessions, at all events, we have been calling the attention of the government to this irregularity, which, by long practice, they have attempted to make regular. That is what we object to. The Minister of Finance is entitled to great deference when he makes a statement on a question of law, although he is not a lawyer ; but I submit myself to the judgment of this committee when I read this section and endeavour to show that he is absolutely wrong :

A second class clerkship shall only be created by Order in Council passed on the report of the deputy head, concurred in by the head of the department, setting forth the reasons for creating the office, and after the salary has been voted by parliament.

Mr. FIELDING. 'After.'

Mr. LENNOX. Yes, after the salary has been voted by parliament. I wish to emphasize as strongly as I can exactly the point on which the minister proposes to hinge his argument. Now, what is perfectly clear to any reasonable intelligence is this, that before anything shall be done in the way of asking parliament to appropriate money for a position, it shall be ascertained, in a certain way defined by the Act, whether that office is necessary or not. The first step to be taken is that the deputy head is to report to his official head that there is a necessity for a clerkship. The next step is that that report shall be concurred in by the head of the department. If the deputy head does not take the initial step, you can not come before this House and ask for an appropriation. Something more than that is required. I argued last year or the year before that the report of the deputy head must be in writing. Hon. gentlemen opposite said that it need not be. They are going a step further now. They want to argue that it need not be done at all before the money is voted. My reason for holding that the report must be in writing is that it must set forth the reasons for creating the office, so that when the minister comes to this committee and asks for an appropriation we, as representatives of the people, shall be in a position to judge whether those reasons are good or not. If this committee grant the appropriation, then the government can create the office and appoint a person to the position, but not otherwise.

Mr. FIELDING.

Mr. FIELDING. My hon. friend from South Simcoe (Mr. Lennox) is a lawyer and I am only a layman. It may be presumption on my part to differ with him, but I am obliged to say, lawyer as he is, partly from my own common sense, and partly from information which I have obtained from lawyers, that he is absolutely and without a shadow of doubt wrong from beginning to end. The hon. gentleman proves himself wrong by his own quotation ; he has simply argued himself out of court. We are not creating any clerkships by our action here to-day. We are simply providing the money which is placed at the disposal of the Minister of Customs, subject to the terms of the Civil Service Act. I would like my hon. friend to observe that parliament does not create the office at all. We are not now creating a new clerkship or half a dozen clerkships.

Mr. LENNOX. You are asking us to create them.

Mr. FIELDING. We are not asking this committee to create them. We ask the committee to provide the money on which they may be created hereafter by the proper authority for creating them ; and that authority is not the committee of the House of Commons, but the Governor in Council, upon a report of the minister. When the minister comes to the Governor General in Council and asks that a new clerkship be created, he must submit the report of his deputy, and he must further show the council that parliament has voted the money.

Mr. CLANCY. Do you not think that parliament ought to be in possession of that report ?

Mr. FIELDING. I am not dealing with what ought to be, but with the statute as it is, and the practice followed is good law and common sense and according to the view of the Department of Justice, and is one which has always been followed.

Mr. HAGGART. Is it the view of the Department of Justice ?

Mr. FIELDING. Yes, and it is the view my hon. friend acted upon for years. My hon. friend, when he was Minister of Railways, never came to this House with a written report from his deputy when he was submitting his estimates. Of course, the estimates of the civil service are always prepared in conference between the minister and his deputy, and in that sense the deputy gives his approval, as no doubt he has done in this case, but that is not what we are dealing with. We are dealing with a demand for his written report, and it is plain, according to the statute, that the time for producing that written report is not when parliament is asked for the money, but when the proper tribunal, the Governor General in Council, is asked to fill the office. Then, and not until then, does the need arise for that written re-

port. That report will be of no avail, unless parliament votes the money, and that is what we are asking parliament to do.

Mr. ALCORN. The Minister of Finance bases his view of the law not only on what he says is the effect of the section, but also on the custom of the department, which has obtained, not only under this regime, but under former administrations. I submit that we are not concerned in the least with what has been done heretofore, either by this or any preceding administration. What we are concerned with is the statute itself, and I agree with the hon. member for Simcoe.

Mr. HEYD. Of course you do.

Mr. ALCORN. I certainly do, when as in this case, his opinion is according to common sense and the fair construction which the language of the section clearly bears out. The section is as follows :

A second-class clerkship shall only be created by Order in Council passed on the report of the deputy head, concurred in by the head of the department, setting forth the reasons for creating the office, and after the salary has been voted by parliament.

The first step prescribed is the report of the deputy head setting forth the reasons for creating the office. It is perfectly senseless to say that the various steps prescribed may be taken in any order which the minister may see fit. It is surely according to common sense to say that the steps must be taken in the order laid down by the section. The second step is the concurrence by the head of the department. The third step is the Order in Council.

Mr. FIELDING. The money must be first voted by parliament.

Mr. ALCORN. The crucial point comes precisely then. The whole thing turns on the single word 'and.' I take it that after the action of the Governor General in Council is complete, then parliament is asked to vote the money.

Mr. FIELDING. That comes first and all the other things come after it.

Mr. ALCORN. The argument of my hon. friend from Simcoe is proved by the word 'and.'

Mr. FIELDING. The important word is not 'and,' but 'after.'

Mr. ALCORN. In my opinion the word 'and' shows that the argument of my hon. friend from Simcoe is correct, because otherwise that word would be wholly unnecessary. The section would then simply read : 'Setting forth the reasons for creating the office after the salary has been voted by parliament.' But the section is divided into two distinct parts. First, there is the action of the department and of His Excellency, and then there is the voting of money by parliament.

Mr. FOWLER. The statute prescribes three separate and distinct steps. First, the report of the deputy minister, which must be concurred in by the minister. Then there is the creation of the office by the council, for parliament has no authority to create the office. Then the money must be voted by parliament, or the act of the council becomes ineffective.

Mr. FIELDING. We are asking parliament for the money now.

Mr. FOWLER. But the statute prescribes the order in which the thing shall be done, and that is just the point. The initiative must come, not from the head of the department, but from his deputy. The report of the deputy must be concurred in by the head. Then after that is done and has been approved by council, parliament is asked for the money. But we have no report from the deputy minister, we do not know whether there is any such report in existence. If the initiative was taken by the minister and concurred in by the deputy, that would not be the proper way. The initiative must come from the deputy, who makes a written report, in which the minister must concur. The minister comes down with that report, concurred in by him, and asks parliament for the money. Then the minister can go before the council and have the clerk appointed. It is absurd for the Minister of Finance to argue that you can put the cart before the horse and take the last step first. The statute prescribes what steps should be taken and in what order, and we have here the Minister of Justice, who is the law authority of the government.

Mr. HAGGART. The Finance Minister is usurping his functions.

Mr. FOWLER. My hon. friend the Finance Minister assumes to be the law authority, but I do not know on what ground. Perhaps it is on the ground on which judges are appointed in Nova Scotia—because of their lack of knowledge of law. According to what we heard from an hon. member the other day, that seems to be the qualification for which the last appointment to a seat on the bench of the Supreme Court of Nova Scotia was lately made. But it seems to me that the government had better produce an authority who would carry more weight in the country on legal questions than the Minister of Finance. The Minister of Customs asks us to vote this money without out having anything to show that the preliminary steps have been taken. He says that his deputy is in accord with him, but we want something besides the mere word of a minister to

show whether these different steps have all been taken or not.

Mr. PATERSON. It seems to me that as hon. gentlemen opposite do not seem to understand this thing clearly, we might pass this item and they will have plenty of time to look into the matter and bring it up, if they choose, on another item. In the meantime, any information I can give the committee, I shall be pleased to give it. If there was any irregularity in what was being done here by us, it might be that what we considered necessary to submit for the committee's approval would be frustrated——

Mr. HAGGART. You ought to take your authority from the Minister of Justice.

Mr. PATERSON. If there was anything irregular the Auditor General, who so closely watches these matters, would refuse to sanction it. And as the Auditor General has sanctioned this course for the last thirty years under different administrations, I think that should pretty well settle it that this is the law. But if there is any information that I can give the committee I shall be glad to give it, and will pass on.

Mr. HAGGART. Before the minister passes on, will he allow me to correct him and to correct also the Minister of Finance. The hon. gentleman (Mr. Paterson) speaks of a practice for thirty years. He says that this is the course that I always adopted when I was a minister. I never did anything of that kind.

Mr. PATERSON. Do I understand the hon. gentleman to say that when, as a minister, he brought his estimates down to the House, he laid on the table the report of his deputy specifically recommending these things ?

Mr. HAGGART. Does the hon. gentleman (Mr. Paterson) imagine that I said anything of that kind ?

Mr. PATERSON. I certainly so understood.

Mr. HAGGART. I thought that I had stated the point clearly, but perhaps I put it so badly that it could not be comprehended by the hon. Minister of Customs. If there was to be a change in the cadre, there was a consultation between the deputy head and the minister. The matter was put in due form to be submitted to council—every one had to do it. It does not follow that the report of the deputy minister had to be brought to the House, but it was always ready to be produced and laid on the table, if asked for by the House. Why, look at the absurd interpretation the Minister of Finance puts upon the Act. The committee is to be asked to vote estimates, but the reasons for making those estimates is not to be known to the committee. There must have been reasons influencing the deputy head to recommend these changes and the minister to approve them. But the Minister of Finance would have parliament vote the estimates, then they will be passed by council, and then we will get the Governor General to make the appointment. The hon. gentleman, like myself, is not a lawyer, yet after all, it is a question of the meaning of plain English. But when the hon. Minister of Finance quoted the Minister of Justice as his authority for his interpretation, I think he went a little too far. I would allow the Minister of Justice to speak for himself. I doubt very much if he will stand as authority for the interpretation given by the Minister of Finance.

Mr. FIELDING. Let us see.

Mr. HAGGART. However, the course pursued when I was a member of the government was as I have described, notwithstanding what the Minister of Finance says. It is very essential that the council should have control over the different departments, and that cannot be done if parliament is to vote the money blindly, and then leave it to the deputy minister and the minister to make arrangements to spend it. You always should look forward to the criticism of council and the criticism of parliament afterwards. I believe that if the hon. Minister of Finance will look in the Privy Council he will find that there are regulations in regard to this particular point and how the thing is to be done in accordance with the statute.

Mr. LANCASTER. I will accept the invitation of the hon. Minister of Customs and will ask for information on this subject. I thought that the Minister of Customs would understand something about the law, and so, when I was speaking, half an hour or so ago, I did not think it necessary to elaborate the point. I thought that he would tell the House what the interpretaion of the section was, if I only called his attention to it. And, within, the last ten minutes he has volunteered two or three times to give us the information we require. I assume, then, that he has a fund of information—perhaps mountains of information. The information I wish relates to the interpretation of section 17, and I want that information in order that I may know what I am voting for. That section says :

> A first-class clerkship shall only be created by Order in Council, passed on the report of the deputy head, concurred in by the head of the department, setting forth the reasons for creating the office, and after the salary has been voted by parliament.

I will ask a few questions, and, if the hon. Minister of Customs cannot keep them in mind, will he kindly make a note of them. In the first place I would like to know if the report of the deputy head has been obtained ? Then, is it concurred in by the head of the department with reasons given ? And, if, so, I want to know what the reasons were.

If these things have been done, we come to the point where we can discuss whether the money should be voted or not. The Minister of Finance tells us, apparently, that it does not make any difference whether we vote the money first and then ask the deputy head to make a report, then the head of the department if he will concur in it, or whether we proceed in the other way. The Minister of Finance gives us a lecture on common sense. Well, my ideas of common sense may not concur with those of the minister. My own opinion, Mr. Speaker, is that the common sense among members in this House is pretty well confined to those on your left. It seems to me that common sense would indicate that there must be some reasons for asking parliament to vote this money, and some statement made pre-supposing that those reasons would be asked for. I concur with those hon. gentlemen on this side who have spoken on the matter, that we must infer that these things that are required are to be done in the order indicated in the statute. I appeal to the Minister of Customs—I have about given up hope of the Minister of Finance ; he thinks it enough to say that we cannot create the office in parliament, and he pays us the poor compliment of attributing to us arguments which we never used, and answering them. The Minister of Customs ought not to agree with the Minister of Finance in proposing these estimates. He ought to see that it does make a difference whether the requirements of this section are complied with before parliament is asked to vote this money or whether they are not.

To any member of common sense it would seem that parliament should have some reason for voting this money. Surely we are not to vote money here simply because the Minister of Customs prints the blue-book of estimates and puts some words in it and lays it before the House and asks for the money, telling us that he will give us the details afterwards. Now I want to know from the Minister of Customs whether there is any reason to suppose that these recommendations are going to be made by his deputy. We are not going to vote this money without any reason to suppose that it will be needed simply because the hon. gentleman says this was sometimes the practice under a former government. We certainly do want the opinion of the Minister of Customs as a part of this information, we want him to tell us whether his deputy will make that report and whether the minister is likely to sanction it. Unless that is going to be done we are making a senseless vote. There are four things required by this statute, as I understand it, for the creation of this office. The first is that the deputy head shall make the report ; the second is that the head of the department, the Minister of Customs I presume in this case, shall concur in it; third, that that report shall set forth the reason for creating the office ; and fourth, that the salary required shall be voted by parliament. We are asked, apparently by the Minister of Customs and by the Minister of Finance, to put the roof on the House before we have dug the foundations, before we have bought the land practically to build on. We have got to vote this salary without being shown that there is any requirement for it. I do not think the Minister of Customs has a right to ask the public money of this country to be voted, out of which to pay an instalment of these salaries, until we have that information.

Mr. FITZPATRICK. Reference has been made to myself so frequently in the course of this debate that it might be considered an act of discourtesy if I did not say one or two words. I have been in charge of the estimates of the Department of Justice since 1896. For eight successive sessions I have brought the estimates here. When I came to the department I found there a deputy minister that had been appointed in 1893, when Sir John Thompson was Minister of Justice. So far as the practice of my department is concerned, and which is in accordance with the practice suggested here by the Minister of Customs, when it is found necessary to increase the staff of the department, application is made for an item in the estimates. That application goes to Council in the regular way, then we come to the House and the item is voted or refused. When the item is voted and placed at our disposal, then of course the deputy minister makes a report, and in that report I concur or dissent. If I concur in the report it goes to the Governor in Council who then passes on the matter. That is the practice which has been in existence ever since 1896, at least, but I am not quite sure that the practice was initiated in 1896. I have not heard it suggested that we should follow any other course.

Mr. FOWLER. Are you following that course in the present case ?

Mr. FITZPATRICK. This session I am creating a new position in the Supreme Court, and the practice I have mentioned has been followed with regard to it.

Mr. FOWLER. Do you think that is in compliance with the statute ?

Mr. FITZPATRICK. This is not a new departure, it is a practice which at all events has been in existence so far as the Department of Justice is concerned, ever since I took charge of it, and I am certain it was the practice followed during a time anterior to my taking charge of the department. Now I have given to the House what is the practice of the Department of Justice. It seems to me that had it not been for the arguments to which I have listened here this afternoon I never would have entertained a doubt that that was a proper practise, and I will give my reasons for that—

because this is rather a serious legal question and I would like to follow out my argument.

Mr. ALCORN. In regard to the question of practice, does the minister refer to an estimate for a specific sum or to a general sum ?

Mr. FITZPATRICK. The estimate is for a specific sum. I come here and ask for so many first-class clerks, so many second-class clerks and so much money to pay them. It may be at the time I ask for four first-class clerks, that I ask that provision be made for four first-class clerks ; it may be at the time I only ask for three, or two. When the item is voted then the money is made available to the Department of Justice, and when that amount is made available by the estimate being adopted, then a report is made by the deputy minister setting forth the reasons for the office to be created by the Governor General, provision for which has already been made by the estimate. It appears that some hon. gentlemen opposite have a doubt, but we cannot get away from section 6 of the Civil Service Act, which says :

> The Governor in Council shall, from time to time determine the number of officers, chief clerks, clerks, messengers and other employees that are required for the work of the several departments in each division of the civil service——

And so forth. Now mark these words :

> —but the collective amount of the salaries of each department shall, in no case, exceed that provided for by vote of parliament for that purpose.

The first thing you will see is a provision by parliament for the money.

Some hon. MEMBERS. Oh, no.

Mr. FITZPATRICK. Give me an opportunity of expressing my views. Now it is apparent to me that it is absolutely impossible to give effect to that section, to expect the Governor General to determine how many clerks he must appoint, and to be sure that the collective amount to be paid for them is not in excess of the vote of parliament, unless he knows what that vote of parliament is ; otherwise how can he determine the correct amount of the salaries ? It seems to me the section is absolutely conclusive on that point, and in so far as my humble opinion goes—and I give it with all due deference to my hon. friends opposite—I say it is absolutely in accordance with the practice that has prevailed in my department for all these years ; and I assume, and my hon. friends will admit, that the gentleman who is responsible for the preparation of the estimates under my control, knows what he is talking about, not only as the result of the long experience he has had in that department, but also because of his eminent ability. I would not say that I have ever consulted him specifically upon that point. If my hon. friend attaches any importance to it I shall be glad to consult him so as to get an opinion from him on the subject. I give the practice of the department as established by long usage and I am quite sure, in addition to that, that the deputy minister would say that the practice is founded on the law. I have given his opinion off-hand. It never would have entered my mind that there was any question in regard to the point if it were not for the discussion which has taken place to-day.

Mr. LANCASTER. Take section 6 ; how does the hon. Minister of Justice say that parliament would know the amount to vote unless they first had this estimate ?

Mr. FITZPATRICK. Very simply by following out what the hon. Minister of Customs has done. He comes to parliament and says : I want so much money for so many first-class clerks.

Mr. LANCASTER. How do we know the amount ?

Mr. FITZPATRICK. He says I have so many first-class clerks in the department. It works out like a mathematical problem You only require to know the multiplication table to see how it works out. Say for instance that the hon. Minister of Customs has four first-class clerks in his department and that he wants two more. He turns up the statute and finds that two first-class clerks mean so much money. The statute determines the amount due to each. You cannot take a first-class clerk into your department except at the minimum rate.

Mr. LANCASTER. How does the Governor in Council know that he wants those clerks ?

Mr. FITZPATRICK. It is not the Governor in Council who knows it. It is the minister who knows it. The minister with his practical experience and his knowledge of the necessities of the department knows that he wants them. As far as I am personally concerned, I knew that I wanted two additional clerks myself without going to the deputy to find it out. Every minister knows after he has been in a department seven or eight years what assistance he requires.

Mr. LANCASTER. Does not section 17 of the statute tell him what to do ?

Mr. FITZPATRICK. No, we are getting back to the old subject. I can see it is not a serious discussion at all because my hon. friend (Mr. Lancaster) is too good a lawyer to press this matter further. What he really intends to do is to take up the time between now and six o'clock and to give my hon. friend the Minister of Customs a lesson in what he should have known long ago that he cannot pass his estimates through by simply saying what he wants.

Mr. CLARKE. If it would not be any reflection upon the Minister of Justice who has just given us an opinion off-hand and who, I am sure, desires to make progress, I would ask that the deputy minister should give us his considered opinion, and allow these items to stand in the meantime.

Rt. Hon. Sir RICHARD CARTWRIGHT (Minister of Trade and Commerce). Possibly the committee will permit me to state what I remember was the practice, certainly, for thirty-six years. During all that time I have had experience on both sides of the House, and this is the first time I have ever known either party to demand the information that my hon. friend from South Lanark (Mr. Haggart) has been asking for. I will not say that in no case have the preliminaries that he spoke of been observed under his regime, but I will say that they were not usually complied with and I think that he will not contradict the statement. The practice always has been in my time that the minister and his deputy confer as to what is required for the service of the department. That is always reported before council who passed upon it. When council has passed upon it, with the approval of the Governor in Council the estimates are brought down and laid on the table of the House.

Mr. COCHRANE. That is just what we want done.

Sir RICHARD CARTWRIGHT. I have never yet heard that it was customary or necessary to produce the concurrence of the deputy minister for each particular appointment that is asked for. I do not think that I ever asked for it during the eighteen years I had the pleasure of being in opposition and I am perfectly certain that if it had been asked for it would not have been granted by hon. gentlemen opposite. I am merely speaking, not as to the question of law that was raised—I leave that to my hon. friend the Minister of Justice—but I am simply speaking as to the practice known to me for certainly thirty-six years.

Mr. HAGGART. The right hon. Minister of Trade and Commerce (Sir Richard Cartwright) has stated the case, because he has stated what has been the practice and no doubt it is the practice up to the present time. One would think this was a new question that had never been heard of in the House before. It has been discussed a dozen times in the House. I discussed it two or three sessions ago—I think the session before last. I did not ask that the report of the deputy head of the department shall be placed upon the table. I asked the hon. Minister of Customs if he had obtained the report of the deputy minister, if he sanctioned it himself and produced it before council—preliminaries which the right hon. Minister of Trade and Commerce admits must be observed before an appointment can be made. He says this has always been the practice.

Sir RICHARD CARTWRIGHT. I did not say it was the practice to have a written report from the deputy. My hon. friend knows that these matters are always sent to the Finance Department initialled by the Minister of Customs or the minister to whose department they belong. But, as to the formal report that is referred to in the statute, that has always been made in my time—I speak of a good many years ago as well as of the present time—after the vote in parliament has been obtained.

Mr. HAGGART. After the vote has been obtained ?

Sir RICHARD CATRWRIGHT. Yes.

Mr. HAGGART. The practice was the other way when I was in the government. Arguments have been advanced to show why it should be made before. However, this question has been threshed out in parliament—my right hon. friend must remember it—again and again and this is the first time I have ever heard any doubt expressed as to what the requirements are before an appointment can be made. This is the first time I ever heard doubt expressed by the hon. the Finance Minister. We can excuse him, however, because he is not always right especially on a law question. I was astounded when he told us that he had the assurance of the hon. Minister of Justice that he was right. I heard the Minister of Justice get up and make the statement that he would not have had any doubt about it if some of the legal gentlemen in the House had not raised the question and he was not positive in the matter. I do not think he is positive in the matter. If he looks at the debates in the House he will find that this question has been debated three or four times and he will find that his most distinguished predecessors have held opinions similar to my own.

Mr. FITZPATRICK. Really, as a matter of curiosity, would my hon. friend bear in mind the request I made and give me the reference to a Minister of Justice who has ever given an opinion on the subject ?

Mr. HAGGART. Yes, I am going to hunt up the debates on the subject and I will be prepared to show to the hon. Minister of Justice that the consensus of opinion in the House is in the direction of that which I have stated.

Mr. FITZPATRICK. I want to get the opinion of a distinguished Minister of Justice. Do not forget that.

Mr. HAGGART. Yes, I will get you one. My contention is that it has been debated again and again in the House. I raised the question two or three sessions ago. It was

brought up in the House four or five sessions ago; it has been debated in the House in preceding parliaments, and I never had a doubt as to what the law was on the subject until I heard hon. gentlemen opposite to-night. There is a possible way of evading it. The Minister of Customs might have said: I have not taken these preliminary steps but I will see that they are taken before my estimates are passed. As a rule the law requires that the estimate be prepared in the manner contended on this side of the House.

Mr. COCHRANE. Until the Minister of Justice (Mr. Fitzpatrick) took a contrary view I always understood that the law was based on common sense and justice. Would not common sense say that it was absurd for the Minister of Customs (Mr. Paterson) to ask for a sum of money to pay the salary of an officer whom he has not in his employ and cannot have until the preliminaries are complied with? As I understood the minister, he required a recommendation from his deputy minister for a certain number of additional clerks. The minister obtained an Order in Council creating that number of extra officials, then would not common sense say that, until the minister has that recommendation from his deputy and an Order in Council based upon it, it would be deceiving the House—and if business has been conducted in this way before I must often have been deceived—to come to the committee and ask for a sum of money to pay so many clerks when he had not the clerks in his employment? Does not the hon. minister see how easily an unsuspecting member like myself can be deceived; he tells me he has four clerks, and that he wants a thousand dollars to pay for them when he has not these clerks at all and has not taken the first step to obtain their appointment.

Mr. FITZPATRICK. My hon. friend is partly right and partly wrong; he says that I cannot create a clerkship without the assistance of the deputy minister; he is right about that. I come here and ask parliament to vote me the salaries of, for instance, four first-class clerks. At the time I make that application it is my duty to give to parliament the information necessary to enable them to determine whether it is proper that I should have that amount of money for the appointment of these clerks. That is the right of parliament, and it is the duty of parliament to demand it. But then I cannot take that money, I cannot dispose of it, I cannot create these offices when the money is voted for me, I cannot do anything of that sort until I have complied with the statute. When the money is placed at my disposal by parliament, it is necessary for me to obtain a report from the deputy minister, but that has to be done afterwards. It has always been done, and must be done, in this way parliament does not create the officer, it provides money for an officer to be created, and that officer is to be created on a report from the deputy minister of the department by the Governor General in Council

Mr. CLANCY. I am endeavouring to reach the common sense side of this matter. How is the necessity for the appointment of an additional clerk to be known by parliament? By not having the recommendation of the deputy are we not neglecting an important safeguard?

Mr. FITZPATRICK. The responsibility to parliament for statements made here does not rest on the deputy head of the department but on the minister. The minister is responsible to parliament for the statement that he requires so many clerks.

Mr. CLANCY. Under certain conditions.

Mr. FITZPATRICK. For the responsibility of that statement he cannot shield himself behind his deputy; he alone is responsible to parliament and he cannot escape his responsibility

Mr. CLANCY. The mere responsibility of a minister to parliament does not seem to be sufficient; parliament should have better information and a better safeguard. The minister may suffer afterwards, but the treasury may suffer in the meantime and the safeguard for that is what I have pointed out.

Mr. FITZPATRICK. I shall not labour with the question further, but I may say that I have a present recollection of a vote having been asked from parliament by Sir John Macdonald—I forget now who was Minister of Justice at the time—for a judgeship, which had not been created by statute. The vote was asked for even before the statute had been passed. That is the established usage and practice, and we must bear in mind that parliament makes the law. It is a very interesting question whether or not the estimates do not amend any law in existence which conflicts with them. The estimates are a Bill, the Supply Bill is an Act of parliament just as much as any other Act we pass, and if the Supply Bill is in contradiction with an Act then existing it is a debatable question whether the Supply Bill does not amend the Act.

Mr. COCHRANE. Is that not a reason why we should be very cautious in passing estimates? If our action in voting money repeals a very healthy Act, then we should exercise every care in passing supplies.

Mr. LENNOX. The minister says it is a very interesting subject of debate whether the Supply Bill does not override an existing Act of parliament. Am I right in that?

Mr. FITZPATRICK. My hon. friend will supplement what I said I am sure. Every session we pass Acts of parliament and we put in the Supply Bill the phrase: 'Notwithstanding anything in the Civil Service Act.'

That is an amendment of the Civil Service Act.

Mr. LENNOX. I understand the minister to mean that when at the close of the session we pass the Supply Bill, that Bill is absolute so far as it goes and so far as it conflicts with any other Act it supersedes the other Act, as in the case which he mentions: 'Notwithstanding anything in the Civil Service Act.' I do not understand that the minister will go so far as to say that it supersedes it for the purpose of effecting the object it has in view.

Mr. FITZPATRICK. Quite right.

Mr. LENNOX. It does not prevail from session to session, but is effective only for the purpose of validating what is provided in the four corners of the Act.

Mr. FITZPATRICK. I agree.

Mr. LENNOX. Of course, the fact that I agree with the minister on that point does not do away with the proposition that we have a general Act to govern us from session to session.

Mr. LANCASTER. I think the Minister of Justice has much strengthened my claim on the Minister of Customs for this information. The Minister of Justice says, and I agree with him, that the responsibility is on the Minister of Customs with respect to this item; but I cannot see that he has any responsibility in the way the matter now stands. I am trying to put some responsibility on somebody. The Minister of Customs is trying to put the responsibility on the opposition for letting this item go through without giving any reason for it. The Minister of Justice says the Minister of Customs is responsible for giving us the information which we are entitled to, and nothing more. Half an hour ago I asked the minister of Customs whether there was any likelihood of these clerkships being created, and he will not tell us. I object as one member of this House to this item passing without some information on this point. If the Minister of Customs is not going to give us that information, he might say so. It would be more courteous to this House than to allow this discussion to go on, which is more or less a waste of time unless we get it. If the hon. minister thinks that he can get these items through without giving us reasonable information, I think he is taking a wrong course. How do we know what is required—how many clerkships the minister has in mind or whether this is the right amount practically or approximately? The colleagues of the Minister of Customs, both the Minister of Finance and the Minister of Justice, have given him a strong hint that he ought to give us some assurance of this kind. The difference between the hon. member for South Lanark and the hon. Minister of Trade and Commerce seems to amount to this, that one contends that the information should be before us, while the other contends that it should exist. The Minister of Trade and Commerce admits that the report should exist and should have been approved of by the head of the department, but he does not remember anybody insisting that it should be brought before the House and laid on the table. The Minister of Customs goes a great deal further: he wants us to provide these salaries without giving us any information whatever. If he will take a hint from his colleagues, if not from us, as to what should be done, I think he could get this item passed in half a minute; but if he thinks that by keeping silent he can do as he likes in the matter, I join issue with him. If the Minister of Customs wants the item to go through, I think he should give some reasonable assurance that these requirements are going to be complied with.

Mr. PATERSON. The hon. gentleman is a hard taskmaster. He asks me a lot of questions, and I have wanted to say a word or two, but I have not had the opportunity, because hon. gentlemen opposite talk and argue so much. I said I would be glad to give any information in my power; but after the hon. gentleman asked the question, the debate passed into other hands and I had not an opportunity to answer him. I understand that he asks me if I have any serious belief that the extra officers we are asking provision to appoint during the coming year commencing on the 1st of July, will be appointed. I answer, yes, I have the most serious belief that they will be. If I had not, I would not ask parliament to place the money at the disposal of the department; because every minister is anxious for his own reputation to work his department as economically as he can, and when he asks parliament for an additional appropriation, he expects to give a reason for it. If the hon. gentleman asked any other question, I lost it in the multiplicity of his words. If it is whether I believe that the deputy will sanction the creation of these officers, I say most unhesitatingly that I believe he will.

Mr. SPROULE. I asked that an hour ago.

Mr. PATERSON. Because the deputy is the gentleman with whom I take conference, and who suggests that this extra help is necessary for the working of the department. When he makes that suggestion to me, and it is reported to council and obtains the sanction of council, we shall submit it for the approval of parliament. My hon. friend from East Grey (Mr. Sproule) who has sat in this House for many years, will not, I am sure, say that this question was ever brought up until it was raised by the hon. member for Lanark some two or three years ago. I have no recollection that the legal question which has been debated this

afternoon was ever argued here. I would ask my hon. friend from East Grey to say if he ever knew of a minister in any government, who, when he brought down his estimates, produced more than I am producing now? The deputy minister must be consulted in the preparation of the estimates. They know whether extra help is required or not, and it is after conference with them that the estimates are submitted to council and then, if approved, brought before parliament. If extra men and appropriations are asked for, hon. gentlemen are quite within their right in saying that the department is overmanned, and we are bound to explain why these extra appropriations are required.

Mr. LANCASTER. Will the hon. gentleman tell us whether he and his deputy have discussed this question already?

Mr. PATERSON. Certainly we have.

Mr. LANCASTER. Then why has he not got the report of his deputy? Such a report is necessary, and we are entitled to have it.

Mr. PATERSON. The report, after it is prepared, goes before council to be sanctioned. Then the substance of that report is found in the estimates submitted to the House.

Mr. LANCASTER. How can the substance of that report be found in the estimates unless it is made? I am asking whether one has been made, as required by the statute. If it has, let the hon. minister say so.

Mr. FOWLER. I wish to point out——

Mr. LANCASTER. I should like first to have a reply from the hon. minister.

Mr. FOWLER. If my hon. friend will wait a moment——

Mr. PATERSON. I only ask my hon. friend from Lincoln (Mr. Lancaster) to bear testimony to the fact that his hon. friend from Kings, N. B. (Mr. Fowler), will not allow me to reply. I mention this so that my hon. friend may not read me another lecture. If I do not answer, it is because I cannot.

Mr. FOWLER. I want to point out that the Minister of Customs seems to have the right idea of what his duty is in the premises. He says that he has already had a report from his deputy, in which he concurred, and that he laid it before council. So far he has followed the statute. But our pretension is that we should have that report itself and not merely its substance. We require that report in order to determine whether requirements of the statute have been complied with, and we should have it before being asked to vote this money.

That is the point at issue between the Minister of Customs and the gentlemen on this side of the House. I congratulate the Minister of Customs upon having followed the statute so far as he has, I congratulate him upon not having taken his law from the Minister of Finance, or in having followed, as the Minister of Justice stated, the practice that the latter gentleman has followed in the Department of Justice. I presume that practice is as the Minister of Justice has stated it to be, or he would not have made the statement; but I say the Minister of Customs has not followed that practice, because he has followed the statute, if we are to make the distinction as it has been made here. That being the case, the only point between us is as to whether he could produce the authority upon which the recommendation to council was given about the estimate. But this committee asks for the authority, the ground he has for claiming the extra amount. We have not before us anything at all to show whether this statute is being complied with, or whether it has been merely a recommendation of the deputy minister; and there must be more than mere talk over the matter, there must be some evidence produced, something beyond the simple word of the minister—however good it may be, and I do not wish to impeach it—but I say there must be some evidence beyond that and beside that to show that this is the opinion of the deputy head of the department. I think it is a very wise provision of the statute. I think that statute was wisely drawn in order that politics should be as much as possible eliminated from the management of this department, in order that promotions should be earned, in order that no new clerkships should be created to satisfy political exigencies, or in order to reward some party heeler for services he may have performed for the party, which are not always services to the country, but in order that only the necessary service of the country should be met and provided for. Therefore it was left to the initiative of the deputy head of the department, the responsible officer, the gentleman who is supposed to be non-political in his character, a non-partisan, the man who would only have to consider the good of the service and not the good of the party as well as the good of the service, which is the position of the minister of course, and the position in which the political head of any department is always placed. The minister has not only to consider the good of the service over which he is presiding. Our party government is such and our party system is such that it is unfortunately necessary for him, no matter what side of politics he belongs to, to consider as well the good of his party. For that reason we see, as the hon. member for East Northumberland (Mr. Cochrane) has pointed out, that a great many more persons are being employed in the various departments of the public service than are absolutely necessary, employed in order that these men who have devoted their time, and attention, and their services to the welfare of the party, may be provided for

and rewarded for those services that they have rendered to the party. As I say, that is a very wise provision of the statute. I again congratulate the Minister of Customs on having followed that statute according to the letter of it and according to the spirit of it as well. But I am only sorry that he has not gone further, and before he brought these estimates down, that he had not provided himself with that recommendation of the deputy minister, bearing upon its face his own endorsement showing his concurrence as the statute requires. The fact that the estimate is brought down in itself shows that the matter has been before the council; then, if the provisions of the statute, both the letter and the spirit of it, had been complied with, the minister would not be in the position which he now finds himself, and this item would have been passed long ago, and this discussion would not have arisen.

Mr. PATERSON. I have not followed all the provisions of the statute yet, that is simply impossible under the law, because the law requires that this money must be voted first. As I understand it, the deputy is not authorized to recommend for my concurrence the creation of a clerkship until the money has been voted.

Mr. FOWLER. Oh.

Mr. PATERSON. That is what I think. The hon. gentlemen have read time and again——

Mr. CLARKE. Oh no.

Mr. PATERSON. Yes, the hon. member for King's, N.B., asked me if I believed that this would be carried out, if I would carry out this myself.

Mr. LANCASTER. I did not put it that way. I said I still was of the opinion that if these things had to be done in the reversed order to what the Minister of Justice had said, if the Minister of Justice was right, then the Minister of Customs ought to tell this House how far these negotiations have progressed. I did not say that it would be done in that way; I was careful to say that in my opinion these requirements ought to be followed in the order in which they have been discussed.

Mr. PATERSON. That is my recollection. Then supposing the hon. gentleman would refer the matter to the Minister of Justice for his opinion, that would have settled that point.

Mr. FOWLER. I am sorry the Minister of Customs does not seem to understand the statement he made himself a moment ago. He does not seem to have got a grasp of the situation. I do not wonder that the Minister of Finance felt it necessary to come to his rescue, because the Minister of Finance realized that the Minister of Justice was entirely at sea with respect to the question. Now I congratulated the Minister of Customs, because I thought by what he had said that he really did understand the question and that he had been honestly trying to follow the statute, and that so far as this matter had proceeded he had followed the statute with the exception of not having brought that report before the House. But the minister now seems to have the idea that we had been contending that this committee has the right to make the appointment or that his deputy minister has the right to make the appointment. That is not the contention we have been making. Our contention is that in the beginning the deputy minister, who is probably thoroughly conversant with the wants of the department and with the requirements of the service, looking over the situation, makes up his mind that in the interest of the public service, and in the interest of the Department of Customs, so many men are needed of a certain kind to perform efficiently the service of that department. Then the minister knowing that to be the case——

Mr. PATERSON. Don't you find that fact in the estimates themselves?

Mr. FOWLER. Not at all.

Mr. PATERSON. Why not?

Mr. FOWLER. If the minister chooses to bring down a certain estimate and we know that before he can bring it down he must have been to council, is it for us to find out whether the necessary preliminaries have been gone through? We have not that confidence in the government of this country to promise that of them. The very fact that it had been recommended by this present administration would be sufficient to create a suspicion about it, the very fact of their recommendation would be an extra reason for us to scan most carefully this estimate and the grounds upon which the estimate was made.

At six o'clock, committee took recess.

After Recess.

House resumed at eight o'clock.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READING.

Bill (No. 24) respecting the Canadian Fire Insurance Company.—Mr. McCreary.

REAL ESTATE TITLE GUARANTEE AND TRUST COMPANY.

House went into Committee on Bill (No. 27) respecting the Real Estate Title Guarantee and Trust Company.—Mr. L. P. Demers.

On the preamble.

Mr. SPROULE. It seems to me that we are in danger of complicating matters here. This is a Bill relating to a company already incorporated under the provincial authority

of Quebec, and now it is sought to extend the powers of the company to all the provinces. There may be something in the laws of Quebec, or the powers which this company has, not applicable to the other provinces. I know there has been a good deal of discussion in the past about taking up these provincial companies and giving them incorporation under the authority of this parliament.

Hon. W. S. FIELDING (Minister of Finance). This follows the charter we granted last session to the Royal Trust Company. The matter was thoroughly investigated at that time, and the Bill was changed and adapted to meet the views of the Department of Justice, and they advised us that it was an entirely legitimate and proper Bill. After careful examination in the department and in the Comuittee on Banking and Commerce the Royal Trust Company's Bill was accepted.

Mr. SPROULE. And this is a similar case ?

Mr. FIELDING. Substantially the same, and follows what parliament has granted under like circumstances to the Royal Trust Company.

Mr. SPROULE. It was because I did not know whether it had been considered along those lines that I asked the question. I remember the discussion that took place last session, and some of the grounds on which it was concluded that it was proper to grant such power. If this follows the same lines—

Mr. FIELDING. I have had it examined with that view, and I am assured that it follows the lines of the other Bill.

Bill reported ; read the third time and passed.

BRANTFORD AND HAMILTON RAILWAY COMPANY.

House went into Committee on Bill (No. 22) to incorporate the Brantford and Hamilton Railway Company.—Mr. Calvert.

On the preamble.

Mr. HENDERSON. I would like to ask the Chairman of the Committee on Railways, Canals and Telegraph Lines, what has been done about the clause that was to be prepared by a sub-committee consisting of the hon. member for Hamilton (Mr. Barker), the Minister of Railways and Canals (Mr. Emmerson) and the chairman of the committee (Mr. Hyman) ? Has it been dealt with in accordance with the instructions of the committee ?

Mr. HYMAN. In accordance with the instructions of the committee the clause was prepared, and when it is reached it will be read to this committee.

On section 7, subsection 5.

Mr. DEPUTY SPEAKER. This is a new clause, and it reads as follows :

Before making application to the Board of Railway Commissioners for Canada, under section 186 of the Railway Act of 1903 for leave to construct the railway across any existing highway, the company shall apply to the municipality wherein such highway lies for leave to make such crossing, and, if such leave be not granted shall give such municipality at least ten days' notice of its intention to apply to the board for permission to make such crossing.

Mr. CLARKE. By the Railway Act of last year, these trams were prohibited from laying their tracks along highways. What was the procedure adopted if they desired to cross highways under the Act of last year ? What was the rule laid down ?

Mr. HYMAN. They would have to make application in the usual way to the Railway Commission.

Mr. CLARKE. What is the object of this subsection ?

Mr. HYMAN. This subsection 5 of section 7 is an amendment. Section 7 is the result of an agreement reached between the promoters of the Bill and the municipalities through which the railway projected by this Bill is intended to operate. In addition to that I understand that Mr. Lighthall, the secretary of the Municipal Association, was further consulted and as the Bill was considered to safeguard the municipalities, it was agreed to by all parties.

Mr. CLARKE. Does the fact of this clause being inserted in this Bill give this company any powers or privileges that it would not have enjoyed under the Act of last session, and which it would not have enjoyed if this clause had not been in the Bill ? If the Railway Act of last session provides a modus by means of which these trams can obtain power to cross highways, does this clause grant any greater powers?

Mr. HYMAN. If you will allow the chairman to go on with the other clauses of the Bill, I will send for the Act and see what it says.

On section 8,

Mr. CLARKE. What is clause 8 ?

Mr. DEPUTY SPEAKER. There is no change.

Mr. SPROULE. Why do you put in the word 'securities' instead of the usual term 'bonding powers.' ?

Mr. HYMAN. I think my hon. friend (Mr. Sproule) will find that is the word which is adopted in the Railway Act. There has been a model bill prepared and this practically uses the language of the bill which was framed at the time of the passing of the Railway Act of 1903.

Mr. SPROULE. Then, I understand that the word 'securities' would include mortgages and bonds whether they were first, second or third preference.

Mr. HYMAN. That is the idea.

On section 13,

Mr. HENDERSON. I think the clause goes considerably farther than we agreed upon at the Railway Committee. I think it would be well that the hon. Minister of Railways and Canals (Mr. Emmerson) and the hon. member for Hamilton (Mr. Barker), who were the parties who were instructed to prepare this clause, should be present, at any rate, before the final stages of this Bill are taken.

Mr HYMAN. I have no objection to that. The clause was prepared by the hon. member for Hamilton and handed to the hon. Minister of Railways and Canals and myself. We both agreed with the clause, but I have no objection to adopting the suggesion of the hon. member for Halton.

Mr. CLARKE. I think a compromise was reached at the committee on the suggestion of the hon. Minister of Public Works (Mr. J. Sutherland) that this Bill should not become operative if the parties who have a charter already to construct a line over the same route built and completed five miles within six months. They have until the 17th March under their charter to complete the road between Hamilton and Brantford. The committee thought it would be only reasonable that they should show some evidence of their bona fides by completing five miles of the road within six months. Under this clause they have to complete the whole road in six months.

Mr. SPROULE. No, five miles.

Mr. HYMAN. It is expressly stated that they have to complete five miles. If they do complete five miles in six months, this Act will not come into operation.

Mr. SPROULE. The Order in Council will not be passed.

Mr. HENDERSON. Do I understand that the Order in Council may pass before the expiration of the six months ?

Mr. DEPUTY SPEAKER. I will read it again.

Mr. HENDERSON. I would like the chairman to read it again.

Section 13c re-read.

Mr. HENDERSON. I think, perhaps, that is giving the Governor in Council rather too much power and might lead to complications. I think it would be well to adhere to the decision that we came to in the committee, that the proclamation should not issue until after the expiration of six months. In my opinion the time is brief enough. The company have claims that we are not permitted to ignore. I do not think the disposition of the company is to ignore them and therefore in their absence we should not be too severe.

Mr. HYMAN. Of course, we all understand in the first place that the citizens of these municipalities are very anxious for the completion of this railway and it was felt that if you put a clause in by which there was no possibility of their going on for six months, notwithstanding the fact that they might make an arrangement with the company, which, whether it is acknowledged or not, asserts a prior claim, it would be entirely unfair to say that for six months they should take no step to proceed under this charter. Therefore this clause was adopted by the committee.

Mr. SPROULE. That was not the understanding in the committee.

Mr. HYMAN. I have no objection to the clause going back to the Railway Committee. I may say that the representative of the Hamilton and Ancaster Company saw this clause, and that it was in accordance with their desire in the matter. It is intended simply to permit the new company, if they make such arrangements as are satisfactory to the old company, to take action before the end of six months and to go on with the work.

Mr. CLARKE. The committee were certainly seized of the impression that the municipalities interested were desirous of having the work done, but having heard counsel for those who have the charter for the Hamilton and Ancaster railroad, they thought a case had been made out for some consideration and that a reasonable time should be given them to show their bona fides and to go on with the work. The hon. gentleman (Mr. Hyman) says that counsel for the Hamilton and Ancaster road and Mr Leslie, who appeared on behalf of the company, are both satisfied with the clause, so I am perfectly satisfied with it too.

Mr. INGRAM. I can testify to the solicitor and Mr. Leslie both being satisfied. This Bill has the remarkable feature of being satisfactory to both sides of the controversy. The only point I see deserving of comment is the clause providing that the Order in Council may issue before the 31st of October, and I can see a good reason why that should be so. Supposing on the 1st of October these gentleman had not proceeded at all, is there any good reason then why this Order in Council should not issue on the 1st of October ? It would be impossible to complete the five miles in thirty-one days. As this is satisfactory to Mr. Leslie, and the other gentlemen who appeared on behalf of the parties, I think the whole thing is satisfactory.

Mr. HENDERSON. The hon. member for Elgin (Mr. Ingram) has said it would be impossible to complete this road in a month and therefore in the event of no action being taken by the parties on the 1st of October, he has said it would be proper to issue the

Order in Council on the 31st of October. As a matter of fact the road could not be completed within three months. If Mr. Leslie is a party to this arrangement and has concurred in this clause, I have nothing further to say.

On section 13b.

Mr. SPROULE. I would ask the hon. minister (Mr. Hyman) why this clause appears here now. When this Bill was under consideration I drew attention to the fact that it contained no time limit for beginning or ending the railway. His answer to me was that as the General Railway Act provides for this, it should not be put in the Bill. I am not objecting to it going in, but we should adopt either one course or the other and always either put it in or not put it in unless there is some special reason.

Mr. HYMAN. There is this reason in this case that in the ordinary course an Act goes into effect from the time it receives the assent of the Governor General. But in this particular case the Act was brought into force at a subsequent date.

Mr. SPROULE. That does not make any difference.

Mr. HYMAN. The hon. gentleman may be perfectly right ; I do not remember saying that in the Railway Committee. The secretary of the Railway Committee had this clause prepared and I had it before me, and I do not remember saying there was no necessity for the clause.

Mr. SPROULE. The Bill was reported without it.

Mr. HYMAN. I beg the hon. gentleman's pardon. I had this clause before me, prepared by the secretary, at the time it was under discussion, and my understanding was that it was to be put in.

Mr. INGRAM. It was understood in the Railway Committee that the secretary was to draft that clause, but I do not remember it being afterwards submitted to the committee as drawn up. It was well understood by the committee what the clause was to be.

Mr. HYMAN. This clause is not in the exact wording of the clause in the Railway Act. This clause reads :

If the construction of this railway is not commenced and 15 per cent of the capital stock is not expended within two years from the issue of the proclamation.

On subsection 5 of section 7,

Mr. HYMAN. The hon. member for West Toronto (Mr. Clarke) asked some questions about this clause which reads :

Before making application to the Board of Railway Commissioners under section 186 of the Railway Act of 1903 for leave to construct the railway across any existing highway, the company shall apply to the municipality wherein such highway lies, for leave to construct, and if such leave is not granted shall give at least ten days' notice to the municipality of application to the Board of Railway Commissioners for leave.

The General Railway Act, clause 186, reads :

Upon any application for leave to construct the railway upon, along, or across an existing highway, or to construct a highway across an existing railway, the applicant shall submit a plan and profile of such crossing, showing the portion of railway or highway affected, to the board. The board may by order grant such application upon such terms and conditions as to protection, safety and convenience of the public, as it may deem expedient, or may order that the highway be carried over or under the railway, or be temporarily or permanently diverted, and that such works be executed, watchmen or other persons employed, or measures taken as under the circumstances appear to the board best adapted to remove or diminish the danger or obstruction arising or likely to arise therefrom.

So that the effect of this clause must be to make the applicants go in the first place to the municipal authorities. Thus it is simply a greater measure of protection to the municipalities.

Mr. CLARKE. It is the intention of the subsection to give the municipalities greater protection.

Mr. HYMAN. It would seem that they cannot make direct application to the Railway Committee.

Mr. INGRAM. In case of refusal they can go to the Railway Committee. It sets forth in the clause what they must do. They must give certain notice and then go to the committee.

Mr. SPROULE. The original clause says 'go along or across'; but this I take it, would apply only to a crossing.

Mr. HYMAN. If the hon. gentleman will look at subsection 4, he will find that the question of the right to construct and operate on any highway, is dealt with there, and is left entirely in the hands of the municipality. It is only the crossing of the road that is protected in this way in subsection 5.

Bill reported, read the third time, and passed.

SECOND READINGS.

Bill (No. 65) respecting certain Patents of Lewis E. Curtis.—Mr. Ross (Ontario).

Bill (No. 66) respecting the Pacific Northern and Omineca Railway Company.—Mr. Morrison.

Bill (No. 67) respecting the Ontario Accident Insurance Company.—Mr. W. S. Maclaren.

Bill (No. 69) to incorporate the Monarch Life Assurance Company.—Mr. Osler.

Bill (No. 70) respecting the Canadian Pacific Railway Company.—Mr. Douglas.

Bill (No. 71) respecting the Ottawa, Brockville and St. Lawrence Railway Company.—Mr. Logan.

SUPPLY.

Department of Customs—salaries, $57,160.

Mr. LENNOX. The consideration of this item does not involve merely the amount of money, but a great constitutional question. From time to time it appears to me that these constitutional safeguards are being infringed upon or dropped or beclouded by the present administration; and, important as it is in itself that His Majesty's opposition should guard the interests of the people of Canada in the matter of the expenditure of money, it is perhaps even more important that we should see that these safeguards are rigidly adhered to. Now, this is not a temporary question at all; it is a question of far-reaching importance, and the fact, if it is a fact, that the safeguard provided has been disregarded in the past is no argument that it should be disregarded at present or in the future. Although we sometimes forget perhaps the usages of parliament, I think we can congratulate ourselves that we never forget this important principle, that the statement of a member of this House is accepted as undoubted and incontrovertible; and when we have the statement of the hon. member for South Lanark (Hon. Mr. Haggart) as to what the practice was prior to 1896 under the administration, we may take it as a fact, established beyond question, that that was the practice that then prevailed. Whether it was or not, however, is not fundamental to the determination of this question. I repeat and it cannot be too emphatically enunciated, that there is a great constitutional safeguard of the people of Canada at issue in the question we are discussing to-night. If hon. gentlemen who are familiar with the laws and practices of parliament will for one moment reflect, they will see that three great safeguards stand out conspicuously in the constitution of Canada. One concerns the paying out of money of the people of Canada. The great safeguard in reference to that, which prevents the administration to a large extent, though not fully, I am sorry to say, from squandering the resources of the people of Canada, was the institution of the Audit Office, and the administration of that office by the present incumbent. Too much cannot be said of the efficient manner in which that gentleman has administered that office, and of the sturdy and loyal way in which he has stood up for the rights of the people as against the acts of the present administration. In some instances, in one instance that occurs to mind, into which I shall not go at present, as large a sum as over half a million dollars was saved to the people by the activity and loyalty of this officer. And even then he failed to accomplish all he thought should have been accomplished on behalf of the people. That is one of the safeguards which stands out conspicuously. Another safeguard is that when any impost or tax is to be put on the people, the first step to be taken by the government is to announce to the House that they have the consent of His Excellency to the introduction of a measure. That is a safeguard which, according to all constitutional authorities, is of vast interest to the people. In fact, too many steps cannot be taken in putting these measures through the House, so that the attention of the people's representatives shall be called to them in all their various stages. But this constitutional safeguard is one which has been more honoured in the breach than in the observance by the present administration. I do not mean that it is completely ignored. But in important questions, such as the building of the Yukon Railway and this new transcontinental line, this safeguard was not observed until its observance was forced on the administration by the activity of members on this side.

A similar safeguard of the interests of the people is involved in the question we are now discussing. The procedure as outlined in the Civil Service Act requires that there shall be first a report of the deputy head in writing, setting out the reasons why the additional clerkship is required. That safeguard is required because of the political influences that are apt to surround the head of the department. It is no secret in public life that ministers of the Crown are besieged by office-seekers, and it was thought wise that some one, removed from the political arena, and who has immediate supervision and control of the department, should be the one to recommend that an additional clerkship is required. Then, after the head of the department has passed upon the report and submitted it to council, and the council has approved of it, the final determination is left with parliament, the people's representatives in the House of Commons. It is said that the reason for the additional clerkship will be given after the vote is taken. But what possible benefit could there be in stating the reasons then. The deputy head would simply say that the money having been voted by parliament, all he had to do was to recommend the additional new clerk. The abuses that could creep in if such a course were followed are innumerable. I need only mention one. A minister of the Crown may have relatives,—which is something not unknown to the present administration,—he may have nephews, sons and others who would be of inestimable value to the public service in his estimation, but who would hamper and impede the administration of the department in the opinion of the deputy head, and they may be the last persons

whom he would think of recommending if he were consulted, as he should be, according to the statute. Then the next step is the concurrence in the report of the deputy head by the head of the department. Perhaps ministers of the Crown do not like to think that these matters have to originate with the deputy head, but, acording to the statute, they must be initiated by him.

If then, the head of the department concurs in the opinion of the deputy head, the matter is advanced another stage—a second step toward the appointment has been consummated. The third matter is one of the great safeguards to which I have referred and to which I will specifically refer now—and I hope I shall have the attention of the ministers of the Crown, because I believe that any deviation from the rule has been a matter of oversight rather than of intention. It is provided, in the first place, that this report shall be laid before His Excellency the Governor General. There must be a recommendation in writing, concurred in by the minister, and, as a third step, laid before the Governor General. This is a great safeguard provided by the statute. It is the duty of the Governor General, when this matter comes before him, to consider the propriety of having this matter brought down to parliament at all. Ministers of the Crown, from habit may conclude that they are sovereign in these matters, that of their mere will they can bring down estimates of such size and such a character as they may see fit. Reflection will teach them that it is the mandate of the Governor General, after this matter has been submitted to and considered by him, that authorizes the introduction of it into this House. This is the fourth step, and it is only after we have all these preliminary steps, all these statutory requirements observed, that the minister of the Crown has the right to introduce the matter to the committee, or that, as representatives of the people we have the right to consider it. Do not forget this, because it is an important point, which we shall have to consider later on. Again I submit it as an undoubted fact, notwithstanding my high regard for the Minister of Justice, that not only is it true that the department cannot constitutionally and fairly bring down these estimates until these steps are taken, but the opposition are derelict in their duties if they allow these items to pass in that shape without, at all events, doing all they can to prevent their passing. Now, when all these steps have been taken, and when the committee have considered the reasons accompanying the application for this money, and if the reasons given by the deputy head seem just and fair, the funds are provided, and then the matter is in a position for the creation of the office. Now, it is not a question of production at all. It is immaterial whether we have the original report as prepared by the deputy head, and sent through the proper channel to the Governor General, or not. But, it is our duty to see that these steps are taken. We should have before the committee at least a copy or at least a statement of what the reasons were upon which this vote is asked.

The reason I have argued the question on this line is that this is one of three great constitutional safeguards of the people in a matter vital to the interests of the country, namely the question of taxation. There is no subject around which fiercer passions have raged than this very subject of the imposition of taxes. In Great Britain, in the old days the storm centre of political affairs, was the question which more than any other imperilled the safety of the British empire this question of taxation. Of course, I am not going to say what I do not believe—I do not think the question before us to-night imperils in any way the stability of Canada. But I say, and say advisedly, that it involves the same principle upon which these great agitations have risen in the past, and that the strict adherence to the constitution is just as vital to the preservation of our rights now, as at any time in the history of the empire.

I have an object in reviewing to some extent the line of argument that has been taken. I do not wish to delay unnecessarily the estimates of the hon. minister; but I do not want to be understood as arrogating to myself great importance or special knowledge when I say that I cannot accept the opinion expressed by the Minister of Justice on this question. Notwithstanding what I have heard from that hon. gentleman, I am, if anything, more convinced than I was before, I am absolutely convinced, that the true and only construction of the provisions I have referred to is the construction I have ventured to place before the committee. In doing so, I am paying a tribute rather than otherwise to the Minister of Justice, whom I respect very highly, and for whose ability I have the very greatest regard. So great is my faith in the ability of the Minister of Justice upon most questions, that it seems clear to me that he must be swayed by what has been transpiring in the various offices since 1896. His judgment must be so warped by prejudice upon this subject that here is a clear case in which I can show that, upon this question at all events, my judgment is more reliable even than that of the Minister of Justice. I hope I shall not be misunderstood in that regard. I intend to look up the authorities that have been suggested, and we shall have this matter discussed further. But, looking at the various provisions of this statute, I cannot but be impressed with the peculiarly apt and proper language in which the various sections of it are couched, sections

which, by reason of their happy phraseology and peculiar fitness for the purpose for which they are intended, I venture to submit, are in strange and striking contrast to the puny, inconsequent and incongruous laws of the present administration.

Mr. SPROULE. I would like to draw attention to one thing, that, it seems to me, must strengthen the conviction that the opinion expressed on this side is right. Some years ago we passed an amendment to the Civil Service Act, and established what was called a board. And that is part and parcel of the Civil Service Act to-day. Now, in working out that Act, here is one of the provisions ; and it was in consequence of this that I drew attention to it to-day, remembering the duty that was imposed upon the deputy head :

Once in each year, and not later than the fifteenth day of March, the deputy head of each department shall make and lay before the board, through the Department of the Secretary of State, an estimate of the number of vacancies likely to occur therein during the ensuing year, in the first division, in the classes of——

(a) Chief clerks ;
(b) First-class clerks ;
(c) Second-class clerks.

2. To the number so estimated shall be added such further number as the deputy head of the department deems necessary to compensate for any death, failure of health or other contingency.

3. A similar estimate shall be made at the same time of the number of vacancies likely to occur in the second division to which promotions can be made.

Now this is intended to provide for the succeeding year. The number of vacancies that have taken place on account of death, promotions or increase of work, has to be, before the 20th day of March, made out and laid before the board through the head of the department. What was that for ? So as to enable the board to present this information to the council, and upon the basis of that, to make the calculation of how much money was needed for the civil service in that department. That information was regarded as sufficient to justify the council in putting in the estimates the items necessary to provide salaries for those parties, and that was the only case in which they had to do it. I asked the minister upon what data or ground he has come here for so much money, because I notice that he provides three more civil servants in one class than were in that class last year ; he provides eight in a new class that were not there last year at all. I assumed at once that they must have been recommended by the deputy head of the department, or otherwise the item would not have found its way to council, and we would not be providing the money for it to-day. It is the initiatory steps that I want to find out. Who is responsible for making the recommendation to the department, and through the department to the council, for this additional amount of money we are asked for ?

Mr. BARKER. I was not here this afternoon when this item arose, and would not now intervene were it not that I understand that the item contains the salaries of some new appointments such as a first-class clerk, or a second-class clerk, that did not exist before. Am I right, Mr. Chairman ? I understand that is the bone of contention now. Now, Sir, this question arose last year, and it was very fully debated, as will be found at page 2727 of 'Hansard.' On that occasion I took exception to the use that was being made by the government of the words 'notwithstanding anything in the Civil Service Act,' which little phrase appeared on almost every page of the estimates. It turned out that that phrase was being used by the government to repeal the Civil Service Act, and by some hocus pocus that nobody could understand, it not only repealed the Civil Service Act, but immediately afterwards the Civil Service Act took effect again. I called attention to it on that occasion, and I discussed the several provisions as to the procedure under which new offices were created, and the hon. the Minister of Finance answered, and he was replied to by the leader of the opposition. The whole subject was discussed very fully there, and I propose to read a remark or two on that occasion by the hon. the Finance Minister and one or two remarks made in reply to him by the leader of the opposition. I referred on that occasion to the very distinct words in the Civil Service Act describing the routine, the order of procedure for the creation of these extra or new offices. To my mind then, and I think to every man's mind, there could be no doubt whatever as to what the Civil Service Act contemplated. Not only was I confident in my own mind on that question, but I was confirmed in my opinion by the admission of the Minister of Finance on that occasion. The hon. the Minister of Finance did not dispute that these offices could not be created by Order in Council except under the strict regulations and provisions of that Act. But the hon. the Minister of Finance said this, that the Civil Service Act was capable of amendment, and that when, in the estimates every year, something new was added that was inconsistent with the Civil Service Act, the very fact that the words were inconsistent with the Civil Service Act made them an amendment to that Act. Well, it was one of the most extraordinary remarks I ever heard from a gentleman in the position of a minister of the Crown. The hon. gentleman gravely stated that when there was an evasion of the Act, it was an amendment to the Act. The hon. gentleman assumed that the words introduced into the estimates could form an amendment to the

Act, and the amendment being enacted by this parliament, the instant the words passed the lips of parliament, their effect ended and the Act was restored. The argument only requires to be stated to show its utter absurdity. The hon. gentleman said :

> Every Act of parliament is capable of being amended, and when we introduce into the Supply Bill the words 'Notwithstanding anything in the Civil Service Act,' undoubtedly to the extent of these words, and in the case to which they refer, we amend the Civil Service Act.

The Act being amended it stood as it was before.

Mr. FIELDING. Not as respects that particular case.

Mr. BARKER. Would it not have been wise to say, so that there could be no doubt what you meant ; that this item being passed the Act went back to the old condition ?

Mr. COCHRANE. It is automatic.

Mr. BARKER. The leader of the opposition replied to that statement, to the position taken by the government, to the act committed by the government, in words that were very strong, but not one whit too strong under the circumstances. The hon. leader of the opposition said :

> I say that it was a most disgraceful piece of business.

I do not think those words were too strong. If stronger words could be used within the limits of what is allowed by the rules of debate, they ought to be used. It was a discreditable piece of business. The idea of hon. gentlemen professing that they, by a number of figures in the schedule attached to a Supply Bill, repealed an Act formerly passed years ago and remaining upon the statutes of this country, and that they do so notwithstanding the provisions of the Civil Service Act. Why, they are doing more than that, they are doing the same thing without using those words, they are actually putting in items in the Supply Bill that they have no authority to put in. They pass orders in council for estimates asking for supply from this parliament, and actually under the Act they have no authority whatever to pas those orders in council. The Act is as clear as the sun at noon-day that the government have no power even to consider the question of the creation of these offices until the deputy minister certifies that the officers are necessary. This is not a matter of political discretion to be exercised by the ministers for their advantage or for the advantage of the government. The whole object of the Civil Service Act is to remove that sort of thing and to make the responsible deputy minister, a life officer, responsible for the recommendations which he makes and no cabinet, no ministry can create these offices until the responsible, life-serving officer who risks his office if guilty of improper conduct, certifies that the office is necessary. When that is done the matter comes before council and then council passes an order, the proper officer having certified as to the necessity for the appointment. Council having adopted that report of the deputy minister it comes before parliament to vote the money. That is the procedure and the hon. gentleman knows it. The hon. gentleman did not pretend to the contrary; there was not a word of this to the contrary. He says :

> I quite agree with the hon. gentleman—

I happen to be the hon. gentleman.

> —that we ought to give careful attention to these words and see what they mean in each case.

He goes on to say :

> Every Act of parliament is capable of being amended.

Nobody doubts that. Every Act of parliament is capable of being amended, but when you want to amend the Civil Service Act, in Heaven's name, amend it. Take the responsibility of asking for an amendment and see if you can get parliament to adopt it, but do not, in council, behind the back of parliament, attempt to enact what parliament has never considered. You are altering the Act every hour of the day and you are altering the Act by every item you put into these estimates, when parliament has never considered whether the Act should be altered. The hon. gentleman may say what he likes. He knows that by inserting these items in the estimates he is amending the Civil Service Act, and if he wants to amend the Act let him do so openly by coming before parliament and proposing an amendment and not putting it in by this side wind, this violation of an Act of parliament.

Mr. FIELDING. Most of my hon. friend's observations touch a point which is not before the committee at this moment; that is to say, the use in the estimates from time to time of the words 'notwithstanding anything in the Civil Service Act.' I find that I stated the facts of the case, and under advice the law of the case, so clearly, so plainly and correctly last session, as has been read by my hon. friend, that I could not add a single word to it to-night, and I do not propose to do so. On the other point which has been the subject of discussion to-day, if my hon. friend were called upon outside in his professional capacity to give an opinion on that, I would attach great importance to his opinion, but I am unable to do so to-night, because I am afraid he is a little biassed by his surroundings. If he entertains the view to which he has just given expression, all I can tell him is that

the legal authorities whose opinions we are bound to take differ from him. I cannot give him any better answer than that.

Mr. FOWLER. I suppose the hon. Minister of Finance refers to the hon. Minister of Justice ?

Mr. FIELDING. Yes, I do.

Mr. FOWLER. Well, the hon. Minister of Justice did not give an opinion. He said that he would take the matter into consideration. Would the hon. Minister of Finance pardon me for a moment ?

Mr. FIELDING. Yes.

Mr. FOWLER. The hon. Minister of Justice said he was very much impressed with the arguments from the other side of the House. The matter had not come to his attention, he had not taken it into consideration before, but he would take it into consideration and fortify himself with the opinion of the deputy minister. This is how the matter stands. That is all the opinion that we have from the other side of the House, even from the Minister of Finance himself, who does profess on most occasions to state the law on that side of the House, but as the hon. gentleman has not been trained in the law, naturally we do not give to his opinions the credit and consideration that we would if he had the advantage of a legal training.

Mr. FIELDING. I am inclined to think that amongst those who know us both, my legal opinion would not be much worse than that of the hon. gentleman (Mr. Fowler) himself. Let me add, however, that the hon. member entirely misunderstands the position taken by my hon. friend the Minister of Justice. I heard the hon. Minister of Justice say distinctly. that if hon. gentlemen opposite had not raised the question this afternoon, and if courtesy had not obliged him to treat them with consideration, he would not have considered that the question admitted of a moment's debate.

Mr. CLARKE. He got new light from this side this afternoon.

Mr. FOWLER. I have not the advantage that the hon. Minister of Finance has of such an overweening conceit as he has, and in consequence, I would not put forward my own attainments in the profession to which I have the honour to belong. But, Sir, if the matter were left to the opinion of my clients, I do not think I would suffer by any statement they might make in reference to my legal attainments. The hon. gentleman may be a very fine lawyer, as a layman he may have a knowledge of the class of law which is commonly known as fireside law, which is a very dangerous class of law, he may be a very good journalist, which is his profession, although I do not think that he has achieved very much eminence in that profession, but, judging from the samples of law that we have heard from the hon. gentleman from time to time, I do not think anybody would have very much confidence in his legal attainments or in any statement he might make as to the law of this or any other country. As to the moral law, I do not think we can draw a more favourable conclusion judging from the exhibition we had from the hon. gentleman the other day, and judging from the statement of the hon. ex-Minister of Railways and Canals as to his conduct in reference to some memoranda which he found in the Privy Council after the advent of this administration.

Mr. BARKER. I understand the hon. Minister of Finance to say that there is some distinction between the discussion of last session and that upon the item now before the committee, because last session the words 'notwithstanding anything in the Civil Service Act' were used. Does that make any difference ? The only point is that this is a further concealment of the intention to evade. The hon. gentleman is seeking to amend the Civil Service Act. He is creating second-class clerkships. What does the Act say ?

> A second-class clerkship shall only be created by Order in Council, passed on the report of the deputy head.

Where is the report of the deputy head on which the Order in Council was based ? Does the hon. gentleman pretend that there is any such report in existence ? If the hon. gentleman says there is the argument can cease at once. We have not another word to say. But there is no such order in council. The hon. gentleman in assuming to pass the order in council without the report of the deputy head is deliberately violating an express provision of parliament. It does not require a lawyer to understand that much, I hope. It is simply a matter of common sense. I will read the words again. I am afraid the hon. gentleman is so busy in his department that he does not read these Acts or that somebody in getting orders in council through, does not take the trouble to look at the authority on which they pass the order in council.

Section 19 says :

> A second-class clerkship shall only be created by order in council, passed on the report of the deputy head, concurred in by the head of the department, setting forth the reasons for creating the office, and after the salary has been voted by parliament.

So that before council can consider the question they must have the report of the responsible deputy the man who knows whether the office is needed. This report having been approved by council then they are in a position to have the money voted by parliament but not until then. What an absurdity it would be for us to pass millions of dollars for ministers when they do not know that they will ever get a report of the

deputy head! If the deputy head should report that the office is not needed, what is the hon. gentleman going to do about it? Parliament is gravely asked to vote money for an office which may not be created. As has been said the hon. gentleman is putting the cart before the horse. Why should we vote money to add to the obligations and taxes of this country including in these votes salaries for men whom they have no right to employ? It is absolutely folly even to take time to argue the matter.

Mr. FIELDING. Lest it might seem discourteous to the hon. gentleman not to reply to him, I may say that he was not in his seat when the whole question was thoroughly threshed out this afternoon.

Mr. BARKER. You cannot thresh it out, there is nothing to thresh.

Mr. FIELDING. Hear, hear.

Mr. BARKER. If the hon. gentleman says that the item includes salaries for second-class clerks who have not been recommended by the deputy head there is nothing to talk about.

Mr. FIELDING. Then why insist on talking?

Mr. INGRAM. The only explanation I could obtain this afternoon was the statement made by the Minister of Customs (Mr. Paterson) that the submission of an item by a minister should be a sufficient reason for that item passing. That is a very clever explanation, but there is not much information in it. This item is for $57,160, an increase of $8,810. We find on page 17 that there is an increase of eleven clerks, three junior second-class clerks and eight of the third-class. No explanation is given of what the three new junior second-class clerks are to receive, or what the eight third-class clerks are to receive. This is a very large increase and the House has a right to know before we pass these estimates the necessity for these clerks in the department and the branch of that department and the particular service that these men are to be employed in. Who are they and what are their duties? I for one shall decline to vote for this item until this information is furnished. The argument this afternoon was as to whether the minister has a right to secure an order in council without a report being submitted to him by his deputy. I can readily see that the head of the department is open to political influence, and the fact of this check being placed upon him should be a great relief to him as when his friends come to him and put forth every effort to induce him to appoint unnecessary and incompetent men to office at good salaries, he can shelter himself behind his deputy and say: I require a report from my deputy, and I must concur in that before the man can be appointed. Of course we all know the usual chestnut that such men cannot be appointed because they have not passed the civil service examination, but men have been appointed who have not passed the civil service examination, and the law has sometimes been violated in that respect by these gentlemen.

Mr. PATERSON. The hon. member for East Elgin (Mr. Ingram) has brought the question down to a business basis. The discussion this afternoon was what some gentlemen opposite termed a constitutional point, but there is no constitutional point involved in this. The hon. gentleman is right in saying that it is my duty to give information to the House in reference to this proposed increase, because if the House is not satisfied they should not pass it. With reference to the three junior second-class clerks who are being employed I may state that the work of the inside department became so great that for some time past we have been utilizing in the office these three men who were already in the service in the outside department. One is in the accountant's branch, one I think in the correspondence branch, and the other in the checking branch. Their salaries have been paid from the outside vote. The intention is that as they are to be continuously employed in the inside service, they should be paid from a vote from the inside service.

Mr. INGRAM. What becomes of the items for their salaries in the outside service? Will they lapse?

Mr. PATERSON. The salaries for the outside service are taken in a bulk vote under the name of Customs under which are included the clerks engaged in statistical work, inspectors, &c. Owing to the increase in the work of the department I am afraid that instead of being able to reduce the amount of that outside vote, I will have to ask the committee to be kind and generous enough to give me even more than they gave me last year.

Mr. CLARKE. In addition to these extra sums?

Mr. PATERSON. Were it not that the business is increasing, we would be able to reduce the outside vote by paying these men from the inside instead of from the outside vote. I think the House will agree that this will be more regular and better. In the inside service, there were also what are known as temporary clerks. We had $5,000 voted for contingencies last year out of which we paid those temporary clerks. A change was made in the law last year which permitted the temporary clerks to be put on the permanent list as third-class clerks. It was desirable, instead of having them as temporary clerks, that they should be placed on the permanent list as third-class clerks. Therefore you find eight third-class clerks, of whom six have been in the employ of the department for many years, and the deputy

head thinks that we shall require two extra. These temporary clerks have been paid out of the contingencies to the amount of over $5,000. We do not ask that item in contingencies, but it is included in this vote.

Mr. INGRAM. Who are these three outside men, and where were the located ?

Mr. PATERSON. W. H. Robertson, Alexander Ross and Charles B. Patton. They were in the statistical department. A large part of the work of that department used to be done at the various ports throughout the Dominion, which reported to the central office here. By that means we were never able to get out the trade and navigation returns until some months after the close of the financial year, sometimes as late as February or March. It was thought that with the expenditure of some thousands of dollars extra, which parliament thought was wise, we would bring from the larger outside ports the men who had been engaged in that work, and have all the returns sent to Ottawa and tabulated here, so that monthly statements could be got out. I may say in a general way that we have been able to accomplish that. As the men we brought from the outside ports were not enough to do the work, we had to supplement the staff with some new appointments, and it is from that branch that these three gentlemen have been brought into the inside service.

Mr. INGRAM. The hon. gentleman has referred to the unrevised monthly statement and places great stress upon it. I do not know where it is of service, because being unrevised, very little reliance can be placed on its accuracy ; so that you spend a large amount of money on it for very little good.

Mr. PATERSON. I am sorry the hon. gentleman made that remark. Until the final revision takes place it is unrevised, but for all practical purposes it may be relied on almost as fully as the revised report.

Mr. INGRAM. Then I would suggest that you strike out the word 'unrevised.'

Mr. PATERSON. I would not like to do that, because when the report for the twelve months is made up, it is possible that a slight error may be found in the monthly reports ; but for all practical purposes, it may safely be taken.

Mr. HENDERSON. With reference to the unrevised report sent out monthly, I think it does not contain all the information that would be desirable. I can see the advantage to the department of having these reports from month to month in the same form as the Trade and Navigation returns, because in that way no doubt the department is able to turn out the complete returns at a much earlier date than was formerly done, and that is very acceptable to members of parliament. But, if my memory serves me rightly, I think the column of duties is lacking in the unrevised report, and it would be very desirable if that could be included.

Mr. PATERSON. While it does not give the amount of duty, it gives the rates, I believe.

Mr. BARKER. The question we are discussing in committee is not about the particular value of the reports of the department, but as to the principle of the creation of these offices. That is what I would like to confine the minister to for the present. The minister tells us that these three gentlemen have been brought here from a distance, and have been performing their services here. Are they second-class clerks ?

Mr. PATERSON. No, they have not yet been appointed to those positions. We are asking for a vote in order that we may appoint them.

Mr. BARKER. Has there been any report from the deputy ?

Mr. PATERSON. There will have to be before they are appointed.

Mr. BARKER. I did not ask that. I asked if there has been a report from the deputy ?

Mr. PATERSON. The hon. gentleman is asking the question that has been discussed all the afternoon.

Mr. BARKER. I would like a statement from the minister if there has been a report from the deputy that these clerks are required ?

Mr. PATERSON. It was the deputy head who brought these gentlemen in, as I understand it. If he did that, he must have considered that their services were required.

Mr. BARKER. Is that the way the business of the department is conducted ? The deputy minister brings in these gentlemen and does not even make a report as to the necessity for employing them. This seems to be going still further away from the provisions of the Act. Last year we discussed all this and tried to get some rule of procedure adopted. The Finance Minister told us then that the estimates repealed the Civil Service Act. I hope he is not going to adhere to that. I am sure he will not seriously say that he is going to repeal the Civil Service Act twenty times every session. If the hon. gentleman claims absolutely the right to do this, let him say so. Last year he supported it simply on the ground that every time that appeared in the estimates, it was equivalent to an Act of parliament and was pro tanto an amendment of the Civil Service Act. We want to know just where we are in this matter. These gentlemen are already established in the office, and there has ap-

parently been neither a report from the deputy head or anything else.

Mr. INGRAM. Had these three men a roving commission? The hon. gentleman did not say where they were located—those gentlemen who were collecting statistics.

Mr. PATERSON. They had been engaged in the statistics in the city here, and were brought into the inside department. They had been there over a year.

Mr. BARKER. They have been second-class clerks for a year and there is nothing to authorize their appointment?

Mr. PATERSON. My hon. friend from Hamilton was not here this afternoon and does not know the discussion that took place. I am not on that point at all. These gentlemen are not yet appointed junior second-class clerks. Before they can be appointed, there will have to be a report from the deputy, concurred in by the minister, and the office created according to law.

Mr. BARKER. But they have been here twelve months.

Mr. PATERSON. It cannot be done otherwise. If the hon. gentleman will only think for a moment, he will realize that the hundreds of clerks appointed during the past thirty or forty years were all appointed in this way. Will the hon. gentleman point to one who has not been legally appointed?

Mr. COCHRANE. How do we know?

Mr. PATERSON. My hon. friend from South Simcoe says that we have constitutional safeguards. There must be the sanction of His Excellency, which is one safeguard, and we have another very valuable safe-guard in the Auditor General, who has to pass upon all these matters. In all these years, the Auditor General has sanctioned every one of these appointments. Not one of these men can be appointed if we vote their salaries now, unless the law be complied with. If any one of them is not appointed to the position according to the statute, he cannot get the money. The deputy head cannot recommend the appointment, the minister cannot concur in his recommendation, the council cannot take action until parliament has voted the money. After parliament has voted the money, then all the steps will be taken which are required by the statute. If not, the Auditor General will refuse to sanction the payment. In every department the same rule is followed, but if hon. gentlemen want to amend the Civil Service Act——

Mr. FOWLER . We do not, but we want you to carry it out.

Mr. PATERSON. Is it not an answer to say that it is being carried out as it has been for years?

Mr. CLARKE. That is no answer.

Mr. PATERSON. Does the hon. gentleman say that the Auditor General has been passing salaries he should not?

Mr. BARKER. Yes, he has been compelled to do it.

Mr. PATERSON. Oh, no, I think the hon. gentleman will not say that the Auditor General has been compelled to pass one of these salaries which he did not approve of.

Mr. BARKER. Let me remind the Minister of Customs of what gave occasion to the debate last year. It arose out of a protest of the Auditor General against the appointment of a clerk contrary to the provisions of the Act. When he was called upon to certify and pass the salary of that particular gentleman, he objected and wrote to the department concerned asking the authority upon which that gentleman had been made a first-class clerk. The department took the position practically that it was none of his business. They did not use those words, but that was the effect of them. If the hon. gentleman wants to get the facts, he ought to get them before complaining that we are taking up time. He makes the assertion that never has such a thing occurred. Why, only a year ago we had the question brought up which gave rise to the debate from which I have just read. The Auditor General wrote to the Railway Department about a gentleman whose name, I think, was Mr. Dixon. He asked the authority by which Mr. Dixon had been appointed to a first-class clerkship, and why he was entitled to the money which the department was demanding for him. What was the reply of the Law Department to the Auditor General? Why, the reply was that parliament had passed the estimate and that was the end of it. We cannot go on for ever arguing in a circle. One session we are told that the Auditor General has nothing to do with it because the estimates were passed by parliament. The next time we are told that we must pass the estimate because the Auditor General will look after it. We want to know where the government stand. Last year the Finance Minister justified the payment of Mr. Dixon's salary on the ground that the Auditor General was shut out because the estimate had been passed and it was none of his business. He says, you have got to pay that money. It is none of your business, there are the estimates. The Minister of Customs says, oh, pass the estimates and the Auditor General will look into it. These gentlemen, I understand, have been here for twelve months. I suppose they have been acting probably in the class they are going into. They are now brought here as rambling officers of the civil service, they have been brought here for a purpose, and the hon. gentleman now puts them in these estimates. Mr. Dixon last year was made a

first-class clerk, there had been no report from the deputy, not one, not a word from the deputy. The estimates had been passed, the gentleman was drawing this salary. The Auditor General protested. This is not a matter of rumour. Hon. gentlemen will find it all set out at length in the Auditor General's Report. He applied to the department and he was practically snubbed. He was told : What have you got to say to it ? Parliament passed the estimates, all you have got to do is to sign the cheques. Now the hon. gentleman says : Oh, we have passed the estimate, and the Auditor General won't sign the cheques unless this is right. But if he does not sign them they will go to the Treasury Board, who will overrule the Auditor General, and the moneys will go on being paid. That is the way the business of this country is being done.

Mr. PATERSON. The hon. member for South Simcoe (Mr. Lennox) pointed out the constitutional safeguards we have. I do not remember the case my hon. friend refers to that the Auditor General brought before the House. But that case would hardly be a case where the exception proves the rule, because that might have been where there were the words : 'Notwithstanding anything in the Civil Service Act.'

Mr. BARKER. What difference does that make ?

Mr. PATERSON. Because I have not those words in the estimates I am submitting now.

Mr. BARKER. The hon. gentlemen left out those words so that our attention might not be called to the matter.

Mr. PATERSON. I am not asking for anything outside the Civil Service Act. If I were asking for that, and that was the subject under discussion, the hon. gentleman's remarks would be in order. But I am only asking for money to pay the regular statutory increases, that will permit me to pay the temporary clerks on the permanent list, and that will enable me to appoint other junior second-class clerks who, as I have stated, are already in the service. If parliament was refusing to do that, I would simply have to go on and use these men as we have been using them, paying them out of the outside vote as we have been doing. But I think it is more regular that, if they are to be engaged in the inside service, the money to pay them should be taken from the inside vote instead of the outside. That is all I am asking.

Mr. COCHRANE. But you cannot do it legally.

Mr. PATERSON. Certainly, we cannot take money illegally, and if we could, I am sure the hon. gentleman would not think that I would do it. This is a matter of paying these officers. I may say to the hon. member, we are just asking to give them what they are entitled to under the law, the money is being asked for within the law. There is not a single case this year, though it has not always been so in my department, there is not a single case in which I am asking for anything notwithstanding anything in the Civil Service Act. This is all covered by the Act.

Mr. INGRAM. I would ask the hon. gentleman for an explanation concerning the eight clerks. He said there would be six provided by the department, and the department would likely have to get two more new men. If you are going to get two new men how are you going to do it ? How are you going to provide the money for them in the way you have described in this item ?

Mr. PATERSON. Because I am taking a vote in that item not only to pay the six that have been paid out of contingencies, which vote is dropped in the contingencies this year, but I am asking $1,000 extra in order to pay for two new men that the department think are necessary to carry on the work, and that will have to be appointed during the ensuing year after July next.

Mr. BARKER. I do not want to occupy the time of the House needlessly but this is not a small question, it is a question affecting the procedure in all departments of the civil service. Now this question was discussed last year on the very point that the Minister of Customs now takes up, as voiding the statute. At page 49 of volume 1 of the Auditor General's Report of last year, there was this request sent by him to the Department of Railway and Canals. As I said, I think the officer concerned was Mr. Dixon, but no question was raised about the qualifications of Mr. Dixon, nor was any question raised as to the necessity of the appointment. We did not go into that. The only question was whether the government were doing their duty under the Act. That is the question now. Now the Auditor General wrote this to the Deputy Minister of Railways and Canals—which will be found on page 2727 of the 'Hansard' of last year :

> I have the honour to request to be furnished with a copy of the report referred to in section 15 of the Civil Service Act, recommending the creation of an additional chief clerkship in your department.

Now that letter was written in consequence of the department sending in a demand for the gentleman's salary. Then Mr. Jones of the Railway Department writes to the Department of Justice inclosing these letters, and he says :

> I am to request that you will be pleased to advise whether it is necessary in this instance to comply with the provisions of section 15 of the Civil Service Act as requested by the Auditor General.

Section 15 of the Civil Service Act reads as follows :

(a) The deputy head has reported that such an officer is necessary for the proper performance of the public business of the department, stating the reasons on which he has arrived at that conclusion.
(b) The concurrence of the head of the department in such report ; and—
(c) The salary has been voted by parliament.

That is the statement by the Deputy Minister of Justice of the provisions of the Civil Service Act. Then he goes on to say :

In schedule B of the estimates for the year ending June 30, 1903, there is an item :—
'For the promotion of F. A. Dixon to the rank of chief clerk, notwithstanding anything in the Civil Service Act, $1,800.'
Parliament has thus voted the salary as required by paragraph 'c' above, and it has done more, it has waived all the provisions of the Civil Service Act which affect the promotion.

Therefore the estimates have not been passed. No attempt has been made to alter the Civil Service Act, merely to pass the estimates. The Minister of Justice told the Auditor General that these estimates had been passed, it was a matter that did not concern him whether the provisions of the Act as to the report of the deputy had been complied with or not. Now we want to know just where the government are on this question. The hon. Minister of Finance said that that was an amendment to the Civil Service Act. We want to know whether that is the position the government are taking to-day on this question? If so, we will have to discuss in the committee everything that ought to be discussed by the deputy minister and his head, and laid before the cabinet. I think the government would find it very desirable to proceed according to the provisions of the Act, to obtain a report from the deputy head, to let the chief of the department pass upon that, and then they will know whether they want such an officer or not. But when we are told that, if we here pass an estimate for the salary that makes it obligatory upon the country to pay the salary whether the deputy head wants the officer appointed or not, I think it is about time we should inquire what the ministry are doing in this regard.

Mr. ALCORN. We are dealing here with certain sections of this statute relating to the appointment of certain classes of clerks. A certain procedure is prescribed in these sections. The question of whether the appointment may be made legally or not, if the sequence of the various steps is not observed, is another matter. But it is admitted by the Minister of Justice that that procedure is not observed and the Minister of Justice this afternoon made the same admission—in fact, the Minister of Customs tells us now that he has no intention of observing it and will not observe it in future. The statute provides that the deputy head shall make a recommendation, this shall be endorsed by the head of the department, it then goes before the Governor General, and, finally parliament is to be called upon to vote the money.

Mr. PATERSON. These steps are taken after parliament has voted the money. The deputy has to take the first step and the minister has to concur in his report after the money has been voted by parliament.

Mr. ALCORN. I am pointing out that the statute is the very opposite.

Mr. PATERSON. The Minister of Justice has stated that the hon. gentleman's reading is not a correct reading.

Mr. ALCORN. It is perfectly clear what the order of procedure is. The deputy head makes the recommendation, and the head of the department endorses it. This goes to council and the last clause is in these words 'and the salary has been voted by parliament.'

Mr. PATERSON. That is it—after the salary has been voted by parliament.

Mr. ALCORN. We have been arguing all afternoon whether the head of the department has the right to invert—because that is what they have been doing—the order of procedure laid down by this and kindred sections.

Mr. PATERSON. Will the hon. gentleman (Mr. Alcorn) allow me to ask him a question ? In that way I can better get at what he says. Suppose a case ;—suppose my deputy comes to me to-morrow and makes a report that he requires three extra junior clerks. I concur in the report, knowing that the work of the department has increased. That report goes to council. What I ask the hon. gentleman is this—would it be legal for council to pass that, the money not having been voted by parliament ?

Mr. ALCORN. Yes. That is exactly what I am pointing out—that the executive here is absolutely inverting the method of procedure laid down by the statute, and not only that, but we have the statement of two ministers that they have been in the habit of doing it and that they intend to continue the practice in future. I have heard it stated on this side of the House, when this matter was up during prior sessions, that the object in departing in this way from the procedure laid down in the statutes was to afford an opportunity for hon. gentlemen opposite to place their friends in office on the mere dictum of the minister himself. I would like to ask the minister if he can suggest any other reason why the statute is departed from in the method that, it is submitted, it has been ?

Mr. PATERSON. That has nothing to to do with it. If the hon. gentleman (Mr. Alcorn) would only think for a moment he

would see how it is. He has taken the ground that the deputy head of the Customs Department could to-morrow, in the month of April, recommend to me the creation of three new junior class clerkships and recommend the names of men fitted to fill those positions ; that I might concur in that report and send to council ; that council could create these junior class clerkships, and that these men could be appointed. If appointed they have to be paid their salaries. But parliament has not voted the money. The Auditor General, then, would have to sanction the payment of money to men for whom it had not been voted by this parliament. Does the hon. gentleman (Mr. Alcorn) as a legal man, take that position ?

Mr. ALCORN. Yes. But the case the hon. gentleman speaks of could not arise, for the simple reason that the statute lays down the manner in which appointment is to be made. If parliament does not vote the money, the money cannot be paid.

Mr. PATERSON. But if the men have been appointed ?

Mr. ALCORN. It does not make any difference. If they are properly appointed, the minister is in a position to come and ask for the money to be voted. But he is not in a position to come here until that has been done. But the minister has not answered my question I asked whether he could assign any other reason than the political reason why this practice has sprung up and why it is to be maintained ?

Mr. PATERSON. It has not sprung up. It has been in force ever since there has been a Dominion government.

Mr. ALCORN. We have the statement of the ex-Minister of Railways and Canals (Hon. Mr. Haggart) to the contrary.

Mr. PATERSON. It is the law.

Mr. BARKER. Let me ask the hon. Minister of Customs a question. How does he know that these extra clerks are required ?

Mr. PATERSON. How would the hon. gentleman (Mr. Barker) know, if he were conducting a business ?

Mr. BARKER. I did not ask the hon. gentleman to ask me a question, I asked him how did he know? The statute says that he must get the report of his deputy stating the reasons.

Mr. PATERSON. My deputy asks me for these men.

Mr. BARKER. That is not a report. The statute provides that he must make a report and state his reasons. The hon. gentleman is creating offices, so far as he can, without going through the preliminary of finding out whether his deputy will recommend appointments. The deputy must first recommend that the officers are needed and state the reasons why they are needed, and the minister cannot move until he has that.

Mr. PATERSON. I can only answer as I answered before, and I do not see what good can be done by merely repeating it. My deputy could speak for himself if he were permitted. He asks for the appointment of these men. And what can you do when he prepares the estimates and proposes in them that provisions be made ?

Mr. BARKER. Do these estimates state that the men are needed and why they are needed ? The statute is specific.

Mr. SPROULE. The wording is this :

> Once in each year, and not later than the fifteenth day of March, the deputy head of each department shall make and lay before the board——

Mr. FIELDING. What board ?

Mr. SPROULE. The board established under the amended Civil Service Act which is part of the Civil Service Act.

Mr. FIELDING. That refers to the board of examiners and deals only with questions of promotions.

Mr. BARKER. I will read, if the hon. gentleman will allow me the clause which has been cited by the Department of Justice. The Act provides that this office cannot be created until—

> (a) The deputy head has reported that such an officer is necessary for the proper performance of the public business in the department, stating the reasons on which he has arrived at that conclusion.

Does the hon. minister mean to say that because he had a chat with his deputy, he complies with the statute providing that he must make a report, stating the reasons on which he has arrived at the conclusion that such an officer is necessary ? Parliament holds the deputy minister responsible for his reports. We do not want to trust to the political head of the department. There is a business head of the department, the real head of the department, a gentleman who knows what clerks are necessary, what work is done, and we look to him to tell us how many clerks he wants. He is a responsible man. He must state that he needs these clerks and why he needs them, and not till then has the hon. gentleman the right to say one word in this House. He can only confirm that report.

Mr. FIELDING. I am glad to agree with my hon. friend from Hamilton on one point, and that is that a conversation between the minister and his deputy is not a compliance with the statute. But, the time for that compliance, as we are advised, has not yet arrived. We differ from my hon. friend, but we differ from him upon good legal advice, and with the practice of many years to sustain us.

Mr. COCHRANE. I do not understand the hon. Minister of Justice to give any such advice to me or to this committee. He said that he had followed a very eminent man as Minister of Justice, that he has found that practice existing after that eminent jurist had left, and that he thought he was right in following it. But he refused to give his opinion until he consulted his deputy. The absurdity which strikes an ordinary man is that in this case a minister of the Crown comes down and asks money to pay an officer whom he cannot appoint because he has not complied with the statute.

Mr. FIELDING. He certainly could not appoint him at present. That is correct.

Mr. COCHRANE. Yes, but you take the ground that the salary must be voted. I say that the deputy minister must first report, that the head of the department must confirm the report, that he must then get the order in council passed, and in the fourth place ask parliament to confirm it. Would not the same question arise as has risen before, when the Auditor General was told that the money had been voted and that therefore he had nothing to say? If we vote this money I would like to ask the hon. Minister of Finance, how do we know that these necessary conditions are going to be complied with? If the Auditor General refuses to authorize the payment of the money would he not get the same answer that he got before, that is to say, that the money has been voted and that it is none of his business?

Mr. FIELDING. The case to which my hon. friend from Hamilton (Mr. Barker) refers is a case where a salary was voted to a gentleman by name, of a greater sum than was authorized by the Civil Service Act, and therefore, words were inserted in the vote which had the effect for the time being, if you will, of amending the Civil Service Act as far as that officer was concerned. Nobody said that the Auditor General had no business with it. The Auditor General was quite within his right and power in calling attention to it. The proper legal authority advised that the Auditor General was mistaken and he was overruled. That is not the case here. We are not voting any sum in excess of that authorized by the Civil Service Act, we are not voting any sum to any person by name, but we are taking authority to appoint so many clerks, and before they can be appointed the provisions of the statute must be complied with.

Mr. BARKER. The hon. Minister of Finance is not quite accurate. The request of the Auditor General was not about a gentleman who was getting more salary than the clerkship to which he was appointed entitled him. The Auditor General formally wrote to the department as follows :

I have the honour to request you to furnish me with a copy of the report required under section 15 of the Civil Service Act recommending the creation of an additional chief clerkship in your department.

This is not a question of paying some gentleman a little more money than the Act authorizes ; it was the question of the creation of a clerkship and he wanted a copy of the report of the Deputy Minister of Railways.

Mr. FIELDING. The reason assigned by the Department of Justice, was that words were inserted in the estimates which distinctly dealt with that particular case. Upon the application of the Auditor General, the matter was inquired into and the proper legal officer advised that the Auditor General's objections should not be upheld. It was because of the insertion of these words. There are no such words in this case. There is no comparison between the two cases at all.

Mr. LANCASTER. I would like to ask the hon. Minister of Finance if he does not think as representing the people and not the government, that the Auditor General's opinion is just that which the people would expect to be given by the Auditor General, and that which they would expect to be carried out by every member of this House. Parliament is vested with the decision as to whether these salaries shall be paid or not and as parliament has taken upon itself to say that they should be paid, the Auditor General naturally accepts that decision. Parliament is a body appointed for that purpose. That is what the trouble is about to-day. You ask parliament to appropriate money belonging to the King and belonging to the people also, because they have to pay it, for the purpose of paying some salaries. The Auditor General apparently thinks that he has to protect the people a little. He apparently thinks that the members of this House should also protect the people a little, and he thinks that if the members of this House choose to take it upon themselves to say that these salaries should be paid, it is then his duty to pay them. He thought perhaps that parliament had not noticed that these things were necessary, that have been pointed out, and he therefore drew the government's attention to them. The Governor in Council promptly overruled him and he will promptly overrule him if we pass this item now.

Mr. FIELDING. How would the point arise on which we could overrule him? Would the hon. gentleman point out in what way it would come to the notice of the Auditor General at all ?

Mr. LANCASTER. If the Auditor General scans these things, and I presume they will come before him. We were told this afternoon that we might trust the Auditor

General, so that we must understand that the Auditor General has something to say about this. I do not think he will refuse. I think he will say: Having been overruled, before and as parliament has voted this money, that therefore he must recommend it to be paid. If he did not say that he would be promptly overruled. The hon. Minister of Customs says that he is not inverting the order as to these requirements of the statute. He says that the fourth requirement, the vote of parliament, should come first. Why can he not equally well say that the third one should come before the first and second? There is just as much force in that contention. Why does he not say that the Governor in Council should say that this money ought to be paid before the deputy head recommends it and before he, as head of the department, confines the deputy's report? The first thing named in the statute is the recommendation of the deputy head, the second the confirmation by the head of the department, the third the approval of the Governor in Council and the fourth that parliament should vote the money. There is just as much room to contend that the Governor in Council can do his part before the deputy head does anything in regard to the matter, as there is to say that parliament can come in first and assume that these other things must be done. The statute clearly puts it in a certain order. The hon. Minister of Customs seems to think that he has made a complete disposition of the matter by his statement to my hon. friend the member for Prince Edward county (Mr. Alcorn). Supposing that the deputy head had a conversation with the hon. Minister of Customs, that they agreed that a gentleman should be appointed, and that the Governor then made an order in council, what would then happen? All that could then happen would be too late. They would have to wait until next session before they could pay that salary and would have no right to do such a thing except in anticipation of next year's votes. The government have no right to say that they intend to do a certain thing ten or eleven or twelve months before it is practicable for them to do so. The hon. Minister of Customs (Mr. Paterson) is not informed by his deputy before parliament meets what the requirements are to be, but he knows when parliament meets that all estimates for the next year will have to be passed then. He does not see to these matters in time and therefore does not provide for the extra clerkships before asking for the vote, and he should have to wait and not employ the man till the proper time. I have not yet understood that the Minister of Justice has given his opinion that we were wrong in this matter. He said frankly there was a good deal to be said on both sides and did not say that he had given any opinion to the department. I presume if he has given an opinion to the department which is to be binding, it will be in writing, and that we will have a chance to see it and to examine its wording. I still say that notwithstanding all the minister says, the merits of this matter are with the contention of hon. gentlemen on this side. Not only is that the order of procedure as set forth, but I do not see how any other order could be adopted which would do justice to the people. Why should the minister ask to have money appropriated when he does not know that it would be required for the year? If the deputy does not yet know whether it is to be required, then next year would be time enough to ask for it, after the deputy and the minister have recommended it and have had it approved by an order in council.

Mr. BARKER. Quite apart from procedure and from the questions as to whether the order in council should be the last or the first step, the important thing is that parliament, after all, is the judge of the necessity and propriety of the employment and payment of the particular officer. In order that we may judge of that the Civil Service Act has provided facilities for us to obtain particular information; the only trustworthy information is the report of one officer, the permanent deputy head of the department. It is only on his opinion that we can act. That gentleman is an officer who is responsible to parliament; if he gives improper advice, he does so at his own risk. We should have his report, not verbal but written, which cannot be denied or forgotten, but for which he is responsible, stating the necessity, in his opinion, for the particular office. Even with this report it is our duty to consider whether we should grant the money, but without that report, which the Act of parliament declares an essential, we are not in a position and ought not to be expected to vote this money.

Mr. PATERSON. I can only repeat that my life and my legal training do not enable me to see the point, but, as a layman, I am absolutely amazed to find legal gentleman in this House take the position which has been taken by the member for Prince Edward county (Mr. Alcorn) who states that it might have been possible for us away back in August last, if the deputy head of the Department of Customs reported that he required three junior second-class clerks, if he brought that report to me, and I concurred in it, and that report went to council, that the council could appoint these three men.

Mr. BARKER. Nobody says that.

Mr. PATERSON. Yes, the member for Prince Edward county (Mr. Alcorn) says so. Then from August until the next July, three men, properly appointed according to hon. gentlemen opposite, are doing what? One

of two things, either drawing salaries illegally which are passed by the Auditor General, who is paying money which has not been voted by parliament, or they have been working for six months for nothing. These are the two alternatives under the position taken by legal gentlemen opposite. That is the argument of the member for Prince Edward county.

Mr. LANCASTER. No.

Mr. PATERSON. Yes, he distinctly stated that to-morrow, if the deputy head were to recommend the appointment of these three men and the recommendation should be concurred in by myself they could be appointed.

Mr. LANCASTER. But not that they could be paid salaries till parliament votes them.

Mr. PATERSON. That is, we can appoint them but they must work for nothing.

Mr. LANCASTER. Yes, you can appoint them, their appointment to take effect when parliament met.

Mr. PATERSON. They can be appointed, but then they are members of the civil service.

Mr. ALCORN. The hon. Minister of Customs (Mr. Paterson) rests his argument on the period when these men are appointed. The regular procedure of the report by the deputy, &c., should be taken and then the salary could be voted.

Mr. FIELDING. In the meantime you have them working.

Mr. PATERSON. If the hon. member for East Elgin (Mr. Ingram), who is discussing the merits of the case, desires to ask any further questions I shall be pleased to answer him.

Mr. INGRAM. I was not quite clear about the explanation about the three junior second-class clerks. I understood that they were taken in to the outside service and have been since engaged in the statistical branch of the Customs Department. I wish to know where they were employed before they were engaged in the statistical branch ?

Mr. PATERSON. Two of them came from the Toronto customs office and one was appointed to the Statistical Department in Ottawa at the time it was established.

Mr. INGRAM. How long is it since the Statistical Department Office was established ?

Mr. PATERSON. About three or four years ago.

Mr. INGRAM. And since that they have been temporary clerks?

Mr. PATERSON. They have not been for that length of time in the inside service, they have been on the outside work.

Mr. PATERSON.

Mr. INGRAM. As temporary clerks in the outside service ?

Mr. PATERSON. No, two of them were appointed permanently by order in council.

Mr. INGRAM. What are the names of the other six, and where were they employed ?

Mr. PATERSON. Their names are Miss B. F. Sixsmith, Madame Jolivet, Miss B. L. Masson, Miss J. G. Low, Miss F. M. Burt and F. Lessard. These are the six who were paid out of contingencies.

Mr. BLAIN. When will their appointment to the inside service commence ? What salaries have they been paid, and what increase of salary will they be paid now ?

Mr. PATERSON. They were appointed on the 1st of January, 1904, and at the following salaries : Miss Sixsmith at $600, Madam Jolivet at $600, Miss Masson at $600 ; Miss Low at $600, Miss Burt at $500 and F. Lessard at $500, amounting altogether to $3,400.

Mr. BLAIN. Have they been paid any salary up to this date, and if so out of what appropriation ?

Mr. PATERSON. Yes, they have been paid, I think under the clause of the Civil Service Act passed last year.

Mr. FOWLER. Was any question raised as to the payment of their salaries ?

Mr. PATERSON. Yes, there was some objection on the part of the Auditor at first, but he has paid them now.

Mr. FOWLER. Will the minister explain the objection which the Auditor had ?

Mr. PATERSON. It did not arise in my department, but in another department, and after the matter was determined there, they were paid.

Mr. FOWLER. These people were in the hon. minister's department, and I understand that a question was raised with respect to the payment of these particular parties.

Mr. PATERSON. The objection was raised with reference to the Post Office Department, and a decision was arrived at there under which the Auditor has agreed to the payment of these people.

Mr. FOWLER. There salaries were held up along with the others ?

Mr. PATERSON. We paid them temporarily while that question was in abeyance. We paid them out of contingencies.

Mr. FOWLER. But you have been paying them all along out of contingencies, and it is in order to avoid that we are now taking votes for their salaries. What was the question raised by the Auditor General ?

Mr. FIELDING. I think the question was whether the sums of money voted in the

contingencies could be made available for the payment of these clerks when they were transferred to the permanent list.

Mr. SPROULE. Was it not on this ground? They had been temporary clerks before, and they were transferred to the permanent list. Then the question was whether they would come under section 20 of the amended Act, which says that their salaries shall not be paid unless there has been a full compliance with the Civil Service Act in their appointment and payment. In the Auditor General's Report, I find this statement from the Post Office Department.

This department is in receipt of a letter from Mr. J. L. McDougall, Auditor General, under date of the 24th instant, drawing attention to the fact that certain temporary clerks in this department had been appointed third-class clerks, and stating that the supplementary pay-list for the month of December, covering the salaries of the said clerks from December 12 to 31 had been amended by striking out the names of those whose age exceeded 35 years and those who had not passed the qualifying examination, and further stating that before authorizing the payment of the salaries of these clerks as third-class clerks, he would like to see some interpretation of the proviso contained in section 20 of the Civil Service Act amendment of last session.

Mr. FOWLER. It is rather strange that it is necessary for a gentleman on this side of the House to come to the rescue of the minister and supply the explanation that he is apparently unable to supply, although he had the assistance of the self-constituted wet-nurse near him. It is very kind on the part of the hon. member for East Grey, and I trust that the minister will properly appreciate it, to explain this point about which the Minister of Customs has just a faint glimmer in his mind. After the very lucid explanation which has been given by the hon. member for East Grey, he must be perfectly satisfied that it was the correct one.

Mr. PATERSON. I can assure the hon. gentleman that it was not at all necessary for him to point out to the House the superior knowledge which he possesses over that possessed by the minister. The House, of course, fully recognized my hon. friend's superiority in this respect. But it was very kind of him to give a certificate of character to the hon. member for East Grey (Mr. Sproule) and for that reason his remarks are valuable. But of course his remarks with reference to myself were entirely unnecessary. The objection of the Auditor General to the payment of some salaries was removed by the section passed last year, section 28 :

All sums of money voted by parliament for the financial year ending on the thirtieth day of June, 1904, and applicable for the payment of the salaries or the increases to the salaries of any persons in the public service, shall, in the event of the promotion of any such persons to higher classes or grades, or on their transfer to other positions in the public service, or their becoming entitled to, or being granted, increases of salary under the provisions of this Act, be applicable in or towards payment of the salaries or increases to the salaries of such persons so promoted or transferred, or becoming entitled to or being granted increases as aforesaid ; and during the financial year ending on the thirtieth day of June, 1904, there may be paid from and out of the consolidated Revenue Fund of Canada such sums of money as have not been voted by parliament but are required for payment of such salaries and increases of salaries as are authorized by this Act.

Mr. FOWLER. I regret that the hon. minister is obstructing his estimates in this way. We had a full explanation from the hon. member from East Grey which was perfectly satisfactory. We want to pass the estimates as rapidly as we can so as to shorten the session, and I regret that the hon. gentleman is obstructing the estimates by reading something which the hon. member for East Grey has already read.

Mr. PATERSON. I beg pardon of hon. member for Grey. I was not listening at the time, but I am glad to have the support of his authority. It was certainly a valuable waste of the time of the hon. member for King's, that he should have been forced to listen to the same clause the second time.

Mr. SPROULE. That money is voted contingent on a compliance in every respect with the Act, and the Auditor General took the ground that the promotion was not according to the provisions of the Act.

Mr. PATERSON. I am sure my hon. friend from East Grey is perfectly satisfied that the argument advanced by this side meets the case. I do not think he would argue that the deputy head would recommend me to make a new appointment before parliament voted the money, because in such case either the Auditor General would have to sanction his payment when the money was not voted by parliament, or this man would have to work for nothing until the vote was passed.

Mr. BLAIN. What would be the increase in salaries over the salaries which these different officers had been receiving in their former positions ?

Mr. PATERSON. They get the statutory increase of $50.

Mr. BLAIN. What I want to know is the salaries they had been receiving and the salaries now proposed to be paid them in their new position.

Mr. PATERSON. They are getting the same salaries as last year with the $50 statutory increase.

Mr. BLAIN. I notice that the number of clerks in the department was 34 last year

and it is to be 45 this coming year, an increase of 11.

Mr. PATERSON. There is really not an increase of 11. Six of these were in the department and paid out of contingencies, and we are not renewing the vote for contingencies this year, so that there are only five more.

Mr. BLAIN. Then the hon. gentleman is increasing the number by five over last year.

Mr. PATERSON. We propose to make junior second-class clerks of three who were in the outside service and are providing for two additional third-class clerks.

Mr. BLAIN. How many clerks were in his department when the hon. gentleman took office ?

Mr. PATERSON. I think there were 29 permanent, but I do not know how many temporary.

Mr. BLAIN. Perhaps the hon. gentleman will bring a statement of that down ?

Mr. PATERSON. Yes. I think it was 29 permanent and something like the same number that we have had in the temporaries.

Mr. BLAIN. How many permanent now?

Mr. PATERSON. Thirty-one are on the list. There were 33, but one has died and Mr. Code has been transferred from the Customs Department to the Department of Trade and Commerce. Their places, of course, have been filled. For instance, Mr. Code, who was a first-class clerk and assistant accountant, has been replaced in the Customs Department by Mr. Frost, who was next to him in the office.

Mr. BLAIN. Do I understand that the number of permanent clerks when the hon. gentleman (Mr. Paterson) took office was twenty-nine and the number now is thirty-one ?

Mr. PATERSON. The number now is thirty-four. When I spoke of the number being twenty-nine before, that was subject to correction.

Mr. BLAIN. How many temporary clerks were employed when the hon. gentleman first took office and how many are there now ?

Mr. PATERSON. I could not give that.

Mr. BLAIN. Can the hon. gentleman give me the number now ?

Mr. PATERSON. There are six. But there will be none if the House votes the estimates as prepared, because the temporary officers will be made permanent. They go to swell this number of thirty-four.

Mr. BLAIN. Will the hon. minister bring down a statement of the permanent clerks now and when he took office.

Mr. INGRAM. And add also the number of temporary clerks. I understand that he is now going to do away with temporary clerks.

Mr. PATERSON. I understand the hon. gentlemen want the number of permanent and temporary clerks in the department when I took charge of it, and at the present time. I will bring that down.

Mr. SPROULE. I desire to refer to a question to which my attention has been called. The Minister of Finance is here, and he may be able to answer my question. According to the amendment made last year to the Civil Service Act, assented to on the 24th October, the statutory increases were given from the 1st of January last. Provision was made last session for the $50 increase that would cover the current year from January last up to January next. Only $25 to be provided for in the financial year 1904-05, that is, for the six months ending 30th June, 1904, and it was only necessary to provide for the second six months of this year. But it seems that in the Railways and Canals Department the clerks are to get $50 for the fiscal year, so that, in all, for the eighteen months, they would receive $100. So, either some receive more than the statutory increase or others receive less. I am informed that the Minister of Finance would be likely to know what has been done.

Mr. FIELDING. I do not remember any question having arisen as respects this item, and I would not like to answer without having had an opportunity to look into the matter more carefully.

Mr. SPROULE. I am told that it is the fact. I have given the example of the Department of Railways and Canals. But I assume it applies to other departments, but not to all. So, it would appear all are not being considered equally.

Mr. FIELDING. I will make closer inquiry into the matter. I may say that the intention was to have it work evenly and not to discriminate.

Mr. BLAIN. I would like to ask with regard to the amount of money paid to the guarantee companies for the officers in the Customs Department.

Mr. PATERSON. The hon. gentleman (Mr. Blain) would like a statement of it ?

Mr. BLAIN. Yes, a statement of how much money was paid last year to the guarantee companies, and what losses, if any, the government sustained.

Mr. PATERSON. I will bring that down with pleasure.

Mr. SPROULE. Is it the custom to pay the premiums on these guarantees for civil servants ?

Mr. PATERSON. We pay but the amount is deducted from their salaries.

Mr. SPROULE. In all cases, and in all the departments ?

Mr. PATERSON. It is so in my department, but I cannot speak for all. I am not sure whether they have a different system in the Post Office Department or not.

Mr. INGRAM. Did I understand the Minister of Finance to say that it applied to all the departments ?

Mr. FIELDING. I think the Post Office Department has a special Act, but I am not quite clear as to its operation, as to whether the money is deducted from the salaries or not. The Post Office Act differs from the others and I would not answer definitely without further inquiry.

Mr. BARKER. Once or twice, the question was asked about the junior second-class clerks, and I have not heard the answer. Where are these three extra junior second-class clerks ?

Mr. PATERSON. Their work is in the inside service, but they are paid out of the vote for the outside service.

Mr. BARKER. Are they employed as junior second-class clerks ?

Mr. PATERSON. One is employed in the accountant's branch, one in check branch and one in the correspondence.

Mr. BARKER. But are they junior second-class clerks ?

Mr. PATERSON. There are no junior second-class in the outside service.

Mr. BARKER. Then, they are not junior second-class clerks ?

Mr. PATERSON. No.

Mr. SPROULE. Are we dealing with the whole vote ? The member for Hamilton (Mr. Barker) asked if these are second-class clerks——

Mr. PATERSON. They are not appointed to the inside service yet. But the hon. gentleman will see that I am asking permission to create three more junior second-class clerkships. And, when parliament votes the money, these men will become junior second-class clerks. At present, they are clerks in the outside service but working temporarily in the inside service.

Mr. SPROULE. It does not seem to me that voting the money is creating the office. it is one of the requirements of the law.

Mr. PATERSON. Yes, it is a preliminary step.

Mr. INGRAM. This allowance for private secretary, $600—I think one of the officers of the department was acting in a dual capacity. Would the hon. gentleman give us the particulars of that ?

Mr. PATERSON. Yes, Mr. Bain, my private secretary, was made assistant commissioner. He remains my private secretary yet, but he does not draw any portion of the secretary's allowance. His salary is $2,800. In my office there are two shorthand writers. One of them, I am told, has her salary supplemented by $150 and another by $100. The hon. gentleman will understand that they work very long hours, very often up till six o'clock and after.

Mr. INGRAM. What are the special duties of the assistant commissioner, or has he any other duties than that of secretary ?

Mr. PATERSON. He acts under the commissioner. When the commisioner is away he takes the commissioner's place, and does such work as is assigned to him.

Mr. INGRAM. Then I understand the duty of the assistant commissioner is sometimes the same as that of the commissioner?

Mr. PATERSON. In the commissioner's absence.

Mr. INGRAM. In case the commissioner is busy at any time and the assistant can perform his duties, I suppose he is approached for that purpose ?

Mr. PATERSON. Yes.

Mr. INGRAM. Are there any other duties the hon. gentleman knows of that the assistant performs now that are not in keeping with the duties of assistant ? Does the hon. gentleman know of any other duties Mr. Bain performs other than those of assistant commissioner and of private secretary ?

Mr. PATERSON. No.

Mr. INGRAM. The hon. gentleman never heard of that gentleman performing any other duties while engaged in this department ?

Mr. PATERSON. I do not know what the hon. gentleman refers to.

Mr. INGRAM. The assistant commissioner is of a literary turn of mind, I understand.

Mr. PATERSON. Yes.

Mr. INGRAM. Does he at any time prepare any campaign literature for instance ? I put that plain question, because if he was appointed assistant commissioner and is performing other duties than those parliament pays him for, he is doing wrong. If he wishes to prepare campaign literature, I think he had better step down and out of his position, and go into the business with the rest of us. It is going entirely too far. If the young man is guilty of that—because I charge it as being improper— he is being paid by the money of both political parties in this country, and has no right, as long as he holds the position of assistant commissioner, to perform that work. I am merely

drawing the attention of the minister to the fact, and ask him, if that be the case, that the hon. gentleman will see that he cease doing so.

Mr. PATERSON. Do I understand the hon. gentleman to ask if, while he is engaged in his duties, in business hours, he is engaged otherwise ?

Mr. INGRAM. No, I say he is a civil servant and that he is paid quite a large salary for performing his duties as a civil servant in the Department of Customs. He is paid by this country, and no portion of his time should be given towards preparing political literature. When he does that kind of thing he should step out and come into the political arena with the rest of us. But he has no right to be on the pay-roll of this country and do that kind of thing, any more than any other civil servant.

Mr. CLANCY. The Minister of Customs sits there with great complacency in face of this startling statement, and does not even give a smile of dissent. We should have some declaration from the Minister of Customs whether there is a civil servant drawing $2,800 and doing this thing, before or after hours. If he is able to perform the duties of assistant commissioner and private secretary of the minister, and as a sort of pastime writes campaign literature for the Liberal party, then it is a very grave matter. I think we should have some explicit declaration from the minister on this matter. We on this side of the House have very definite information that such is the case, and we should like to know from the minister if it has ever come to his knowledge that such a state of things exist. I am sure he will acknowledge that it is an impropriety for a single member of the civil service to be permitted to engage directly or indirectly in work of that kind. I am sure the minister himself would not plead for him if he had done it during hours, or while he was engaged in his work, or during the hours that he is expected to devote in his office as private secretary or as assistant commissioner. I am going to ask the hon. gentleman to make the statement in full, if he would see any difference between that position and the position of a civil servant going out and taking the stump for the Liberal party. Now that is the privilege of every man in this country who is not by some other reason prevented from doing so. The committee, I am sure, will wait with much anxiety for a clear statement from the hon. gentleman on this question.

Mr. PATERSON. Well, if the hon. gentleman, asks me what his duties are and how they are discharged, I may say that I think he is a most efficient public servant, that he discharges his duty, his whole duty to this country in the position he fills. I do not think there is a better civil servant in the country than he is, one more attentive to his duty, more courteous, and that gives stricter attention to it. As to what he does in all his spare hours, I do not know, but I do not think he neglects any public duty whatever that is committed to him, and that fairly comes within the sphere of the duty he is paid to perform. That I can say. The gentleman to whom reference is made will no doubt see the remarks the hon. gentleman has made and he may see fit to answer them. I can ask him with reference to that matter, whether his duties have been neglected in any way. But that is not charged.

Mr. CLANCY. I expected quite a different answer from the hon. gentleman. No person has made any complaint of neglect of duty. What I ask the hon. gentleman is if he is aware that a civil servant, his private secretary and Assistant Commissioner of Customs, has written any literature for the Liberal party during the period he has been in that position—if he is aware of it. I was rather amazed to hear the hon. gentleman say that the civil servant who is at present under a cloud of that kind would see the item and probably take notice of it. I think the Minister of Customs is the one to take notice of it.

Mr. FOWLER. That was to scare him.

Mr. CLANCY. The hon. gentleman knows I am timid, but it would take something very different from that to frighten me.

Mr. FOWLER. I would ask if the hon. Minister of Customs has any knowledge directly or indirectly that Mr. Bain his private secretary and the assistant Commissioner of Customs, who is drawing $2,800 a year, has at any time during the period he has held that position, or since he has been a civil servant, engaged in writing campaign literature for the Liberal party ?

Mr. PATERSON. In what I have said I had no intention of in any way making a threat, but what was in my mind was that he would notice the remarks that the hon. gentleman has made and that the hon. would speak on the matter and tell me what he has done in reference to it.

Mr. FOWLER. It is most astounding that the hon. minister should say that this man would probably speak to him on the subject. Does the hon. minister not recognize his duty of speaking to this civil servant when this charge is made against him ? That he has engaged in this occupation and who, if he has done any such thing as that, has been guilty of violating every decency of the service ? Paid $2,800 a year of the money of the people of this country and employing his time, whether it be spare time or not is not the question, in writing campaign literature for the Liberal party

and for the government. Where is the difference between this gentleman's conduct and any civil servant taking the stump in a campaign ? Where is the difference between this gentleman's conduct and any civil servant engaging in political work ? I am surprised that the hon. minister should take the stand he has taken, and I am surprised that he did not recognize it to be his duty to stand up in the House and say: I will make strict inquiries into the matter, and if I find that there is a tittle of fact in the statement that is made, if I find that this civil servant has been doing any such thing as that which has been charged, I will see at once that he is dismissed from the service which he has disgraced. I do not know what the hon. gentleman meant by his statement if he did not mean that it was a sort of threat that the hon. gentleman who brought this matter up should be afraid lest this man with his literary ability should lash him through the press.

Mr. COWAN. Oh.

Mr. FOWLER. That is the hon. member for South Essex——

Mr. COWAN. Yes.

Mr. FOWLER—who gave utterance to that melodious note just now. I can quite understand how the hon. member can appreciate a remark of this sort. We need not appeal to him as long as his party is receiving some benefit from this gentleman's breach of duty, but if the boot were on the other foot there would be no one who would exhibit so much virtuous indignation as the hon. gentleman. You would be able to hear him down as far as Queen street if the case were reversed. The hon. minister ought to recognize his full duty in the premises and see that this man shall be brought to book in this matter. He says : Probably the gentleman will speak to me about it when he reads the words uttered by my hon. friend from Bothwell (Mr. Clancy) to-morrow. I am really surprised. Thousands and thousands of dollars of the public money of this country were expended by these hon. gentlemen in commissions roving all over the country bringing officers of the government to book and examining into whether they have been guilty of partisan practices or not, but here is the private secretary of the hon. gentleman promoted to the position of assistant commissioner of customs, a man receiving a salary of $2,800 a year and the hon. minister in whose department he is, is unable to specify the duties that he performs. He says that he is acting commissioner when the commissioner is away. I do not know what takes the commissioner of customs away. I fancy the commissioner of customs is here all the time except when he is away on his holidays. There are inspectors to inspect the offices. It is not the duty of the commissioner to wander all over Canada inspecting the different offices. His duty is to be here, and I venture to say he is here all the time excepting when he is on his holidays. Yet, this man is appointed at a salary of $2,800 a year. Surely the Liberal party is able to raise a sufficient campaign fund to pay literary hacks to write their campaign literature without taking public money to pay for it in the guise of filling a position in the civil service. I trust the hon. minister will upon reflection see the matter in a different light. I trust that he will remove the political speck from his eye and see the matter more clearly. If this young man is not guilty he should be absolved, but if he is guilty he certainly should be severely punished. If he had happened to be a Conservative he would have lost his position. He deserves to lose his office if he is really guilty of the offence that has been charged against him.

Mr. PATERSON. The hon. gentleman admits that it is only right and proper that I should ask him.

Mr. FOWLER. The hon. minister did not say he was going to ask him, but he said that probably the young man would speak to him about it.

Mr. PATERSON. I think it is probable he will, but if he does not I will speak to him.

Mr. FOWLER. If the hon. minister states to this committee that he will inquire into this matter and ascertain as to the truth of the charge then I have nothing further to say. He takes a perfectly satisfactory position as far as I am concerned if he makes that statement and carries it out and says that this young man, if he is guilty of this charge, will be punished.

Mr. CLANCY. I shall have to press for an answer from the hon. gentleman. I shall repeat my question to the hon. gentleman because he has been somewhat engaged by the hon. member for Kings. I wish to ask the hon. gentleman if it has come to his knowledge, directly or indirectly, that Mr. John Bain, private secretary and assistant commissioner of Customs, has been engaged in writing campaign literature for the Liberal party since he was appointed to the service on the 6th August, 1896.

Mr. PATERSON. I will speak to him about it.

Mr. CLANCY. But I have not asked the hon. minister to speak to him. Perhaps I have not made myself clear. I asked the hon. gentleman if he had any knowledge either directly or indirectly that Mr. Bain has been engaged in writing campaign literature for the Liberal party ? That is the point, not that the hon. minister will ask Mr. Bain.

Mr. PATERSON. What does the hon. gentleman call campaign literature ?

Mr. HENDERSON. To make it stronger, for example, I would say that 'political pointers Nos. 1, 2 and 3' would be regarded as campaign literature. Some people would attribute this to a celebrated gentleman named Farrer. I have the statement, not under any oath of secrecy, and I have heard it rumoured around these rooms that 'pointers 1, 2 and 3' were the production of this gentleman, I hope the hon. gentleman will understand what campaign literature is.

Mr. PATERSON. I do not know that I remember what 'pointers 1, 2 and 3' are just now.

Mr. HENDERSON. If the hon. minister discovers that his own officer is the author of these documents and they are properly government documents would he be kind enough to lay them on the table so that we can have access to them ?

Mr. CLANCY. I think the hon. minister is surely taking a very extraordinary position. The hon. gentleman instead of rising in his place and saying frankly : I have no knowledge in any shape or form that my private secretary has been engaged in writing campaign or any other literature in the interest of the Liberal party—I am not going to haggle over words whether this was campaign literature or not—but I would ask if it is literature of any description written in the interest and for the use of the Liberal party. The hon. gentleman (Mr. Paterson) must feel bound as a minister of the Crown, to answer, unless he wishes to leave himself under a serious charge, because he is responsible for the work and the conduct of every servant in his department. The committee, the House and the country are entitled to an answer.

Mr. PATERSON. I have answered.

Mr. CLANCY. You have not answered. Does the hon. gentleman refuse to answer.

Mr. PATERSON. I have answered ; I said I would speak with him.

Mr. FOWLER. Do you know ?

Mr. CLANCY. Does the hon. gentleman know anything of the matter to which we are referring ?

Mr. PATERSON. I would like to know what you term campaign literature.

Mr. CLANCY. Does the hon. gentleman know of any literature being written by Mr. Bain in the interest or for the use of the Liberal party ?

Mr. PATERSON. Do I know any?

Mr. CLANCY. Does he know that Mr. Bain has been engaged in writing any literature in the interest or for the use of the Liberal party ?

Mr. PATERSON. I know that Mr. Bain has prepared tables for my use.

Mr. PATERSON

Mr. CLANCY. That is shuffling, unworthy of a minister of the Crown. We are entitled to a very much better answer than we are now receiving. The hon. gentleman does not dare to deny it. It is quite well known in Ottawa that Mr. Bain has been engaged in writing literature for the Liberal party, that that literature is being used by the Liberal party, and the hon. minister himself knows it.

Mr. FOWLER. And directed it to be done.

Mr. CLANCY. I shall not say he directed it, but he knows of it. I shall take his silence as a confession that the hon. gentleman is aware of it, that he has not dismissed this officer and that by this means he has encouraged him and is as guilty as the officer.

Mr. FOWLER. I go further and say that the minister is not only aware that this work is being done by this young man, but that it is being done under his direction and I challenge the minister to deny it.

Mr. PATERSON. I do deny it. 'Under his direction' what do you mean ?

Mr. FOWLER. Under your direction. I say that this work is being done under your direction.

Mr. PATERSON. What work.

Mr. FOWLER. The writing of this campaign literature.

Mr. PATERSON. Of pointers 1, 2, and 3?

Mr. FOWLER. Of this campaign literature that has been written by this assistant commissioner of yours. Do you say it was not done under your direction ? The minister sits in his seat and does not even deny that this work is being done by a civil servant under his direction, with his knowledge. I think we had better leave it right at that point.

Mr. BLAIN. I see an item here.

Allowance for private secretary, $600.

There is also an item for assistant commissioner, $2,800. If I understood the minister correctly, $2,800 pays for both of these duties. Why then does the minister put in $600 for private secretary and ask the committee to pass it ?

Mr. PATERSON. It is kept there in order that a portion of it may be used as I explained to supplement the salaries of the stenographers and typewriters in my own department. One of them gets from this vote $150 and the other $100.

Mr. BLAIN. Would not the minister think it more correct to ask the committee to pass the item for what the money is used, rather than pass it as an appropriation for a private secretary when on the confession

of the minister himself, it is not for that purpose at all ? That is very misleading. I accept the words of the minister that no part of the $600 is used for the purpose of a private secretary, that the salary of the private secretary is included in the $2,800 ; that he holds a dual position with that salary.

Mr. PATERSON. These ladies are engaged as my private secretaries in typewriting and doing stenographic work. They do my correspondence and are to be regarded in that light. They are employed in my own personal department.

Mr. BLAIN. They are not the hon. gentleman's private secretaries, because he has already stated that the assistant commissioner is his private secretary.

Mr. PATERSON. They do the clerical work.

Mr. BLAIN. Then put it in for clerical work. Why does the hon. gentleman not say that this $600 is for stenographers in his department rather than for a private secretary, why not put the item in for what the money is paid for.

Mr. PATERSON. There can be no objection to that although in all the departments there is an item of $600 for a private secretary, but it is not all expended and this will not all be expended this year.

Mr. BLAIN. What part of the private secretary's work does the private secretary do ? Is his duty to write campaign literature ?

Mr. PATERSON. Oh, no.

Mr. BLAIN. That is the point the committee want to get at.

Mr. PATERSON. If you knew the duties discharged by my private secretary as assistant commissioner, you would readily admit that he has enough to do and does enough to warrant any payment that is made. When he was appointed assistant commissioner, I did not ask for another private secretary, but he continues to do such of my work as it is necessary for him to do in that capacity aided by these two young ladies.

Mr. BLAIN. I am not questioning whether the secretary is doing his duty or not; I am asking the minister why he does not put this item for the payment of stenographers in his office when the money goes for that purpose rather than putting it for private secretary when it does not pay for a private secretary at all ?

Mr. PATERSON. I do not see that there is anything improper in taking it under that head, because it is clerical work for the private secretary in the department of the minister himself. The vote has been continued there and would be available if another private secretary was appointed, but in that case no part of it could go to those who are doing the clerical work, and it is thought that they are entitled to have their salaries supplemented for the extra work they are doing, and out of this vote, they are given the amount which I mentioned to the hon. gentleman just now.

Mr. BLAIN. What are the names of the ladies to whom this money is paid ?

Mr. PATERSON. Miss Dawes and Miss Cram.

Mr. BLAIN. And what are their total salaries ?

Mr. PATERSON. $800 for Miss Dawes and $450 for Miss Cram.

Mr. COCHRANE. Why the difference ?

Mr. PATERSON. Longer in the service.

Mr. BLAIN. The $600 will not pay the total salaries of the officers ?

Mr. PATERSON. What they get is an addition to what I have stated.

Mr. BLAIN. If the minister wishes to use the money for the private secretary when it is voted for some other purpose, I will not quarrel with him. What are the duties of the assistant commissioner ? When the office was created, I understood the minister to say that he was to travel through the country and visit certain custom offices. Is that his duty now ?

Mr. PATERSON. That was not what I said. I said that it was desirable that the commissioner should be at liberty to visit the larger ports at times. I thought it would have a good effect on the work of the department. He has been away not by any means his whole time, and in his absence the duty of the assistant commissioner would be to take his place. While here the commissioner is a very busy man, and many items have to be dealt with by the assistant commissioner. They have both got all they can do.

Mr. COCHRANE. What at ?

Mr. PATERSON. I could not tell what at, but the hon. gentleman must have some idea.

Mr. COCHRANE. The minister himself does not appear to have much idea of what they are doing. What is the fact, as it strikes an ordinary person ? We have an item of $2,800 to pay the minister's private secretary and assistant commissioner ; and when we ask what are his duties, the minister says he sometimes goes to outside places.

Mr. PATERSON. No.

Mr. COCHRANE. What do you shake your head for ? That is what you have been saying ; and when we ask what is his duty here, the minister says he is a very busy man.

Mr. PATERSON. What I said was this——

Mr. COCHRANE. I know what you said.

Mr. DEPUTY SPEAKER. Order, one at a time.

Mr. COCHRANE. Who are you talking to? I remember, Mr. Chairman, when you were on this side of the House——

Mr. DEPUTY SPEAKER. I did not call the hon. gentleman to order. I called order when two were on the floor.

Mr. COCHRANE. I know what you meant when you looked around. What is the fact? We are deceived by these estimates. It is a perfect piece of deception for the minister to put a certain amount in for the private secretary when he does not get it at all. What is the fact? He knows that the private secretary is writing campaign literature for the Grit party. They were contemptible enough to tell their officers that they could go and vote, and when they did not vote as they were wanted, very often they were turned out. We are voting $2,800 to pay the private secretary to write campaign literature, and when we ask what this $600 of allowance for private secretary is for, the minister says it is to pay the ladies while the secretary is writing campaign literature. When the hon. gentleman considers what he did on this side of the House, he should blush instead of smiling.

An hon. MEMBER. He cannot blush.

Mr. COCHRANE. No, they have too much brass in their faces. They have not carried out a principle which they advocated when in opposition; and now the hon. gentleman comes down and deceives me by asking me to vote money out of the hard earnings of the people of this country, to pay a private secretary when he does not do a thing; and he is hiring these ladies to do the work of a private secretary while he is writing campaign literature. What part of this $600 does the lady get who receives $800? Can you tell me that?

Mr. BRODEUR. Order. Address the chair.

Mr. COCHRANE. I would like to look over the Auditor General's report to see how much you got for cab-hire and dinners. You had better keep still, instead of calling me to order. I would ask the Minister of Customs how much of this $600 goes to the lady who gets $800?

Mr. PATERSON. The hon. gentleman has a perfect right to ask, but I do not understand that a member has a right to insult the chairman or attempt to, or to insult the minister either. A question may be asked properly and a proper answer given. I have answered that question twice. I do not object to answer it again. Miss Dawes gets $150 extra above her salary out of this $600, and Miss Cram gets $100. I would have been perfectly justified, under the vote of last year, when Mr. Bain was made assistant commissioner, in appointing another person to act as private secretary, and, in using the whole $600 for that purpose. I did not choose to do that. I thought Mr. Bain could still do what private secretarial work it is necessary for me to have him do and discharge the duties of assistant commissioner and relieve the commissioner of a portion of his work at the same time; and we have been able to accomplish that. But if during the present year it should be found necessary to have a private secretary appointed, the salaries of these young ladies could not be supplemented out of this vote. That is the reason the vote is there, not with the slightest intention to deceive, and not with the intention of giving Mr. Bain any more salary than the $2,800.

Mr. BLAIN. The minister has given us a statement of what he does with $250 of the $600. What does he propose to do with the balance?

Mr. PATERSON. It simply lapses.

Mr. INGRAM. In view of the attitude of the Minister of Customs with respect to Assistant Commissioner of Customs, I wish to move that the item be reduced by $2,800, that being the salary of the assistant commissioner. I may say further that as a member of this opposition, representing for the time being a portion of the Conservative party of Canada, I decline to be one who would vote to pay money for the purpose of circulating campaign literature. I beg to move therefore:

That the item of $67,160 be reduced by the amount of $2,800, that being the salary of the Assistant Commissioner of Customs.

Motion negatived, yeas 13, nays 23.

Mr. INGRAM. I wish to congratulate hon. gentlemen opposite for again showing that their position is reversed, compared with what it was previous to 1896. At that time they found great fault with the Conservative party for allowing civil servants to take part in political campaigns, and pledged themselves to change all that kind of thing when they came into power. To-night, however, we have another illustration of the fact that these hon. gentlemen are prepared to do just the reverse of what they promised, on every occasion when it suits their purposes.

Mr. TAYLOR. The hon. gentleman has only explained $250 of the $600. Why does he ask for $600 when he proposes only to spend $250.

Mr. PATERSON. In case it should be found necessary to appoint an assistant to Mr. Bain, I ask for this amount.

Mr. TAYLOR. The hon. gentleman wants to put on one or two more assistants to address campaign literature. He cannot say that he will require further assistance, but asks the vote and declares that if he does not use it all, that portion which he does not use will lapse. He cannot expect the opposition to support votes of that kind, for they will move amendments to reduce them to the amount required. The hon. gentleman ought to know what he will require and not ask for more.

Mr. FOWLER. What salaries do these assistants to Mr. Bain receive now ?

Mr. PATERSON. One gets $800 and the other $450.

Mr. FOWLER. What hours have these clerks to work ?

Mr. PATERSON. The office hours are from 9.30 to 5, but these ladies are very often at work long after that closing hour.

Mr. FOWLER. What particular work ?

Mr. PATERSON. The necessary work of the department.

Mr. FOWLER. This lady who gets the $800 is a stenographer, and I venture to say that there are more stenographers receiving a salary half that amount than there are who receive that sum. It is all right for the hon. minister to be chivalrous and gallant, but he is a trustee of the people's money and has no right to be so very generous with the public funds.

Mr. INGRAM. Is it not a fact that Mr. Bain was here when I put the question I did a short time ago, and is he not in this chamber now ?

Mr. PATERSON. No, he is not.

Mr. INGRAM. Was he not here when I asked this question ?

Mr. PATERSON. No, he was in before that.

Mr. INGRAM. He was in since that. If the hon. minister were sincere in desiring to know whether his commissioner was preparing campaign literature, he could have received the information from that gentleman himself. The hon. minister is pursuing a course which is not at all creditable to him. He sets himself up to be particularly honest—and I do not wish to charge him with anything dishonourable or dishonest—but it is unbecoming conduct on his part to allow that kind of thing to continue in his department. I make this charge to-night to show that the hon. gentleman is not sincere in his expression of a desire to find out whether or not that kind of thing is going on in his department. I made the statement I did, in view of what I have seen with my own eyes.

Mr. CLANCY. When did Mr. Bain first come into the service ?

Mr. PATERSON. In 1896.

Mr. CLANCY. On what salary ?

Mr. PATERSON. About $1,200.

Mr. CLANCY. Was he in the service before that ?

Mr. PATERSON. No.

Mr. CLANCY. What is he getting now ?

Mr. PATERSON. He is getting $2,800.

Mr. CLANCY. Is there any other chief clerk or officer of this department who has been in the service so short a time getting $2,800 ?

Mr. PATERSON. No.

Mr. SPROULE. There seems to be an anomaly in this proposition of the Minister of Customs. I understood him to say that two young ladies were doing part of the private secretary's work. Are they appointed as his private secretaries ?

Mr. PATERSON. No. They do the clerical work of stenography and typewriting in that branch of the department's work which receives my own personal attention.

Mr. SPROULE. How does the minister reconcile this with the Act, which says :

> Any member of the civil service may be appointed private secretary to the head of the department, and may be paid an additional salary not exceeding $600 a year when so acting.

I take it there is no compliance with the Act unless an appointment is made. The hon. minister takes a vote of money and distributes it among three or four who are not appointed private secretaries at his own will. I venture to say that if this came to the Auditor General's attention, he would be reluctant to pay the money.

Mr. PATERSON. The Auditor General has knowledge of it ?

Mr. SPROULE. Has he assented to it ?

Mr. PATERSON. He pays it.

Mr. SPROULE. Does he authorize it, or is he overruled by the Treasury Board, as in so many other cases ?

Mr. PATERSON. I am informed that he never raised the question.

Mr. FOWLER. But does not the minister see any force in the objection himself ? The Act requires that the appointment shall be made of some person in the civil service as private secretary. But the minister takes a vote of $600, and, without the appointment of any private secretary, he does as he likes with the money, showing favouritism, apparently, because one young lady gets $150 and the other only $100. I am surprised at the Auditor General paying this without protest.

Mr. PATERSON. Section 48 of the Act provides :

Any member of the civil service may be appointed private secretary to the head of a department, and may be paid an additional salary not exceeding six hundred dollars a year whilst so acting.

2. No salary shall be payable to any private secretary unless the amount has been voted by parliament.

Mr. FOWLER. Yes, but the hon. gentleman has told us that he made no appointment of private secretary, but that these young ladies who are not private secretaries, do certain clerical work. He takes his vote of $600 and out of it pays $250 to persons who do this clerical work. That is not a compliance with the Act, and if the gentleman who has been acting as his legal adviser this evening, the Finance Minister were here, I am sure he would not say it was. Well—I take that back, for the Minister of Finance made some strange statements along legal lines.

Mr. SPROULE. Who is the minister's private secretary to-day ?

Mr. PATERSON. Mr. Bain.

Mr. SPROULE. And does the minister think that the money can be paid to any one but Mr. Bain ?

Mr. PATERSON. Yes.

Mr. SPROULE. The law says that any member of the service may be appointed private secretary and may be paid $600 in addition to his salary. But the law does not say that the minister may pay it to any one else.

Mr. PATERSON. Mr. Bain was appointed my private secretary and has remained so ever since. Before he was appointed assistant commissioner, he was a first-class clerk, receiving $1,500 and also this $600 as private secretary—a total of $2,100. When he was promoted to be assistant commissioner at $2,800, he did not draw any of the $600. But, out of that amount, as I have said, we have paid these two ladies, who assist in the work that comes under my own attention. The question has not crossed my mind as to there being anything irregular in it, nor has the Auditor General, I am informed, taken exception to it. Neither has my attention been called to the matter.

Mr. TAYLOR. The hon. gentleman is asking $600 in order that he may pay it to his private secretary. That is making members of the House, and particularly members of the opposition believe that the private secretary will be given the money. But, instead of paying it to his private secretary, he gives $250 of it to these young ladies. But he cannot divert that $600 in that way, nor can the Auditor General authorize the diversion of it to anybody who is not the minister's private secretary, if the law is to be complied with. It would be better for the hon. minister to reserve the item and refer the question to the Minister of Justice to see whether this is within the meaning of the Act. Otherwise, now that the attention of the Auditor General has been called to it, it is very likely he may refuse to authorize it, and these young ladies may not be able to draw pay for the work they have done. The minister asks $600 to pay to his private secretary. But his private secretary is already paid $2,800, and his time, I understand, is largely employed in preparing campaign literature. The hon. gentleman had better submit this question to the Minister of Justice before the item is put through.

Mr. PATERSON. The Auditor General has not objected.

Mr. SPROULE. I do not understand how the minister can get over this clause of the Act, which says :

No extra salary or additional remuneration of any kind whatsoever shall be paid to any deputy head, officer or employee in the civil service of Canada, or to any other person permanently employed in the public service.

I ask how the minister can square his conduct with the requirements of that section.

Mr. PATERSON. I can only say that it has been done, and that it has been sanctioned. The Auditor General has called my attention to the rule. It has been done during past years, and I think it has always been done. I do not know that it is done alone in my department.

Mr. SPROULE. Does the minister not think it would be better to leave this item until we get some information to justify us in passing it ?

Mr. PATERSON. I might have to appoint a private secretary, and would have no vote to do it. I may have to employ an officer in the department as deputy head, as there is no one in that position now. Supposing the duties of the office were increased so that he would not be able to do any part of my work at all, but that his whole time were taken up by other work, I might then wish to appoint a private secretary, and in order to be in a position to do so I would need the salary to be voted here. If you strike out this salary you take that out of my hands. If I do make an appointment, then this salary will be available. I suppose there is no objection to these young ladies being paid.

Mr. SPROULE. Not at all. But we desire to have the money spent in compliance with the provisions of the law.

Mr. BIRKETT. I desire to ask the minister if provision has been made in this vote of $57,160 for payments of the statutory

allowances to the different classes of clerks mentioned in this item.

Mr. PATERSON. Yes. I think the statutory increase is being given this year to every one on the permanent list entitled to it and eligible for it. There are two others I think who are at the maximum of their class. Of course they cannot be paid more. But every one who is eligible will receive an increase of $50.

Mr. BIRKETT. In the item for clerical assistance here, I see that the amounts in the vote is $14,700. That is only $350 above the amount voted last year. Now, the statutory increase is $50, and how you are going to pay $1,050 out of $350, I am puzzled to know. How are you going to pay the statutory increase to eleven clerks at $50 out of $350 ?

Mr. PATERSON. In some cases the statutory increase only begins on the 1st of January, 1905.

Mr. BIRKETT. I see eight first-class clerks here. Last year, for statutory increases, the amount voted was $13,150, but here you only have $13,000.

Mr. PATERSON. We saved $400 by the death of Mr. McKiel this year, and who was in receipt of $1,800. His place was filled by the promotion of a second-class clerk at a salary of $200 now. He has been appointed at the minimum salary of $1,500. Then there is a vacancy in the accountant's branch which we propose to fill by the promotion of Mr. Frost to a first-class clerkship at the minimum salary of $1,500. Mr. Frost is now a second-class clerk at a salary of $1,200, and was appointed on the 1st of November, 1900. So in these two promotions there is a saving of $400.

Mr. BIRKETT. I see that, but I also see that in the Auditor General's Report for the year ending June 31, 1903, there were three first-class clerks at $1,800, one at $1,750, two at $1,550, one at $1,450 and one at $1,500. I notice now in these estimates there are two at $1,900, one at $1,650 and four at the minimum of $1,500. It is hard to understand by a comparison of these estimates and those of last year, why the mutilation of this class has taken place.

Mr. PATERSON. Under the new Bill, the accountant informs me, the maximum of $1,800 was increased to $1,900 and two of them get the extra.

Mr. BIRKETT. What became of the other one ? There were three.

Mr. PATERSON. There was Mr. Bleakney and Mr. Fawcett, and then there was Mr. McKiel, who died a short time ago.

Mr. BIRKETT. He was getting $1,750 ?

Mr. PATERSON. No, $1,800. They were all getting $1,800.

Some resolutions reported.

MESSAGE FROM THE GOVERNOR GENERAL—SUPPLEMENTARY ESTIMATES.

Hon. W. S. FIELDING (Minister of Finance) delivered a message from His Excellency the Governor General.

Mr. DEPUTY SPEAKER read the message as follows :

MINTO.

The Governor General transmits to the House of Commons supplementary estimates of sums required for the service of the Dominion for the year ending 30th June, 1904, and in accordance with the provisions of the British North America Act, 1867, the Governor General recommends these estimates to the House of Commons.

Mr. FIELDING moved—

That the message of His Excellency, together with supplementary estimates be referred to the Committee of Supply.

He said : I may say that these are two or three items of emergency, but they are not the general estimates for the balance of the year.

Motion agreed to.

On motion of Mr. Fielding, House adjourned at 12.30 a.m., Saturday.

HOUSE OF COMMONS.

MONDAY, April 25, 1904.

The SPEAKER took the Chair at Three o'clock.

INQUIRIES FOR RETURNS.

Mr. R. L. BORDEN (Halifax). Before the Orders of the Day are called, I wish to know whether the return with respect to the Vancouver dry dock has been brought down?

Hon. JAS. SUTHERLAND (Minister of Public Works). The correspondence is being prepared as quickly as possible. There was some difficulty in understanding from the hon. gentleman's motion, what correspondence is referred to, but I suppose it is the correspondence with Mr. Jackson. It will be brought down in probably a day or two.

Mr. R. L. BORDEN. I thought it was easy to comprehend the order of the House. It was understood to include all correspondence relating to the matter.

Mr. JAS. SUTHERLAND. I have no doubt it was to my hon. friend and to me, but some of the officials did not seem to understand it, as most of the correspondence is with another party of a very similar, or almost the same name.

Mr. R. L. BORDEN. A month ago, an order was granted for copies of all contracts re-

specting the carriage of the mails from the St. Lawrence during the past four or five years. I would suppose that there ought to be printed copies of these contracts on file, and it would be easy to bring down. Another matter, which has not been standing quite so long, relates to the correspondence concerning the appointment of a postmaster in the town of Huntingdon.

Right Hon. Sir WILFRID LAURIER (Prime Minister). That motion is on the order paper for to-day ; it has not yet been moved.

Mr. R. L. BORDEN. Very well, I understood it had been moved in my absence.

Sir WILFRID LAURIER. I asked the Secretary of State this morning to expedite all these orders that had been moved for by my hon. friend, and he said he would do so, but he thought they had all been brought down.

Hon. Sir WILLIAM MULOCK (Postmaster General). The return with regard to the mail contract from the St. Lawrence, has to do with the Department of Trade and Commerce. Lest it might be inferred it was in my department, I wish to say that I do not know anything about it.

Mr. R. L. BORDEN. I quite understand.

Mr. DAVID HENDERSON (Halton). When may I expect a return ordered by the House on the 23rd of March respecting the payment of certain wages in connection with Bronte harbour ?

Mr. JAS. SUTHERLAND. Instructions have been given to get the information as quickly as possible.

Mr. HENDERSON. It ought to be very easy to get ; I apprehend it is in the department.

Mr. JAS. SUTHERLAND. Perhaps the engineer in Toronto will have the information ; there will be no unnecessary delay.

QUESTIONS.

AMERICAN CATTLE IN BOND.

Mr. CLARKE—by Mr. Lancaster—asked :

1. Has permission been given, by Order in Council or otherwise, to any person or company to import American cattle in bond, slaughter them in Canada, and export the meat and other products ?

2. If so, to whom was this permission given, on what date, for what length of time, and on what terms and conditions ?

3. At what ports may the cattle be entered, and where must they be slaughtered ?

Hon. WM. PATERSON (Minister of Customs). Under an Order in Council of 1880 and regulations thereunder, the slaughter of swine in bond is permitted, but not of any other live stock or cattle.

CENSUS, 1901—INDUSTRIAL ESTABLISHMENTS.

Mr. KEMP—by Mr. Lancaster—asked :

1. What was the number of industrial establishments in Canada, according to the census of 1901 ?
2. What was the total fixed capital ?
3. What was the total working capital ?
4. What was the total number of employees ?
5. What was the total amount in wages paid during the year ?
6. What was the total value of raw material ?
7. What was the total value of articles produced ?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). The Minister of Agriculture has left the following answer with me :

1. $14,650.
2. $209,378,638.
3. $237,537,849.
4. 313,314 on wages ; and 17,453 on salaries.
5. $89,573,204 for wages ; and $13,411,464 for salaries.
6. $266,527,858.
7. $481,053,375.

With the exception of butter and cheese factories, the census of manufactures in1901 was taken for establishments employing five hands and over.

KEREMEOS INDIAN RESERVE.

Mr. R. L. BORDEN asked :

1. Have the government received a petition or proposal with regard to the sale or the exchange of the Indian Reserve at or near Keremeos, in the Similkameen Valley, B.C., and if so, from whom ?
2. Have the government offered to sell or exchange the said Indian Reserve ?
3. If so, to whom, and at what price ?
4. What is the intention of the government with respect to the request contained in the prayer of the said petition ?

Hon. CLIFFORD SIFTON (Minister of the Interior) :

1. Yes ; from residents of Headley City and vicinity.
2. No.
3. Answered by No. 2.
4. The petition is under consideration. It is hoped that a satisfactory adjustment of the matter may be made shortly, so as to permit of the construction of the smelter for which a site is sought.

POST OFFICE AT ST. JOHN D'IBERVILLE.

Mr. MONK—by Mr. Lancaster—asked :

1. How many petitions have been addressed to the government, relating to the selection of a site for the new post office at St. John d'Iberville ?
2. Has the government selected the said site, and if so, what is that site ?
3. When will the new post office be commenced ?

4. Has the contract for the construction been given out, and to whom ?

Hon. JAS. SUTHERLAND (Minister of Public Works) :

1. Two.
2. No.
3. Date not fixed.
4. No.

TOBACCO CULTURE.

Mr. MONK—by Mr. Lancaster—asked :

1. Has the government sent an agent to the state of Wisconsin, or anywhere else, to investigate the question of tobacco culture ?
2. If so, who is the said agent, what were his instructions, and what are his salary and expense allowance ?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). In the absence of the Minister of Agriculture, I beg to answer :

1. Yes, two to the state of Wisconsin.
2. Pierre Denis and J. B. Dugas. Their instructions were to investigate the methods practised in that state of cultivating, curing and preparing for the market the tobacco grown there, and to report on the same to the Minister of Agriculture. Their salaries are at the rate of one hundred dollars per month each with necessary expenses of living and transportation.

LIGHTING OF THE WELLAND CANAL.

Mr. BENNETT—by Mr. Lancaster—asked :

1. Has any contract been entered into by the government with any person, or persons, for the lighting of the Welland canal ?
2. If such a contract has been made, who are the contractors, price for lighting, and duration of such contract ?

Rt. Hon. Sir WILFRID LAURIER (Prime Minister) :

1. A contract has been entered into for supplying power to light the Welland canal by electricity.
2. The contractors are the Lincoln Electric Light and Power Company. Price for the power is on a basis of $14 per h. p. per annum. The contract is for a term of ten years.

PURCHASES FROM LAMONTAGNE & CO.

Mr. HUGHES (Victoria) asked :

1. Were the goods supplied by Messrs. H. Lamontagne & Company, Montreal, amounting to $45,956.35, as shown by the Auditor General's Report, on page 2105, purchased by tender ?
2. If tenders were called for, who were the parties tendering ?
3. Was the lowest tender accepted ?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). Nearly all this amount represents artillery harness supplied by Messrs. H. Lamontagne & Co. to the department. This had hitherto been supplied by the War Office or by English firms, with the guns with which it was to be used. Upon consideration, the government thought it advisable to adopt the principle of having all work of this kind done by Canadian concerns so far as possible. The goods supplied by this firm were made according to samples furnished by the War Office, and the prices therefore were based upon War Office rates, and the firm was selected because of its having had experience in doing similar work to the satisfaction of the department.

PURCHASES FROM THE OTTAWA CAR COMPANY.

Mr. SAM. HUGHES asked :

1. Were the goods supplied by the Ottawa Car Company, Limited, amounting to $21,163.93, as shown by the Auditor General's Report, on page 2105, purchased by tender ?
2. If tenders were called for, who were the parties tendering ?
3. Was the lowest tender accepted ?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). This amount represents repairs to artillery equipment and other similar work which had hitherto been done in England, and which could not be done by any Canadian concern until special equipment had been provided for the purpose. It was thought advisable to have the work done in Canada at some convenient point in Ontario. The Ottawa Car Company equipped their works for this purpose at a very considerable expense, upon the understanding that they would receive work of this kind at prices based upon War Office rates. The company is now able, not only to do the necessary repairs, but also to undertake the manufacture of new wagons, limbers and similar artillery equipment. Similar work is also being done at the Dominion government arsenal at Quebec.

TOBACCO TRADE WITH BELGIUM.

Mr. MONK—by Mr. Lancaster—asked :

1. What is the total amount paid to Mr. Blaise Dugas, of the county of Montcalm, in connection with his last mission to Belgium, regarding the tobacco trade ?
2. Did said Dugas make a written report to the government upon the result of his mission to Belgium ? If so, what date does report bear, and when was it handed in to the government ?
3. Has there been export trade in tobacco from Canada to Belgium ?

Hon. Sir FREDERICK BORDEN (Minister of Militia and Defence). In the absence of the Minister of Agriculture, I beg to answer :

1. $470.25.
2. Yes. Mr. Dugas' report is dated January 19th, 1903, and was received on January 21st, 1903.
3. Only a small export trade as yet, averaging about 7,340 pounds of tobacco annually from 1898 to 1902, inclusive, but Belgium imports large quantities, of which we hope to increase Canada's share.

ST. JOHNS, P.Q., POST OFFICE SITE.

Mr. MONK—by Mr. Lancaster—asked :

1. Is it the intention of the government, before selecting a site for the new post office, in the town of St. Johns, P.Q., to consult the municipal authorities of said town, the bankers, manufacturers, and particularly the business men of Richelieu street, as to which would be the most convenient site available ?

2. When will the said site be finally decided upon ?

Hon. JAS. SUTHERLAND (Minister of Public Works). The question of the purchase of this site is still under consideration.

Mr. MONK—by Mr. Lancaster—asked :

1. Has the government inquired from real estate owners in the town of St. Johns, P.Q., as to the price of their properties, in connection with the site of a new post office ; and if so, from whom has the government sought such information ?

2. What are the prices asked by such real estate owners ?

Hon. JAS. SUTHERLAND (Minister of Public Works). Offers have been received and are now being considered. It does not appear advisable at the present stage of negotiations to disclose the prices given.

SECOND READING.

Bill (No. 68) respecting the Hudson's Bay and Northwest Railway's Company.—Mr. Oliver.

CHANGE IN PUBLIC WORKS DEPARTMENT.

Mr. T. CHASE CASGRAIN (Montmorency)—by Mr. Sproule—moved :

For copies of all Orders in Council passed under and by virtue of the statute 3 Edward VII., chapter 53, entitled 'An Act respecting the management and control of public and other works.'

Rt. Hon. Sir WILFRID LAURIER (Prime Minister). I would suggest to my hon. friend (Mr. Sproule) that it might be better not to press this motion because my hon. friend from Montmorency (Mr. Casgrain) desires to speak upon it. The Order in Council asked for in the motion has already been brought down.

Motion allowed to stand.

MOTIONS AGREED TO WITHOUT DISCUSSION.

For copies of all documents, memorials, petitions, reports and correspondence, in relation to the removal of the post office at Ossekeag, or Hampton station, in King's county, N.B., from the railway station to the store of R. H. Smith. —Mr. Fowler.

For copies of all letters, telegrams, correspondence, petitions, memorials, documents and papers, relating to the recent appointment of Mr. Boyd to be postmaster at the village of Huntingdon, in the province of Quebec ; or relating to the filling of the vacancy occasioned by the death of the late postmaster.—Mr. R. L. Borden.

For a return giving names of all delegates sent by the government from Canada to Great Britain and Ireland, or any European country, during the year 1903 ; with the amount paid to each delegate by way of salary and expenses ; and the nature of the duties performed by each delegate ; giving districts where those duties were performed.—Mr. W. J. Roche.

For a return showing :

1. The quantity and value of raw cotton imported into Canada during each of the past six years ; also exports of same, if any, during same term.

2. From what countries it was imported, and the amount in value from each country.

3. The quantity and value of manufactured cotton imported into Canada during each of the past six years.

4. From what countries it was imported, and the amount in value from each country.

5. The quantity and value of manufactured cotton exported from Canada during each of the past six years.

6. To what countries it was exported.—Mr. Wm. Ross (Ont.)

For a return of all letters, petitions and correspondence between D. H. McDowel, Esq., M.P., and the government, relating to the payment of rebellion claims and the issue of Half-breed scrip in the Saskatchewan district.—Mr. Davis.

For a return of all petitions, letters and other correspondence between the Half-breeds of Saskatchewan district and the Dominion government, relating in any way to the grievances of the said Half-breeds, for the years 1883, 1884 and 1885. Also correspondence between the Dominion government and their officials and others in the district of Saskatchewan, previous to the Rebellion of 1885, relating in any way to the grievances of the said Half-breeds.—Mr. Davis.

For copies of all documents, memorials, petitions, letters, reports of engineers. and other correspondence, in relation to the construction of the railway from Southport to Murray Harbour, in the province of Prince Edward Island ; said return to include all correspondence with regard to the construction of the Hillsborough bridge, in said province.—Mr. Lefurgey.

For a return showing the number of liquor permits issued for the Yukon Territory since the date of the last return ; the names of parties to whom said permits were issued ; the quantities of liquor covered by each permit ; the names of all parties to whom said permits were assigned (if assigned) by the original permit-holder.—Mr. Bennett.

For a return giving details with regard to the actual cost of construction of the Belfast and Murray Harbour branches of the Prince Edward Island Railway between Southport and Murray river, as follows :—

Miles clearing, and cost per mile ; miles close cutting, and cost per mile ; miles grubbing, and cost per mile ; cubic yards of solid rock excavated, rate per yard, and cost per mile ; ditching, rate per yard, and cost per mile ; cubic yards borrowed, rate per yard, and cost per mile ; public crossings. cost per mile ; farm crossings, cost per mile ; ballast, cost per mile;

fencing, cost per mile ; rail fastenings, cost per mile ; beam culverts, cost per mile ; length of sidings in feet, and cost of same ; stations, where placed, and cost of each ; miles of track-laying, and cost per mile ; three-foot iron pipes, how many, and cost per mile ; eighteen-inch vitrified clay pipes, and cost per mile ; steel trestles, length of same, and cost per mile ; total cost of work to date ; description and size of engine-house and turn-table ; also, capacity of water-tank, and where situated.—Mr. Lefurgey.

For a return showing :—

1. The total quantity of coal furnished to the government during the fiscal year ending 30th June last, for use in the public buildings, works and institutions, maintained or administered by the government.

2. The quantity of coal furnished during this period for use in each public building, work or institution, stated separately ; and the names of the persons from whom the several lots were obtained ; the rates of payment, and the total cost in each case.

3. The cases where such purchases were made by tender.

4. The sums of money paid during this period, or allowed, by way of heating or fuel allowance, in lieu of or commutation for fuel ; and in what cases and to what sums, respectively, such allowances were made.—Mr. Clare.

For copies of all petitions, memorials, letters and other correspondence, between the Maritime Board of Trade, the Charlottetown Board of Trade, the Alberton and West Prince Board of Trade, and the government, with regard to a subsidy for a line of steamships to ply between Chatham, New Brunswick ; Alberton and New London, on the north shore of Prince Edward Island ; Sydney, Nova Scotia ; the Magdalen Islands, and St. John's, Newfoundland.—Mr. Hackett.

For a copy of the contract between the government of Canada and the Manchester liners, in force during the season of 1903.—Mr. E. D. Smith—by Mr. Lancaster.

For copies of all letters and other correspondence, between the Board of Trade of Alberton, Prince county, Prince Edward Island, and any other party or parties, and the government, relative to the importing of a fishing population, the construction of patent driers, and the general encouragement of the deep-sea fisheries on the north shore of Prince Edward Island.—Mr. Hackett.

For a return showing :—

The post offices, drill halls, armouries, and other public buildings the government has erected or improved, or undertaken to erect or improve, since 1896 ; and showing in each case : (a) the original estimated total cost, including heating and lighting, &c.; (b) the actual cost, if completed ; (c) if not yet completed, the present estimated total cost ; (d) the towns, cities or villages in which the said post offices, drill halls, armouries and other public buildings have been erected ; (e) the population of the said cities, towns or villages, respectively.—Mr. Clare—by Mr. Lancaster.

For a return showing :—

1. The number of allotments of 240 acres of land made to Half-breeds in Manitoba, and the total acreage covered by the same.

2. The number of scrip to Half-breed children in Manitoba, and the total face value of the same.

3. The number of scrip to heads of Half-breed families in Manitoba, and the total face value of the same.

4. The total number of scrip to original white settlers in Manitoba, and the total face value of the same.

5. The number of scrip issued in commutation of hay privileges in Manitoba, and the total face value of the same.

6. Scrip and land warrants issued for military services.

7. Scrip issued to the Northwest Mounted Police.

8. Scrip issued to colonization companies ; names of companies, and the face value of such scrip.

9. All other scrip issued by the Department of the Interior ; to whom ; for what purpose ; and respective face value of the same.

10. Number of each cash and land scrip issued to the Northwest Half-breeds.

11. Number and face value of all the above-described scrip outstanding on the 31st December, 1903.—Mr. LaRivière.

For a return showing list of passes issued, and to whom, on the Canadian government railways and steamers, from January first, 1903, to January, 1904, other than those issued to senators and members of the parliament of Canada. —Mr. Bell—by Mr. Lancaster.

For copies of Orders in Council, departmental orders, or letters, defining the respective duties of the chief engineer of the Department of Marine and Fisheries, and of the commissioner of lights.—Mr. Northrup—by Mr. Lancaster.

COMPAGNIES DE CREDIT.

Mr. L. P. DEMERS (St. John and Iberville). (Translation.) I move :

That the government take immediate steps to put an end to unlawful transactions carried on by firms known as ' Compagnies de Crédit ' and other such concerns.

Mr. Speaker, I wish to draw the attention of the House to the business done by a number of firms known under the name of ' Compagnies de Crédit,' and which have been incorporated by the government of Canada. The avowed object of those companies is to facilitate for their clients the purchase of diamonds, watches, jewels, furs, furniture and other wares, in accordance with a scale of prices and terms laid down by them.

They call themselves ' Compagnies de Crédit,' possibly,—as suggested by ' Le Prix Courant,'—for the very reason that they do not grant credit to any one. As a matter of fact, they are so-called capitalizing institutions. To the person who deposits with them two dollars a week for fifteen weeks, that is $30 altogether, they agree to pay $75. Deposits may be continued for a term of 150 weeks, or three consecutive years, if desired. After having thus deposited $300, the depositor, under the agreement, will be entitled to $750. The same rule applies to all subscribers ; there is no drawing of lots ; every depositor has the promise that he will receive 150 per cent on his investment.

The business carried on by these firms may seem wonderful, and they are aware of

it. Here, for instance, is the circular issued by one of these companies called 'La Société de Crédit Hebdomadaire, limitée,' which guarantees not more than 100 per cent profit. The manager of that company gives the following answer to question No. 4 :

4th question :—What means have 'La société de Crédit Hebdomadaire limitée,' of paying such large dividends to their subscribers ?

Answer : La Société de Crédit Hebdomadaire, limitée," is to small capitalists what railway companies, steamship, street car, insurance companies and banks, etc., etc., are to people of wealth. As a matter of fact, every one of these last named companies spends hundreds of thousands, and even millions, of dollars in expenses each year, and notwithstanding this enormous expenditure, provides for its shareholders a high rate of interest on every share they own. But only people of large means, semi-millionaires, hold stock in such companies while small capitalists are in a position to secure only a low rate of interest on their investments. 'La Société de Crédit Hebdomadaire, limitée," incorporated by the Dominion government, and supported by reliable as well as shrewd business men, financiers, in a word, enables all persons of good will, through its various kinds of agreements, to reap large profits on their investments. That company puts large rates of interest within the reach of small capitalists ; but, we repeat it once more, we do not promise fabulous returns ; we secure from investments only what business men can secure from them, as stated on the back of each agreement.

As will be noticed, the manager is very careful not to state through the use of what business methods it is possible to obtain such large returns. That answer given by 'La Société de Crédit Hebdomadaire, limitée,' by that sedate company, made up of reliable and shrewd business men, reminds me of that given by William T. Miller, who won universal notoriety in connection with the Franklin syndicate : 'The way to wealth is as plain as the road to market.'

However, he did not promise such large returns ; he was content with 100 per cent a year, while some of the firms we have to deal with promise 700 per cent a year. That same Miller stated elsewhere :

This may look impossible to you, but you know there must be a way where one can double their money in a short time, or else there would be no Jay Gould, Vanderbilt, or Flower Syndicate and other millionaires.

That was the only explanation offered ; that is to say, no explanation was given. The effects of these schemes are being felt just now in Montreal and vicinity. Workingmen and others who have taken an interest in these concerns and deposited with them part of their earnings are facing a sure loss. Some of them deposit as much as twenty or even twenty-five dollars a week. If, as I believe, the companies are being operated on a wrong principle, it will mean ruin for a number of these poor people of Montreal and other districts of the province.

Mr. L. P. DEMERS.

Since this motion appeared on the Order sheet, some papers have taken and referred to it. By the way, I may state that some papers have advertised these firms by printing their notices and lists of winners. The motion appearing on the Order paper caused the press to take up the question. 'Le Prix Courant' and 'Le Moniteur du Commerce,' having studied the manner in which these firms carried on their business, both reached the conclusion which I shall now lay before the House by reading what they published on April 22 last.

The article in 'Le Prix Courant' starts as follows :—

There is one species of swindling introduced lately into Canada, which we might have very well dispensed with. We refer to those concerns or companies called credit companies, very likely because they give no credit to any one, as will be seen presently.

Further on, the writer goes on to say :

The company realises it profits,—we use that word for want of another,—by despoiling, without any compensation, those of its shareholders of agreements who cease making deposits previous to the date at which they would be entitled to a refund. And it is out of the earnings of these unfortunate improvident people, that provision is made for reimbursing those who go on paying to the last.

On account of the length of this article, we shall not go into further details—however interesting they might prove to be—as to the steps taken to secure the greatest possible number of cancellations, so as to permit paying those who go on making their instalments.

On the other hand, 'Le Moniteur du Commerce' claims that these institutions come under the head of lotteries, and in its issue of April 22 states :

Those companies which advertise profits of 500 per cent within a few weeks time ; those which, having obtained letters-patent from governments to carry on a paying business above board, and which, under cover of the great seal of Canada or that of one of the provinces, go on drawing lots every week or every month, without any control on behalf of the parties interested, all these are mere lotteries as defined by the criminal code.

The financial editor of the 'Witness' had previously replied as follows to a correspondent who inquired as to how these concerns were managed :

A correspondent sends us the weekly bulletin of the 'Compagnie de Crédit du Canada,' for March 7, for us to comment upon. Last week we replied to a correspondent concerning this and kindred companies, of which we understand there are half a dozen in this city alone, licensed by the government. Conspicuously on the front page of the weekly bulletin before us there is a fac-simile of a cheque for $540 made out to a well-known druggist, who had paid in the sum of $216, and thus made a profit of a hundred and fifty per cent in a few months Where does the money come from ? It has to be considered, too, that the company did not get all Mr. Druggist's $216. On the same page as the fac-simile of the cheque, agents

are advertised for "exposer le système dans tous ses détails.' and it is promised that 'C'est une position très lucrative et de tout repos.' An enviable position, indeed, well paid and an easy job, so that the subscriptions do not all go the company. The company also advertises that it commenced business in May, 1903, and has since that time paid 1,830 clients the sum of $142,735. Those who have received this money must have thought themselves standing upon a veritable 'Tom Tiddler's ground, picking up gold and silver.' And to prove that it actually did pay the money the names of the 'clients,' the number of the 'contracts,' the addresses of the clients, the sums they paid and the amounts they received, are all set out in detail. Thus number 835 paid in $33 in thirty-three weeks, and at the end of that time received $108, or a profit of nearly 700 per cent per annum. We suppose that the government, which has licensed this business, is satisfied that this can be done and is legitimate, but, so far as we can judge, a prophet of great far-seeing qualities is not required to see the end. The company says that the system is based on co-operation, and so it is in a sense. Any 'client' can be paid $108 in thirty-three weeks, or get merchandise to that amount if others paid in enough after him. But suppose new subscribers do not come in in rapidly multiplying numbers ; what then ? What happened to Hooley, to the South Sea Bubble, or to John Law and the Mississippi scheme ? It is as impossible to pay 360 per cent. for ever as it is to make candy without sugar.

But the most thorough view of the whole matter is perhaps to be found in 'Le Nationaliste.' In its issue of Sunday last, that paper, in rather violent terms,—which, however, circumstances, to my mind, warranted, —condemned these frauds in an article headed : 'Robbery in full daylight' :

'La Compagnie de Crédit du Canada,' to mention only the most impudent of them, is not a lottery. The holder of a lottery ticket has not much of a chance to win ; but for that very reason, the scheme may be kept on going indefinitely. Under that would-be credit system, on the contrary, the refund and profits accruing are ensured by agreements maturing in numerical order ; so that it is possible to compute at what date the whole scheme will fall to pieces, provided subscribers pay their instalments regularly—which they always do when the prospective gain is large enough—and provided the company has no other means of meeting its obligations apart from the deposits of its subscribers.

If the company agrees to pay two dollars for every dollar it receives, even though its deposits should increase by leaps and bounds, they will never keep pace with its liabilities, which go increasing twice as fast. For any man of common sense, for any journalist who has not enlisted in the service of robbers and swindlers, the outcome is as apparent as daylight.

Well, 'La Compagnie de Crédit du Canada,' as a number of others which work in the dark, has no other resources but the instalments of its subscribers. It does not own any real estate; it does not loan money on long or short term ; it does not deal in movables, although that kind of speculation is the only one allowed by its charter. So there can be only two classes of people among its clients : robbers and their victims.

The robbers are those who, knowing that the company cannot keep on, that its business is not only unlawful and deceitful, but financially unsound, enter into a compact with the directors of the company to lay hands on the funds deposited by subscribers whose agreements will mature after the company is bankrupt.

The victims are those honest people, simple-minded, whose purse has for all time been the aim of schemers.

As for us, we are satisfied that those poor fellows who will be the losers through the failure of 'La Compagnie de Crédit uu Canada,' will have the right to sue before the civil courts and possibly before the criminal courts, such subscribers as have had the luck.

Those companies claim that they have a capital of $10,000,—I cannot say whether a single shareholder has paid his subscription. They boast of receiving $60,000 in deposits per week. There is no doubt that transactions of that kind cannot be carried on for a longer period than a year and a quarter. Indeed, even leaving aside the expenditure for agencies which takes up twenty-five per cent, the enormous amount spent in advertising and working expenses, —as it must be presumed that the promoters of the scheme expected to reap some profit for themselves—everything goes to show that it is impossible for these companies to keep on paying ; so that they are bound to go bankrupt some day or other.

In view of these facts, it seems to me that the government are in duty bound to interfere. Of course, the government are not to blame in the matter. However, the people are apt to find fault with the government. They believe these companies have been empowered by the government to carry on that kind of business, and from the article published in the 'Witness,' it would appear that people are under the impression that the government approve of them, while, on the contrary, these companies have obtained their charter by stating that their sole object is to facilitate for their clients the purchase of diamonds, jewels, furniture and other wares in common use.

They are not described as financial undertakings, but rather as companies having for their object the sale of goods, which is legitimate business, and they have easily been granted incorporation at Ottawa. To engage in this legitimate business, it is not necessary to be incorporated ; any person can carry on transactions of that kind. Incorporation has been sought with the object only of deceiving the public, and safeguarding the directors. However, all these companies in their prospectuses draw attention to the fact that they are in possession of a charter from the Dominion government, and I think the government should take the means at their disposal to suppress them. These companies are putting their charters to wrongful usage. They are not fulfilling the purpose for which they were established.

I think the government should cancel their letters patent. Possibly, the Minister of Justice, after studying their legal status, may reach the conclusion that criminal proceedings should be instituted for conspiracy and fraud. There is no doubt the promoters know that they will be unable to pay what they promise. They are aware that it is a fake. So that a charge for conspiracy with a view to swindling the people, would be in order. I shall not undertake to point out to the Minister of Justice what proceedings should be taken; I am satisfied he will readily find some way of remedying this evil. All I wish is that the imposition practised on the people by these companies be promptly put an end to.

Sir WILFRID LAURIER (Prime Minister) (Translation). Before my hon. friend resumes his seat, will he say whether he is in a position to suggest the means which the government might adopt.

Mr. L. P. DEMERS. (Translation.) I think an efficient means would be a writ of 'scire facias' for the purpose of cancelling the letters patent granted to these companies. They are content with taking in the people's money, and the government would be warranted in taking out a 'scire facias,' in case they do not deem it advisable to institute a criminal action. At all events, in my humble opinion, there are grounds for government interference.

Sir WILFRID LAURIER. (Translation). Mr. Speaker, there is no doubt that the companies to which the hon. member has just drawn the attention of the House are simply cases of organized fraud. It seems evident that they are not fulfilling the purpose for which they were incorporated. They are openly infringing on their charters. Their existence is sanctioned by law; but their transactions are unlawful. Instead of carrying out the object for which they were incorporated, they are deliberately going against it. And I agree with my hon. friend that there are only two classes of people in these concerns, those who rob, and those who are robbed, as stated in the newspaper article which he has just read. The difficulty is to find a remedy to this evil. My hon. friend suggests that the government should at once take steps to cancel the charters of these companies by means of a writ of 'scire facias.' That means is available to any subject of the king.

At all events, the attention of the government having been drawn to that point, I shall request the hon. Minister of Justice to take it up at once with a view to putting a stop to such an unfortunate state of affairs. And as my hon. friend has thereby, I think, attained his object, I shall ask him to withdraw his motion.

Motion withdrawn.

Mr. L. P. DEMERS.

RAILWAY ACT AMENDMENT BILL.

On the Order being called for :

Resuming adjourned debate on the proposed motion of Mr. Fitzpatrick, that Bill (No. 2), An Act to amend the Railway Act, be referred to the Select Standing Committee on Railways, Canals and Telegraph Lines.

Sir WILFRID LAURIER (The Prime Minister). The motion of the Minister of Justice was to have this Bill referred to the Committee on Railways, Canals and Telegraph Lines. As I remember, the leader of the opposition wanted this Bill referred back to the Committee of the Whole because he wanted to discuss the phraseology, or something like that.

Mr. R. L. BORDEN. My idea was that while I saw considerable force in the suggestion that various corporations would have a right to be heard before the Bill passed, nevertheless I thought there might be some advantage in sending it to the Committee of the Whole for the purpose of discussing some aspects of this question.

Sir WILFRID LAURIER. I ask that this item stand, as the Minister of Justice is absent to-day.

Mr. R. L. BORDEN. My right hon. friend will have no objection to our going into Committee of the Whole on the Bill.

Sir WILFRID LAURIER. No, with the understanding that ultimately the Bill will go to the Committee of the Whole.

Mr. R. L. BORDEN. I do not want to be understood as wishing to control the action of my hon. friend from Lincoln and Niagara (Mr. Lancaster). My suggestion was made in what I thought was the public interest, that we should discuss the details of the Bill in Committee of the Whole. I know my hon. friend from Lincoln and Niagara has strong opinions on the subject.

Sir WILFRID LAURIER. I would not like to undertake, either, to control the action of the hon. member for Lincoln and Niagara. But perhaps we may induce him later on to reconsider his purpose.

Order allowed to stand.

CRIMINAL CODE AMENDMENT.

On the Order being called for :

Resuming adjourned debate on the proposed motion of Mr. Lancaster that Bill (No. 3) An Act to amend the Criminal Code, 1892, be now read the second time.

Sir WILFRID LAURIER. I think the Minister of Justice asked my hon. friend from Lincoln and Niagara (Mr. Lancaster) to withdraw this Bill. He is aware that the government cannot accept this Bill. Still, if he wants to move it he has a right to do so. The Minister of Justice expressed the

hope some time ago that the hon. gentleman would withdraw it.

Mr. LANCASTER. The Minister of Justice said he was going to deal with this matter in a general Bill that he was going to bring down, and he could see no objection to taking the two up at the same time.

Order allowed to stand.

SUPPLY.

House in Committee of Supply.

Customs—salaries and contingent expenses of the several ports in the various provinces and in the Northwest Territories, including pay for overtime of officers, notwithstanding anything in the Civil Service Act, $1,184,865.

Mr. R. L. BORDEN. Will the hon. gentleman explain in the first place the increase of $25,000.

Hon. WILLIAM PATERSON (Minister of Customs). In a general way this is to provide for an increased service that will be required at various outlaying ports. The business of the department is increasing very fast, as the hon. gentleman knows, and it is estimated that we shall require a larger staff at some of the ports. Included in that amount is a sum which it is thought would be well to devote, or a portion of it, toward increasing in a small degree the salaries of our officers whose services, in the opinion of the department, warrant an increase being given them. It is estimated that $25,000 will be absorbed in that way during the coming year.

Mr. R. L. BORDEN. I suppose the hon. gentleman has had some estimate presented to him by his department naming the ports where the staff requires to be increased, showing the additional number of officers which will be required at each port. Perhaps it would be well to let the House have that information.

Mr. PATERSON. This is the least amount that it is thought we would be justified in asking for. Of course we have numerous requests for increases of salary, and they will be kindly considered before any of this money is paid. But we will not be able to meet all the requests, and it will depend upon the reports of the superior officers of the merits of individual cases, what increases will be made and to whom. Last year, in the port of Montreal all the men who were getting less than $500 were brought up to $500, or perhaps it was $550. In Toronto also I think they were brought up to $550. Of course, it was to the lower paid officers that we gave most of the advances. Then, where the business of the smaller ports has increased there have been increases granted to some of the officers in connection with these.

Mr. R. L. BORDEN. I do not exactly gather from the remarks made by my hon. friend whether this, after all, is due to the increase in the personnel of the staff or whether it is proposed to utilize the increased vote for the purpose of increasing the salaries of the staff as it exists at the present time. My hon. friend seems to be a little too indefinite about that. We ought to know whether this is required for additions to the staff or whether it is required for the purpose of increasing the remuneration of the present staff. It seems to me that my hon. friend ought to be able to show, how much, if any, is for additions to the staff, and how much is for increases in the salaries of the existing officers, because it does not seem to be proper that we should vote money for one purpose which may be devoted by the hon. gentleman to another purpose. That would be regarded by an ordinary business corporation as a very loose way of presenting such a matter to the shareholders and it seems to me that my hon. friend is not quite explicit. If there are any salaries to be increased should he not have a statement here to present to the committee showing the increases that are to be made, and if there are to be any additions to the staff, should he not be prepared, when he asks for $25,000 additional, to say what additions are to be made, where they are to be made, and for what purpose? We did not get very much from my hon. friend except a rather indefinite reference to the increases in the staff and then some equally indefinite references to increases in the salaries of the staff. For which is this ? Is it for both ? If so, how much for one and how much for the other ? If increases in salaries, how much are they and why are they to be given ? If increases in the personnel of the staff, where are they to be made, and what is the justification for making them ?

Mr. PATERSON. I thought I explained that. This is the amount estimated to be required to provide for the extra business that it may be found necessary to provide for at the outside ports and leave a margin that will permit us to increase, if they are found to be deserving, the salaries of some of the officers in the service. The hon. gentleman asks for some particulars. I will be glad to give him all the information I can, but it is impossible to give him the details that he asks for. He will see that it is impossible. These moneys are to be expended during 1904-5, extending a year beyond now. We may find that, during the course of the financial year for which these estimates are taken, circumstances arise under which, perhaps, we have to appoint officers that we had not thought would be required. Business has suddenly developed at some new port. Some place, not yet a port, has presented claims to the department for the convenience of the public and in the interest of the public it is desirable to establish a port. Then we have to

appoint an officer for that place. This must be so with the business increasing so rapidly, and it is evident that there cannot be given the particulars that the hon. gentleman asks for now. It would be impossible to work the department in that way. It is therefore for the committee to consider, whether, in view of the increasing revenue, and the increasing work of the Customs Department, it is an excessive sum to place at the discretion of the department in order to provide for the expenditure that may be found necessary during the twelve months of the next fiscal year.

Mr. R. L. BORDEN. The difficulty I have with the hon. gentleman's position is that he does not place the committee in a position to judge, for itself. Suppose my hon. friend asked the committee for $250,000, instead of for $25,000, the committee would have just as much justification for voting that amount as for voting the $25,000, because, it would have to rest on something that is in the mind of my hon. friend and his officers, and which is not before the committee. The committee has no information about it. The committee, I am sure, is disposed to give to the hon. gentleman a sufficient appropriation to carry on the business of the country, and to properly deal with the increasing business. The criticism I am making is that my hon. friend does not come with any sufficient information beyond a very general statement that this money will be required and his appeal to the committee for an increase would be just as valid if he said $250,000 instead of $25,000. The committee would be just as much justified in voting that as in voting him $25,000. The fact is that we have no real information before the committee that would justify it in voting either one or the other of these sums. I would have supposed that my hon. friend would have received a report from his subordinate officers and that report would have set out certain facts to be presented to the committee upon which the committee would be justified in voting an additional sum over and above the amount which was found necessary last year. Would my hon. friend tell me how much was expended last year under this vote?

Mr. PATERSON. I presume the estimate of last year was very close. It has to run to the first of July, and it is expected that by that time it will have been virtually expended. In reference to my hon. friend saying that you might as well ask for $250,000 as for $25,000, if he gives it a moment's consideration, he will see that that would not follow at all.

Mr. R. L. BORDEN. I was paying my hon. friend a compliment, when I said he would have just as much justification in one case as in the other, because, my hon. friend would have said that it was necessary. I meant to put it in this way, that my hon. friend's word is just as good for $250,000 as for $25,000.

Mr. PATERSON. If it is designed as a compliment I should not resent anything in that way. If we had asked for $250,000 of an increase on a total of $1,159,000, there would have been more necessity for the hon. gentleman to ask for details than at present, when we are only asking for $25,000. The hon. gentleman has some idea of the way in which the business of this department is increasing. I will just give some figures which will show the progress which has been made.

Customs outside service for fiscal year, 1904-5 :

The estimate for 1903-4 was..	$1,402,105 00
The estimate for 1904-5 is....	1,436,565 00
Increase..	$ 34,460 00

The proposed increase in the estimate is therefore 2·45 per cent.

The customs revenue in 1901-2 was	$32,425,532 31
The customs revenue in 1902-3 was..	37,110,354 59
Increase in 1902-3	$ 4,684,822 28

The increase in the revenue of 1902-3 over that of 1901-2 was 14·44 per cent. The customs revenue for the nine months ending 31st March, 1904, was $30,163,263.79. Assuming the revenue for the full current fiscal year on the basis of the collections for the first nine months, the revenue for the year will be $40,217,685.04, or an increase of $3,107,330.45, or 8·37 per cent. It will therefore be seen that while the increase in the estimate of expenditure is only 2·45, the increase in the revenue will be over three times greater. While the revenue is increasing the volume of business is also increasing as shown by the following figures, viz. :

The entries inwards in 1901-2 were 797,911, in 1902-3 they were 840,477, an increase of 5·33 per cent. The entries outwards in 1901-2 were 231,672, in 1902-3 they were 250,599, an increase of 8·17 per cent. The railway reports inwards in 1901-2 were 709,791, in 1902-3 they were 801,713, an increase of 12·95 per cent.

The shipping returns also show that business has increased, as I find that in 1901-2 the number of vessels, sea-going and coasting, arriving at customs ports in Canada was 110,368, and in 1902-3 126,474, an increase of 14·59 per cent. The number of vessels, sea-going and coasting, departing from customs ports in Canada in 1901-2 was 105,452, and in 1902-3 120,502, an increase of 14·27 per cent.

The cost of collection of customs revenue in the last fiscal year 1902-3, was 3·31 per cent, which is the lowest cost of collection in any fiscal year since 1868 except the year

1883, when the percentage was 3·26. In the fiscal year 1894-95 the cost of collection was 5·13 per cent, and if you apply the cost of collection for that year to the revenue for 1902-3 you will find that it would have taken the sum of $1,903,761.19 to collect last fiscal year's revenue, or $674,732.48 more than was actually spent for that service.

In the fiscal year 1894-95, the customs revenue was $17,890,516.94.

In the fiscal year 1902-3, the customs revenue was $37,110,354.59, an increase of $19,219,837.65, or over 107 per cent.

In the fiscal year 1894-95 the number of entries inwards and outwards combined was 591,487, and in 1902-3 1,091,047, an increase of over 84 per cent. In the fiscal year 1894-95, the number of railway reports inwards and outwards combined, was 574,721, and in 1902-3 1,048,845, an increase of over 82 per cent.

For salaries and contingent expenses at the various ports in the Dominion I am only asking for an increase of $25,000, which is not a large amount when you consider that in the outside service of my department there are over 1,700 officers.

For inspection board of customs, statistics and preventive service I am asking an increase of $10,000.

On the statistical staff alone there are 53 officers whose salaries are chargeable to this vote, and an increase of $50 to each officer would mean $2,650.

There are a number of other officers whose salaries are small and in addition I am trying to strengthen the board of customs staff in order to obtain full information as to market values of imports.

There is some force in the argument of gentlemen on the other side, that an increase of revenue does not necessarily mean a corresponding amount of extra work, and that it would not require more clerical labour to collect $10, than it would to collect a hundred dollars. That is true in a sense, but the figures given in my statement show that the volume of business has also largely increased. I think it is not time wasted that I should stop to give these figures to the committee. I believe these figures to be absolutely correct, and they show that while there is a very gratifying increase of the receipts from customs, there has been a large augmentation of work. We know from our past experience that it is impossible to accurately estimate the amount that will be required fifteen months ahead. There may be some ports which it will be in the public interest to open, and to which officers will have to be appointed, and as to which we cannot foresee at the present time the circumstances which may develop. The figures I have given show that the work is increasing in greater ratio now, than even during the last two or three years. We thought some time ago that we had perhaps reached the climax, but it would appear not, because the revenue from the customs seems to be as buoyant as ever. I think that for each month of the past nine months of the fiscal year, there has been a large increase in the customs revenue. It will probably be found that at the end of the fiscal year there will be $3,000,000 or $4,000,000 of revenue greater even than last year, which was supposed to be a big year. I again impress upon the leader of the opposition, that these are estimates and only estimates. In the case of a department as large as the Customs Department; spread as it is over the entire Dominion; with the currents of trade changing; with requests from the Northwest and other points for customs facilities which we have not been able to meet yet, and as to which it may be found that it will be in the interest of the country to meet; it would be unreasonable to ask, that we would be able to discount what changes may be necessitated within the next fifteen months. The officers of the department think that this $25,000 increase is the lowest amount that it would be safe to ask. I have been most anxious, as the hon. gentleman can understand any minister would be, that my estimates should be as low as possible, but the officers of the department think that it would not be advisable to ask less and to carry over into a future estimate, sums which it may be necessary to expend on the current service during the period these estimates extend over.

Mr. R. L. BORDEN. I did not expect that my hon. friend (Mr. Paterson) would be inspired with the spirit of prophecy, such as he apparently thinks would be necessary. No one imagines for one moment that he or any officer in the department, would be able to tell absolutely what changes must be made during the next fifteen months. However, as a fact, it would be only eight or nine months, because if the next session of parliament is called in the ordinary course in January he could bring down a supplementary estimate. Even for that period of eight months I do not ask him to judge of everything infallibly or to be able to prophesy, but I do ask him to show me one place where his department expects an increase of the staff or an increase of salaries to be necessary. He must know something about the present conditions. There is an estimate of what the increased revenue will amount to up to the end of the present fiscal year; and whoever attends to that work ought to be able to give some of the information that I am asking for. My hon. friend speaks of the statistical staff, which I think he says numbers fifty-three. Has the labour of that staff been confined entirely to the work which we see in the report of the hon. gentleman's department, or have they ever endeavourd to

estimate anything of this kind We have largely increasing importations. Are there any statistics in the department which would indicate how much labour is involved in the manufacture or production of these goods? That would be a very valuable piece of information for the public to have. Have the hon. gentleman's staff also considered whether or not any material portion of that labour might be profitably employed in Canada in the production or manufacture of those goods? It is of course desirable to have produced in Canada all articles which we can possibly produce here. Would it not be important for his department to investigate these importations, especially in new lines of goods, with the view of judging to what extent they could be produced in the country? I do not know whether this question has ever been taken up by my hon. friend since he has been in charge of the department, or indeed by any of his predecessors. At any rate, I should be glad to have him give the committee any information, if there be any, on that subject, and in default of that, let me know what he thinks of the suggestion.

Mr. PATERSON. What the hon. gentleman refers to, so far as I apprehend his meaning correctly, is not within the scope of the duties of the statistical branch of the Department of Customs. I think their work has been confined exclusively to compiling statistics relating to our own department. Possibly the Dominion statistician, who gets out the Year-book, may have paid some attention to that matter; but of that I cannot speak positively, because I have not read his book lately. The Department of Trade and Commerce keeps track of the statistics of trade with foreign countries more than we do, but I do not know that it has done anything in the direction of what the hon. gentleman suggests. As to what I think about it, I can only say in a general way that any information that can be got in relation to the trade and commerce of the country is valuable; but I fancy there would be a good deal of difficulty in accomplishing what the hon. gentleman is seeking. For instance. all parties are agreed that raw cotton, which comes into Canada very largely, is an article that cannot be produced in this country and should therefore come in free. I presume that my hon. friend refers more to manufactured goods. That is an involved question, because a great many manufactured goods are placed on the free list or on the 5 or 10 per cent list for the purpose of promoting trade in this country and giving employment. This is the raw material from which other things are manufactured in this country, and the people engaged in that work are desirous of having it on the low scale of duties or else absolutely on the free list. So that I see difficulties in the way of getting accurate information as to the amount of labour that might be spent on these goods. As an illustration, take the large printing presses and paper mill machinery. I suppose we shall all agree that for many years, until there are millions more people in the country than at present, even one establishment or the manufacturer of these articles could not be started with advantage to the country. Parties using this machinery ask us why we charge duties, as we do impose duties, on paper machinery and a lower duty upon printing presses, &c., not produced in Canada, and that probably cannot from the circumstances be produced in Canada for some time to come. These users of machinery say that we are only putting a burden on them although they are giving employment to many people. Thus the question is many sided. If the hon. gentleman (Mr. R. L. Borden) asks me to give the question consideration and to discuss it with my officers, I can only say that I shall be glad to do anything I can in the matter. The more complete information we get in regard to all matters connected with trade and commerce the better equipped we shall be.

Mr. R. L. BORDEN. I am not entering into any discussion as to whether or not we can enter into the manufacture of certain articles in Canada. I agree with what my hon. friend (Mr. Paterson) has said with regard to the complexity of the question, and I will add that it is a question on which it is sometimes difficult to obtain satisfactory information. But because it is a complex question and because it is difficult to obtain information from any particular source upon the very point he has mentioned, it seems to me that it would be wise for the government, not only in the interests of the country but in the interests of the administration of my hon. friend's own department, in the interests of those who have to deal with the question of tariff framing, to have information of this kind. When you come to revise the tariff, the first difficulty that confronts you is the very point we have been discussing. You have to go all over the country to the various people engaged in these industries and gather the information piecemeal. It would be a great aid and assistance in such work if there was in the Department of Customs or in the Department of Trade and Commerce some men who would be investigating these matters, compiling these returns and gathering information which would be of use to those who desired to know whether or not the manufacture of a particular product could be profitably undertaken in Canada—and in using the word profitably I mean with profit to the country as a whole and not simply to the men who may wish to engage in it under a high tariff. I mean whether or not it is worth while for this country, in regard to a particular product, to impose such tariff as will enable that product to be manufactured in Canada.

At present that information can be obtained only in meagre form and piecemeal. But if the government had in some department a statistical branch which would investigate questions of this kind, it would be of great advantage, so long as we propose to give to manufacturers in this country a certain measure of protection. I do not criticise my hon. friend (Mr. Paterson) for not being able to give this information, but I would suggest to him that he should not only discuss this with his officers but that he should see that it is done, either in his own department or in some other department. I thought that possibly one of the additions to his department last year, Mr. Bain, the assistant commissioner, might have been engaged in work of this kind, but apparently he has not had leisure to attend to it. Possibly there are in the hon. gentleman's department some officers who are not overworked, and who might undertake this work in connection with their present duties. If all of the officers of the department are now fully occupied and working up to a fair limit, I for one would think it extremely desirable that some statistical branch of this kind should be organized.

My hon. friend (Mr. Paterson) has referred me to some extent to the Minister of Trade and Commerce (Sir Richard Cartwright). That hon. gentleman has matters of a kindred character under his charge but I do not know if he has thought it worth while to take up this subject; if so, he has not vouchsafed to give the information to the House.

Rt. Hon. Sir RICHARD CARTWRIGHT (Minister of Trade and Commerce). We have been inquiring into it more or less. As regards the amount of labour employed in the various industries, my hon. friend (Mr. R. L. Borden) will find in the latest census returns that this question has been pretty fully investigated. As far as the statements made by the various manufacturers may be depended upon as to the amount of raw material they use, the proportion of labour and interest on capital and on plant, &c., the information has been fully set forth. These reports of course have not yet been placed in the hand of my hon. friend (Mr. R. L. Borden) but I hope they will be in a few weeks. They give a very large amount of information on the subject.

Mr. R. L. BORDEN. That would be an assistance, of course, in so far as we manufacture in Canada articles which we also import into Canada, but in respect to articles which are not manufactured in this country at all, perhaps the census returns would not give us all the information.

Mr. PATERSON. That, I think, is when the solution will come, in the census department.

Mr. R. L. BORDEN. It would be of no use at all in regard to a great many articles; it would be of use only in respect of articles now manufactured in Canada.

Mr. PATERSON. Precisely; but that would be the best index you could have, a census of the various industries of the country, which would give you their raw material, the number of hands employed, the total product, &c. Deductions could be drawn from that. I fancy that this is work to which the Dominion statistician devotes himself. The census return would perhaps be the nearest approach you could hope to get to full information. In that way you could obtain information as to the value of the industries in the country; you would get to know whether a certain number of men employed in a certain industry were enhancing the value of certain materials to a certain degree, and whether that enhancement in value would more than compensate for the increased labour. You could draw your deductions in that way.

Mr. R. L. BORDEN. You might get assistance from the Department of Trade and Commerce. Then there are I suppose permanent officers in connection with the census.

Sir RICHARD CARTWRIGHT. My hon. friend's suggestion seems to me a very good one to have carried out. I would submit to him that it could be better done by establishing a certain branch in connection with the census department.

Mr. R. L. BORDEN. Curiously enough, I was about to make the same suggestion.

Sir RICHARD CARTWRIGHT. It is well worthy of consideration.

Mr. R. L. BORDEN. I was going to make exactly the suggestion the Minister of Trade and Commerce has made. You have to organize the census staff every ten years. At present you have it in apparently a very unorganized condition, although of course our views may be prejudiced. You have not had it very well organized during the past three years, but I shall pass over that as I do not wish to make this matter controversial. If you had a department of this kind which would be continually investigating these subjects from year to year you would be much more likely to have an efficient staff when the time comes round, at the end of the next ten years, to take the census. Because, these will be trained men, accustomed to work of this kind and they might be made heads of different branches of the census staff when the time comes for doing the work at the end of ten years. And the work in the meantime would be of the greatest service to the country, if we intend to maintain a tariff which affords protection to our manufacturers. I trust the Minister of Trade and Commerce (Sir Richard Cartwright) as well as the Minister of Customs (Mr. Paterson) will give this serious consideration.

Sir RICHARD CARTWRIGHT. Personally, I am very well disposed towards the hon. gentleman's suggestion, if it appears to our colleagues that it can be carried out for a reasonable sum. It is more especially desirable because, as the hon. gentleman (Mr. R. L. Borden) knows, we have to take the census in the Northwest Territories every five years.

Mr. SPROULE. It seems to me that we have hardly all the information that ought to be given us on this item. We have not the basis of calculation on which the minister concludes that he will require $25,000 more. He tells us that the customs collections have increased and that the importations have increased, but he has not told us what relationship this additional expenditure bears to the increase in the work. I suppose that the majority of the officers are remunerated by a yearly salary. In that case the minister ought to be able to judge at which ports the increase of business makes the increase of salaries necessary. Or the minister ought to be able to tell us what class of officers are to receive increases. No doubt, a part of this increased vote would be required for contingencies which cannot be exactly foreseen, but the bulk of it must be for salaries to men of certain classes or in certain places. This information the minister ought to give us. He must have made some sort of calculation to reach the conclusion that $25,000 will be necessary, and we would like to know what he bases that calculation upon.

Mr. PATERSON. Well, for instance, in the port of Montreal, a very large port, as the hon. gentleman knows, we are meditating a change. The clerks making the entries in what is called the 'long room' have been there a considerable time. But the salaries have not been uniform. Some of these men have been bearing the title of landing waiter or preventive officer, and so on. They have been doing work inside, but at salaries which they consider insufficient. Therefore, they asked to have a share of extra hours. The hon. gentleman knows that extra services used to be rendered by certain officers to shipping and railway companies and the officers remunerated by these companies. But last year the sanction of the committee was asked to a change under which the government would pay all that was paid to its officers. The clerks in the long room claimed that their salaries were not enough to maintain them properly, so they asked for a share of that night work or overtime. But we have not thought it desirable that they should do other work. Their work is important—receiving the entries of the merchants. Despatch is needed and correctness also; and in this work the revenue is directly involved. We have concluded that, if a clerk puts in his time from 9 a.m. to 4 p.m., as a rule, his mental energies will have been taxed enough for that day. It is proposed now to increase the salaries in this department, so as to pay $900 as a minimum, and to require these officers not to work extra hours or share in the extra pay.

Mr. SPROULE. How much will be required for that in the port of Montreal?

Mr. PATERSON. About $3,500. Then the port of Toronto is increasing very rapidly—in fact, nearly all the ports are increasing. Take Winnipeg, for instance. When I first entered the department, I think the receipts would not be more than about half a million—I speak subject to correction. By the end of this year the receipts will probably be nearly two millions of dollars. Last year the committee were kind enough to place an increase at our disposal, with which we have been able to add to the staff in Winnipeg. I think that during last year we found it absolutely necessary to add eight or ten to the staff at the port. But for this, I do not see how we should have got along. The increase in the business of the port is exceedingly gratifying, of course; but it is better than could have been anticipated. Yet, I have by no means reached the conclusion that Winnipeg will not require, during the year 1904-5, still further increases. The leader of the opposition reminded us that this vote will cover a period ending fifteen months from now, and suggests that a supplementary vote might be taken next session. But last year the leader of the opposition said he did not like so many different estimates, and asked why we did not estimate for enough at once, and avoid these supplementary estimates. We are endeavouring to do that. But with the revenue increasing and the cost of collection also necessarily increasing, it is impossible to estimate in advance more closely than we have done. When we ask for an increase of only $25,000, I think hon. gentlemen will admit that we are estimating as closely as we should be asked to do.

Mr. McCREARY. The hon. minister (Mr. Paterson) has spoken of the port of Winnipeg. I would like to ask him if there are not complaints from that port that the staff is insufficient, and that the salaries paid are not sufficient considering the cost of living? Any one living in Winnipeg and having his family there, as I have, must know that, during the last six months or a year, the cost of living has increased from 25 to 33⅓ per cent. I was told recently by a gentleman who moved from Ottawa to Winnipeg that for the same house accommodation that would cost in Ottawa $20 a month he would have to pay $45 in Winnipeg. I know of houses that rented two years ago for $25 a month and are now bringing $75 a month. You find that when a good house is put up for rent it is in great demand. For instance, when the house of the late Dr. Lynch not long ago was advertised for rent there were no less than 89 applicants for it. I

have heard of complaints from the clerks in the Winnipeg custom-house that they are not able to earn three meals a day on the present scale of wages. The hon. minister should increase the staff at Winnipeg, and not only at Winnipeg, but at North Portal, Regina, Moosejaw, and all those ports where the American immigration is coming in and where the immigrants report for entry. And he will have to increase the wages, or he will not be able to get the proper men to fill the positions.

We know as a matter of fact that during last year nearly fifty per cent of the employees of the post office left and went to other employments. A great many clerks on the staffs of the banks left and went to other employments because they get more than the bank wages. If there are any places where the clerks should be better paid and where there should be more of them it is those ports in the west where an increasing revenue is being shown. I think it is a low estimate to say that the immigration this year from the United States will be probably 60,000 or 70,000. Of course that does not show a large increased revenue for this reason: Supposing this number represents 12,000 families, each family has a car of settlers' effects on the average. You will understand therefore that a large amount of work will have to be done by the Customs Department from which there would be no revenue at all because settlers effects all come in duty free. The staff at Winnipeg have to do probably ten times more work with less showing as far as revenue is concerned than any other port in Canada. I submit there should be an increase of from 20 per cent to 25 per cent in the present number of hands employed as well as in the amounts of salaries paid, not only at Winnipeg, but at all points on the frontier such as Gretna, Emerson, Moosejaw, where many of these settlers enter their goods going up to Alberta and other western points.

Mr. PATERSON. What the hon. gentleman says is quite correct. I think three at least of our officers at Winnipeg if not more have left during the year.

Mr. McCREARY. Others are going to leave.

Mr. PATERSON. One was getting $950 a year, and he wrote saying that he was going to leave. He was a valuable officer, and we asked him if he would remain if we would give him $1,100. He said, no, that he was offered considerably more than that, and he left. At least two others left in the same way, if not more.

Mr. INGRAM. What was his name?

Mr. PATERSON. R. D. Waugh.

Mr. McCREARY. He is getting $3,000 a year now.

Mr. PATERSON. I think it is very probable that before the termination of the time in which this money is to be expended we may have to increase the staff—I cannot say by how much. While I have no desire whatever to withhold any information from the committee, the difficulty is that when we happen to mention in parliament a port where we propose to increase the number of employees, we are immediately deluged with applications for the positions, accompanied wth notices of reports and proceedings of parliament stating that there were to be extra officers employed. All this necessitates a great deal of correspondence on our part.

Mr. BLAIN. I think the minister was to bring down a statement of the number of temporary and permanent officers in his department. Has that statement been prepared?

Mr. PATERSON. The accountant informs me that when I took charge of the department there were thirty permanents and seven extras. The hon. gentleman will remember that my statement referred to a question we had up the other night on a civil service estimate. The hon. gentleman will see, if he turns to that item, the number of permanents that is mentioned; on page 17 he will see the details with reference to what is now proposed. There were thirty-four last year—the present year—and six extras. But as I explained at the time, we propose that these six extras that were paid out of contingencies shall cease to be extras and become permanents. With them added, during the year 1904-5, with the addition of three junior seconds and two thirds, the permanent staff will be forty-five with no extras.

Mr. BLAIN. An increase of twenty-five.

Mr. PATERSON. No, there were thirty permanents and seven extras—thirty-seven when I took charge ,and now there are forty-five altogether, an increase of eight.

Mr. INGRAM. I understood the hon. gentleman was to bring down a statement of the permanent and temporary employees in the outside service as well as the inside.

Mr. PATERSON. That was not asked for.

Mr. INGRAM. I would ask for that now.

Mr. BLAIN. The minister has given the committee some reasons for the enormous increase in his department during the last year. The explanation seems to cover only the larger cities of Canada, Montreal, Toronto, and Winnipeg. It is a reasonable explanation of the increase in those cities. But I would like the minister to direct his attention for a moment or two to the towns in the province of Ontario and explain the increase of expenditure in some of them. Take

for instance, the town of Berlin. The minister will notice by the return that the increase in the revenue collected has doubled in the last five or six years ; perhaps he will state how much the cost of the service and the number of employees have increased in that town. Then take the town of Chatham for another instance, and the town of Cobourg. Perhaps the minister could tell us how it comes there is such an enormous increase in the expenditure as compared with the increased revenue in the cities, and practically nothing in the towns while the same condition of things prevail.

Mr. PATERSON. At Berlin, if I remember right, an extra officer has been put on. I think an extra officer has been put on at Chatham since the department has come under my charge. If I am not mistaken, I think the department is asking for another officer now. There has been some increase in the towns which show larger revenues. But we have endeavoured to be as economical as we could, and not increase the salaries faster than we found necessary. While we are trying to do justice, we have been able to meet the requirements of all. I suppose there are a great many who now point to the fact that living is more expensive, that the business has increased at their ports, and that they have a fair claim for increase of salary. As I am pointing out to the hon. gentlemen if these were all met, and perhaps it would not be an extravagant thing if their wishes were met, it would send the expenditure up by many tens and tens of thousands of dollars beyond what we are asking for now.

Mr. BLAIN. Would the hon. minister give the towns in Ontario where extra officers have been appointed during the past year ?

Mr. PATERSON. Brantford and Chatham are the two towns that I can mention now. There are two at London.

Mr. BLAIN. My question was confined to the towns of Ontario.

Mr. PATERSON. There was one at Niagara Falls. There have not been very many increases in the towns.

Mr. BLAIN. I would like the hon. minister to give me the correct information upon that point.

Mr. PATERSON. Will the hon. gentleman allow me to take a memo. of it and I will bring down the information ?

Mr. BLAIN. Yes, that will be all right.

Mr. ARMSTRONG. Mr. Chairman, in reference to the item that was before us a moment ago, I would like to call the attention of the right hon. Minister of Trade and Commerce (Sir Richard Cartwright) and of the hon. Minister of Customs (Mr. Paterson) to the increase which has taken place since 1896 in the dutiable imports into Canada from Great Britain and the United States. During the years from 1896 to 1902 our importations from Great Britain increased by $8,614,489, while during the same period, the increase in our importations of the same articles from the United States was $26,163,670. The principal articles included in these importations were as follows :—carriages, cement, cotton and manufactures, drugs, &c., earthen and chinaware, electrical apparatus, fancy goods, flax, &c., glass and manufactures, hats and caps, leather and manufactures, iron, steel, metals and manufactures of brass, copper, gold, silver and manufactures of agricultural implements, paints and oils, paper and manufactures, wood and manufactures, wool and manufactures, rubber and manufactures, silks. The hon. Minister of Customs had his attention called to the fact that it would be wise for us to obtain some idea as to how many men are employed in the manufacture of these goods brought into this country, and I entirely agree that it would be well for us to know that in view of the fact that the total increase of importations from Great Britain and the United States during these six years has been $34,778,159. It would be a desirable thing to have a statistical statement showing the number of men employed in foreign countries manufacturing these goods and sending them into our country.

Mr. PATERSON. Yes.

Mr. SPROULE. The hon. minister told us that there would be an increase in Montreal of probably $3,500 to provide for the needs there and he told us as well that it was intended to discontinue the practice hitherto followed of providing for the extra service which is required to be done there. What provision is he making for doing that extra work ?

Mr. PATERSON. That will be divided among the men who are receiving the lowest salaries. We propose to increase the salaries of the men who will be deprived of a share of this extra work so that they will be recompensed for the loss of anything they get in the way of extra work. This work will be divided amongst others who are not enjoying as high salaries as they are. These are landing and tide waiters.

Mr. SPROULE. I thought that the hon. minister proposed to provide for a new class of men ?

Mr. PATERSON. No, we do not wish to increase the staff if we can help it. If they are able to do more and to supplement their salaries in that way we would prefer to have the work done in that way rather than that we should add to the permanent list.

Mr. SPROULE. Would the hon. minister be good enough to tell us what estimate he has made for increases in the staff or increases in salaries at Winnipeg ?

Mr. PATERSON. Well, I cannot give the hon. gentleman that.

Mr. SPROULE. The hon. gentleman has no estimate of that at all ?

Mr. PATERSON. It would be impossible for me to give the hon. gentleman the figures in regard to Winnipeg now. If I were to give him the figures and he were to hold me to them next year, I might not be able to carry out the estimate. I am willing to give all the information I can in reference to the growing trade of the country and the demands that are made upon us. I suppose that we have applications now from a score of places that want to be created ports. With all these applications coming in, with the trade increasing as it is within the North-west Territories, and with towns springing up, I think it will be admitted that in asking for $25,000 to provide for all this, we are making a very moderate request. I do not think the committee is running any risk at all in placing the money at our disposal.

Mr. SPROULE. The question at issue is not as to the exact amount of the vote. It might require a great deal more than that to satisfy the needs created by the development of the country, but it is the business principle involved in it. When the hon minister submits to this committee an estimate of the amount which he wants for the purpose of carrying on the custom-house business all over the country, we very naturally ask upon what principle is this estimate made up. What is the basis of the calculation that enables him to reach the conclusion that he wants $25,000 more ? It surely cannot be that he is content to say: Oh, there is a development in the trade of the country and we will ask for $25,000. That would not be a very business-like way of reaching a conclusion. He might find that he had very much too little or that he had more than he needed at the end of the year. Surely his officers have made some kind of an estimate as to what the increase will be in each province, or at each port, at the great cities of the country where the large bulk of the importations are made, as to the number of new ports that will be required to be opened up. I do not know how the hon. minister can go before council and say : We want more money for our custom-houses. Council, I should think, would ask : How much do you want for this place, how much for that place and how do you make up this estimate ? Surely the hon. gentleman was able to submit some estimate to council and if he was able to submit it to council, he should be able to submit it to this committee.

Mr. PATERSON. It is impossible wholly to do that. I do say that we anticipate that we will have expenditures to meet in some of the main ports, in the way of paying the extra officers who will be required. What those will amount to, I cannot estimate now. I believe that in order to retain officers at some of our ports, we will have to increase their salaries. In other cases where they are presenting their applications for increases, I do not say that we will lose their services, but I think it is only just that their claims should receive consideration. When this matter was discussed with the officers of the department, it was considered that $25,000 was the least, that, from our past experience, we would be justified in asking the House to grant. From our past experience it is felt that the $25,000, increase, is the lowest we would be justified in asking. I would remind the leader of the opposition that he at one time remarked that he did not like to see these supplementary estimates come down time after time, and that we should include all our wants in the one estimate. I believe in that myself so far as it can be done, but I am afraid that before the session ends, it may be found that the growing business of the country will necessitate our taking another vote in the suppplementary estimates for next year.

Mr. R. L. BORDEN. A great many matters which are brought down in supplementary estimates, should be included in the main estimate, but these are matters about which ministers should be able to give the House the necessary information, and not have the committee go it blind as it were. I do not ask that the minister should bring down estimates which would necessitate his being endowed with the gift of prophecy; but he certainly should be able to give the committee some definite information about the vote which he now asks. If the minister gives us the facts, we will vote the money without one moment's hesitation.

Mr. PATERSON. I gave the facts when the hon. gentleman was out of the chamber.

Mr. R. L. BORDEN. I am glad the hon. gentleman gave some facts, because up to the time I had left, he had not given one fact, and whatever facts he did give, do not seem to have made much impression on my friends around me.

Mr. FOWLER. Last year the minister took an increased vote over the year before. Was the whole of that increased vote expended?

Mr. PATERSON. I am informed that the expenditure will be very close to the vote taken, but the year is not ended yet.

Mr. FOWLER. What was the increase taken last year over the year previously ?

Mr. PATERSON. $100,000. But I should explain that we took over extra service which was hitherto defrayed by transportation companies, and that was estimated at $75,000. The ordinary increase this year will be about the same as the ordinary increase last year.

Mr. TAYLOR. I understood the minister to say that the vote was $1,400,000 last year.

Mr. PATERSON. Yes.

Mr. TAYLOR. The estimate only shows $1,159,865.

Mr. PATERSON. I included all the estimates last year.

Mr. BLAIN. When the increased vote was taken last year, the minister stated that he proposed to establish a considerable number of out-ports that had been asked for. What number of additional out-ports have been established during the past year ?

Mr. PATERSON. I will get the information in a minute or two.

Mr. FOWLER. You are asking $10,000 additional under the heading of salaries and travelling expenses of inspectors of ports, and officers of the preventive service. That is about ten per cent increase for this particular service, and if your whole increase is $25,000, that particular item seems to be out of proportion.

Mr. TAYLOR. Under this item the Minister of Customs did not ask for $1,400,000 last year at all; he only asked for $1,159,865. Surely the minister should give us a detailed explanation of what he intends doing with this $25,000 extra. Is he going to appoint new officers and has he the authority of his deputy minister and of the government for doing so? I see a new name here in the Auditor General's report; a Mr. McNeill, at Gananoque, who was put in the place of Mr. David Hodge. Why do you displace Mr. Hodge, a good faithful officer, and put McNeill in his place ? Is that what you want the $25,000 for—I made a mistake in saying that Mr. Hodge was at Gananoque, he was at Pools Resort.

Mr. PATERSON. I am informed that he was just an extra officer getting $100 a year.

Mr. TAYLOR. And so is Mr. McNeill a temporary officer. Why did you displace Mr. Hodge and put in Mr. McNeill?

Mr. PATERSON. I really cannot say.

Mr. TAYLOR. Well, can you say what you are taking this $25,000 extra for ?

Mr. PATERSON. I may say that Mr. McNeill replaced Mr. Hodge in 1898. So the accountant tells me.

Mr. TAYLOR. He is quite wrong. Was there any complaint against Mr. Hodge ?

Mr. PATERSON. I could not tell.

Mr. TAYLOR. Then, will the hon. gentleman tell us what he is going to do with this $25,000 ? Is any part of it going to pay persons to write pointers 4, 5 and 6 ?

Mr. PATERSON. No.

Mr. PATERSON.

Mr. TAYLOR. Then, will the hon. gentleman tell us what he is going to do with it—in detail ?

Mr. PATERSON. I have told the hon. gentleman that I cannot give it in detail.

Mr. TAYLOR. Then let it stand until you can.

Mr. PATERSON. I cannot do it at all.

Mr. TAYLOR. Then, what is the minister asking it for.

Mr. PATERSON. I am asking it because we believe it will be required to carry on the service efficiently during the year that will elapse from the 1st of July next. With the expansion of trade and commerce which we anticipate, we shall require in some places some extra officers, and we expect that some officers will deserve a slight increase in their salaries. I am asking this $25,000 in anticipation of these two events.

Mr. FOWLER. It seems to me that the minister is quite right as to the first reason he gives. There may be a necessity for new officers which he cannot anticipate now; but he can certainly settle beforehand the question of an increase of salary to any official now in the service. Does the hon. gentleman have these officials perform extra work ?

Mr. PATERSON. No.

Mr. FOWLER. In other departments of the public service, in which any increases of salary have been looked forward to, the names of the officials and the amount of salary to be paid in each case, have been stated. I do not know why the hon. gentleman does not deal with his officials on the same basis as other departments deal with theirs. I think we ought to have an explanation, and a very full and complete explanation on this point, before we go any further with this item, and I for my part will not be inclined to vote for it until we receive that explanation. The hon. gentleman is scarcely treating the House with the consideration that he should when he gives such a paltry and miserable excuse for this vote. I would ask him to explain why it is necessary for him to adopt a different method from that adopted by the ministers of other departments when they ask for votes to increase the salaries of their officials ?

Mr. PATERSON. If the hon. gentleman insists on that being done, I will simply tell him it cannot be done. I have a list of the increases which were granted last year, and I am perfectly willing to submit it to the committee.

Mr. COCHRANE. What has that to do with this item ?

Mr. PATERSON. It has this to do with it, that if the money granted last year was expended improperly, in the judgment of the committee, there is an opportunity to criti-

cise it ; and next year, when I shall be able to give similar details about this item, I can be called to account if the money has not been expended properly.

Mr. SPROULE. That will be locking the stable door after the horse is stolen.

Mr. PATERSON. Hon. gentleman will then have the information on which they can condemn the administration if they do not approve of the way in which the money has been expended.

Mr. FOWLER. That is not what is done in the other departments. When the money is being voted, the minister give the names of the clerks and the amounts of the proposed increases.

Mr. PATERSON. That is in civil government. It does not apply to the outside service.

Mr. FOWLER. Why should it not apply ? Where is the difference ? Why could you not tell whether a man, by his past record, is worthy of an increase ? It is absurd to suppose that we are to go it blind, and leave this matter in the hands of the minister without any information. How do we know but there may be another case like that of Assistant Commissioner Bain ? How do we know that a part of this money will not be spent in getting written pointers 4, 5 and 6, just as in the case of pointers 1, 2 and 3 ?—which, by the way, are not very creditable literary productions, whoever wrote them. I say the reason the hon. gentleman has given for this vote is not a valid or business reason ; and his conduct the other night, when he was brought face to face with the fact that this Assistant Commissioner Bain, while paid $2,800 out of the public revenues of this country, was employing his time in writing campaign literature for the Liberal party, was not such as to justify us in voting the money blindly, because the natural inference would be that a portion of it would be used to enhance the salaries of some civil servants who would be willing—I was going to say prostitute themselves—to engage themselves as political hacks for the purpose of writing campaign literature for the Liberal party. The hon gentleman should give us in detail the names of the officers of his department whom he intends to promote, what salaries he intends to pay them, and what portion of this $25,000 he requires for that purpose.

Mr. PATERSON. What does the hon. gentleman mean by a reference to political hacks ?

Mr. FOWLER. Just exactly what I said.

Mr. PATERSON. What you said ?

Mr. FOWLER. Yes ; I made it very plain, I thought.

Mr. PATERSON. Yes, he makes it very plain as he thinks sometimes. The hon. gentleman had better be sure of his facts. Nothing discreditable has been done by Mr. Bain, and if the hon. gentleman knows of anything discreditable he had better make the statement.

Some hon. MEMBERS. Hear, hear.

Mr. FOWLER. I would be very sorry indeed to have the hon. minister, or the gentlemen behind him who cry 'hear, hear,' be the judges of political morality in so far as I am concerned. 'Nothing discreditable,' the hon. minister says, 'in Mr. Bain acting as he has done in respect to this matter ; nothing discreditable.' says the hon. minister !

Mr. PATERSON. What has he done ?

Mr. FOWLER. He dares to justify it. I made the charge the other night that the minister, having directed Mr. Bain to do this work, and having knowledge that this work was being done by a man in his department, whom he had promoted over the heads of other men of longer standing in the department and at least as worthy of promotion, and that this man was taking his salary of $2,800 from the public revenue and employing his time writing campaign literature for the Liberal party, but yet the hon. gentleman says there was nothing discreditable about that. His party have had commission after commission going through the length and breadth of this country trying to find cause to dismiss Conservatives who were holding office when hon. gentlemen opposite came into power. And why did they dismiss them ? Because they had voted as their consciences had dictated, although they were men who had never taken any part in politics. Expensive commissions were appointed to try these men, who were put to tremendous expense to defend themselves. In one case in my own county, officials had to spend $500 or $600 to defend themselves from a charge of partisanship. They had done nothing but vote as their consciences dictated. And here we have a man, a minister of the same party, attempting to justify and saying there is nothing discreditable in the conduct of a man in receipt of $2,800 of the public revenue of this country in doing what I have charged. The hon. gentleman admitted it, because he could not deny it and dare not deny it, because he knew that the man was sitting within the sound of his own voice, who knew that he knew that that work is being done—and yet he says there is nothing discreditable or wrong in it. I was surprised—although I thought the time had passed when one could be surprised at any statement that might come from hon. gentlemen opposite, but there is still room for surprise—when I heard the hon. gentleman (Mr. Paterson), from whom we might naturally expect better things, make a statement of this kind. Coming from some of the colleagues of the hon. gentleman it would not cause as much surprise as it did coming from him, because from him we expected better things. Yet he says there is nothing wrong about it,

and want to know what I mean by speaking of this partisan as a political hack. I meant exactly what I said, and what I say now; I thought I put it as plainly as it could be put in the English at my command. It is wrong, it is discreditable. Judged by the standards the hon. gentlemen laid down, it is very discreditable on the part of any civil servant, employed and paid out of the public treasury, to devote his time to writing political campaign literature for any political party, whether Liberal or Conservative.

Mr. PATERSON. The hon. gentleman has not told us what Mr. Bain did.

Mr. FOWLER. He wrote pointers Nos. 1, 2 and 3.

Mr. PATERSON. He wrote pointers Nos. 1, 2 and 3! Does the hon. gentleman know that? Does he say he did?

Mr. FOWLER. I——

Mr. PATERSON. Sit down, if you please, till I am through.

Mr. FOWLER. You asked me to answer.

Mr. PATERSON. And you cannot play the political bully with me; understand that. I am ready for this discussion. Hon. gentlemen brought it up very suddenly the other night, and wanted to press me for an answer right off, without giving me permission to speak to the gentleman who was assailed in order to ascertain whether it was so or not. I asked them: What are your charges? Finally, the hon. member for Halton (Mr. Henderson) mentioned, for instance, so and so. Very well, said I, I will speak with Mr. Bain. I have done it. I have spoken with him, and I am ready to meet the hon. gentlemen. But let me point out, first of all, that these gentlemen, unable to prove their statements, or not daring to make their statements—because they did not dare to make them—moved that Mr. Bain be discharged. They admit that we sent deputations and commissions through the country to investigate cases of political partisanship, and that some of those charged were dismissed, but here there was to be no investigation, no word from Mr. Bain; cut his head off right here! Thirteen of them stood up to vote for it, and that gentleman stood up among them.

Mr. FOWLER. Yes.

Mr. PATERSON. Now, what did Mr. Bain do—for I have spoken with him? Mr. Bain has prepared statistical statements for me time and again. These statistical statements have been used in this House in my speeches; they are part of the public record. He has prepared these, and he has handed them out when he was asked for them, and they could have been found in my speeches, the greater part of them, if the gentlemen had sought them. I would like to tell the hon. gentleman opposite, if he does not know it, that a minister's private secretary is necessarily engaged to some extent in political matters, for he is the confidential man of the minister, and I want to tell him that there are gentlemen who have been private secretaries to ministers in days gone by who are now in the public service of this country. Ask these gentlemen if they have ever prepared any statistics for their ministers. Ask them what they have done in reference to this matter, and if doing the work of a private secretary, the work that a minister has the right to ask his secretary to do, is to result in the summary dismissal of that secretary, all I have to tell the hon. gentleman opposite is that I think the fairest way will be to begin with the oldest offender in that respect—and it would not commence with the private secretaries. Do hon. gentlemen opposite mean to tell me that statements which they have used in this House have not been prepared by members of the civil service, or upon information furnished by members of the civil service? Will all of the gentlemen on the other side rise and tell me that?

Mr. CLANCY. Yes.

Mr. PATERSON. Will you speak for all?

Mr. CLANCY. I speak for myself, and I say that I have never had one letter or figure or hint from any person in his department since I have been here.

Mr. PATERSON. Perhaps the members opposite will rise one after the other and state that they have never received information from public servants.

Mr. INGRAM. Here is one.

Mr. PATERSON. There is one who moved without any full knowledge of what was done to discharge as efficient a public servant as there is in this country. He would not allow him to be asked a question, to make a statement. Mr. Bain has made a statement; he tells the truth and is not ashamed to tell it. He has prepared statements that have been used by me in the House. I have got political pointers from him, but would disclaim that he is responsible for all that is in these pamphlets, but he will admit that he did prepare the financial statements that are there. After six o'clock, if hon. gentlemen will permit me and if this discussion is regular, I will read those statements or some of them, because I believe they are true in fact, and that if there are any persons in the country who ought to have the benefit of them it is the Tory party. If it can be shown that any statements for which Mr. Bain is responsible are lacking in fact and in truth then let them be pointed out. But, if they are mere recitals of instances showing the marvellous progress and development of the country, as they are, then every Canadian who has any patriotism in him ought to rejoice that these things are plainly set forth. Such work I say, is a service done to the country. I am quite ready for the

discussion with hon. gentlemen opposite; but let me tell you this, Mr. Chairman, that when this was taken up the other night, a certain gentleman arose here and attempted to enact a role not at all credible to him. The Chairman was deliberately insulted by one of these gentlemen, and that same hon. gentleman thought he might also insult ministers of the Crown. Now, ministers of the Crown have equal rights on this floor with other members. They represent constituencies as well as hon. gentlemen opposite. When ministers are asked questions in a proper manner they are bound to answer. But I want it to be understood that when any hon. gentleman opposite presumes to trangress the rules of ordinary parliamentary courtesy and decency he is entitled only to such an answer as the minister feels it proper to give him. And hon. gentlemen opposite have no right to complain if some of their questions are ignored, if some of their questions are passed by in silence. I will say no other word.

At six o'clock, committee took recess.

After Recess.

Committee resumed a eight o'clock.

Mr. FOWLER. There is a historic question that has been for many years, I might almost say for centuries, awaiting an answer. That question is, 'Who struck Billy Paterson?' Now, Mr. Chairman, I do not think that that question awaits an answer any longer; it has been answered this afternoon, if we are to judge by the huge volumes of sound from the hon. gentleman to whom I might refer as the ministerial megaphone, and the rage and fury he exhibited during the remarks he made before recess. I do not know what was said to call forth such an exhibition of temper on the part of the hon. gentleman. I am at a loss to discover why he should work himself into such a passion. But it was simulated rage; it was feigned passion; for certainly nothing was said to justify it. The hon. gentleman was placed in a very difficult position. Allegations had been made affecting an officer who was under the hon. gentleman's peculiar care and who was the subject of the hon. gentleman's peculiar regard. Statements had been made reflecting upon that officer, who had been brought into the department by the minister, who was at one time private secretary to the minister and for whom that minister had shown his love and regard by promoting him—wrongfully promoting him—over the heads of officers in the department who were quite as efficient and far better qualified than was that person for the position to which he was promoted. And, so the hon. gentleman had no real answer to the charge. He could not even deny it. Was it that he would not deny it if he could? Not at all. But he knew that the truth of the allegation was known to too many persons within sound of his own voice for him to dare to deny it. And so, he tries to draw the proverbial red herring across the trail by working himself up into a rage and seeking in that way to arouse the enthusiasm of his followers who, in contradistinction to thinking men, are always carried away by noise. The hon. gentleman said that it was a proper thing for a private secretary to perform certain services for his minister. Has anybody attempted to dispute that assertion? Not at all. But the officer who fills the position of assistant commissioner of customs is not the private secretary of the Minister of Customs. He is the assistant commissioner. The hon. minister attempted to define that officer's duties, but he was not able to say that he had done much except, perhaps in getting out pointers, 1, 2 and 3. But, as a matter of fact, during the whole of last year, instead of this gentleman acting as private secretary or being appointed as private secretary to the minister, two young ladies performed that duty.

Mr. SAM. HUGHES. Much more congenial.

Mr. FOWLER. As the hon. member for North Victoria (Mr. Sam. Hughes) points out, no doubt it was much more congenial to the hon. minister. I can understand that an hon. gentleman of the chivalrous nature of the Minister of Customs would prefer to have the services of beautiful young ladies rather than those of one of his own sex.

Mr. BUREAU. Good for him.

Mr. FOWLER. The hon. member for Three Rivers (Mr. Bureau) says 'Good for him.' This strikes a responsive chord in the heart of that hon. gentleman. I congratulate the hon. member for Three Rivers upon having such feelings with regard to the sex; I believe it is characteristic of the race to which the hon. gentleman has the honour to belong.

Mr. BUREAU. Thank you for the compliment.

Mr. FOWLER. There is no reason why I should not pay it. The hon. minister (Mr. Paterson) did not deny the charge that was made, but he insinuated that this officer had the right to perform these services because he was the minister's private secretary. But on Friday afternoon, when this subject was under discussion the hon. gentleman himself, admitted that this young man was not now his private secretary, and that of the $600, that had been paid the year before for the purpose of providing the minister with a private secretary, he had only expended $250, which he had divided between two young ladies who had preformed that service for him. When the hon. gentleman was speaking before 6 o'clock, he asked me two or three questions and I rose to answer him, supposing that he

wanted me to answer him, and he said to me in those tones which I will not attempt to imitate, because my voice is not strong enough—he said: 'You cannot bully me.' Now I leave it to the sober judgment of the hon. gentlemen in this House to say who showed the part of a bully, whether it was myself who, as a matter of politeness, endeavoured to answer him the question which I supposed he was putting to me, or whether it was the hon. gentleman who so far forgot the courtesies of debate as to call out to another hon. member: 'Sit down.' Yet this hon. minister of the Crown, this cabinet minister, who fills the position, or attempts to fill the position, of a minister of the Crown, as I say so forgot himself, forgot these courtesies which should characterize the debates of this House, as to act in that manner towards a private member on this side of the House. I think the appellation of bully belongs rather to the man who does that, rather than to the man who attempts to conduct himself according to the decencies of the public life.

Now, Sir, remember that the minister has not attempted for one moment to deny, the minister cannot deny, why, so far from denying it the minister has admitted that this young man did do the very thing that he was charged with doing, that he did assist in this work, and he says, not only did he do that, but I will read, before the committee rises, the result of that young man's labour, I will read these pointers 1, 2 and 3, to show just what he has done. Now it does seem to me strange that the hon. gentleman is not ashamed of the position which he takes in this matter. It seems to me it should be a matter of shame to him rather than he should glory in it, that this civil servant, who is not by his own admission his private secretary, has engaged in political hack work—I speak that not offensively—political hack work while he still receives a salary of $2,800 from the public revenues of this country, that he is engaged in that work on behalf of a political party. I say again that it is not right under these circumstances, for him to engage in any such work, that he has no right to take part in any such work, which is the most violent form of political partisanship, and that, as I understand, is a disqualification for any civil servant, according to the rule adopted by the hon. gentlemen when they came into power. Surely, Mr, Chairman, that rule was not adopted for the purpose of getting rid of certain Conservative civil servants in order to make places for the friends of hon. gentlemen opposite to reward them for their party services. Surely they were not dishonest enough to put forward a pretense of that sort, to deprive efficient men of their livelihood merely for the sake of making places for their own political favourites. The country naturally supposed the hon. gentlemen were honest in respect to that, and that a person who was guilty of political partisanship, no matter on which side of politics he happened to be, would be dismissed. The hon. gentleman says: You have not proved a single thing, and you hope to deprive this young man of his salary by putting him out of his position. Well, Sir, the hon. gentleman knows that when a thing is admitted, it is not necessary to prove it. The hon. gentleman admitted it on Friday night, he was even more honest on Friday night than he has been this afternoon. Perhaps some of his colleagues have given him a pointer that he should not be quite so honest, not quite so open, that silence is sometimes more prudent than frankness. So the hon. gentleman was not quite so open this afternoon as he was on Friday; but even this afternoon the hon. gentleman admitted that this young man was a civil servant, and that he was really guilty of the breach of duty that had been charged against him. But on Friday night he admitted, by his silence if not in words, that he not only had absolute knowledge of what was going on but that he had directed it. That was charged and he did not deny it. If a charge of that kind is made in the hearing of a man it is his duty to deny it if it is not true. But the hon. gentleman knew it was true, and he had not the hardihood—if he had the desire—I do not say that he had the desire, but if he had the desire, at least the circumstances show that he had not the hardihood to deny it. Now that is just where this matter stands, and we heard the sound, and the noise, and the boisterousness of the hon. gentleman this afternoon when he spoke, and he has not brought forward one thing to prove the innocence of the party who has been charged. Not only that, but as I said, he has admitted that every charge we made in respect to him was absolutely true. Now, I trust the hon. gentleman will properly discipline this young man. On Friday night if he had said: I will inquire into this matter, I will investigate it, I will ascertain if these things are true, and if I find he is guilty, I will discipline him—if he had said that, there would have been no more trouble about this thing. But on the contrary what did he say? He said: I have no doubt the young man will see what has been said and he will speak to me on the subject. The young man will come and speak to him on the subject! Surely the hon. gentleman has a better conception of his duty than to take a stand like that. Now, Mr. Chairman, I trust the hon. gentleman will, before it is too late, see what it is proper to do in this matter and will do it.

Mr. PATERSON. The hon. gentleman demands certain courtesy at my hands. When a question is asked or when a charge is made, if it is not denied then he says he takes it for granted that the charge is true. I grant him that if a distinct charge

and statement is made by some gentleman, it would be incumbent to deny it at the time, it is not necessary in all cases—in all cases. The character of the gentleman making the charge determines that. If there was a gentleman whose opinion I valued and cared for, whose word I thought would carry weight in the country, then I would think it necessary to set my word against his word. Well, Sir, my hon. friend seems to think that in matters of moral perception, in matters of right and wrong, of propriety and impropriety, I am deficient. Well, I will have to labour under that disadvantage. If the hon. gentleman has been gifted by nature with a nicer moral perception of what is right and wrong, a nicer moral perception of the necessity of statements being made that are in accordance with the facts, let him rejoice in that; but let him not pour obloquy on another hon. gentleman not so highly gifted by nature. The hon. gentleman is assuming a role in this House. Although this discussion is rather out of order, I am rather glad to have it renewed, for when this subject was under discussion on Friday night, certain statements were made which I was not in a position, not having the necessary knowledge to answer correctly. I thought when certain charges were made against an officer in my department, that it would be well for me to have a conference with that gentleman and ascertain what he had to say in reply to the statements. I said: No doubt he would see what had been said in parliament, and would take note of it, and that no doubt he would speak to me about it.

I was not mistaken in the character of the hon. gentleman. He did speak to me and he spoke very freely and I want to say now in the hearing of this House, and I care not who receives it or who does not receive it, because I believe that my word will be taken by members on both sides of the House whose opinion I value and if it is not taken by others, I will be content to abide by it, that there was no attempt on the part of that officer to hide even what he had done. There is no attempt on the part of the officer to hide even what he had done. There is no attempt on my part to hide what he has informed me has been his connection with this matter. I have stated that to the committee: I have stated that he frankly admits that in days gone by he prepared information which had been used by a person compiling these 'political pointers' as they are termed and which have been referred to as campaign literature. Why, Sir, many of these statements were prepared at my request for use in this House, and have been used in this House. I think you will find statements in these 'pointers' dealing with the trade and commerce of the country that I gave to the House in the session of 1902. Some of the statements that are to be found here, if I am not mistaken, and I think I am not mistaken, were borne with us to England when we went to confer in reference to trade matters and were made use of in our discussions with the Board of Trade. These statements were not prepared on the eve of an election, because many of them will be found in my speeches if hon. gentlemen will take the trouble to look them up. It may be that they are brought down to a later period when comparisons are made between one year and another, but substantially these figures are true. What objection is there to be taken to a gentleman who prepares statements, which statements have been used on the floor of this House and which statements, if you will, go out to the public in a printed pamphlet if they are true and correct? Who says that a minister does not avail himself of the services of his private secretary to look up details for him in reference to matters with which he has to deal? Perhaps hon. gentlemen opposite believe that a minister's duties are very light, that he has the same time as when he was a member of the opposition to delve into trade and navigation returns and find these matters out for himself. For many years when I was a member of the opposition, I did that and I have not the slightest doubt that members of the government at that time were forced to avail themselves of the information compiled by those in whom they had confidence in their departments in order that they might use it in public debate. Take our foreign trade. Here is one of the statements that which there was no attempt to deny the responsibility of having originally prepared.

First, we will look at, and illustrate by comparison, our foreign trade, which is declared by all exponents of the science of political economy to be the best indication of the welfare of the country, the following are the figures:

18 years Conservative..	1878..	$172,405,454
	1896..	203,025,360
7 years Liberal.....	1903..	467,064,685

Now, the point is this: Are these figures correct? Are they the figures of a partisan? Are they the records of the history of this country? If they be true, if they be correct, then, I hold that every patriot in this country, be his politics what they may, ought to rejoice in the knowledge that is imparted in the publication of these figures. True, there is a comment upon them. I myself made a comment upon them in the House. I have done it upon the platform, I can remember that, in those days gone by.

Here we have an increase of 66 millions in 18 years under the national policy, compared with an increase of 228 millions in the short period of seven years under the Liberal policy.

And the question is asked:

Astonishing, is it not?

And is it not? Is there anything wrong in that, anything that the public records and

the history of the country do not bear out ? Comparing the last seven years of Conservative administration with the first seven under the Liberals, we find a tremendous increase under the Liberal policy. Here are the details:

Total foreign trade for seven years from 1897 to 1903, inclusive.... ..	$2,542,701,333
Total foreign trade for seven years from 1890 to 1896, inclusive.... ..	1,630,446,121
Increase last seven years under Liberal policy	$ 912,255,212

I ask again, are the figures true, are the figures correct and if they are, should not every hon. gentleman in whose breast patriotic emotions swell rejoice that these facts are made patent, they are known ?

Some people prefer to judge our material progress by our exports ; that is to say, the goods we produce in Canada and sell abroad for gold or exchange.

Mr. LANCASTER. Does the hon. gentleman say that these figures are correct that he has just mentioned ?

Mr. PATERSON. I believe them to be correct.

Mr. LANCASTER. Does the hon. gentleman know whether they are correct or not ?

Mr. PATERSON. I believe them to be correct.

Mr. LANCASTER. The hon. gentleman does not know whether they are correct or not.

Mr. PATERSON. I used these figures in the House, if I am not mistaken, and I will warrant you that I assured myself, whether right or wrong, that I believe them to be correct. The hon. gentleman can turn up and see whether I did so or not. At any rate as we are discussing the kind of information that was prepared, not with the view particularly of this campaign, but with the view of being used in this House and on the platform, I think that those hon. gentlemen opposite who have met me on the platform will admit that as far as the figures are concerned they have not been seriously controverted or attempted to be set aside.

Some people prefer to judge our material progress by our exports ; that is to say, the goods we produce in Canada and sell abroad for gold or exchange. Well ! How do they stand ?

18 years Conservative..	1878...	$67,989,800
	1896...	109,915,337
7 years Liberal.....	1903...	214,401,674

In eighteen years there had been an increase from $67,000,000 to $109,000,000. Then, in the seven years from 1896 to 1903 it went up to $214,000,000. Or to view the matter in another light ; we sent abroad during the latter seven years, $470,000,000 worth more than during the previous seven years. That is an astonishing rate of progress ; it is something the country has reason to rejoice in, no matter what government may be in power. Will any one complain if that should be called attention to ; will any one say that that statement is partisan ? If so, you will have to prove that it is not an actual fact recorded in the history of this country ; a fact that the present generation points to with pride as evidence that this Canada of ours has entered upon an era of progress and prosperity, such as few countries enjoy ; and that future generations will read with pride. Then follow other tables : giving the produce of the mines ; the fisheries, the forest, the farms, the manufactures; dealing with the bank circulation, bank discounts, the assets of the banks ; showing the increased number of letters posted ; showing the increase in immigrants ; showing that from 1890 to 1896, 271,216 immigrants were recorded ; that for the seven years 1897 to 1893 inclusive, 366,946, or an increase in the last seven years of 95,730 immigrants. That is a gratifying fact, if the figures are true, and if they are not true hon. gentlemen opposite will be able to point out the error. Then there is a return of settlers' effects taken from the trade and navigation returns ; a return of the homestead entries, showing that for the eighteen years from 1879 to 1896 there were 62,661 homesteads entries, but in the last seven years there have been 75,530. Just think of that—nearly 13,000 more homestead entries for land during the last seven years than for the eighteen preceding years. That is gratifying ; that is something that ought to be pleasant reading for us all. This statement was prepared and used in the House a year or two ago, and the last year was added to bring down 1903. The preparation of these figures was for the purpose of being used in the House, and they were used in the House, and I venture to say that their correctness has never been successfully attacked. Here are other tables, comparing the progress of Canada with that of other countries, and this I believe I have used on the platform in times gone by. It states that in the case of Canada and the United States the figures are made up to the end of June of the fiscal years June 30, 1896 and 1903 respectively, while in the case of all the countries with which a comparison is made, the figures are brought down to December 31, 1905 and 1902 respectively. This table was, I think, prepared, as far as I remember, before Mr. Bain had been promoted to the position of Assistant Commissioner of Customs. Hon. gentlemen opposite ought to be pleased to know that in this percentage of growth, Canada stands in the first place ; ahead of Japan, the United States, Cape Colony, Italy, Germany, Belgium, the Argentine Republic, Switzerland, Great Britain and France. Canada's percentage of growth was 107·43 per

cent while the next highest, Japan, was 97·20 per cent; Cape Colony 59·50 and the United States only 47·18 as against Canada's 107·43. Do hon. gentlemen opposite object to information like that, being given to the people? Do they object to that information going to foreign countries to show how Canada is progressing? Then here is a table with reference to British preferential trade. That table was, I believe, prepared before we went to England and was used in England in our conference with the board of trade there, in which we were showing the average duty, and how it had been lowered on many important lines under the preferential tariff. That you will find at page 17 of 'Political Pointers No. 1,' as it is termed. These figures only come down to 1902, and they were prepared I believe before that and were made use of in England. I say here, with reference to these tables, that I have been reading that Mr. Bain said: yes, I originally prepared them; they were prepared for use in the House, and you have used some of them; when asked for them I have given out these figures, I believe they are absolutely correct; I believe I was wholly within my duty in preparing them for you as your private secretary. To ask that the private secretary of a minister shall not have anything whatever to do in the way of confidential relations with this minister in matters political, is to deny what is the well understood principle both in England and Canada. Mr. Bain occupied the position of private secretary to me. Mr. Bain occupies the position of my acting private secretary, to this day, and I ask gentlemen opposite if it has not been the rule under all ministers and under all ministries, to have their private secretaries furnish them with information? I would ask if private secretaries have not gone further than that, and have not made information public with reference to matters political? But, hon. gentlemen opposite say: Mr. Bain is Assistant Commissioner of Customs. True; he has been in that position since the 1st of July last. Many of these statements were originally prepared, a considerable time in some cases, before he became assistant commissioner. But even if he were assistant commissioner at the time, what does the Civil Service Act say:

> Any member of the civil service may be appointed private secretary to the head of the department, and may be paid an additional salary not exceeding $600 a year while so acting. The salary shall be payable to no private secretary unless the amount has been voted by parliament.

That amount was voted by parliament, and as I say, Mr. Bain continues to be my private secretary and to act in the capacity of private secretary to me. When he was raised from being a first-class clerk to be assistant commissioner of customs at a salary of $2,800, I said to him: I will not pay you anything of the amount of $600 for private secretary that parliament has sanctioned, but I will keep that standing there; it may be that the work will so increase that I will find it necessary to engage another in that capacity, and that vote will be available. I am trying to get along in that way and therefore this is money saved to the country; except as I have said, that I have used part of it to supplement the salaries of two lady stenographers and typewriters who are assisting in private secretarial work. I have nothing to hide. If we have done wrong, I do not object to the censuring. True, the hon. gentleman who has taken his seat seems to have higher conceptions of right and wrong, if we are to believe him, than I have; he seems to think that I am deficient in that respect. I can only say that my private secretary has not done anything which I believe was inconsistent with his duties; and when hon. gentlemen opposite spoke of him as a political hack, if I did wax a little warm, it was the honest indignation of a man who knows the value of a faithful public officer, and I am not inclined to sit still and hear a gentleman whom I know intimately, whose value I know, whose character I appreciate, who I believe will not swerve from the line of rectitude—I am not going to sit still and hear him spoken of in terms of reproach by a gentleman who, I venture to say, from the remarks he has made, has not the first proper conception of the work that pertains to the Customs Department or its various officers. Any member who thinks that the work of the Customs Department is light work, or who thinks that this young man is not entitled to the salary he is receiving, or worthy of the position to which I have exalted him, is, in my judgment, mistaken. So long as I am the head of that department, the deputy head concurring in my views, promotions and increase of salaries will be given to the officers who we believe deserve it on their merits; and I venture to think that fair-minded men, watching my course in the department, will admit that the increases and promotions which have been made have been made, not from a party point of view, but on consideration of the merits of each case. Men who entered the department before I took charge of it have been advanced in their salaries and in their positions. If it be a charge against me that since I took charge of the department not many of the Conservative faith have been appointed to office there, I plead guilty. I think that is perfectly known to be constitutional under party government; but I am not conscious of having done an injustice to faithful men who were not appointed by myself, but who have done their work faithfully and well. This I say in all confidence. The hon. member for Bothwell (Mr. Clancy) asked me if any one in the department had been promoted as fast as Mr. Bain, and I candidly told him no. I know not who prompted him to ask that question.

Mr. CLANCY. I did not need any prompting.

Mr. PATERSON. He does not say no one did prompt him.

Mr. CLANCY. I say no one did prompt me.

Mr. PATERSON. The hon. gentleman has alluded to the fact that I passed over the heads of men who had been longer in the service—I do not know whether he said more worthy or not; but I think that was his inference. I deny that. According to my judgment, I did not do so. None of the other officers in the department have spoken to me or intimated to me that they thought an injustice had been done to them by the promotion of Mr. Bain. If there are any such—and perhaps the hon. gentleman knows whether or not any such have made complaint to him——

Mr. SAM. HUGHES. That is a cowardly insinuation.

Mr. PATERSON. I say if he makes that statement—perhaps he does—and if he shows me that injustice has been done to any one, I will endeavour to rectify it. But I do not believe that an injustice has been done to any one. Mr. Bain was promoted on his merits. He is there now earning his money. Do not think any of the public money went into the publication of this pamphlet. Mr. Bain has given hours and hours more than his official hours to the discharge of his strictly official duties. I challenge any one to say that there has been any negligence on his part in attending to the duties of his office. Now, I have stated openly and squarely what has been my course. I was not prepared to see gentlemen rise and make insinuations, or bold statements that did not charge anything, without having an opportunity to ask Mr. Bain what the particulars were, allowing him to make an explanation for himself which I could give to the House. Hon. gentlemen opposite admitted that commissioners had been appointed by this government to inquire into the cases of some officers who had been relieved from the public service; but they were not willing to wait even till the minister could ask Mr. Bain for his explanation, or to say whether what was alleged here was true or not; but they demanded that he be summarily dismissed and that his salary be cut down by $1,800, which was as far as they could go. The hon. gentleman lays stress upon the fact that Mr. Bain is assistant commissioner. What has that to do with the question? He was appointed private secretary, was for a time a second-class clerk, then a first-class clerk, and then promoted, all the time continuing to be my private secretary. In the case of every minister, a salary of $600 is provided for a private secretary; but do hon. gentlemen presume to say that under the late government or under any government the private secretary of a minister has received $600 and no more? Do they suppose that there was ever a private secretary who did not hold another office in the department, for which he received a salary? Why, where could you get a man with the abilities required of a private secretary for $600? And, as far as my recollection goes, away back through the years since I have been in parliament, the usual standing vote for private secretaries has been $600.

Mr. SPROULE. Does the hon. gentleman think he is strictly complying with the Act in taking the $600 voted for a private secretary, who must be appointed by Order in Council, and then dividing that amongst other members of the civil service?

Mr. PATERSON. That is leading to another branch of the question.

Mr. SPROULE. Is it a strict compliance with the law?

Mr. PATERSON. That is another point. If the hon. gentleman is right in the position he now takes, then the practice I have been following is wrong and I am to blame; but what we are discussing now is whether or not my private secretary did wrong. I am quite prepared to discuss the question when it arises, and whether the course I am now following is right or wrong, I suppose it has been the course in the department in days gone by. The accounts, of course, have to pass the Auditor General, and we all know that he criticises them very closely, yet he has raised no objection and the same practice has been followed in other departments. Of course, the hon. member for East Grey (Mr. Sproule) may be right and the departments and the Auditor General may be wrong. To hear the arguments of hon. gentlemen opposite you would think that the private secretary of a minister should receive the $600 and no more; that he must not occupy a position of a first, second or third-class clerk, or of assistant commissioner.

Mr. SPROULE. Not at all.

Mr. PATERSON. Not at all? Then what is the objection? If it was right for him to prepare these statements for me when he was a first-class clerk, would it not also be right for him to prepare them after being appointed assistant commissioner? Do hon. gentlemen take the position that he must not occupy the position of civil servant and draw a salary as an officer of the service, and at the same time act as private secretary? The statute says distinctly that any officer may be appointed to that position. Mr. Bain was appointed to that position in days gone by, by Order in Council, and has continued to act for me in that capacity to the present time. As I said before, the private secretary to the minister stands in a different relation to the public and to the minister than do others in the service, and he must necessarily be con-

nected with matters political and matters financial that engage the attention of the minister. That fact is so apparent that it must be realized by every one.

Coming to the statements he has prepared for me which I have used in the House and which have been used by the compiler and publisher of this document which has been alluded to, if they are wrong, if there are falsifications of the public accounts, if there are errors even in them, I should be glad to have the errors pointed out, but if not, I am unable to see that he has done anything which deserves censure much less the punishment proposed by hon. gentlemen opposite, that because of what he has done, his salary should be summarily cut off, that in fact he should at once be dismissed from the public service. Let me tell the hon. gentleman opposite who speaks of him as a public hack, that if they should both go into the world to-day and seek positions at what they are worth, I venture to say that man will command a higher remuneration than the hon. gentleman. I may be wrong—

Mr. FOWLER. You are.

Mr. PATERSON. But that is my estimate of the two men. I know one intimately, and I have formed an estimate of the abilities of the other gentleman by the efforts he has made in this House. I can tell him more; my belief is that Mr. Bain could leave the public service and in a very short time could command a larger remuneration as a reward for his labours than he gets in the civil service at the present time, and it was not so long ago that I was somewhat afraid I was going to lose his services.

An hon. MEMBER. Do not fear.

Mr. PATERSON. They are not accustomed to having men like that in days gone by, but I tell them that it is a fact, and that his services are known and appreciated by me—and I think I am some judge, and have some reason to be a judge of the merits of the men who are engaged in the public service. If I was a little warm, if I did speak a little loudly, all I can say is that sometimes I feel a little touched when reflections are cast upon a gentleman who, I think, does not deserve them. To hear a man who is as faithful a public servant as Mr. Bain, a man who, like many others in the public service, gives good return for the salary he receives, described as a political hack, and the inference sought to be drawn that all he does—for that seems to me to be the impression that hon. gentlemen opposite desire to leave—is to write partisan literature for distribution, makes me feel that hon. gentlemen are doing a monstrous injustice. I know that to be a fact and when it was done I got a little warm and spoke as I felt. Do not consider this as an apology by any means; it is only an explanation of my use of a tone a little louder than my ordinary complaisant tone of speech.

Mr. FOWLER. The hon. minister (Mr. Paterson) says that he felt a little touched. It seems to me that the treasury is the thing that has been touched. The minister has done me the honour to compare my abilities with those of the officer under discussion, and he says that if we were turned out into the world together I would not be able to achieve one half as good a position as would that gentleman, nor would I be worthy of filling so good a position. The hon. gentleman I suppose sizes up the advantage of the position by the amount of salary connected with it. I think it would be perhaps as well if the hon. gentleman had compared himself with that officer. My judgment of that would be as follows. I do not know what position, outside of the cabinet, the hon. gentleman could fill, in which he would get anything like the salary he gets to-day. There is one position I believe which the hon. gentleman could fill with a very great deal of ability—just one position. While he was speaking I was thinking over all the various walks of life open to men of this country and trying to fit the hon. gentleman into some position for which he would be eminently qualified. Then I remembered that on occasions I had attended the circus and I had heard persons outside the circus tent where the curiosities were, describing the wonders to be found therein.

It struck me that the hon. minister would be eminently qualified to fill such a position. I do not know what the salary ought to be, but I should judge it would not be so large as that he pays his assistant commissioner whom he lauds so highly in this House. I have not made it a practice in this House since I entered it to refer to hon. gentlemen opposite as I have to the Minister of Customs. But I want to let that hon. gentleman know, and to let every supporter of his know, that when I am attacked in this House, when insulting references, gratuitously insulting references, are made to me, I shall protect myself; I shall take very good care to treat hon. gentlemen opposite just as they treat me. I do not know that it tends to improve the tone of debate to have the minister indulge in this sort of banter, or badinage, or repartee across the floor. However, that is a matter for the hon. minister to settle with his own conscience. He is assuming to set up as a moral censor. He says his moral principles are wonderfully good, and assumes to reproach me for having moral principles not so good as his own. Well, I am not here to belaud myself, but I am prepared to leave it to those who know us both to say which is the more entitled to credit on this ground.

Now, to come to the question. The hon. gentleman set out, as I supposed, to repel a certain allegation made against an official, in his department. And how has he at-

tempted to do this? By reading to this committee certain figures that were compiled by that official, thereby admitting that this officer had done the very things we charged him with doing. And the hon. minister tells us that we cannot dispute the truth of these figures. I have not had an opportunity to look over the book that the hon. gentleman read from, and so I am not in a position to say whether the statements in it are true or false. But I have had some experience with Grit literature in times past, and, if the statements in pointers 1, 2 and 3 are no more true and honest than the statements contained in the Grit literature that I have previously had the opportunity to examine, they are false indeed. But, whether these statements are true or false has nothing to do with the question. The minister tells us that he has no private secretary, but that the work is done by two young ladies. And he attempted to take credit for saving $350 by employing no private secretary. But now the hon. gentleman sees the hole he is in, and so he tells us that this man is acting private secretary.

The CHAIRMAN (Mr. Charles Marcil, Bonaventure). Hon. gentlemen will please keep order.

Mr. SAM. HUGHES (Victoria). There is too much noise with desks.

Mr. FOWLER. Let them make all the noise they like.

Mr. SAM. HUGHES. No, they must keep order.

Mr. FOWLER. 'Let the galled jade wince, our withers are unwrung.' I say the hon. minister made no answer whatever to the allegation from this side of the House. Every word he himself uttered was a complete confirmation of the charge. As he read these figures, whenever he wanted his hearers behind him to applaud—naturally they would not have known it from his statements—he raised his voice an octavo or two, and, taking that as a signal, they would bang their desks. These figures show the prosperity that Canada is enjoying, a prosperity that we are all glad and proud of—differing in that respect from hon. gentlemen opposite, who, when in opposition, were always crying blue ruin and trying to injure the credit of the country. We are as patriotic when in opposition as we are when in power, and we rejoice in the prosperity which Canada is now enjoying in common with the rest of the world. But the hon. minister did not state—because he could not—one thing that this government had done to bring about this prosperity. In that respect, he is like his leaders in front of him, who have sat dumb as oysters when the leader of the opposition, on more than one occasion, has challenged them to state one act of this government that has helped to bring about the prosperity which Canada enjoys. And the minister reads these figures showing the prosperity of the country as though they were an answer to the charge that was made. Surely, the hon. gentleman, in his heart, knows better than that. I believe he does. I would not wish to think that a gentleman occupying the position he does has a mind so trivial as to put forward a contention of that kind if a better argument could be produced. But he had no argument, and so he tries to throw dust in the people's eyes by bringing forward this silly argument, the only thing he has to say in answer to the allegation we made.

Mr. INGRAM. Perhaps I am the innocent cause of all this turmoil; perhaps I have brought down upon the heads of hon. gentlemen the denunciations of the Minister of Customs this afternoon. I think the hon. gentleman will do me the credit of saying that, in the discussion of his estimates last Friday and to-day, I have not uttered one word that was not pertinent to the subject under discussion, the items of supply then before the Chair. The hon. gentleman has charged me, as mover of a motion to cut the head of this civil servant, with condemning the man without trial. May I ask, what would be the object of a trial if not to prove whether he is innocent or guilty? The hon. gentleman is braver to-night than he was on Friday night. Then he would not answer whether this man was guilty or not, and whether he had knowledge of his guilt or innocence. But to-night he comes out boldly and admits that the man is guilty of the charge of preparing campaign literature. Now, when we were discussing the item of $600 on Friday evening, what did the hon. Minister of Customs say? Here is the question I asked and the hon. minister's answer:

Mr. PATERSON. Yes, Mr. Bain, my private secretary, $600—I think one of the officers of the department was acting in a dual capacity. Would the hon. gentleman give us the particulars of that?

Mr. PATERSON. Yes, Mr. Blain, my private secretary, was made assistant commissioner. He remains my private secretary yet, but he does not draw any portion of the secretary's allowance. His salary is $2,800. In my office there are two shorthand writers. One of them, I am told, has her salary supplemented by $150 and another by $100. The hon. gentleman will understand that they work very long hours, very often up till six o'clock and after.

The hon. gentleman puts an item in the estimates to raise $600, not to pay his private secretary, but to pay typewriters that are in his office. I asked if this gentleman performed duties in a dual capacity, and the minister said that he did, being both assistant commissioner and acting private secretary. I then asked the hon. gentleman if this man was in the habit of preparing campaign literature. But the minister could not answer the question, and did not answer. I want to point out, as I did point out, that the very gentleman who was then under discussion was sitting on the floor of this

House, and the hon. gentleman is not honest, because he did not ask his assistant commissioner whether he was guilty of that charge or not. I hope the hon Minister of Customs will give me his ear. I may say that I shall also have some remarks to make to the Minister of Finance (Mr. Fielding) before I get through.

I would like to find out the opinion of the Minister of Customs on this point. He has stated that the assistant commissioner performs the duties of commissioner of customs in the absence of the latter. I do not know what that means, whether those duties are confined to the office here, or whether he may go outside and perform the duties of the commissioner. Now, I would like to point this out to the hon. gentleman. He has in his department an assistant commissioner, a gentleman who is receiving public money from both political parties, a gentleman who prepares campaign literature, who is a political partisan. Suppose he meets on official business an importer or manufacturer who may be a strong Conservative, who may have an invoice over which there is some trouble, or who is importing goods that may not be fully valued, and that he may have got into difficulty with the department for some reason or other. Now would it be in the public interest that this partisan commissioner could go to the importer or manufacturer and say: You would not be prosecuted in the way you are if you knew on which side your bread is buttered—in other words, if you were not an active Conservative the department might deal with you more leniently than they are doing ? Would that not be a consistent course for a partisan commissioner to take ? Now if that be so, we say that so long as Mr. Bain is employed in the department he has no right to prepare campaign literature for either the Liberal or the Conservative party in this country. On the strength of the position that we take on this side of the House, I moved last Friday night that the salary of Mr. Bain be struck out of the item in the estimates. I consider that I was doing my duty, I consider it was the proper thing to do. In support of my action I could quote the First Minister, I could quote the Minister of Trade and Commerce, I could quote gentlemen occupying cabinet positions since 1896, to the effect that whenever a civil servant undertakes to perform political work for a party he is liable to be dismissed. That principle is laid down by the right hon. gentleman himself. In view of that, I say I was justified in making that motion. Now the Minister of Customs speaks of the figures prepared by this gentleman. I do not care whether these figures are true or false, that is not the point at issue between the two parties in this House. The point at issue is the principle involved in the matter, and the minister should not forget that. Then speaking of promotions, I was surprised to hear my right hon. friend. He reminded me somewhat of the Russians at Port Arthur. When the Japanese are attacking Port Arthur the Russians are afraid to move out of the harbour to meet them for fear of their own mines. When we bring charges of this kind before the government, from the suspicious way in which they allude to them, they appear to be conscious that there are mines under them prepared by themselves that are liable to explode. I could go on and refer to some other things that I have marked out here to show that hon. gentlemen are not carrying out the principles they laid down in 1896. I could go further and show by documents I have marked here, that the only recommendation any civil servant requires to secure a good position in this government, is to do something that is exactly in opposition to what they advocated previous to 1896, something of a partisan character, stronger and more pronounced than they ever charged their opponets with doing.

Mr. CLANCY. We have rarely witnessed such any exhibition as we have had here to-night. The Minister of Customs has acted many parts in this House, and has always over-acted every one of them. I think the committee to-night will conclude that the hon. gentleman has excelled himself in that respect. I know of nothing that is more disgusting than a martyr with no prosecutors. The hon. gentleman has been acting the part of injured innocence here to-night. I desire to say to the hon. gentleman that so far as I am concerned, I have not a word to say against Mr. Bain. The guilty party seems to be the minister himself from start to finish, and I want to show to the hon. gentleman that from the first day Mr. Bain came into the department, he has treated Mr. Bain in a way he did not deserve, and he has treated the civil servants in his department in a most shameless manner. I say that without having had any communication with any of them in any shape or form. I say the hon. gentleman has scandalously treated the civil servants in his own department, and he has elevated Mr. Bain, a gentleman who came into the service without even an examination, and I will prove my statements. Now let us look into the history of Mr. Bain. I say the hon. gentleman has done more, he, as a minister, has connived unfairly to put Mr. Bain forward beyond all experience in his own department in the past, and I fancy even beyond the experience of any other department in the service. Now how did Mr. Bain get into the service ? He came in as an extra clerk in June, 1896 Mr. Bristol, who was acting up to that time as priate secretary and second-class clerk, was put aside. I am not going to argue for a moment that the hon. gentleman should take the private secretary of the

former minister, but I say that he should have been well treated at least. Mr. Bain had an allowance in addition to his salary of private secretary, he had $600 for the balance of that year. The next year he came in as private secretary at $600 and was paid $600 more as an extra clerk in contingencies. The next year he had a private secretary's salary of $400, and an additional salary for 1897-8 of $300. In the same year 1898-9 he was elevated to the position of second-class clerk at $1,100, making in all $1,800. The hon. gentleman was careful to go back to pay Mr. Bain a sum of $300, hidden by some means, I cannot imagine in what service it was, but he increased his salary in 1897-8 by $300 in order to give Mr. Bain a salary to which he was not entitled. Then in 1900 Mr. Bain got the salary of a private secretary, $600, and he got $1,150, including no doubt his statutory increase. In 1901, he was made a first-class clerk and put over the heads of other clerks in the hon. gentleman's department. He got his salary of $1,400 along with $400 as private secretary. In 1902, he got the salary of a first-class clerk and he got the statutory increase. He did not have to wait one year, he got the statutory increase of $50, and the secretary's salary of $400, which made $1,850. In 1903, he got the salary of a first-class clerk, $1,500, and his statutory increase of course and $400, making $1,900. the accounts for 1904 are not down yet, but the sum for the last year is, $2.800 for Mr. Bain, then assistant commissioner, not as private secretary to the hon. gentleman, and the hon. gentleman comes down with the same item this year. Now let us see how Mr. Bristol was treated. the gentleman who occupied the position of second-class clerk and private secretary to the former Minister of Customs or rather the Controller of Customs for some years. For some years after the hon. gentleman came in Mr. Bristol got $1,100. He was entitled to his statutory increases, but I want the hon. gentleman to attend to what I am saying now, the hon. gentleman deliberately, unfairly, and I say cowardly, on the part of a minister, refused to Mr. Bristol even his statutory allowance. He refused Mr. Bristol even his statutory allowance and Mr. Bristol did not get his statutory increase until 1901. I would like to ask the hon. gentleman, if I could get the hon. gentleman's attention—of course, the hon. gentleman says that he does not want to listen, but I want to tell him the country is listening—I want to ask the hon. gentleman why Mr. Bristol, who occupied a position with the former minister similar to that occupied by Mr. Bain, with the present minister, was deprived of his statutory increase from 1896 to 1901. The hon. gentleman refuses to answer. The hon. gentleman knows there is no explanation of it except that he wilfully deprived a civil servant, who was under his control and who had no option but to leave the service or submit to what the hon. gentleman was disposed to impose upon him.

Mr. PATERSON. I cannot answer the hon. gentleman right off, but it strikes me from what he says that it would look as if Mr. Bristol had gone five years without any statutory increase. I think it will be found if that be so that it was because he had been at the maximum of his salary just as it happens this year. I am asking for increases for all that I have in my department except two, and if these two were not at the maximum of their class, I would ask for them also. I am not asking for increases for them because they are at the maximum of their class. I do not know that this is the fact in regard to Mr. Bristol, but I think that it is the explanation. The accountant tells me that there was one year that he did not get his increase, but nothing like five years. Now, Mr. Bristol is being promoted from $1,300 to $1,500, and I want to say that Mr. Bristol is a very good officer.

Mr. CLANCY. The hon. gentleman dealt out very tardy justice to Mr. Bristol. The hon. gentleman ought to know, and if he does not, his officer is beside him and can tell him, that Mr. Bristol had $1,100 in 1896, and that in 1903 he only got $1,250.

Mr. PATERSON. I am sure the hon. gentleman is wrong.

Mr. CLANCY. I am not at all depending upon hearsay. If the hon. gentleman will turn to the Auditor General's Report for 1903, he will see that Mr. Bristol only got $1,250, or three statutory increases since 1896. Therefore, Mr. Bristol has been deprived of $500. That is equal to four years' statutory increase. Had he received the statutory increases from year to year, Mr. Bristol would have received $1,450 in 1903. The hon. gentleman spoke about morals a moment ago. Has the hon. gentleman two codes, one a set of political morals and the other the morals of a private citizen? I would like to ask which set of morals is applied to the case of Mr. Bristol. If he applied his political conscience to Mr. Bristol we can understand that when he speaks of conscience and morals he does not mean political conscience or morals. Mr. Bain has been brought into the department and put over the heads of others, when, if experience is worth anything, he was not entitled to be put over their heads. However, that is a choice that the minister may be permitted to make. Now, we will come to the grave charge of the hon. gentleman. That hon. gentleman was asked if he had any knowledge directly or indirectly that Mr. Bain had been writing literature for the Liberal party, and he sat dumb as if there was no life in his body. The hon. gentleman refused to answer. He did not need to ask Mr. Bain. He knew what Mr. Bain was doing. Mr. Bain is not the guilty party. The hon.

gentleman is guilty of having introduced into the service for the first time the defence of a man holding a high position and drawing a large salary, on the plea that he was a good officer, and that what he had said was true. The present Commissioner of Customs (Mr. McDougal), could just as consistently go out on the stump to-morrow and advocate the principles of the Liberal party, if they had any, and he would be no more censurable than Mr. Bain. But the hon. gentleman has shown to the country that the service is permeated with corruption. I do not know of a more corrupt thing than to take the people's money and prostitute the service as the hon. gentleman has prostituted it. He did not do it unwittingly, and he unblushingly defends it now. We have never witnessed a spectacle like this since we have been privileged to have a parliament in Canada, and I hope we will never witness it again. What is the paltry, miserable excuse that the hon. gentleman gives ? It is that this gentleman has done good service. A collector of customs who is a good officer might as well go on the stump and say what he likes, or write campaign literature and then come back and render the excuse which the hon. gentleman has given by saying that he was a good officer. That has nothing to do with it. The hon. minister has not done himself justice and he certainly has not done his department justice. The hon. gentleman did elevate himself somewhat the other evening when he refused to get up and make a point blank denial of what he knew to be a fact. The hon. gentleman chose on that occasion to be silent. But, the hon. gentleman has not improved with the lapse of time. He comes back with the defence that the officer is a good one, and the literature he prepared is true. We might just as well take one of the hon. gentleman's officers to-morrow and allow him to go out on the stump, telling the people that the hon. Minister of Customs in the House of Commons had defended that course of conduct, that he was perfectly at liberty to pursue that course and that the minister would justify him. There is no single officer in his department who could not to-morrow go on stump after what the hon. gentleman has said, discuss politics and take any active part in politics he chose. He could say : Have I not done my part well in my department ? Is all I have said and written perfectly true ? Is that not a perfect justification ? I would like the hon. gentleman just to see how it would appear in his eyes if any hon. gentleman on this side of the House should take the position he has taken to-night. No one would more readily rebuke a course of conduct like that than the hon. gentleman himself. I want to say that the hon. Minister of Customs has laid down the most vicious rule that was ever laid down in this House. He has told the people plainly that you may spend public money for any purpose you like, that you may employ political hacks, and employ them with the public money, although, I say that the man who has been writing this literature is not the hack. If you were to ask who the hack was, I would be forced to name the hon. gentleman who defends this conduct in this House to-night. I do not believe that in the whole history of the parliament of Canada, a minister has ever made such an exhibition as that which the hon. gentleman has made here to-night. I do not know one who has ever laid down so vicious a principle. I do not know one who has ever so unblushingly defended it.

Mr. TAYLOR. The hon. Minister of Customs read us several pages from ' Political Pointers No. 1, ' which he admits was prepared by the Assistant Commissioner of Customs. The Minister of Customs not only read the tables, but he read a great many of the remarks in connection with them, and he asked us if we could prove that these statements are not correct. I hold in my hand ' Political Pointers No. 3 ' prepared by the same gentleman and if the minister will grant me a commission, I am satisfied that I can prove that this gentleman prepared every word of this document. This is what he says here, on page 12, Customs Department. He shows the gross revenue, 1903, $37,110,354 ; gross revenue, 1895, $17, 887,269; increase, $19,223,085.

Then on page 5. He says :

> Under the head of capital the Liberals spent in the last seven years $64,885,608, as compared with $37,082,642 expended during the last seven year term of office of the Conservatives.
>
> Now, if it could be shown that this increased expenditure had been met by imposing additional burdens in the shape of taxation on the people, or by unduly increasing the public debt, the government might be fairly criticised.

Then he follows it up by saying :

> But the fact is, and it is worthy of very special consideration, that the increased expenditure, necessitated by the great development and progress of the country, has been met without increasing the rate of taxation, without imposing additional burdens on the people, and without unduly increasing the public debt.

On one page he says that the taxation has been increased by $19,000,000, and on another page he says that this vast increase of revenue has taken place without increasing the taxation a single cent. Is that statement correct that has been written by this political hack, or by the instructions of the political hack who instructed him to prepare this campaign document ? Then he makes another statement which I am sure every farmer in this country will repudiate. Dealing with the Department of Agriculture he says :

> Of the increase stated $150.000 represents increased expenditure for the promotion of agricultural and dairying interests, including experimental farm expense. The amount spent for such purposes in 1903 being $300,000 as against only $150,000 in 1895. Under the Conser-

vatives the assistance of these interests consisted chiefly in advances for the purchase of butter for export, and for winter dairying, and in providing for the administrative staff, the members of which went about the country lecturing. The present Minister of Agriculture—practical farmer as he is——

Is that statement correct ? Is it correct to say that the Minister of Agriculture is a practical farmer ? Why, there is not a farmer in the country who will not say that that statement is untrue.

The present Minister of Agriculture—practical farmer as he is—has gone farther than his predecessors, and has instituted many new and improved methods to aid the agricultural community. For instance he established a live stock branch, with a capable commissioner to promote live stock interests of the country. A poultry division was provided to spread education as to the best methods of fattening and preparing poultry for export.

Did the Minister of Customs authorize the Assistant Commissioner of Customs to write such trash as that ? The Minister of Customs has admitted that the assistant commissioner prepared 'Political Pointers No. 1,' but he says it was before he was assistant commissioner. However, here is 'Political Pointers No. 3,' written by the same man, 20 cases of which have been brought to the House of Commons to-day to be franked through the mails. The opposition were abused last year for sending out a little literature through the mails, but here we have Liberal political pointers franked through the mails in car loads, and prepared by a civil servant who is drawing $2,800 a year of the people's money, to get this trash printed and published in order to try to delude the farmers of this country. This civil servant shows by his figures that the farmers of this country are paying $19,000,000 a year more in revenue than they were paying in 1895, and yet he has the cheek to try to make out that the farmers are not paying any more taxes now than they were then.

Hon. JAS. SUTHERLAND (Minister of Public Works). I did not intend to take part in this debate, but I think every member in this House must have a feeling in his breast, that he should be fair and honest to his fellow being. It is only fair to say that Mr. Bain is in no way responsible, and has not had anything to do with the items which the hon. gentleman (Mr. Taylor) has been reading. It is a very unfair, and a very improper charge to make against Mr. Bain.

Mr. TAYLOR. I stated that if I am granted a commission, I will endeavour to prove it.

Mr. JAS. SUTHERLAND. The hon. gentleman can have all the commissions he wants, but he cannot prove it. I state here on my responsibility as a member of this House, that Mr. Bain is not responsible for writing the sentences that the hon. member (Mr. Taylor) has read. The Minister of Customs has stated that Mr. Bain did furnish him with certain statistics, just the same as other deputy ministers or officials in various other departments furnish departmental statistics to Conservatives and Liberals alike.

Mr. TAYLOR. The Minister of Customs did not deny it.

Mr. JAS. SUTHERLAND. I am not speaking for the Minister of Customs, I am speaking for myself.

Mr. TAYLOR. The Minister of Customs should know better than the hon. gentleman (Mr. Sutherland).

Mr. JAS. SUTHERLAND. That may be your way of debating, but it is not mine. I have made the statement on my responsibility as a minister, and I say that Mr. Bain had nothing to do with the publication of that pamphlet. I appeal to my hon. friend, as I do to other members of the House to be fair and honest ; let them blame a man if he should be blamed, but let them give credit where credit is due. It is unfair and improper for a member of this House to accuse a man improperly, either by direct charge or by insinuation. I rose for the purpose of making the statement that Mr. Bain is in no way responsible ; that he did not write the literature that the hon gentleman has been quoting, and that he is not responsible for it in any way.

Mr. TAYLOR. Then we have one minister contradicting the other ?

Some hon. MEMBERS. No.

Mr. JAS. SUTHERLAND. No, you have not. I have applications from Conservatives for information, and I am always glad to allow it to be furnished by officials of the department, and I have no reason to believe that Mr. Bain went any further than to furnish the information he was asked for. If the Minister of Customs is mistaken in the matter, it may be that it is not within his knowledge. I know whereof I speak, and I rose for the purpose of doing what I thought was fair and just and honest towards Mr. Bain. If any member has any misconception or misunderstanding of the matter from what has taken place in the House, I wish to say that Mr. Bain is not responsible for this literature, and I know it.

Mr. TAYLOR. I understood the Minister of Customs to say that before Mr. Bain was appointed assistant commissioner he prepared 'Political Pointers No. 1,' which the Minister of Customs read from.

Some hon. MEMBERS. No.

Mr. TAYLOR. The Minister of Customs read many passages from that, to try and make out they were correct. The Minister of Customs admitted that the assistant com-

missioner wrote 'Political Pointers No. 1,' but he said it was before Mr. Bain was assistant commissioner; and I say that 'Political Pointers No. 3' was prepared by the same gentleman since he was appointed assistant commissioner.

Some hon. MEMBERS. No.

Mr. TAYLOR. The Minister of Customs will not get up and deny it himself, because he has the reputation of telling the truth, although he may equivocate a little and get around the corners, but when it comes down to the straight point, he will not deny it. If he gives me a commission of three honest men, I will prove that Mr. Bain prepared that document.

Mr. PATERSON. My statement was, that when I asked Mr. Bain: is there any of your work in that; he said: there are figures in that which I prepared for your use, and which you have used; it was my duty, as your private secrtary, to prepare them for you and what I did prepare for you has found a place in these political pointers. I never said that Mr. Bain said that he was the publisher or the author of these political pointers.

Mr. TAYLOR. You did not say that; but after quoting the tables, you read a lot of statements and said they were correct information to go to the people of this country; and that document was prepared by this gentleman before he was appointed assistant commissioner.

Mr. PATERSON. Not for this purpose.

Mr. CLANCY. I want a word with the hon. Minister of Public Works, who contradicts the Minister of Customs.

Some hon. MEMBERS. No.

Mr. CLANCY. Let us see where the Minister of Customs left off on Friday evening. He was asked if he had any knowledge, directly or indirectly, as to whether Mr. Bain had prepared any literature to be used or circulated by the Liberal party. The hon. gentleman refused to answer, but said: 'I will ask Mr. Bain.' Could not the hon. gentleman have said, I have no knowledge; it never came to my notice, and therefore I do not know? Why should he ask Mr. Bain, if he did not know whether it was written by Mr. Bain or not? Could not the hon. gentleman have said he did not know? But the hon. gentleman, with quite as many scruples as the Minister of Public Works—and I repeat, it was somewhat to his credit—refused to state that he had no knowledge directly or indirectly that the Assistant Commissioner of Customs had been engaged in preparing literature for the Liberal party, and preferred to sit in his seat and refuse to make an answer. Now, the Minister of Public Works says: I know all about it. Does he know any more about it than the Minister of Customs himself? Did he not on Friday evening last sit in this House where he does now without making any statement when the Minister of Customs refused to answer the question? Now he says Mr. Bain is in no way responsible. We do not hold Mr. Bain responsible; we hold the Minister of Customs responsible. Mr. Bain is not his private secretary, and if he uses him as such, he uses him for a purpose for which this House has not voted money. The hon. gentleman has no right to use Mr. Bain as his private secretary. Mr. Bain is not his private secretary; he is Assistant Commissioner of Customs, and his salary was voted for him as such. The fact that the Minister of Customs used Mr. Bain as his private secretary does not condone the crime in any sense. I congratulate the two ministers—one who will not make the denial, and the other who says he knows better than the hon. gentleman who refuses to make the denial—on the spectacle they present to the House and the country.

Mr. HEYD. I have listened to this debate with a great deal of interest, and it is only just now that I am beginning to understand what it is all about. The Assistant Commissioner of Customs is charged with having compiled 1, 2 and 3 of what are known as Political Pointers; and I have been trying to find out whether Mr. Bain compiled this book or not. If he compiled it, I should think he did wrong. If he did not compile it, I do not see wherein he is guilty. If the compiler of this book used figures which were prepared by Mr. Bain for Mr. Paterson's use, he is not guilty of a crime. Mr. Coulson, of the bank, the Postmaster General's Reports, and dozens of outsiders are quoted in this book, and are equally guilty with Mr. Bain, because they supplied the information as well as he. They did not compile the book, neither did Mr. Bain. I had the pleasure of seeing this book, or a great deal of it, before it ever appeared in its present shape, when it was in manuscript form; and it was not in Mr. Bain's writing, but in the writing of another man. I have no doubt that in the compilation of this book information was got which Mr. Bain supplied. Anybody could get that information. Our hon. friends opposite take credit that they did not go and get information from that source. That is why they are always wrong. If, instead of relying upon their own judgment and resources, they would do exactly what the gentleman did who wrote this book—go to the fountain head for information—they would not so often go astray; because, when they rely upon their own judgment, they are invariably wrong. I have had occasion frequently in this House to notice that when our friends are left to their own resources, like sheep, they go astray. They accuse Mr. Bain of issuing a book. Mr. Bain had nothing to do with the book. If he were here to defend himself, he could tell our friends that this book is made up of extracts from speeches made by Mr. Paterson and other extracts prepared

for other members of the House. I do not think it is a crime for any of the officials of the government, if I ask them to do so for my own information, to prepare a table which I want to use in the interest of this country; and when I quote figures here, probably sometimes too many for some people, I rely upon their correctness, because I get them from official sources. All this talk, in an attempt to fasten on Mr. Bain the charge of having compiled this book, has been so much time wasted, because it is a false charge. Mr. Bain is not guilty of compiling this book or issuing campaign circulars 1, 2 and 3. If our hon. friends would quietly go to work and show where there is in this book one single misstatement, that would be of more importance to the country. So far as I can judge, and I have read it with great care, and have compared it with figures which I have myself used, its statements are absolutely true. But when hon. gentlemen accuse Mr. Bain of having compiled this book, I can say that on his own testimony that he is not guilty, and this is an attempt to fasten a false charge upon an innocent man. The whole thing is politics. They do not care whether Mr. Bain compiles political literature or not. It only depends on which side he compiles it for. We would not have heard one whimper if it had been got up in the interest of the Conservative party. But this document being true, and giving the legislative history of the Conservative party for eighteen years, and a correct statement of the progress of the country during the last seven years, is what hurts hon. gentlemen opposite; and they think that if they can discredit Mr. Bain they discredit this document, which has been issued by an entirely different person, and therefore weaken the political effect it might produce. I hope that every citizen of Canada will read Campaign Literature, Nos. 1, 2 and 3, and then they will find that the statements that have been made by our friends on the opposite side during the past six or seven years are absolute bosh.

Mr. SPROULE. The evidence which this House is asked to accept to satisfy them that Mr. Bain did not write this book reminds one very much of what is said to have taken place in a court where the Crown prosecutor said that he was prepared to put two witnesses in the box to swear that they saw a man commit a crime. The reply from the other side was that they could put in a dozen witnesses who could swear that they did not see him commit the crime, and the evidence of the twelve should be accepted against that of the two.

Mr. HEYD. Do you say Mr. Bain wrote the book?

Mr. SPROULE. I am not making statements.

Mr. HEYD. Do you say so?

Mr. SPROULE. I am not, like the hon. gentleman opposite, making positive statements about something I do not know. When the hon. gentleman (Mr. Heyd) said that Mr. Bain did not write that book, how did he know?

Mr. HEYD. He told me so.

Mr. SPROULE. Where did the hon. gentleman get the information. Was not the gentleman sitting there on Friday night when the Minister of Customs was challenged?

Mr. HEYD. No.

Some hon. MEMBERS. Yes.

An hon. MEMBER. I saw him.

Mr. SPROULE. The best evidence in the world could have been provided then and there, and the very fact that it was not denied by the Minister of Customs (Mr. Paterson) who, practically, by his silence gave consent, went a long way to prove what was said from this side of the House. Now the Minister of Public Works (Mr. Sutherland) says that Mr. Bain did not write the book. Mr. Bain was working in the office of the Minister of Customs, not in that of the Minister of Public Works and the Minister of Customs (Mr. Paterson) who would know best, was challenged across the floor of the House to say that Mr. Bain did not write it, he did not deny it and practically assented to it. What was his first defence? He practically admitted the charge, by refusing to deny it, and I am told, whether correctly or not that the gentleman impunged was sitting at his hand within hearing and could have given the minister an answer in fifteen seconds. However the first time the charge was made he did not deny it, and he could have denied it because no one would know the facts better than the Minister of Customs in whose office Mr. Bain was employed. The second time he defended it, and said: I had a perfect right to employ my private secretary to collect these figures for my use in the House. Then he quoted the figures and said: Does any one say they are not correct? He defended Mr. Bain's conduct, thereby admitting it. And now the Minister of Public Works gets up and denies it. I would rather have the denial of the man who above all others, was in a position to know whether it was or was not done by Mr. Bain, yet up to the present he has not pretended to deny it.

Mr. HEYD. How could he deny it without making inquiries?

Mr. SPROULE. He could ask the man at his elbow.

Mr. PATERSON. You say that Mr. Bain was there?

Mr. SPROULE. I do not know the gentleman.

Mr. PATERSON. You said he was.

Mr. SPROULE. I did not, I beg your pardon.

Mr. PATERSON. Yes.

Mr. SPROULE. I said it was alleged from this side of the House that he was there ; I did not say he was there because I do not know him from Adam.

Mr. PATERSON. The hon. gentleman says he was there. Mr. Bain I think you will find, had been there, but at the time when this subject came up he was not here.

Mr. SPROULE. He got out at a very convenient time.

Mr. PATERSON. The hon. gentleman says he was there.

Mr. SPROULE. I say I did not ; I deny it. I said it was alleged from this side of the House that he was there, but I was very careful in the language I used, because I do not know him. I do not want the minister to put anything down my throat. He tried to justify the compilation of this book and said that the figures were correct. It is not the figures that we dispute, it is the argument in the compilation of this work. Will any one pretend to say that the argument there is correct ? There is not a reasonable man in Canada who will go through that argument and say it is correct. What we object to is this : A young man goes into the public service, his duties are laid down by order in council, he is expected to do these duties and nothing outside of these duties. A young man is paid a certain salary for working for the country and when he goes into the service he takes an oath to do his duty faithfully. He swears :

I (A.B.), solemnly and sincerely swear that I will faithfully and honestly fulfil the duties which devolved upon me as and that I will not ask, or receive any sum of money, services, recompense or matter or thing whatsoever, directly or indirectly, in return for what I have done or may do in the discharge of any of the duties of my said office, except my salary or what may be allowed me by law or by an order of the Governor in Council.

And the order in council states his salary. I want to direct attention to two things in this . The minister has stated that this young man was his private secretary, and he justifies what he had done on the ground of economy, because he said the secretarial work was not done by his private secretary but by two young girls in his department. The minister claimed that in this way he saved $300 to the country which otherwise would have been given to the secretary. But he distributed the work to other employees who were not appointed as his private secretary and therefore according to that oath he was making them, if they took the oath at all, deliberately perjure themselves.

Some hon. MEMBERS. Oh, oh.

Mr. SPROULE. I say it and I say it advisedly. The hon. member for Annapolis (Mr. Wade) says 'oh.' No one knows better than the hon. gentleman who is a lawyer that my statement is correct.

Mr. WADE. The statement is not correct.

Mr. SPROULE. If the Minister of Customs set them to work for him, and paid them a salary for it, he made them perjure themselves. They took money outside of their salaries. What does the Act say with regard to this ?

No extra salary or additional remuneration of any kind whatever shall be paid to any deputy head, officer, or employee in the civil service of Canada or to any person permanently employed in the public service.

None except a private secretary for whom the provision is made for the payment of $600. This money was not for a private secretary who was appointed. This money was given to them in addition to their salaries as clerks. They got the salary stipulated in the Act and also got this in addition. The hon. gentleman is demoralizing his own service. Does he propose to justify that ? When he thinks over it he will not be prepared to justify it. How are these people appointed ? They must be appointed by order in council. Were they appointed by order in council ? It seems to me the way that hon. gentlemen do everything here is in a haphazard way ; they do not adopt the usual procedure of parliament, or keep within the bounds laid down by law. They seem to be a law unto themselves. They do things merely at haphazard, and when they find that they have acted illegally and improperly they have no excuse to give. That is what we have to complain of. These officers are appointed by order in council, and if they are paid higher salaries than the law provides for the offices to which they are appointed, they are given what they are not entitled to, and the minister is spending money which he has no right to spend. But there is another question involved in this, it seems to me, a question requiring a little attention. The question is not whether these figures compiled by the private secretary are right or wrong. In bringing forward that point the minister is merely begging the question, or he is trying to draw a red herring across the trail. The correctness of these figures has not been challenged. Nor is it denied that it is not the duty of a private secretary to compile the figures for the minister when instructed to do so. But what we say is that it was wrong for him to compile a campaign document——

Mr. HEYD. But he did not do so.

Mr. SPROULE. Who says so ?

Mr. HEYD. I say so.

Mr. SPROULE. I cannot take the hon. gentleman's (Mr. Heyd's) word for it. The man who ought to know the facts has not denied it.

Mr. HEYD. Does the hon. gentleman (Mr. Sproule) say that Mr. Bain compiled this pamphlet ?

Mr. SPROULE. I am not here to be cross-questioned by the hon. member for South Brant (Mr. Heyd). If that hon. gentleman has anything to say, let him get up and say it like a man. I cannot take the denial of a man who does not know, when the man who does know not only does not deny it, but practically admits it—that is, he defends it, and in defending it admits it by implication at least. The question, as I say, is not whether the private secretary ought to compile these figures ; the question is whether a man employed as private secretary, or assistant commissioner, or first-class clerk, has the right to take the money of the country to pay his salary during the time which he employs in writing campaign literature for a political party. We say that no civil servant has the right to do this, and many of those employed before 1896 were put out of office for doing much less. If it was right for this government to put a man out of office for exercising his right to vote, surely a civil servant who receives the money of the country for writing political pointers ought to be more severely dealt with. The hon. minister, in speaking of it the other night defended it on other grounds which I thought of dealing with, but which I will leave out of consideration for the present. I have only this to say in regard to this matter ;—let the same principles be applied to all ; do not apply one rule to Conservatives and another to Reformers. Many Conservatives, for doing much less than this gentleman has done, were dealt with very harshly by the present government. I do not blame the present Minister of Customs at present on that ground, because I have not in mind any such cases in his department. But I say that his friends and colleagues dealt very harshly with Conservative office holders for doing much less. But there was one statement of the Minister of Customs which I thought was entirely infra dig, coming from him. He went on to say that he had no doubt that many civil servants were giving information to members on this side of the House.

Mr. PATERSON. I did not say that.

Mr. SPROULE. That statement was denied on this side, and I understood that it was denied because the Minister of Customs had made it. The hon. member for Elgin (Mr. Ingram) denied it so did other hon. gentleman. And I understand that the hon. minister went on to say that if giving of information to this side was to continue the government had better commence with old offenders. In other words, the government had better commence with putting out Conservatives. Is not that rather an unworthy utterance ? Is it intended to hold up this side of the House, to prevent us speaking for fear that some of our friends in the service will be turned out for some supposed information ? I want to say as one member of this House that I never either applied for or received from a civil servant of this government a word or a figure. I would not apply to such a source. But if I were to do so, I should do no worse than hon. gentlemen opposite did when they were on this side. But I say this was an unworthy utterance if it was intended to close the mouths of the opposition in this House for fear that some condign punishment would be visited upon their friends in the service for imaginary wrong-doing on their part. If the hon. minister thinks he is going to stop us from the argument by that means, he is entirely mistaken. This doing of political work by men in the civil service, is wrong, and the country will condemn it. When a man goes into the public service, he undertakes to do work for all the people and not for one party alone. He has no right to take the money of the people for time devoted to preparing campaign literature to be distributed throughout the country. We were justified in moving to reduce this item to the extent of this salary, and I am mistaken if we do not move in this House to have it reduced, and if the minister does not hear more about it before he is through with it.

Mr. INGRAM. It would be very interesting, to know what view the Minister of Customs takes of the statement made by the Minister of Trade and Comerce (Sir Richard Cartwright) as expressed in these words :

> With members of the civil service eating the bread of both parties and deliberately interfering with the elections for the purposes of aiding one political party, if they so act they must be considered as taking their political lives in their hands and they must accept the consequence of their own acts, and the good sense of the people of the country and their natural sense of equal justice will not merely justify but demand at the hands of the government that they should make an example of them.

I should gather from that that, if any civil servant prepares a campaign document, he is guilty and must suffer the consequences. It is admitted by the Minister of Customs that a portion of this political document at least is prepared by Mr. Bain

Mr. HEYD. If the hon. gentleman (Mr. Ingram) will allow me, I do not think the Minister of Customs went so far as that.

Mr. SPROULE. Order. The Minister of Customs can speak for himself.

Mr. HEYD. I will take my seat when the hon. member for East Elgin (Mr. Ingram) asks me to. In the meantime, the hon. member for East Grey (Mr. Sproule) will keep quiet. I understood the minister to say that in this pamphlet were figures prepared by

Mr. Bain. There is quite a difference between that and what the hon. gentleman (Mr. Ingram) has said.

Mr. INGRAM. I am surprised that it is found necessary for the hon. member for South Brant (Mr. Heyd) to speak, when the Minister of Customs (Mr. Paterson) sits as his desk mate at this moment. Has it come to this, that the Minister of Customs is not able to defend himself in this House? Is it necessary to bring in a man from the county of Brant who says that Mr. Bain told him so and so, and as a consequence Mr. Bain is not guilty? Imagine it being said in a court of law that the prisoner had said that he was not guilty and that this must be taken as conclusive evidence. If my hon. friend from South Brant has no more idea of defending Mr. Bain than by making a statement of that kind, he knows very little about taking evidence in a court of law. Now I wish to quote from page 27 of this pamphlet, pointer No. 3:

> The Public Accounts Committee is a medium for investigating, but as the Liberal Finance Minister showed in a speech delivered towards the close of last session the meetings of that committee during the session resolved themselves into a farce.

And let me say right here that no person contributed more to make them a farce than the Minister of Finance did.

> The Conservative members of it could not be got to attend with any degree of regularity and they accomplished absolutely nothing. They, however, recognized the fairness and impartiality shown by the Liberal chairman of the committee, and passed him a vote of acknowledgment together with their thanks.

Now I would like to point out to the Minister of Finance that if this gentleman is guilty towards contributing to the preparation of this pamphlet that is circulated through this country, then he is contributing his quota as a civil servant to this charge against the Public Accounts Committee. I want to go further and state that the usual custom in the Public Accounts Committee is for ministers of the Crown to attend that committee, and whenever a witness is called to give evidence, which they fear, they are the first to say to the witness: It is not necessary for you to answer that question. I say the Minister of Finance has been guilty time and time again of requesting witnesses not to answer questions put to them by members of that committee. During the present session we have repeatedly seen questions put by the leader of the opposition to the leader of the government asking when the Public Accounts Committee was going to meet, and although parliament has now been in session from the 12th of March to the 24th of April, not one meeting of that committee has yet been held.

Mr. WADE. Would the hon. gentleman allow me a word? I am chairman of the Public Accounts Committee. I have been prepared to call the committee at any time since its first meeting for organization, but to-day for the first time, some hon. gentlemen opposite intimated to me their desire that the committee should be called, and it will be called on Thursday.

Mr. INGRAM. Then the hon. gentleman was not in the House when he heard the leader of the opposition put these questions to the Prime Minister. Now, Sir, what makes the Public Accounts Committee a farce in the House, is the fact that whenever a witness is called for the purpose of giving testimony, and whenever it is thought by the government that his testimony is liable to involve some department of the government to their detriment, then ministers are there telling him that he may not answer, and defending him in his refusal. I want to tell the Minister of Finance and others who attend that committee, that the people of this country do not expect that their expenditures are to be controlled in that way. The people want to get at the honest facts in connection with the public accounts, and they expect that when witnesses are called to give their evidence, they will be allowed to do so whether the result may be detrimental to the government or not. That is the proper method of conducting the Committee of Public Accounts, and if that method is pursued we will not see any more campaign literature going forth declaring that the meetings of the Public Accounts Committee of this House are a farce.

Mr. ALEX. JOHNSTON. I do not rise for the purpose of prolonging this discussion, but merely to say a word or two on behalf of a worthy civil servant who is not here, and in a position to answer for himself the various charges made against him. It has been repeatedly charged by hon. gentlemen opposite that the campaign documents exhibited here to-day were prepared by Mr. John Bain, Assistant Commissioner of Customs. Now I am here to state in a most positive manner that such is not a fact. I happen to know something about the preparation of these documents. It happens that I, along with some other gentlemen were a committee to prepare some campaign literature. I know the origin of these documents, and I say in the most positive manner, that Mr. Bain is not the author of the documents. I repeat what was said in the earlier part of the discussion by the Minister of Customs, that the committee who were engaged in publishing these documents availed themselves of the figures prepared in the Customs Department for the use of the Minister of Customs in this House, and outside of it. We availed ourselves of these figures, they are to be found in these pamphlets that are being placed on exhibition. The comments that are made on these pamphlets do not affect Mr. Bain,

that I am here to say in the most positive manner. I desire to say, whether hon. gentlemen opposite take my word for it or not, that the charge that has been so repeatedly made that Mr. Bain is the author of this document in not a fair or correct charge. I say, moreover, that when a statement has been denied over and over again, on this side of the House, it is rather unfair for hon. gentlemen opposite to persist in it, especially when the gentleman against whom the charge is levelled is not here to defend himself.

Mr. FIELDING. Not as to the main question concerning Mr. Bain, but as to two other matters that have recently been referred to, I would ask the House to bear with me for a moment. The hon. member for Elgin (Mr. Ingram) has made the statement that in the Public Accounts Committee, during all these years, whenever a witness was called to give evidence that was likely to be embarrassing, ministers of the Crown were there to warn the witnesses not to answer. I think I have substantially stated what my hon. friend said, though I do not pretend to repeat his exact words. Now, after looking back at the meetings of the Public Accounts Committee with an experience of seven or eight years, I can recall only one case where any instance occurred upon which the hon. gentleman could base such a statement. There may be others, but I cannot recall them. There was one case that I can recall, one case in which I think I myself was concerned. Now it is not an uncommon thing in any tribunal to find a witness asked questions which he is not obliged to answer. It is not an uncommon thing to have judges tell a witness that he is not obliged to answer, it is not an uncommon thing to have legal gentlemen engaged in the case to tell the witness that he is not obliged to answer; and it would not be a surprising thing if members of the committee, most of them laymen like myself, sometimes ask questions which are open to objection. In that particular case hon. gentlemen opposite were trying to press a charge against an hon. member on this side of the House. I need not go into the merits of the case on that occasion. I thought the question put was unreasonable, and I told the witness he was free to answer if he wished, but he was not bound to answer, because it related to his private affairs. The only comment I have to make upon that now, is that the minister against whom they were trying to press that charge of corruption is now their bosom friend. The other point to which I wish to refer was an observation made by the hon. member for Grey (Mr. Sproule) with regard to the private secretaries. My hon. friend argued that this sum must be paid to a particular private secretary, and any attempt to distribute it among other officials in the office he thought was irregular and improper. I want to say to my hon. friend that I think he is mistaken. I will not discuss the legality of the matter with him, but I can tell him that it has been the practice for many years to divide the private secretary's allowance among several officials. I know it was done in the times of my predecessors, and it is done now, and I confess I can see no wrong in it. It is being done in my own time at this moment. I know it was done under the late government, and I myself can see no harm in it. At all events, it is a practice that has the authority of precedent.

Mr. PATERSON. Just on this point the hon. member for Grey (Mr. Sproule) spoke very strongly. He said that a person would perjure himself if he asserted that it had been the custom for years for the Auditor General to pass these accounts. Now let him look at the Auditor General's Report of 1896, at the details of what was done between 1895 and 1896.

Mr. SPROULE. I understood the Civil Service Act was binding in that case.

Mr. PATERSON. I want to point out what was understood by our predecessor in the Finance Department that was being administered by Mr. Foster. In that year he will find on page 3-D of the Auditor General's Report this item: He will find there, 'Jenkins, L. J., first-class clerk.' He was getting $1,400 as a first-class clerk and as private secretary for 12 months to June 30, less seven days in January, he got $391.35, out of a vote of $600 for the private secretary. Then Miss B. Stark, as private secretary, 12 months to June 30, less seven days in January, received $195.62. So that the $600 allowance for a private secretary was divided by Mr. Foster. If there had not been seven days of a loss—I think that is the time that the ministers went out of the government when work was stopped for a few days—the gentleman would have received $400 and the lady would have received $200. Whether that is right or wrong, I am not going to argue the legal point with my hon. friend from East Grey, but we must be acquitted of doing what we know to be wrong, because we do not think it is wrong. The previous government did not consider it wrong. The Auditor General evidently does not consider it wrong and I think, perhaps, we cannot all be wrong and the hon. member for East Grey right. If it should turn out to be the case, he will have scored one.

Mr. R. L. BORDEN. The provisions of the law seems to be very plain. Section 51 of the Civil Service Act is as follows:—

No extra salary or additional remuneration of any kind whatsoever shall be paid to any deputy head, officer or employee in the civil service of Canada, or to any other person permanently employed in the public service.

Then, there is an oath, a part of which material to this question is as follows :—

I will not ask or receive any sum of money, services, recompense or matter or thing whatsoever, directly or indirectly in return for what I have done or may do in the discharge of any of the duties of my said office, except my salary or what may be allowed me by law or by an order of the Governor in Council.

I do not understand that these allowances have been made under an Order in Council.

Mr. FIELDING. I think so ; they are in my case, I know.

Mr. R. L. BORDEN. Are they in the case of the hon. Minister of Customs ? I do not so understand it.

Mr. PATERSON. The commissioner assures me that they are. I cannot state from my own memory, but the commissioner says they are.

Mr. SPROULE. I understood the hon. gentleman to say the other night that they were not.

Mr. PATERSON. I do not think I said so. I was trying to say nothing that I did not know to be perfectly correct, and I would not be positive of it. However, the commissioner tells me now that these payments are made under Order in Council.

Mr. R. L. BORDEN. That disposes of the matter as far as the oath is concerned, because there is a direct reference to an Order in Council. But, I do not know how you deal with section 51. The position of the hon. Minister of Customs is somewhat peculiar because he has an officer who is called the assistant commissioner of customs, and who, he says, is not his private secretary.

Mr. PATERSON. No.

Mr. R. L. BORDEN. He is his private secretary ?

Mr. PATERSON. Yes.

Mr. R. L. BORDEN. Well then he is entitled under the law to this allowance and the hon. gentleman has no right to give it to any one else. There is a sum of money voted by parliament for the private secretary of the minister, and if this gentleman is his private secretary, he is entitled to it and no one else is entitled to it. That follows logically and conclusively. But I understood him in one portion of his remarks to say that he was not private secretary, but sometimes performed the duties of private secretary. Then he said there were two ladies in the office who were on salary, and that he had distributed a portion of the salary of his private secretary to these ladies. I understood him to say that he had not done that by order in council, but that it was merely a departmental proceeding. I consider that an irregular proceeding and I do not know how you can get over the provisions of section 51. We vote the salaries for all these officers, and if the statute says that you shall not give them any extra allowance, I suppose it means what it says, and that the government is bound to carry out the terms of the statute. Then, in regard to the other point which has been dealt with very fully to-night, I have only to say a very few words. I certainly gathered as distinctly as could be from what the hon. Minister of Customs said that Mr. Bain had practically written the whole pamphlet known as 'Political Pointers No. I.' If the hon. minister did not mean that he certainly did not express himself with the clearness which usually characterizes his utterances. Indeed, I understood him not only to admit it but to quote from the pamphlet then in his hands and to justify the work of this gentleman because he said you could not find any fault with the accuracy of the statements made. He said that it was a good thing that this gentleman had been employed to do this work, because it was right that the people should know the facts set forth in this pamphlet. He said further that he was perfectly justified in doing it because that was naturally the work of a private secretary. He said that a private secretary might prepare figures of that kind for a minister, and having prepared figures of that kind it necessarily followed that it was no harm for him to prepare them for a campaign sheet such as that which the hon. minister quoted. Well, I think that opens up a pretty wide question regarding the operations of any department in this country. What would it lead to ? It would lead to this that the minister could take $600 voted by parliament for his private secretary, and divide it amongst six or twelve men in his department calling them private secretaries, then set every one of them at work to prepare campaign literature for the political party of which he is a member, and distribute that through the country and no one would be entitled to find one item of fault with such a proceeding, provided the statements contained in that literature were true. In other words words, the only qualification necessary to the employment of a civil servant in the preparation of campaign literature is that he must not insert any falsehoods in any document that he may prepare. That is the argument of the hon. gentleman. You can take a dozen men, give them $50 each out of the salary of the private secretary, call every one of them a private secretary and set every one of them at work preparing campaign literature for the Liberal party. Does not the hon. member think it would be fairer after all to put his hand in his pocket and for other members of the government to put their hands in their pockets for the purpose of paying men to do this work just as we have to do on this side of the House ? Is it the fair or proper

thing in this country that the public money to the extent of $2,800 and an additional sum of $600 should be utilized in order that the time of this gentleman—a very worthy gentleman he may be, I have no doubt—may be employed in the preparation of campaign literature ? I suppose that there are not a great many mistatements of fact in the campaign literature of either side ; we certainly hope that there are no intentional mistatements of fact, but does that make it any the less campaign literature and does that make it any the less partisan for a gentleman in the employ of a department to do the work ? Looking over the document to which my hon. friend referred, if that document is the work of Mr. Bain—I do not know whether it is or not—then it is the work of a man who is not acting as a civil servant, but who is acting as a strong political partisan in putting before the people of this country, views which are not views of a civil servant, but the views of a partisan employed to write partisan literature for party purposes.

Mr. A. JOHNSTON. I would like to ask my hon. friend whether he will not accept the assurance in this House that the comments that are made upon the figures presented in these campaign sheets are not the work of Mr. John Bain. It happens that I know something about it.

Mr. R. L. BORDEN. I am perfectly willing to accept the word of my hon. friend from Cape Breton (Mr. Johnston), although sometimes I have not had a courtesy of that kind extended to me from that side of the House. I will accept the word of my hon. friend so far as his knowledge goes, but I have something more than the word of my hon. friend. According to the usage and courtesy of this House, I have also to accept the word of the Minister of Customs. I trust that my hon. friend from Cape Breton (Mr. Johnston) will not regard me as casting any aspersions upon his absolute truthfulness when I suggest that I must also pay some regard to the statement of the Minister of Customs who is an older man in public life, who holds cabinet rank, and whose word must carry at least as much weight as the word of my hon. friend (Mr. Johnston).

Mr. PATERSON. Does the hon. gentleman mean to say that I said anything contradictory to what my friend from Cape Breton said ? Did the leader of the opposition mean to give this House and the country the understanding, that Mr. Bain was drawing $2,800 a year for the purpose of writing campaign literature ?

Mr. R. L. BORDEN. I did not understand the Minister of Customs to say that Mr. Bain was paid $2,800 for writing campaign literature, but I did understand the Minister of Customs to say, that while Mr. Bain was receiving that emolument he had been engaged in preparing a portion, or the whole, of this document called 'Political Pointers, No. 1'; and I understood the Minister of Customs to justify that by saying that the statements in the document were accurate, and that Mr. Bain being a private secretary could properly be engaged in work of that kind. I say in all sincerity and perfect good faith, that that was the conclusion I drew from the statement of the Minister of Customs this afternoon, and also from his statement on Friday which I have had the pleasure of reading. I have tried to draw a fair conclusion from his remarks and my conclusion is corroborated by that which other men have drawn. I do not think that an official ought to be engaged in work of that kind, and I do not think it alters the case if it be as stated, that Mr. Bain prepared only a portion of this document, and that other portions relating to other departments were prepared by other gentlemen in the public service. That only makes it worse. None of these gentlemen ought to be engaged in this work; it should be done by some one outside, and it should not be directly or indirectly paid for by the money of this country. I think I drew a fair conclusion from the remarks of the Minister of Customs, and if I am wrong I will be glad to be corrected.

Mr. PATERSON. I am surprised that the hon. gentleman should have misunderstood me, but I am glad that he wishes to be corrected. I knew nothing of these pointers. I am not on any publication committee, or any pamphlet committee or anything else. Gentlemen who say that they know something about the preparation of this literature, have made their statement. I was asked the other night whether any literature of this kind had been prepared by Mr. Bain, and I promised to inquire. Mr. Bain told me that there were embraced in these political pointers, certain statements which he had prepared for me ; that some of them were prepared a long time ago, probably before any campaign literature, as it is called, had been thought of ; and that I had made use of them in the House, and had made use of them in England some time ago. I take that to be the fullest confession that possibly could be made. There was no reservation, or holding back, or trying to evade in any way on Mr. Bain's part. Mr. Bain took refuge in no subterfuge ; he found in the document certain statements that had been prepared by him ; perhaps statements which had been prepared by others, but he knew that some of the statements that were there had been prepared for me, and had been used by me on the platform and in the House, and some of them in England.

Mr. R. L. BORDEN. I certainly understood the Minister of Customs to-day to say before six o'clock : That Mr. Bain had

handed out for the purpose of this pamphlet, certain statements which were of the same character as statements which he had prepared for the Minister of Customs. I followed the Minister of Customs very carefully, and he certainly said that before six o'clock, when in his excitement he was somewhat endangering the venerable head of the Minister of Trade and Commerce who sat in front of him. That statement is not consistent with the statement which the Minister of Customs is making to the House now.

Mr. PATERSON. So far as I am aware, I said nothing inconsistent with what I am saying now. I said that Mr. Bain said, that he had been requested by parties for information on these points; he had given them statements which had been prepared for me and which I had used. We were not in many campaigns together, but I think I used some of these figures in the campaign in North Ontario.

Mr. SAM. HUGHES. Did you use them in South Lambton.

Mr. FIELDING. He must have forgotten them there.

Mr. PATERSON. Well, I don't know what happened there.

Mr. R. L. BORDEN. The people of East Lambton had a correct view of the situation.

Mr. FIELDING. They struck oil.

Mr. R. L. BORDEN. Will the Minister of Customs say, that Mr. Bain's only connection with this pamphlet, was the handing out of statements which had been already prepared by him for his minister?

Mr. PATERSON. I am not in a position to state more than I have stated. The hon. gentleman who has prepared this literature has stated all about it.

Mr. R. L. BORDEN. The hon. gentleman who prepared this literature knows something about it, but I am inclined to think that the Minister of Customs knows more. I do not think that the Minister of Customs will deny that after all, a portion of that pamphlet is the work of his private secretary.

Mr. WADE. Will some one charge Mr. Bain?

Mr. R. L. BORDEN. My hon. friend from Leeds (Mr. Taylor) has distinctly said, that he was prepared to prove that Mr. Bain did write these statements. I do not know that you want very much more of a charge than that, even to suit the fastidious taste of my hon. friend from Annapolis (Mr. Wade). That was distinctly stated in the House two or three times this evening.

Mr. HEYD. He will take that back now.

Mr. TAYLOR. No, I won't.

Mr. R. L. BORDEN. As my hon. friend the Minister of Customs has made some statements in the House regarding this matter, he really should go a little further. He has had an interview with Mr. Bain, and he knows about it; I suppose he knew a good deal about it before he had that interview; and he is not prepared to state that Mr. Bain did not prepare statements which were inserted in that pamphlet, and which were prepared for the purpose of being inserted in it. My hon. friend cannot say that, and therefore I presume that is a polite and easy way of informing this side of the House that he knows that Mr. Bain did prepare these statements. After all, when we come to that, have we not reached the stage when my hon. friend the Minister of Customs admitted that Mr. Bain did prepare at least a portion of that campaign literature? I do not wish to press this point unduly, but will the hon. gentleman deny that that is the condition of affairs?

Mr. PATERSON. He admitted that he had prepared for my use at different times some of the statements which were incorporated by whomsoever published these documents; but he refused to be held responsible for all that was in these pamphlets. He assumed the responsibility for what he had prepared himself.

Mr. R. L. BORDEN. I understand it perfectly, I think. A portion of this pamphlet relates to matters with which the Department of Customs is concerned, and this gentleman prepared that portion.

Mr. HEYD. Oh, no.

Mr. R. L. BORDEN. I am trying to state, as fairly as I can, what I gather. Another gentleman has come to the aid of the Minister of Customs. Might I suggest to both of these hon. gentlemen that the Minister of Customs is an old parliamentary hand, and, with all deference to them, he knows how to manage this case a great deal better than either of them does. Let me say to the Minister of Customs that if that is the case, it does not alter the condition of affairs. This gentleman has prepared that portion of the pamphlet which relates to the Department of Customs; there cannot be any doubt of that, in view of what my hon. friend has said. But there is one thing more that we ought to know about, in justice to Mr. Bain himself. We ought to know whether he did that by the direction of the Minister of Customs and with his knowledge. In order to clear Mr. Bain, my hon. friend should make himself perfectly clear upon that question. I do not think this is a matter which concerns Mr. Bain so much as it does the administration of the government, especially my hon. friend's department. I am not inclined to criticise Mr. Bain very much about it, because he is under the direction of his minister; but I am inclined to criticise the principle of procuring this

work to be done by public servants and practically at the expense of the country. I am not going to become violent about it, but I am endeavouring to get at the facts, and to criticise, in a moderate way, what I think is wrong. Will the Minister of Customs deny that the view I have taken of the situation is correct ?

Mr. PATERSON. I do not intend to prolong this discussion. I think I have made myself perfectly plain. What I have said is on record, and there is no use of going over it again. The leader of the opposition now absolves Mr. Bain and says I am to blame. Then why did the hon. member for East Elgin move to strike out the salary of $2,800 for Mr. Bain instead of moving that my salary be reduced ?

Mr. R. L. BORDEN. It is perfectly plain, and I thought it would occur to the hon. gentleman at once. My hon. friend from East Elgin simply desired to transfer the liability from the country to the Minister of Customs. I would not suppose that Mr. Bain would lose his salary, but the Minister of Customs would see that it was paid from the source to which Mr. Bain should have looked in the first instance.

Mr. PATERSON. I am sorry to find that an hon. gentleman who leads one of the great parties of this country does not understand parliamentary government better than to know that when an officer's salary is struck out of the estimates he does not get it.

Mr. INGRAM. I would like to say that the reason I moved the motion was this, that if the Liberal party have a civil servant who is preparing campaign literature for them, the least they can do is to pay for it themselves. I am here to represent a portion of the Conservative party, and I know that they decline to pay any civil servant for issuing campaign literature in the interest of the Liberal party.

Mr. CLANCY. It is worthy of note how much the compilers of this literature, if it was not Mr. Bain, are indebted to him for. There are some thirty pages of this literature, of which less than one page is devoted to the hon. gentleman's department, and what is that ? First, the total expenditure for 1903. Did they have to go to Mr. Bain for that, or did the hon. gentleman use it in his speech ? There was not a word of it in his speech. Then there is stated the total expenditure for 1895—did they need to go to Mr. Bain for that ?

Mr. PATERSON. I do not know that they did.

Mr. CLANCY. But the gentlemen who are making the apologies to-night said they did go to Mr. Bain for the information. The hon. member for Cape Breton said so.

Mr. A. JOHNSTON. I did not say that the gentlemen who compiled this literature went to Mr. Bain. What I did say was that the committee having it in charge availed themselves of some material prepared by Mr. Bain and to be found in the minister's speech.

Mr. CLANCY. This is not found in the minister's speech at all ; I defy the hon. gentleman to find it in any speech of the minister available to members of this House. The hon. gentleman says they availed themselves of material prepared by Mr. Bain. Did Mr. Bain prepare the figures relating to the public debt or the surpluses ? That is not in his department. Did he prepare the material in regard to how the money was spent, or the Yukon matter, or the Intercolonial Railway matter ?

Mr. A. JOHNSTON. No.

Mr. CLANCY. Did these gentlemen avail themselves of information prepared by Mr. Bain in regard to the Department of Agriculture, or in regard to a number of items of public works, or with regard to the Marine and Fisheries Department, and so on ? On page 12 of this pamphlet there are only two or three items referred to. I have mentioned two of them, namely, the expenditure of the Customs Department in 1903 and the same in 1895, and the revenues for the same years compared. Did these gentlemen avail themselves of Mr. Bain's work for the purpose of finding that out ?

Mr. A. JOHNSTON. No.

Mr. CLANCY. Then what did they get that came from Mr. Bain ? Because all the other statements belong to other departments. How did they come in possession of Mr. Bain's figures in regard to these other matters if they were not prepared by Mr. Bain ? The hon. gentleman has unwittingly become a good witness.

I expected my hon. friend the Minister of Customs (Mr. Paterson) to extricate himself from this position because he has it in his power to do so. I was sorry to have to believe that the hon. gentleman had a knowledge of Mr. Bain having been employed at work of that kind, and did so because that hon. gentleman left that impression by his silence and his refusal to answer. The hon. gentleman was asked a straight question if he had any personal knowledge, directly or indirectly, that Mr. Bain had been engaged in preparing literature for use or distribution by the Liberal party. The hon. gentleman has not said up to this moment that he had absolutely no knowledge of this. He admits that Mr. Bain prepared the tables for him but that is not an answer, with all due deference to the minister that is a very equivocal defence. He should say that he has no knowledge that Mr. Bain was in any sense connected with it. We have here the pamphlet and we have the statement that the compilers used the material furnished by Mr. Bain and this pamphlet shows that Mr. Bain has been providing for all the

departments. Out of 30 pages less than one is devoted to this department.

Mr. PATERSON. What number is that ?

Mr. CLANCY. This is pointer No. 3.

Mr. PATERSON. Oh, number 3.

Mr. CLANCY. Is the hon. gentleman acquitting Mr. Bain of the others and not of No. 3.

Mr. PATERSON. I quoted from No. 1, I think.

Mr. CLANCY. Then the hon. gentleman does not deny that Mr. Bain prepared No. 3 ? The hon. gentleman by his refusal to answer made it perfectly clear that he had knowledge of the facts and he cannot blame any one if an impression goes to the country which he could prevent going to the country by a point blank denial that Mr. Bain is connected with this pamphlet. He says that Mr. Bain is connected with the tables. I defy the hon. gentleman to give one table in connection with his own department in political pointer No. 3 that has ever been used by him in a speech in this House. If the hon. gentleman cannot do that he stands in the position of admitting that Mr. Bain prepared this pamphlet and of defending Mr. Bain's conduct.

Mr. PATERSON. I do not intend to continue the discussion. If I am to blame, I have said all I shall say and will have to accept the hon. gentleman's blame. I merely wish to state that when Mr. Clancy said no increase had been granted to Mr. Bristol for five years I thought it was only one year. I have had the accountant look it up and find there were three years Mr. Bristol did not get the increase. I asked the reason and found that in one year none of the officers got it, and in two other years the officers who were receiving lower salaries than Mr. Bristol had received their shares. This the hon. gentleman is correct in reference to three years. I am glad to say however, that through changes that have taken place in the department, unfortunately some of them by death, Mr. Bristol, whom I before said I consider a good officer—can now be raised from $1,300 to $1,500 this year.

Mr. CLANCY. And in the meantime for these three years the hon. gentleman deprived him of those $500.

Mr. PATERSON. The hon. gentleman knows the policy with reference to statutory increases that was adopted when the government first came into power, and the difference of opinion as to whether it was obligatory or not. I suppose if we were wrong in this I shall have to take my share of the blame along with the other members of the government.

Mr. CLANCY. The trouble was that Mr. Bain was given a statutory increase at the very moment it was withheld from Mr. Bristol. I should like to know why when a statutory increase was given to Mr. Bain it was not also given to Mr. Bristol.

Mr. PATERSON. The hon. gentleman evidently has not the highest appreciation of my doing what is right and fair in my department. I shall have to remain under his censure ; it will be rather grievous to bear but I shall have to suffer under it.

Mr. CLANCY. It would be much more pleasant if the hon. gentleman would candidly admit he had done wrong. He has not given us as dignified an answer as one would expect. I think the country would expect a better defence than that. Two courses are open—and I am not going to lecture the hon. gentleman on political ethics or morality—but there are just two things which he could do, either give a defence that is worthy or to make a confession that is equally worthy. The hon. gentleman I am sorry to say, has done neither. He has given an equivocal answer. It is unfortunate that the hon. gentleman can be placed in the category neither of very honest men, politically speaking,—nor on the other hand of those who will brave out a matter that has no defence. The hon. gentleman has chosen a middle course and is I fear in a very awkward position. I hope this discussion, as far as it has gone, will bear some fruit. The hon. gentleman in his cooler moments will see that the doctrine he laid down here this evening is a wholesale doctrine of abuse and one that can be applied throughout his department, so that by merely calling a gentleman in the department a private secretary he can be engaged in wriing campaign literature or what would be no worse going out and canvassing for the hon. gentleman in his own riding. I would like the hon. gentleman (Mr. Paterson) to compare this with a case that came under my notice in which a collector of customs receiving $400 a year was found riding with a man putting up bills. A conspiracy was formed against him. He was given no trial, and no opportunity to deny the charge against him or to prove that he was not guilty. He was given no opportunity for that, but was dragged to the block, the political axe was brought down and that gentleman was dismissed. I challenge the hon. gentleman to deny the statement I now make. If he denies it, I will give him the case and I will undertake to say that the gentleman was dismissed for no better reason than that he was found driving in a rig with a man who was putting up bills. Yet the hon. gentleman sees no impropriety now in allowing one of his chief officers to engage in writing political literature for his party.

Mr. TAYLOR. I hope the hon. minister has brought the information we asked for before six o'clock, and is ready to tell us

what he proposes to do with this extra $25,000 that he is asking for.

Mr. PATERSON. I explained that once or twice. I intend to use part of it in strengthening the force at some of the ports ; part to provide for the contingency of other ports that need to be opened before this money is all expended ; and part of it in augmenting the salaries of officers in those cases in which that increase seems warranted.

Mr. TAYLOR. I submit that this is no answer to the question. When the minister made up these estimates he must have made it up on the basis of certain items—so much for opening this new port, and so much for salaries in the other, and so on. We should have this in detail so that when the record of expenditure is given we may see whether the minister's estimate is verified or not. The hon. gentleman takes great credit to himself for running this department economically. I find that, in 1904-5, he is asking, for the first item of salaries and contingent expenses, $1,159,865. In 1895, the same service was rendered for $836,631, so there is an increase of that item of $348,000. In the next item, salaries and travelling expenses of inspectors, he is asking for $139,200. In 1895, this service cost only $70,506—an increase of $68,694. So, altogether he is asking for $1,430,565, whereas in 1895 these services were carried on as efficiently as they are to-day for $921,530. There has been an increase of $515,035. Where has all this money been expended ? And the hon. minister asks $25,000 more this year than last. Yet he refuses to give a single detail as to where he intends to spend even $100 of it. He gives only a general statement that he wants it to use at his discretion. I have never seen money voted in that way for any department. The practice is, when a minister asks for an increase, he tells us in detail what he intends to do with it. That is all we want, and we must have some detail of how he intends to spend this extra $25,000 on the first item and $10,000 on the second.

Mr. BLAIN. Would the hon. minister give a statement of the number of ports and outports opened last year ?

Mr. PATERSON. Six new officers were employed in Ontario since 1st June 1903 :— Mr. Richardson, Chatham ; Mr. Deacon, Fort William ; Mr. George E. Buckley, Niagara Falls ; A. E. Guerard, Port Arthur ; J. B. Watson, Sarnia ; Thos. Fournier, Sturgeon Falls.

Mr. BLAIN. What was the number of outports ?

Mr. PATERSON. Four. There was one in Ontario, one in Quebec, one in Nova Scotia, and one in the Northwest Territories.

Mr. BLAIN. At what towns ?

Mr. PATERSON. Sturgeon Falls, Ontario ; Marieville, Quebec ; Oxford, Nova Scotia, and Saskatoon, Northwest Territory.

Mr. CLANCY. Has the hon. minister in mind at this moment any officers to whom he intends to give increases for the year for that which this money is voted ?

Mr. PATERSON. I explained that there is to be an advance to a number of clerks in the Long Room at Montreal. We intend to bring them up to a minimum of $900. I explained the reason : that these men receive the entries; that their work must be done very quickly and very correctly ; that we thought that if they worked from nine to four they would sufficiently tax their mental energies, and they should not be allowed to share with the landing waiters and preventive officers in performing extra services and receiving extra pay ; therefore, we intend to augment their salaries. We are not able to carry out the same system in Toronto as in Montreal owing to the nature of the building. But we are having changes made which, we hope, will enable us to inaugurate the same system. That may necessitate, if we are to do the business as quickly, another man or two there. We expect that we shall require to open some outports. As I said before, we have a score or more of applications all making out as good a case as they can, and none without merit. We do not feel justified, however, in granting them all, but it is difficult to make a selection, and we are deferring it as long as we can. But we anticipate that, in the Northwest at least, it may become imperative that we should create new ports before the time for which this money is voted elapses. Of course, hon. gentlemen can understand that in that section of the country the towns are a long way apart, and that with rapid immigration and large importations it may be found only just and right that additional facilities should be given. As to the officers whose salaries we hope to augment, does it not, in the last analysis, come down to this—that the department must determine. If I were to say that the department proposed to increase the salary of such and such a one in Toronto, that would be no information to the members of the House, because they do not know the individuals, nor do they know whether they are deserving of higher remuneration or not. Surely hon. gentlemen will admit that that much confidence must be reposed in the department. Even the officers of the inside department here cannot know these cases themselves. But we avail ourselves of the reports of our inspectors and others who visit the ports, and also of any other information which we may gather bearing on these points. And, necessarily the department must be trusted to exercise its discretion.

If I said that we proposed to increase the salary of Mr. Smith, or Mr. Brown, or Mr.

Jones, or any one else, hon. gentlemen opposite would not know the merits of these men. But it is possible they might have personal knowledge of cases that were not receiving proper remuneration and that were entitled to an increase. They would express their views, and I would be glad to avail myself of the information they might give me with reference to the duties performed within their own knowledge, and these cases would be taken into consideration, as I trust will be found to be the case with many of the officers whom they have brought to my attention. But hon. gentlemen must understand that it is impossible for me to mention every man whose salary we propose to increase. There may be some men whose salary we could not increase because they are stationed at ports where the amount of revenue is decreasing, as is the case in one or two of the western ports. Of course hon. gentlemen will not ask me to mention the names of those ports where, from changing conditions, the revenue is falling, it would not be in the public interest that I should do so, and hon. gentlemen would not wish the world to know that the revenue was diminishing at those ports.

Mr. CLANCY. The hon. gentleman has mentioned the city of Montreal as one instance where the increased expenditure is necessary. If my memory serves me right, I think Montreal showed a diminished revenue during the last month as compared with the previous year.

Mr. PATERSON. That is only for one month.

Mr. CLANCY. However, I am not urging that. No doubt the hon. gentleman has some information as to the necessity of the increased expenditure in Montreal.

Mr. PATERSON. The expenditure there would be between $3,000 and $4,000.

Mr. CLANCY. Then in the city of Toronto the hon. gentleman contemplates the possibility of some change that might require one or two men extra. No doubt he has also information with regard to the number of new outports that will be opened during the present year. Surely he could say about how much he intends to devote to cases of that kind without giving the names of every officer he intends to appoint. He is asking us for $25,000 to apply in salaries, and he has only told us of one case where he expects to apply $3,000 or $4,000. The balance he has left a complete blank.

Mr. PATERSON. The department have not yet arrived at a determination. I have pointed out that by the time this money will be available we will be in a position to know what the business of the current year has been. The department desire to get along with as few new ports as possible. We have a great many new ports in Canada. we are trying to give all the facilities we can to trade and commerce. People are often asking us for the establishment of a new port, pointing out that at present they have to go too far to make their entries. Many such cases are made out that we cannot hope to fulfil at present. The hon. gentleman has brought to my attention the necessity for an outport in his own riding. If we do not see our way to meeting his views at present that is not saying that it may not be necessary, or that it may not be done in the future. But there are many other ports situated just as disadvantageously.

Mr. CLANCY. Can the hon. gentleman hold out any hope now that justice will be done to the locality I mentioned, the town of Dresden? It is a very deserving town. Can he told out any hope that any portion of this large sum will be devoted to the purpose of an outport there?

Mr. PATERSON. It is on the list and will be considered with others but I cannot promise further. I know it will be considered on its merits.

Mr. CLANCY. I want to remind the hon. gentleman that it has been on the list for a long time.

Mr. PATERSON. There are a lot more.

Mr. CLANCY. Although it is on the list there is no attention paid to it. The hon. gentleman asked $10,000 last year for this same purpose. He is asking an increase of $15,000 this year over last. I am not going to quarrel with the hon. gentleman as to where he spent the money. I am not prepared even to say that the hon. gentleman has wasted any money in opening any new ports, because I think the public ought to be served, but the hon. gentleman will not conclude that because that is the case the committee has no right to know where the money is going. The hon. minister, with the money that was voted in bulk last year has made a distribution of it which some hon. members of this House don't believe to be fair. I will take the case of the subcollector at Walpole Island. His home is at Port Lambton. He resides there during the winter months and during the summer months he resides on the island. The subcollector at Port Lambton gets $400. The collector at Walpole Island gets $50 more than the collector at Port Lambton. I desire to ask the hon. minister what the revenue from Walpole Island amounted to during the past year and why an extra $50 has been given in that case. I refer to this because the increase has been taken out of a fund somewhat similar to that which the hon. gentleman is asking for now.

Mr. PATERSON. The officer at Port Lambton, I am told, gets $450 and there is $50 allowed for house rent while the officer at Walpole Island gets $500 and no house

rent. The revenue at Walpole Island is only $121. The salary is more than the revenue received but as the hon. gentleman knows it is a preventive service that is maintained there. There is an Indian settlement and parties were in the habit of smuggling liquor which was demoralizing to the people using it. It was reported to us that it was desirable in the interests of the Indian population that an officer should be stationed there so that naturally we could more effectively counteract the illicit trade that was going on.

Mr. CLANCY. The officer does not reside there during the winter months. I was unaware that the officer at Port Lambton received $450. That must have been paid during the present year, 1903-4.

Mr. PATERSON. Yes, the accountant says that he was given an increase, perhaps on representations made by the hon. gentleman, of $50 on the 1st of January, 1903.

Mr. CLANCY. The hon. gentleman is quite mistaken. I am afraid that any interference on my part will not be very much welcomed. It was not on my recommendation at all.

Mr. PATERSON. Well, I do not know. I do not affirm that.

Mr. CLANCY. These gentlemen live in their own houses. Has there been an increase at Sombra, which is another out port ?

Mr. PATERSON. Yes, the sub-collector there was amongst the increases granted last year. He gets $50 more.

Mr. CLANCY. Now, we have pretty good evidence of how the hon. gentleman will make use of this $25,000. Here are three cases where there is no additional work, and where I doubt if there is any increase of revenue ; yet, the hon. gentleman gets us to vote him a bulk sum which he hands out in this manner. I am not going to offer any criticism as to whether these officers are too well paid or not. I have nothing to say in regard to that, but I do say that the hon. gentleman should give the members of this House who reside in the localities where these increases are granted an opportunity of expressing an opinion as to whether they are meritorious or not. I do not know anything that will more fairly illustrate the position that the hon. gentleman is taking now than the three cases that I have mentioned. Does the hon. gentleman say that there has been any increase in the duties performed by these officers because that is the only explanation he can offer for having increased their salaries ?

Mr. PATERSON. Yes, there has been an increase but it has been slight. A salary of $400 is a very small salary for a collector of customs. The receipts are not large but still all these ports are important where there has to be prevention of the illicit introduction of goods into the country. We have ports where the revenue is not very large in which we have to maintain officers although the receipts would not seem to justify their maintenance. But if they devote their whole time to the duties of the office four or five hundred dollars is not a very large sum. If that gentleman wants to know what was done, instead of giving in advance what we anticipate doing, I can give him a statement of what we did with the money last year so that he will be in a position to judge whether or not it was properly expended, and so that he may be able to censure those who are responsible if he thinks that any mistake on the part of the department has been made. I have the list which is long and I am a little tired but I have no objection to going through it and giving the hon. gentleman the information as to how this money was expended last year. Next year after this money is voted if the hon. gentleman asks for an explanation I can give him the information although he may say that it is locking the door after the money is stolen. But, I cannot give him all the information now. I think it is unreasonable for him to ask it. I have given him all the information that I could fairly be expected to furnish at the present time. Considering the growing trade of the country and the importance of the work that the Department of Customs is performing, I think that the head of the department and the officers of the department can be trusted to exercise their judgment in regard to the expenditure of an increase of $25,000.

Mr. CLANCY. The hon. gentleman must have known last year that he intended to give an increase to each of these officers that I have referred to. It is not necessary to say one word by way of criticism as to whether these salaries are too large or too small ? The hon. gentleman says that the growing trade of the country is the reason for this increase. The growing trade of the country was not the reason for these cases. If the hon. gentleman has entered upon a general rearrangement of an advance in the salaries of his officers throughout the country that is a question that may be fairly considered. I have never taken the ground that any public servant should be put on starvation salaries, nor shall I ever take such a position. But, when the minister proposes to increase salaries he should tell the House what are his reasons for so doing. I would be the last to insist on the minister giving specific details, but I do say that he ought be able to tell us whether he intends to increase the salaries of officers at certain places, where the increase of revenue would not justify it. I do not mean to say that these cases are devoid of merit ; in fact I think that very

often, considering the increased cost of living and other things, officers serving at these small ports where the collection is light, but where they may render preventive service, are deserving to have their salaries increased.

Mr. PATERSON. I cannot give the hon. gentleman the decision that will be arrived at, but I can say that while it is difficult to increase salaries in case of a falling or insufficient revenue, we do recognize the fact that preventive work is necessary, and in such cases we would not hesitate to increase the salaries of these officers, if we considered them deserving.

Mr. CLANCY. Why, when the minister gives an increase to an officer, does he call it house rent ? If an officer is entitled to it, give him an increase of salary on his merits, and do not delude the public by calling it house rent.

Mr. PATERSON. If I said a house rent, I made a mistake ; I should have said office rent.

Mr. CLANCY. There is no excuse necessary for giving a man a decent salary, and whether you call it house rent or office rent, is just as deceptive. You should increase his salary and give him the increase under its proper name if the case is meritorious. I am inclined to give the Minister of Customs a good deal of credit, but I do not think it is fair to the committee for him to treat it in this way.

Mr. PATERSON. I do not desire to treat the committee with any discoutesy, and I have tried in good faith to give all the information I possibly could. I would point out, that it is getting late, and that we have not passed an item. I do not say that in any fault finding spirit, nor do I wish to curtail any remarks which hon. gentlemen have to make. The hon. gentleman from Bothwell (Mr. Clancy) has impressed me with the fact that he has not the fullest confidence in me as Minister of Customs ; and that I do not carry on that department as he thinks it should be carried on. I regret that I have to suffer under that condemnation, but he having expressed that view, and in consideration of the depressing influence it will have on me, and the beneficial influence which I trust may flow from it ; I do hope that we may be allowed to pass an item or two.

Mr. CLANCY. I have more confidence in the Minister of Customs than he seems to think. My confidence in him has been somewhat shaken by what has occurred within the last week, but if he promises to repent, and if he acts better than he has spoken, the confidence I formerly had in him may be restored. My confidence in him has been shaken but I have not abandoned hope. I want to say to the hon. Minister of Customs, and I state it here publicly, that I think the hon. gentleman has administered his department fairly well. The little incident which has occurred here, I regard as a mistake on his part, but nevertheless I think my confidence in him may be revived. It is however not fair for him to say when I ask for information, that I ask it as a want of confidence. It is a want of knowledge and information as to which the House is entitled. Should the legislation which the hon. gentleman has passed fail to have its effect and should I be permitted to come back to this House again, I hope we shall have the minister in a better mood, and able to give us some of the details which he is not able to give us at this moment.

Mr. SPROULE. I want to refer to the hon. gentleman's method of doling out information to the House. He practically admits that he is unable to give us any information beyond the fact that there is a great increase in the work, and that there must necessarily be a great increase in the number of hands in some of the cities like Montreal, Toronto and Winnipeg. That is about all he has given us to account for the increase of $25,000. He thinks we ought to be willing to grant this money if he tells us what he did with the money voted last year. We are not dealing with the money voted last year. He is making a request for money for the coming year, and it seems to us that he ought to be able to tell us what he proposes to do with it. If he is keeping pace with the development of population and the increase of exports and imports, he ought to be able to give us some idea of the number of new offices he intends to open, the number of additional collectors he requires, and the number of employees who are likely to receive increases in their salary. We do not want the names, but we think he should give us this information approximately to justify the House in voting the money. Suppose the Minister of Public Works came to the House for an increased vote of money, and said : The country is increasing rapidly in population, and it will naturally require more public works. Would the House be satisfied with that ? Would they not ask him where he proposes to spend the money, and what new works he proposes to undertake in the coming year ? Take the Post Office Department. Suppose the Postmaster General said : We have to open out new post offices, we require to extend our mail service in various directions, and I ask for a bulk sum for these purposes. Would the House be satisfied ? I think not. We would require more detailed information. So with the Militia Department. The minister tells us that so much more is required for the staff, so much for the pay of the men, so much for clothing, and so on, giving us the various items to show the needs of the department for the coming

year. If he did not do that, I am afraid the House would be very reluctant to give him the money he asked. Take the Department of Railways and Canals. Suppose the minister of that department used the same reasoning as the hon. Minister of Customs, saying: We spent the money wisely last year, and I think you should trust me for the next year with so much more money. These are parallel cases, and I mention them only to show the absurdity of the position the Minister of Customs takes in asking us to vote this lump sum without giving us detailed information. He asks us to take him on trust. That is not businesslike, and it leads to the impression that he has not a very intelligent knowledge of his own department. We do not want to be unreasonable with the hon. gentleman; but the very way he started created a bad impression on our minds. The very fact that some of the money voted last year was used in getting campaign pamphlets written made us feel that, although he desires to do what is right, he is not handling his department in a businesslike way. Nor is he giving the people's representatives the detailed information which they are entitled to have before they grant him $25,000 more for the service next year than he had last year.

Mr. BLAIN. How much was expended last year for postage?

Mr. PATERSON. The accountant tells me we have it for each port, but not the totals. Does the hon. gentleman want it totalled up.

Mr. BLAIN. The total amount yes. My reason is that last year the hon. gentleman asked an increased item of $6,000 for postage.

Mr. PATERSON. That was accounted for. There was a change in the postal arrangement by which the amount of postage on the great number of manifests and documents that we have sent out was enhanced, but we have now gone back to the rule that previously prevailed.

Mr. BLAIN. The hon. minister seems to be unable to give the items on which he proposes to spend the money next year. Was the $6,000 additional voted for postage last year used for that purpose, and if not what portion of it was expended?

Mr. PATERSON. I cannot give the information in detail. It has been spent in the general expenditure, but I cannot give the exact amount spent in postage alone.

Mr. BLAIN. Could not the minister give some little explanation? He said last year:—

> There is also an increase in postage of some $6,000, owing to increased business.

It seems to me to be rather a reasonable request to ask the minister if the $6,000 was expended for postage last year and if not, what became of the balance of the money?

Mr. SPROULE.

Mr. PATERSON. That estimate was based on our expenditure for six months, and whether it worked out just exactly to the amount we asked, I am unable to say.

Mr. BLAIN. If the hon. minister cannot give us this information, it is rather difficult for the committee to tell what becomes of the money which we vote.

Mr. PATERSON. The postage was included in the general vote for contingent expenses; it was not confined to postage but in making up the estimates, it was estimated that $6,000 was required for postage. If it was not all used for that, the balance of the $6,000 may have been expended in other contingencies.

Mr. BLAIN. Was any of the $6,000 spent in postage?

Mr. PATERSON. The accountant states that $3,000 was expended in six months, whether the whole $6,000 was expended in the 12 months he is not able to say.

Mr. BLAIN. How long was the changed postal regulation in operation?

Mr. PATERSON. I think about six months.

Mr. BLAIN. The minister then states that in the six months $3,000 was expended. Will he tell us what the other $3,000 was expended for?

Mr. PATERSON. It would be in general contingencies.

Mr. BLAIN. Is that the policy of the hon. gentleman?

Mr. PATERSON. That is the way it was always done.

Mr. BLAIN. The hon. gentleman stated last year that he was asking the committee for $6,000 for increased expenditure for postage. Then he says that only $3,000 was expended for postage and the rest was distributed around in other departments.

Mr. PATERSON. The $3,000 was expended in six months.

Mr. BLAIN. He says the postage regulation was only in operation six months and the balance was expended in some other way? In what other way?

Mr. PATERSON. There is still postage to be paid, but the change back to the old rate reduces the amount of postage.

Mr. INGRAM. Are we to understand that the balance of this unexpended money can be expended for anything else?

Mr. PATERSON. It was a vote for general contingencies.

Mr. BLAIN. It was a specific amount.

Mr. PATERSON. No, no.

Mr. BLAIN. I have quoted his words; it was a specific amount for increased post-

age, and now the minister says that only $3,000 was expended in postage and the balance in some other way.

Mr. PATERSON. I did not say that.

Mr. BLAIN. I misunderstood the hon. gentleman. Does he say the $3,000 was expended or not expended ?

Mr. PATERSON. $3,000 was expended under this appropriation on postage during six months.

Mr. TAYLOR. But the other six months have not expired yet.

Mr. PATERSON. No, the other six months have not expired yet. This was a general contingencies item, and the statement to which my hon. friend (Mr. Blain) has referred would be given in the course of a rough statement of how the contingencies estimate was made up. And it was estimated that $6,000 would be required for postage. It is voted as one item for contingencies, which is perfectly right. We could not expect to estimate to a cent the postage account for the whole Dominion government. The actual expenditure for six months was $3,000, and you naturally assume, unless conditions change, unless there is a larger business or some thing of that kind, that the yearly postage for a year will cost $6,000.

Mr. TAYLOR. The trouble is that we have not the details of money expended. The details that we have are for money spent up to 1st July, 1903. Last year, the hon. minister asked us to vote $1,159,865. That was an increase over the preceding year. He was asked what he was going to do with the money and he instanced this item of $6,000 postage. But now we ask what is he going to do with $25,000 more than last year that he asks for. He tells us that he wants something for Montreal, something for Toronto, and something for Winnipeg, and something for new ports that he may open, and tells us that we must trust him for all this. We have not the details of the latest expenditures, but we have the plain fact staring us in the face that, since he became Minister of Customs, the expenditure has increased by about half a million. Of course the hon. gentleman has collected more money. But, in many ports that I could name the same officers as before, and paid no higher salaries, have collected much larger sums than before. But, simply because he gets more money the hon. gentleman says he is justified in asking an increase. He does not give the explanations that the committee are entitled to. Before he arrived at these estimates, he must have had some details of what he intended to do with this $25,000, and he should give us details as the Minister of Public Works or any other minister is accustomed to do.

Mr. CLANCY. I understood the Minister of Customs to state that he had under his hand a list showing the increases in salaries last year. The list is a long one, I believe, and the hon. gentleman did not care to read it unless the committee insisted upon it. Perhaps the hon. gentleman (Mr. Paterson) would have no objection to handing it to the 'Hansard' reporter, and we could agree to take it as read. That course would save the hon. gentleman trouble and we should all be able to have a copy.

Mr. PATERSON. The hon. gentleman will see there have not been very extravagant advances in many cases. I think some 400 officers had their salaries augmented. If they were augmented by only $50 each, that would make a considerable total. In the port of Toronto, I think all the men were brought up to a minimum of $550, and those who had been receiving $550 were put up to $600.

Mr. BLAIN. All?

Mr. PATERSON. I believe there was no distinction. While some officers might be more valuable and more active than others, yet they were all engaged in about the same work, and we thought that those in the same class should draw equal pay. In Montreal we follow a similar rule, except that the minimum is $500, instead of $550. A good many were working at $1.50 per working day, and these were brought up to $500. The reason why they were not brought up as high as the Toronto men, was not that they were not as faithful officers, but because in Toronto there is little or no extra work. Montreal being a large seaport, with ships arriving day and night, the salaries of the lower paid men are supplemented by their earnings for extra services. I believe it was the sense of the committee last year that these increases should be made. I believe that the hon. member for West Toronto (Mr. Clarke) expressed the opinion that $600 a year was only a fair amount for men living in cities like Toronto or Montreal. We did not bring it up that high, but made an advance towards it. There were sixty in Toronto that were increased.

Mr. CLANCY. I mentioned this matter because the hon. gentleman said that he had a statement of the changes that had been made. Hon. gentlemen on this side, I am sure, are not disposed to insist on the minister reading that statement. I would suggest that, in order that we may all have the information, we should consider the statement read and the hon. gentleman should hand it to 'Hansard.' Perhaps the hon. gentleman will assent to that, especially as he said he was prepared to read it if the committee insisted upon it.

Mr. PATERSON. It will be the proper way, I suppose, if hon. gentlemen want the information, for me to read——

Mr. CLANCY. Will the hon. gentleman pardon me? I have not insisted that he should read it, but have been disposed to spare him the trouble, especially as I understood him to say that he was somewhat fatigued. If there is anything of a private or confidential nature in the statement he has under his hand, let him have a statement of the changes prepared, which can be given another time. I simply took the hon. gentleman at his word about his willingness to give the information; and if he does not object, we do not object, to consider it read.

Mr. PATERSON. There is a large number of names, and it is not quite regular to put in 'Hansard' anything of this kind that has not been read. Perhaps I could, with the consent of the committee, lay it on the table——

Mr. INGRAM. If the consent of the House is obtained, this document can be put in 'Hansard' without reading. There is only one copy laid on the Table, but if it is published in the 'Hansard' we can all have a copy.

Mr. PATERSON. I have no objections to putting it into the 'Hansard' if the Chairman is willing. With the permission of the committee I will hand it to the reporter to be taken as read.

Place.	Name.	Increased	
		From	To
Ontario.		$	$
Amherstburg	D. R. Luckham.	550	600
	Wm. C. Coulson	450	500
Belleville	Jas. A. Daly	500	550
Berlin	John Dunn	700	750
Bridgeburg	F. T. Pattison	650	700
	F. T. Pattison	700	1,000
	T. L. Newbigging	700	750
Brantford	Thos. Foster	1,500	1,600
	E. L. Heath	800	850
	Jno. Ryan	700	750
	J. A. Eddy	600	650
	J. A. Eddy	650	700
	Wm. Grant	700	750
Chatham	A. E. Pilkey	700	800
	W. E. Hall	300	500
Collingwood	Henry Foreman.	500	600
Deseronto	A. S. Valleau	800	850
Galt	Thos. Peck	1,000	1,100
	S. P. Shoutz	350	400
Goderich	Jno. Wiseman	600	700
	F. G. Neelin	500	550
	H. Davis	600	700
	Geo. E. Smith	400	600
Hamilton	H. Gayfer	1,200	1,300
	Wm. Peebles	700	750
	D. R. Gibson	700	750
	Wm. T. Scott	500	550
	A. Ferguson	450	500
	Alex. O'Dell	550	600
Hamilton	Thos. McCallum	650	700
	Andrew Martin.	540	550
	Ed. Murphy	500	550
	Andrew Martin.	550	600
London	Geo. Burns	2,250	2,400
	D. Wiley	600	700
	P. C. Lewis	600	650
	Geo. Tyler, asst. appraiser	600	700
Midland	H. H. Ross	500	600
	W. J. Parkhill	800	900
Niagara Falls	C. J. Mckenzie	750	900
	J. J. Bampfield.	700	900
	J. J. Flynn	600	700
Oshawa	G. F. Blarney	800	900
Ottawa	Robt. A. Clarke, surveyor	1,000	1,200
	A. H. Taylor	1,300	1,400
	S. H. Waggoner	900	950
	A. M. Routhier.	800	850
	F. Lapointe	700	750
	F. Kehoe	600	700
	H. J. Gould	600	700
	F. Donald	500	600
	Wm. McKenzie.	400	500
	P. E. Ryan	800	850
	T. Hood	800	850
	W. C. Pollock	500	600
	A. C. Whittier	1.75 p.d.	600
	Geo. Tormey	700	750
Owen Sound	Jas. Caton	600	800
	P. J. Malone	600	700
Parry Sound	J. W. Fitzgerald	850	900
Picton	W. Cleminson	100	150
Prescott	R. M. Keeler	600	800
St. Catharines	Jno. F. Hill	500	550
St. Thomas	D. Ferguson	1,200	1,300
	J. B. Ogilvie	450	550
Sarnia	A. A. Almas	600	800
	J. M. Lott	400	500
Sault Ste. Marie.	Neil Currie	400	500
	M. Laughton	700	800
Simcoe	Nat. Porter	800	900
Stratford	R. Hutchinson	700	800
	R. Hutchinson.	800	1,000
	H. E. Wilson	700	800
Toronto	Oct. Giroux	550	600
	John MacKay	800	850
	James Greer	800	850
	John Thompson.	750	800
	W. P. Woods	700	750
	H. H. Ardah	850	900
	James Beale	650	700
	W. E. Meredith.	700	750
	W. K. S. Tinning.	750	800
	Fred Colwell	700	750
	D. Fraser.	600	650
	W. H. Dickson	800	850
	Geo. E. Byron	600	650
	Philip Smith	500	550
	Hy. Byers	550	600
	J. H. Ellard	650	700
	M. E. Cook	550	600
	Chas. L. Gray	600	650
	John Head	800	1,000
	J. C. Allen	800	850
	James Ryan	1,200	1,300

Place.	Name.	Increased	
		From	To
Ontario—Con.		$	$
Toronto—Con...	Thos. Mitchell, asst. appraiser	750	850
	Hugh McCaw...	800	900
	R. A. Lynch, Orillia.... ..	700	750
	John McKenzie, Orillia.....	500	550
	J. Langan, Georgetown...	400	500
	J. Gilchrist, Orangeville..	500	550
	J. J. Manning, Brampton....	550	600
	And. Yule, Aurora, Newmarket	600	800
	James Sinclair..	1,200	1,400
	C. E. Leatch....	600	650
	R. M. Persse...	850	900
	J. Jackman.....	500	600
	T. J. Davis.....	500	600
	D. A. McCuaig.	550	600
	E. H. Ross.....	350	450
	O. S. Clewlo ..	550	600
	Jas. R. Heakes.	900	950
	J. V. Horne....	500	600
	Jno. Slean.....	500	600
	And. Scott.....	800	900
	H. McWhirter..	500	550
	Robt. Wright...	500	550
	Wm. Reid.....	500	550
	J. S. Gillespie..	500	550
	Thos. Williams.	500	550
	W. J. Dunlop..	500	550
	S. A. Rutland..	500	550
	R. Custaloe.....	500	550
	E. L. Darley...	450	550
	Geo. Forrest....	500	600
	J. B. Brooks ...	500	550
	Jno. Kidd.....	500	550
	P. J. Slattery...	500	550
	David Brown..	500	550
	G. A. Cressman.	600	650
	M. F. Mogan...	600	650
	T. R. Glover....	600	700
	J. M. Anderson.	600	700
Wallaceburg ...	Wm. Hennegan.	400	500
	A. Mickle.....	400	450
	A. A. Meyers...	400	450
Windsor	L. N. Castanier.	600	700
	Jas. Crompton..	600	900
Quebec.			
Abercorn.....	Jno. Dunn.....	700	800
Coaticook.....	A. Putney.....	200	300
Mansonville.....	W. Lynch.....	700	800
Montreal.....	J. Z. Corbeil, asst. appr.....	1,200	1,300
	M. Charland....	900	1,000
	E. H. Mercier..	900	1,000
	E. I. Wilkes....	650	700
	B. Heroux.....	800	950
	A. E. Giroux....	700	800
	J. M. Bessette..	750	900
	Jno. Davis	1,000	1,050
	Nap. Prevost...	650	700
	F. L. Chevrier..	800	900

Place.	Name.	Increased	
		From	To
Quebec—Con.		$	$
Montreal—*Con*...	Jno. McCluskey	750	800
	P. McGovern...	750	800
	H. McCamley ..	500	550
	T. F. Slattery ..	550	600
	B. T. Holdbrook	600	700
	J. A. Chicoine..	600	650
	A. Bourret	700	750
	T. Butler.....	600	650
	S. B. Lytle.....	550	600
	R. Fontaine	500	550
	J. S. Loyer. ...	600	650
	E. Bernard.....	550	600
	Ed. O'Shea.....	800	900
	Jno. Drysdale ..	550	600
	M. Neher.	600	650
	J. A. A. Larin..	500	550
	D. Manson.....	550	600
	Jas. Carnon	500	550
	J. A. Robert....	550	600
	Jno. Murray....	550	600
	M. McGurn	500	550
	P. Martin	600	650
	S. St. Jean.....	600	650
	T. J. Dawson...	1,300	1,400
	Jno. Hough	600	650
	P. J. O'Neil....	650	700
	J. C. O'Briere ..	600	650
	J. S. Sorley.....	950	1,000
	L. Basinette, Joliette.....	700	800
	Geo. Smith.....	1,000	1,200
	J. E. Lamere...	950	1,000
	T. M. Jones. ..	750	850
	A. L. Barlow. ..	700	800
	L. D. Perham ..	900	1,000
	W. J. McKenna	1,100	1,200
	R. Fontaine	550	600
	N. P. Martin...	700	800
	H. N. Isaacson..	950	1,000
	J. H. Corbeil. ..	400	500
	W. S. Boyd.....	550	600
	T. McCracken..	500	600
	L. Girard.	500	550
	J. B. Birks. ...	500	550
	P. J. Harrigan..	550	600
	E. Perry.	500	550
	D. J. Lemieux..	1,000	1,200
	W. Roach.....	550	600
	M. Scanlan.	500	550
	F. Carbonneau.	500	550
	R. B. Webster..	500	550
	E. Coote	600	700
	A. Laurier, jr...	650	700
	F. L. Chevrier..	900	1,000
	C. C. Anthony..	1.50p.d.	500
	L. A. Beaulac ..	do	500
	Joseph Bourett .	do	500
	A. Dansreau....	17.50per month.	20 p.m.
	A. Demers.....	1.50 p.d.	500
	T. Fitzgerald...	25 p.m.	30 p.m.
	J. Hamilton....	1.50 p.d.	500
	R.aurin	12.50,per month.	15 p.m.
	J. Lanthier.....	15 p.m.	17.50per
	R. H. Logie	1.50 p.d.	1.75 p.d
	T. Major.....	do	500

Place.	Name.	Increased	
		From	To
Quebec—Con.		$ cts.	$ cts.
Montreal—*Con.*..	W. H. Mearil...	do	500
	C. Meunier.....	1,300	1,400
	C. Pegnem	1.50 p.d.	500
	E. F. Redmond.	do	500
	R. Sauvé..	20 p.m.	22.50 per month.
	J. H. Therrien..	1.50 p.d.	500
	L. Ste. Marie...	do	500
	G. H. Gauthier..	do	500
	A. Bedard	do	500
	T. Blanchard....	do	500
	L. Blanchette .	do	500
	J. Carlin.....	do	500
	T. Cartier	do	500
	J. P. Chambers.	do	500
	T. Corcoran	do	500
	W. H. Crispo...	do	500
	P. Desjardins...	do	500
	D. Farney	do	500
	A. Fichaud.	do	500
	F. Forgues	do	500
	E. Greene	do	500
	P. Harney.....	do	500
	J. Killoran.....	do	500
	A. Labelle.....	do	500
	A. Leduc.....	do	500
	E. Martel. ..	do	500
	W. S. Maybury.	do	500
	T. S. Roche.....	do	500
	J. L. Sharpe....	do	500
	E Beauvais	600 75	650 75
	F. Devane..	1.50 p.d.	500 00
	E. Elliot . ..	1.50 p.d.	500 00
	L. J. Harel.....	500 00	550 00
	P. Locke.....	1.50 p.d,	500 00
	P. Sansfaçon....	550 00	600 00
	T. Chambers....	1,150 00	1,200 00
	P. J. Harvey...	600 00	700 00
	H. McLaughlin.	1,200 00	1,600 00
	A. E. Giroux...	800 00	1,000 00
	F. O. Dillon....	300 00	400 00
	M. Roche	600 00	800 00
	Wm. Murphy...	600 00	750 00
	J. G. Martin ...	1.50 p.d.	500 00
	P. Martin ...	1.50 p.d.	550 00
	E. E. Killoran..	360 00	450 00
	J. H. I. Brabant	330 00	400 00
	J. B. Debois ...	600 00	650 00
	P. Keane.....	500 00	550 00
	H. Hearn.	1.50 p.d.	550 00
	H. Gauthier...	400 00	500 00
	T. Logan.....	500 00	600 00
	J. Champagne.	600 00	650 00
	J. G. Latour....	1.50 p.d.	500 00
	P. Sansfaçon....	550 00	600 00
	J. Stinson. ..	1.50 p.d.	500 00
	L. St. Martin...	1.50 p.d.	500 00
	J. Vallée.....	1.50 p.d.	500 00
	M. Valois	1.50 p.d.	500 00
	E. Beland.....	1.50 p.d.	500 00
Quebec.....	M. K. Bolger...	800 00	850 00
	J. G. Waters'...	850 00	950 00
	L. N. Vallerand.	700 00	750 00
	J. C. A. Bordeleau, Victoriaville.	600 00	700 00
	H. Hannon, asst. appr.	590 00	700 00

Place.	Name.	Increased.	
		From	To
Quebec.		$	$
Quebec—*Con*	W. E. Edge	950 00	1,000 00
	P. E. Guay.....	700 00	750 00
	A. S. Sinclair...	25 00	35 00
		p. m.	p. m.
	W. G. Wilson..	15 00	25 00
		p. m.	p. m.
	L. Dionne.. ...	50 00	100 75
	G. B. A. St. Amand..... ...	540 00	600 00
Rimouski	Jos. Gauvreau..	400 00	500 00
St. Hyacinthe...	A. Lancelot	400 00	500 00
St. Johns.....	L. E. Regnier...	400	500
Sherbrooke	M. T. Stenson..	1,600	1,700
	O. L. Deseve...	800	900
	H. A. O'Dell....	1,000	1,100
	Jas. Pender, Windsor Mills	400	600
Stanstead.. ...	C.H. McClintock	1,100	1,200
Three Rivers....	Isaie Dufresne..	700	800
Campbelton.....	A. McKenzie...	500	800
Dalhousie.....	Thos. Hayes....	150	200
Moncton	T. J. Coffey	550	600
	A. M. Leger....	600	700
St. John.....	Chas. T. Tilley..	700	750
	Jas. H. Hamilton	1,000	1,100
	Robt. McAdoo..	650	700
	Jno. Lowry.....	650	700
	Henry Turner...	600	650
	Thos. Finlay...	900	1,000
	J. W. Manson..	800	1,000
	David Dearness.	600	650
	J. E. Whittaker.	1,200	1,300
	Jno. Jenkins ...	500	550
	Wm. Morrissey.	500	550
	Robt. Clerke....	500	550
	P. O'Brien ..	500	550
	E. W. Morrissey.	150	500
St. Stephen.....	J. P. Bixby....	600	650
	T. R. McGeky, O. C.....	600	700
Woodstock .	J. A. Carpenter.	400	500
	D. H. Armstrong.	100	200
Nova Scotia.			
Amherst.....	F. S. Heffernan.	500	600
	Rupert Lusley..	400	600
Arichat.....	Wm Brymer....	150	200
Halifax.....	O. Pryor.	900	1,000
	S. Crawford	750	800
	J. C. Davis.....	650	700
	W. F. Meynell .	500	550
	C. F. Hubley...	600	650
	M. E. Keating..	600	650
	P. J. Power....	500	550
	P. A. Cook.....	500	550
	J. B. Naylor....	500	550
	P. W. Heffernan	500	550
	E. J. Hiseler. .	550	600
	Robt Carlton...	550	600
	Alfred Briand..	500	550
	E. J. Hiseler...	600	650
	E. J. Hiseler...	650	750
	D. J. Curren...	1.50 p.d.	
	J. H. Blakley...	"	500
	Thos Lynch	"	500
	J. A. Massey...	.....	500
	C. H. McNellan	600	650

Place.	Name.	Increased From	Increased To
Nova Scotia--Con.		$	$
Halifax—Con..	N. A. Conrad...	800	900
	N. Matheson...	500	550
	F. J. Logan....	60	100
	D. J. Curran...	1.50 p.d.	500
	C. G. Brander..	"	500
	C. J. Malcakey.	"	500
Lunenberg.....	S. Ritcey. ...	100	200
Middleton.	L. P. Schaffner.	500	550
New Glasgow. ..	S. T. McCurdy..	800	900
North Sydney...	A. F. Gannon ..	500	700
Pictou.....	G. E. Johnston.	800	900
	R. A. Dawson..	500	600
	D. Patterson....	500	600
	J. A. Russell...	1,100	1,600
Port Hawkesbury	A. D. McDonald	100	200
Port Hood	J. H. Ladd. ..	100	300
Sydney.....	Wm. Young....	350	400
Truro	G. A. Layton...	500	600
	H. V. Blair.....	850	1,000
Yarmouth.....	W. L. Campbell.	950	1,000
	A. S. Lent.....	150	200
Manitoba.			
Brandon.....	H. C. Graham..	1,600	1,700
	Wm. Press	700	800
Winnipeg.....	R. D. Young, Neepawa.....	600	700
	L. J. Gagnon...	900	1,100
	W. J. Burke....	800	850
	J. K. McMillan.	700	800
	J. S. Orr	$2 p.day	$2.50p.d
	C. A. Blick.....	600	800
	E. McG. Kerr..	250	450
Brit. Columbia.			
Grand Forks....	Geo. A. McLeod	720	900
Nanaimo.....	Lewis G. Hill...	100	300
	T. D. Conway ..	500	600
NewWestminster	C. H. Parsons, Golden.....	300	400
	B. R. Atkins, Revelstoke....	700	800
	W. H. Varietta..	300	500
Vancouver	C. A. Worsnop..	1,500	1,600
	W. L. Boult ...	720	750
	Allan Nichol....	1,000	1,050
	F. R. Greer.	720	800
	Jno. H. Kerr ..	720	900
	H. G. Cartwright	500	550
	P. McAllister...	720	750
	D. Ferguson....	720	750
	J. H. Watson...	800	850
	Donald McRae..	720	750
	T. C. Alcock....	720	750
	J. E. Fagan	720	750
	C. C. Ralston...	720	750
	W. Bojus.....	720	750
	A. W. Scouldar.	720	750
	Jas. Harris.....	750	800
	J. H. Kerr	900	1,200
Victoria.....	F. W. Davey...	900	950
	Wm. Atkins....	1,000	1,050
	J. A. McTavish.	700	750
	Irene Pickards..	300	350
	F. A. Small	700	750

Place.	Name.	Increased From	Increased To
P. E. Island.		$	$
Charlottetown ..	W. B. Robertson	1,500	1,600
	Jas. F. Curtis...	600	650
	E. de B. Peake..	600	650
	J. McCormick, Cardigan.....	150	300
Summerside.....	H. M. Baker....	$1 p.day	400
N. W. Territories.			
Calgary	Alex. Alien.....	1,500	1,600
	E. J. R. Walton, Medicine Hat.	400	600
	E. J. R. Walton	600	700
	F. J. Boswell...	360	600
Lethbridge	John Kenny....	1,100	1,200
	Wm. Gardiner, Macleod	500	700
Regina.....	S. B. Jameson..	700	1,000
	A. C. Paterson, North Portal .	800	850
	William Young, North Portal .	700	750
	Jno. Crawford..	450	600
	Jno. Crawford..	300	450
Yukon Territory.			
Dawson.....	E. S. Busby	2,000	3,000
Whitehorse.....	L. E. Simmons..	600	1,200
Board of Customs	R. W. Breadner	1,600	1,800
	Wyatt I. Wood.	1,600	1,800
	Jesse Stunden..	700	900
	E. C. Dalton....	600	700
	Chas. G. Ross ..	1,100	1,200
	O. H. Cogswell..	800	850
	J. F. Slater.....	650	900
	J. D. Parmelee..	1,200	1,300
	Thos. Westwick.	750	800
	W. H. Robertson	850	950
	Wm. T. Urquhart	1,200	1,400
	R. C. Allan.....	900	1,100
	Jean M. Cram..	400	450
	J. C. Boughner..	1,200	1,500
	E. R. Douglas..	700	800
	E. R. Douglas..	800	850
	C. Schofield.....	650	700
Board of Customs Prev. Ser.....	D. J. O'Grady..	750	850
	J. C. Bourinot..	700	900
Board of Customs Statistics.....	James Johnston.	300	750
	J. F. Berton....	800	850
	J. A. P. Daveling.	800	850
	R. H. Evans....	800	900
	W. H. Robertson	750	850
	H. M. Goodspeed	950	1,000
	R. M. Heintz...	1,100	1,150
	G. G. Jones	800	850
	J. F. Lannigan .	750	800
	Jos. Messier....	800	850
	Duncan McNeil.	850	900
	R. S. McPherson	800	850
	H. W. Patterson.	800	850
	E. Payne.	800	850
	J. F. Richards..	1,000	1,050
	Alex. Ross.....	800	850
	W. D. Selby....	850	900
	F. M. Shannon.	750	800
	Wm. G. Teaffe..	800	850

Place.	Name.	Increased	
		From	To
Board of Customs Statistics		$	$
	H. L. Wood	800	850
	R. C. Smith	750	800
	J. J. McGill	700	750
	Chas. P. Roche	900	950
	E. Finnigan	800	850
	W. J. McCaffrey	1,100	1,150
	C. C. McNeil	800	850
	E. Westover	750	800
	W.G. Livingston	750	800
	F. A. Campbell	750	800
	W. H. Carleton	800	850
	J. G. Connolly	950	1,000
	Robt. McConnel	950	1,000
	J. M. Peaker	800	900
	R. Raymond	800	850
	Jas. A. Johnston	750	850
	A. L. Anderson	800	850
	P. Duggan	800	850
	G. B. Fotheringham	800	850
	J. Hanlon	800	850
	P. Macdonald	800	850
	J. McVey	800	850
	H. H. Pigeon	800	850
	F. S. Ward	800	850
	Jonathan White	850	900
	H. J. Smith	850	900
	H. J. Cooper	750	800
	C. E. Shiles	800	850
	C. P. Flynn	800	850
	W. S. Wood	750	800
	A. M. McMillan	750	800
	E. R. Douglas (transferred from Mine Centre to Statistical Branch on Aug. 1, '03)	700	800
	A. V. Wade (Per. Oct.)	800	850

Salaries and travelling expenses of inspectors of ports and of other officers on inspection and preventive service, including salaries and expenditure in connection with the Board of Customs and for the compiling of statistical returns of imports and exports, $139,200.

Mr. PATERSON. There is an increase of $10,000 here. There are fifty-three officers in the statistical department, the most of whom I presume will receive the advance of $50 they are entitled to. Then we want to make provision for strengthening the inspectors' force, that is, we want more men engaged in ascertaining values in neighbouring countries than we have now, and we want provision for their travelling expenses. Our intention is to have men in the leading centres of business in the United States to keep us thoroughly posted as to home values. We had Mr. Atkinson for some time, we have lately engaged Mr. Milne, one of the appraisers at Toronto.

Mr. PATERSON.

Mr. BLAIN. What are the duties of inspector ?

Mr. PATERSON. These gentlemen I am speaking of now will visit the various centres of trade in the United States and thoroughly post themselves on the home values of goods shipped into Canada, so that we may be able to collect duties on the home values as the law requires in respect to all goods exported to this country. We require them to state on the invoice now the home price, and the duties collected on that are stated on the invoice. But we want to have our own officers in a position to know in all cases that the law is carried out.

Mr. INGRAM. Will the hon. gentleman so give us some explanation about the Board of Customs and their duties ?

Mr. PATERSON. The board as constituted under the law consists of a commissioner, an assistant commissioner and three Dominion appraisers. At the present time there are four Dominion appraisers. Their duties are laid down in the Act. They meet at intervals to decide questions that arise as to the interpretation of tariffs and as to what rates of duty certain articles should come in.

Mr. INGRAM. Do they perform all these duties at Ottawa ?

Mr. PATERSON. They meet here only. They only deal with rates.

Mr. INGRAM. When a man buys goods in the United States and the invoice is claimed to be lower than the actual selling price in the United States, does that invoice come to the notice of the board ?

Mr. PATERSON. No, the appraiser deals with that at the port of entry and then we have our check department here. Mr. Breadner is at the head of the check department and it is between the appraiser at the port and the check department here.

Mr. INGRAM. So that the importer has nothing to do with the board under the circumstances which the hon. gentleman has stated ?

Mr. PATERSON. The commissioner of course is the deputy head of the department and he is also commissioner of the board. By virtue of being deputy head he is necessarily over the check department.

Mr. INGRAM. I do not mean in that light at all because he would not be acting as chairman of the board in doing that.

Mr. PATERSON. No, he would be acting as deputy head.

Mr. SPROULE. How many inspectors have you now and how many will you require for next year ?

Mr. PATERSON. We have twelve inspectors in the Dominion and one assistant inspector.

Mr. SPROULE. How many additional do you want for next year ?

Mr. PATERSON. This is to strengthen the staff in the United States which is composed of officers who are not called inspectors but investigating officers.

Mr. SPROULE. Then you do not require any more inspectors ?

Mr. PATERSON. No.

Mr. SPROULE. How many additional do you require for the staff that you employ to ascertain values ?

Mr. PATERSON. We have now got down to one and we have taken one of the appraisers who was at Toronto formerly. I think that probably he will be continued in the work. I would like to have two or three more.

Mr. TAYLOR. What is the salary ?

Mr. PATERSON. Well, we have to pay them pretty liberal salaries. We want capable men for this work. We want men who know how to approach the manufacturer courteously and one who will understand the business with which he is dealing.

Mr. SPROULE. What salary are you paying at the present time ?

Mr. PATERSON. Mr. Miller as appraiser was getting $1,800. He was not appointed to this position. The expenses run about $2,000 beyond the salary.

Mr. TAYLOR. Who are the inspectors now ?

Mr. PATERSON. Mr. Atkinson and Mr. Miller.

Mr. SPROULE. You want some of this money for completing statistical returns ? Is the work to be done in a branch that you are going to add to the department or in a branch that is already in existence ?

Mr. PATERSON. This is just to increase the salaries. There are no new men.

Mr. TAYLOR. I see that Mr. Atkinson gets $1,100 salary.

Mr. PATERSON. Yes.

Mr. INGRAM. On Friday night last we were discussing an item of $57,167 on page 10, and I find that a portion of this item that we are now considering is also to be devoted to the collection of statistics. The hon. gentleman explained that the item of $57,000 was to provide for additional clerks whose duties were to be the collection of statistics in order that the monthly returns should be brought down promptly.

Mr. PATERSON. This is to provide for three men who were employed in the statistical work and who have been brought into the inside service, as I explained then, but their salaries were voted in the outside service and they were paid out of that vote. They will, after the 1st of July, be paid out of the inside vote. Their places have been filled by three others at not quite the same salaries that these gentlemen were getting. There is an extra expense but it is clearly shown in the estimate here.

Mr. SPROULE. How many statistical officers have you in your employ ?

Mr. PATERSON. Fifty-three.

Mr. SPROULE. I thought the statistics were managed in the Department of Trade and Commerce.

Mr. PATERSON. I am not acquainted with the working of the other departments. We collect the statistics that you find in the trade and navigation returns. We get out these monthly returns and also the yearly returns.

Mr. SPROULE. Do not the monthly returns come from the Department of Trade and Commerce ?

Mr. PATERSON. No, we issue our own returns.

Mr. SPROULE. Is this work duplicated in the two departments ?

Mr. PATERSON. Our work is entirely original.

Mr. SPROULE. I cannot understand why you should require a double set of officers to get out these returns in the two departments.

Mr. PATERSON. There are very few officers in the Department of Trade and Commerce.

Mr. SPROULE. But they get out the same figures do they not ?

Mr. PATERSON. Yes, but they compile them in a somewhat different form. They have reports from agents abroad but they have no statistical branch properly so-called.

Mr. SPROULE. We vote money for a statistical staff over there.

Mr. PATERSON. They have a very small staff.

Mr. BLAIN. When was the first officer appointed in the United States ?

Mr. PATERSON. Many years ago, before I came into the department at all.

Mr. BLAIN. Under what item do we find that gentleman ?

Mr. PATERSON. His salary is paid out of this vote 'Board of Customs.'

Mr. BLAIN. Is he called an inspector ?

Mr. PATERSON. No, a special officer; first appointed April, 1895; permanently appointed in 1899.

Mr. BLAIN. Is the explanation of this increase, that a large quantity of goods are coming in from the United States under valuation?

Mr. PATERSON. There has been complaint of under-valuation.

Mr. BLAIN. The minister would not admit that last year.

Mr. PATERSON. I think the discussion last year was with reference to goods coming in under the preference. We have unfortunately found cases of under valuation of goods coming from the United States.

Mr. BLAIN. What line of goods?

Mr. PATERSON. Almost all lines, except perhaps groceries.

Mr. BLAIN. And you want two extra officers on that account?

Mr. PATERSON. We want to get fuller information.

Mr. BLAIN. Do these inspectors in the United States report to the department directly?

Mr. PATERSON. Yes.

Mr. BLAIN. Monthly reports?

Mr. PATERSON. Almost daily, and if there is any case under adjudication they may have to make a special mission.

Mr. BLAIN. How much of this item is for the twelve inspectors and their expenses?

Mr. PATERSON. Salaries, $26,350; expenses, $8,500.

Mr. CLANCY. Were the salaries of any of these increased last year?

Mr. PATERSON. I think not. There is one new assistant inspector, but the Department of Customs will be recouped for his services by the Department of Trade and Commerce. He was specially charged to look after importation of machinery coming to the Sydney works, some of which were dutiable and some free. He became well posted in the work, and when the payment of the bounty was transferred from Customs to Trade and Commerce, the minister was anxious to have an able officer and one conversant with the work, and it was thought that perhaps Mr. Russell would be the best fitted of any one in the public service to do that work. We, therefore, lent him to the Department of Trade and Commerce, and we will be recouped for his salary.

Mr. INGRAM. How much money will be spent for the Board of Customs and the collection of statistics, as distinct from the other services included in the vote?

Mr. PATERSON. About $40,000 for the Board of Customs and $45,500 for statistics.

Mr. BLAIN.

Mr. INGRAM. I cannot understand why these accounts are kept separately. At F—3. Auditor General's Report, you will find Board of Customs and statistical office, $59,510.49, and at F—34 you will find Board of Customs and statistical office, $74,715, or a total of $134,259.15. What is the object of keeping these accounts apart?

Mr. PATERSON. That is the Auditor General's Report.

Mr. INGRAM. I know it is; but why should they not appear page after page consecutively, instead of having them distributed all over the Auditor General's Report in this way?

Mr. PATERSON. The accountant says our accounts go to the Auditor General separately from those of the Board of Customs.

Mr. INGRAM. Why should they not go together, so that they will be entered consecutively in the Auditor General's Report? As they appear, it is very difficult for us to gather from them what is done.

Mr. PATERSON. That is the auditor's way of entering them. Many of the officers whose salaries are entered under the head of Board of Customs are not living in Ottawa, but in Toronto, and it may be that that is the reason they are entered separately from those of the department.

Mr. SPROULE. How many preventive officers have you?

Mr. PATERSON. We have fifteen this year, an increase of three over last year.

Mr. BLAIN. For the Board of Customs, the salaries and expenses this year amount to $30,500. The hon. minister is asking for $40,000 for next year. Why the increase?

Mr. PATERSON. The vote includes the salaries of the Dominion appraisers at Ottawa and those of the men on Mr. McMichael's staff at Toronto, though not Mr. McMichael himself.

Mr. BLAIN. On page 3949 of Hansard we find:

> Customs, 27 officers salaries, $23,500; expenses, $7,000.

Which makes a total of $30,500 voted last year, but the figures the minister gives tonight is $40,000 an increase of $9,500, and I am asking why the increase takes place.

Mr. PATERSON. The explanation is that last year that covered only the officers in Ottawa and did not include the officers at Toronto. The salaries and expenses there are about $10,000 but the amounts item for item are about the same this year as last.

Mr. INGRAM. Some new names have been added to the Toronto list.

Mr. PATERSON. Yes, three have been added, Mr. W. G. Livingston, Mr. Capreol and Mr. J. M. Sullivan. Carried.

Mr. SPROULE. Carried if the committee will rise now.

Mr. PATERSON. You do not want to give me the other items ?

Mr. SPROULE. It would only be detaining the House because there will be a great deal of discussion on the other items.

Mr. PATERSON. There are four or five items just the same as last year.

Mr. TAYLOR. The next item is miscellaneous, which includes :

Printing and stationery, subscriptions to commercial papers, flags, dating stamps, locks, instruments, &c., for various ports of entry, legal expenses and uniforms for customs officers.

In the Auditor's Report I find salaries of men in Washington and St. Paul at $3 a day, for 365 days in the year, men who have been hidden away about whom we know nothing.

Mr. PATERSON. The explanation is that all of that is paid back to us. The people of Canada do not pay it. They are Canadian officers who are placed there for the convenience of the American roads and the American roads have to pay their salaries. The people of Canada do not pay them.

Mr. TAYLOR. I will read one other item. We have here this entry :

Woodyatt, T. Brantford : services arranging for and conducting investigations of charges against customs officials, 18 days at $10 ; board and lodgings, $17.50 ; fares $28.70 ; telegrams and postage, $1.60—$227.80.

What did he do for that money ?

Mr. PATERSON. I think that was back in 1896, and he did not render his bill for a long time.

Mr. TAYLOR. We want to know what he did during those eighteen days.

Mr. INGRAM. I still insist that it is a reasonable hour to adjourn. If the minister has not his estimates passed I do not hold myself responsible for that. The Minister of Customs, I understand is consulting the Finance Minister (Mr. Fielding) about it. That hon. gentleman takes no part in this discussion. But if he had to watch these matters as closely as some of us on this side do, he would find it pretty hard work. I think I am within my rights in objecting to going on any longer.

Mr. PATERSON. I think I have given the explanation the hon. gentleman wanted.

Mr. SPROULE. This item will require some discussion and it is now one o'clock. The minister complains that the items are not passed, but I think we have greater right to complain that the information that we ask for is not given. I think we have done a good long day's work.

Sir WILLIAM MULOCK. I am sure that there is no disposition to press the passage of items unduly. At the same time I think there should be some regard for time on the part of hon. gentlemen on the other side. What has taken place to-day ? We began the discussion of these items about five o'clock and we have been actually at work six hours on these few items. And I am sure that if hon. gentlemen will read 'Hansard' to-morrow, they will find that this discussion could have been greatly condensed. If hon. gentlemen will, unintentionally perhaps, waste time they must not complain if the government wish to proceed with the public business and make substantial progress. We could have accomplished the useful part of this discussion in one-third of the time occupied and could have disposed of a much larger volume of business than has been done. If the opposition kill time they must not complain if the government ask them to go on and do a legitimate day's work.

Mr. TAYLOR. Go on, then.

Sir WILLIAM MULOCK. Very well.

Mr. SPROULE. I object to the statement that the opposition are wasting time, I say the government are wasting time.

Sir WILLIAM MULOCK. Who is wasting time at this monent ?

Mr. SPROULE. The government. If the Minister of Customs had given the information asked for, we could have done three times as much as we have done. The Postmaster General complains that we have done little. We have voted over a million and a quarter of dollars to be spent in salaries all over the country, and we have done it, I must say, on the most meagre information I ever heard given by a department. And because we occupy time in trying to pry the information out of the minister, we are accused of wasting time.

Mr. TAYLOR. The Postmaster General lectures the members of the opposition. He was not in the House at half past five, when the Minister of Customs took the floor and talked until five minutes past six. And when we came back at eight o'clock he talked till five minutes to nine. The members of the opposition can hardly be expected to listen quietly to a charge that they have wasted time, when 'Hansard' will show that three-quarters of the time was taken up by the Minister of Customs making a campaign speech. The Postmaster General was not here to hear the lecture that the Minister of Customs read us. We are not going to take such lecturing without resenting it.

Mr. INGRAM. So far as I am concerned, I had no idea of killing time. Every ques-

tion I asked was pertinent to the subject under discussion. We have voted $1,324,000 since five o'clock. Many of us have to be at a committee meeting at ten o'clock and when we have attended to our correspondence and then sat here until a late hour to-morrow, we shall have done pretty well.

Sir WILLLIAM MULOCK. Better finish this resolution.

Mr. INGRAM. As I understand it, $139,200 has just been voted. The items remaining in this section are $37,500, $30,000, $5,000 and $40,000. The amounts are not large, but each cover a number of items upon which an explanation will be required. When the Postmaster General was in opposition he was one of those who insisted most strongly upon all information being given.

Sir WILLIAM MULOCK. I was very reasonable.

Mr. INGRAM. Not always. I have been here long enough to remember the hon. gentleman for some years in opposition.

Mr. PATERSON. I would like to give an explanation of this item of $37,500 for miscellaneous. But before doing so, I desire to say that I do not think that fuller explanations were ever given than have been given to-night. If hon. gentlemen will go over 'Hansard' of former years, I think they will find that never has information been insisted upon in such detail as on these estimates. I have endeavoured to meet the demand for information so far as possible, and I think hon. gentlemen themselves must be convinced that the explanations were intended to be full and were fairly reasonable. Now, after this item the hon. member for Leeds brought forward the names of the men in the United States. But, if he will look at the bottom of the page, he will find deductions as follows :

Grand Trunk Railway, services at Portland, Maine, $1,095 ; Grand Trunk Railway, services at Chicago, Ill., $1,080 ; Great Northern Railway services at Seattle, Washington, $1,157 ; Great Northern Railway, services at Tacoma, Washington, $1,095 ; Northern Pacific Railway, services at Duluth, Maine, $1,288.50 ; Minnesota Transfer Company., services at St. Paul, Minn., $1,095 ; Wabash Railway, services at Chicago, Ill., $1,095 ; amounts received from various officers for premium on guarantee bonds, $4,768.50—total, $12,674.

This is the amount which we are recouped by these roads to which services have been rendered.

Mr. TAYLOR. That is an explanation, but the question I asked was why is this account kept in miscellaneous ? Because in the estimates we are told what miscellaneous means and here we have a number of items that do not come in here. For instance this account paid to Mr. Woodyatt, Brandon, $227. What is this ?

Mr. PATERSON. It was an investigation that was held.

Mr. TAYLOR. What is the $37,000 wanted for ?

Mr. PATERSON. We estimate that it will be wanted for different purposes under this heading. If it is not required it will not be expended.

Mr. SPROULE. How much do you want for printing ?

Mr. PATERSON. Last year the expense for printing and stationery was $17,500, of which the stationery alone was about $10,000.

Mr. BLAIN. Would the minister give us a detailed statement of the larger items of expenditure last year ?

Mr. PATERSON. The details are to be found in the Auditor General's Report, F-36, 37 and 38.

Mr. BLAIN. I would like the minister to tell us something about that book that was published last year for the instruction of the customs officers, and how much it cost.

Mr. PATERSON. That is the book the commissioner is working on. It is not completed yet.

Mr. BLAIN. Perhaps the minister would state how much it is going to cost.

Mr. PATERSON. It will cost nothing but the printing. The commissioner is not receiving anything extra for his work.

Mr. BLAIN. The hon. gentleman, as I understand, is preparing a book for the better information of the different customs officers in Canada in order that each one may understand his own duty. Will the hon. gentleman state how much he expects to expend in publishing that book so that it will be ready for distribution amongst the officers ?

Mr. PATERSON. It would depend on the number of copies. The officials estimated the amount required at $2,500. The expenditure would be in connection with the printing and stationery only. When it is finished it will be a very useful book. There have been no instructions issued for the guidance of customs officers since 1876.

Mr. BLAIN. The minister stated last year, as will be found on page 3962 of 'Hansard':

There is an increase of $2,500 here which is required to meet the cost of printing a book now in course of preparation by the assistant commissioner——

Mr. PATERSON. Not the assistant commissioner. Does it say so ?

Mr. BLAIN. The assistant commissioner.

Mr. PATERSON. That is a mistake.

Mr. BLAIN. (reading).

—contains instructions to the customs officers on their respective duties. We have 1,617 officials and I suppose each one should have a copy.

Now the minister got last year $2,500 for the purpose of preparing this book. He says that nothing has been expended so far for that purpose. Now will he tell us what he did with that $2,500 ?

Mr. PATERSON. We did not use it, it lapsed.

Mr. BLAIN. Is this a revote, then ?

Mr. PATERSON. Practically, yes.

Mr. BLAIN. Am I correct then in understanding the minister to say that the $2,500 voted last year was not any of it expended?

Mr. PATERSON. It has not been expended this current year. It is not expected any part of it will be used.

Mr. TAYLOR. Will the hon. gentleman give us the details of the expenditure of this $37,500 this year ?

Mr. PATERSON. The expenses are about the same each year.

Mr. BLAIN. I do not wish to weary the minister, but I have another question. I have read what he said last year about the $2,500. I would like the minister to state emphatically, if he is able, that no part of the $2,500 was expended last year for any purpose.

Mr. PATERSON. I say emphatically it will not be.

Mr. BLAIN. What was done with the $2,500 that was voted last year ?

Mr. PATERSON. Nothing done.

Mr. INGRAM. The hon. gentleman has this item of $37,500 placed under seven or eight different headings under which he proposes to expend the money. Will the hon. gentleman give the figures under the different items making up the total of $37,500 ? If the hon. minister will give the explanation under each item as it is called it would facilitate the progress of business. We have been trying to get this information for hour after hour and yet these hon. gentlemen opposite tell us we are killing time. I think it is high time the hon. gentleman should give us this information. There is no reason in asking us to sit here until two o'clock in the morning, and I protest against this kind of thing. Of all the estimates that it was ever attempted to get through this House, I have never known of there having been less effort to give an explanation than that made by the hon. minister to-night. We have to drag it out of him. When other hon. gentlemen come down with estimates, they give an explanation upon each item as it is called without being asked for it. Either the hon. gentleman is holding back the information or he is not posted on his own estimates, because if he were he could give a better explanation than that which he has given.

Mr. PATERSON. The hon. gentleman has the Auditor General's Report there in which the expenditure is given for the previous year. The estimates for the coming year are based upon the expenditures of the past year. The hon. gentleman can see how these expenditures were made. We anticipate there will be equal expenses upon equal lines, from the same operations as those shown upon the book before the hon. gentleman. Therefore we ask for $37,500. The details of the expenditures are in the hon. gentleman's hand. He is asking for information which he has in his hand and can get. There is no desire to withhold information. There have been as complete explanations given as can be given. The hon. gentleman is insisting upon getting from me, what he has already and he is insisting upon something that is not necessary for the proper understanding of the subject. The expenditures do not vary in any considerable degree. He can see that this estimate must be approximately correct, but if it varies in any respect and there is more estimated for than will be expended the vote simply lapses and the money is not expended.

Mr. INGRAM. The hon. gentleman has not enlightened us very much. What is the hon. gentleman paid for if he is not paid to come down to this House and give information ? When he goes to council and asks for a certain amount of money to carry on the affairs of the department, does he tell the other ministers to look at the Auditor General's report and see what the expenditure was last year ? If he went over to the council and asked for so much on these various items we assume that he would be in a position to tell the other ministers what the items are and how he makes up the total of $37,500. I am not here to peruse two volumes of the Auditor General's Report—

Mr. PATERSON. Yes, you are; it is printed for you.

Mr. INGRAM. The hon. minister is paid for that. We have on page 75 of the estimates, an item of $37,500 for miscellaneous, consisting of printing and stationery, subscriptions to commercial papers, flags, dating stamps, locks, instruments, &c., for various ports of entry, legal expenses, and uniforms for the customs officers. I want to know how much the hon. gentleman requires for each of these items. I do not want to be told that I am to come to this House and read page after page of the Auditor General's Report to see what you expended last year. I want to know what you propose to do for the coming year. You may expend twice as much

during the incoming year as you did last year or you may not. It is not for me to give the answer to that question. That is what the hon. minister is here for, it is what we want to know and it is what we will know before he gets this item through.

Mr. PATERSON. We are asking for this amount. It is based on the expenditure under a similar head last year and it runs about the same thing.

Mr. INGRAM. Why don't you tell us what the expenditure is?

Mr. PATERSON. The hon. gentleman has it in his hand. It amounts to $37,500. He seeks to know what transpires in council. I am not at liberty to tell him what transpires in council, but the fact that the amount is in the estimates will be taken as an evidence that it has received the approval of council and I do not know that the hon. gentleman would be any wiser. I may say that I consider his questions are captious, without any public benefit, that they are of no use and that no good purpose will be served. He may delay the proceedings but he is certainly not accomplishing anything more, and cannot hope to accomplish anything more.

Mr. INGRAM. I understand the minister to say that the expenditure is included in this report which is brought down to the 30th June last year. The hon. gentleman is asking for money to be expended from the 30th of June next until the 30th June, 1905, he wants to lead the House and the country to believe that because we have a document before us that will soon be a year old, we should be in a position to judge from that what he is going to expend next year. The hon. gentleman talks about me wanting to know what he does in council. Was the hon. gentleman joking?

Mr. PATERSON. No, the hon. gentleman asked if I went to council and did so and so.

Mr. INGRAM. The hon. gentleman must be joking when he talks like that. Nobody wants to know what the hon. gentleman does in council. I have never asked him such a question. I have been too long here to ask any such question because I know better. I would be quite satisfied to get from the hon. gentleman an explanation of his estimates in this House, without endeavouring to ascertain what he does in council. If he is as particular in withholding information from council as he is in this House the hon. gentleman will never divulge what took place in council. I am perfectly reasonable in the question I am asking.

Mr. PATERSON. The hon. gentleman wants to know how much I am going to expend on padlocks this year?

Mr. INGRAM. Well, is there anything unreasonable in that?

Mr. SPROULE. Here is an item for printing and stationery, subscriptions to commercial papers, flags, dating stamps, locks, instruments, &c., for various ports of entry, legal expenses and uniforms for customs officers. Let us suppose that he took this whole vote and expended it upon two of these items. It is the duty of the minister to give explanations as to the various items, and when he tells the House how he spent the money last year, the House decides whether it is wise to vote it or not. We are asking for no more information than we have a right to ask, and the minister is giving us less information than he should give us. I cannot conceive how any minister could ask council to pass these items on such limited information as is presented to the House.

Mr. BLAIN. What is the explanation about the legal expenses. Mr. T. Woodyatt of Brantford was paid $264 for investigating charges against officials. What was the outcome of the investigation?

Mr. PATERSON. That was for an investigation in 1897. Mr. Woodyatt was a long time in rendering his account, but he had not been paid before.

Mr. BLAIN. Did the department not ask for the account?

Mr. PATERSON. He was asked repeatedly for it.

Mr. BLAIN. What was the trouble?

Mr. PATERSON. There was no trouble. He was asked time and again for his account, but he did not send it in. I grant you it looks strange, but it is a fact.

Mr. BLAIN. Perhaps the minister would bring down the correspondence.

Mr. PATERSON. I do not know that there is any, except that there may be letters asking him to send in his account.

Mr. BLAIN. What was the outcome of the investigation?

Mr. PATERSON. I do not remember the facts as it is so long ago, but the accountant's memory is that the services of one officer at Parry Sound were dispensed with, and the charges against a man named Campbell at Meaford were not sustained.

Mr. BLAIN. It would save time if the minister would give a full explanation.

Mr. PATERSON. I cannot be expected to remember the details of an investigation that took place several years ago. Mr. Woodyatt is the police magistrate of Brantford, who occupies a very good judicial position, and I think it will be generally admitted that whatever his findings were, they were correct. It looks strange that he did not send in his account before, but that is

the bald fact. He is not like other lawyers in that respect.

Mr. BLAIN. Are there any more outstanding accounts ?

Mr. PATERSON. None of that nature.

Mr. FOWLER. What is the case of Ross vs. King, at page F—36 ?

Mr. PATERSON. That was a suit with reference to duty on steel rails, in connection with an account which arose under the late government in 1895. The parties were made to pay duty on steel rails for a street railway. It was explained that they should be free, but the Customs Department of that day ruled them dutiable. The parties sued for recovery, and carried the case to the Privy Council and succeeded against the Crown in the principal sum. This suit arose out of a claim for interest on the money. In that case, which also went to the Privy Council, the Crown succeeded.

Mr. FOWLER. I notice several items relating to guarantee bonds. What is the principle that guides you in that matter ? Do you pay the premium ?

Mr. PATERSON. Yes. The officers of the Customs Department who handle funds are insured in the four Canadian guarantee companies, one of which takes the maritime provinces, another Quebec, another Ontario, and the other all west of Ontario. We have arranged for a special rate of $3.60 per year per $1,000. The department pays the companies and deducts the amount from the salaries of the officers. By this arrangement, which operates very well, we avoid the trouble incident to private bondsmen. Last year we expended on the guarantee fund $4,347 and received $4,315.65. There were no losses.

Mr. CLANCY. I want to ask whether the money we are now voting is accounted for on page F—5 and page F—36 to 38, inclusive ?

Mr. PATERSON. F—5 comes under the first item, which is passed.

Mr. TAYLOR. I have a number of questions which I wish to put to the hon. minister, and I am going to get on my feet every time, and I expect the hon. gentleman to do the same. The hon. minister informed the member for East Elgin (Mr. Ingram) that he would obtain information on these votes in the Auditor General's Report. I see here there is an item of $27 for legal expenses, Bickerdike & Trahee. Is the same item in the present estimates for these legal gentlemen ?

Mr. PATERSON. The total expenses under that head were $264, which was divided among different firms, and it does not necessarily follow that these same men will have the same amounts, but it is assumed that there will be that much required for that purpose. I suppose that this item has been passing through in the shape in which it is for the last thirty years for anything that I know, and I do not know that any further information has been given about it than I have given to-night.

Mr. TAYLOR. We have asked the hon. gentleman to give details of his estimated expenditure, and he tells us that his estimate is based upon the expenditure of last year as shown in the Auditor General's Report. Well, we turn to the Auditor General's Report to see how he spent his money last year. If we take up the item of advertising, we find that the St. John 'Globe' received $4.80 and the St. John 'Telegraph' $4.80 for notices re conscience money—a total of $9.60 for this service. Does he expect to spend $9.60 next year ?

Mr. PATERSON . Does the hon. gentleman (Mr. Taylor) expect me to answer such questions as that ?

Mr. TAYLOR. Yes. The hon. gentleman has referred it to the Auditor General's Report and I want to see what he expects to do with this money next year. Had he based his estimate on this estimate of $9 for advertising ?

Mr. PATERSON. Does the hon. gentleman want to stand in the position of asking whether accounts that have been paid are to be paid again ? Surely he must understand, what I think any man of ordinary intelligence would understand, that we estimate that if printing and stationery cost a certain amount this year, the probability is that it will cost about the same next year. But certainly we shall not pay again accounts that have already been paid. If the hon. gentleman cannot understand that I think I am not bound to answer any further.

Mr. TAYLOR. I understand this point as well as the hon. minister does. I have as much intelligence as the hon. gentleman, and know as much of bookkeeping. But the hon. opposition have asked three or four times——

Mr. PATERSON. Forty times.

Mr. TAYLOR. Well, forty times if the hon. gentleman's conscience will permit that figure—we have asked him to give us the approximate amount he is going to spend under each head, and he refers us to these accounts that I have before me. Does he expect to pay Mr. Woodyatt $10 a day for eighteen days ?

Mr. PATERSON. No, he is settled with.

Mr. TAYLOR. Then, it would appear that this is an item which was not used as the basis of the estimate, and so we are that far from finding out what the minister will do with $37,500. Before he gets this through he will have to give us an approxi-

mate estimate of what he intends to spend this $37,500 for. According to the Auditor General's Report, he only required $33,458. He has told us that he does not expect to repeat this expenditure to Mr. Woodyatt. Does he expect to spend $9.60 for advertising in the St. John 'Globe' and the St. John 'Telegraph'?

Sir WILLIAM MULOCK. I have had some little experience in this House, and I think I am right in saying that this is the first time since I came to parliament that the examination of any minister has taken place on the lines pursued to-night. There is nothing to guide the minister in his estimate of expenditure but the experience of the past. My hon. friend (Mr. Taylor) is a householder. He has a fair idea of how much he spent last year for the maintenance of himself and his family. He knows what he pays, in bulk to his butcher and baker and candlestick maker—how much it cost him to maintain his house last year. He probably figures on spending a similar amount next year. But if he were asked if he intended to spend the same amounts on the same people he would say: No, I may change my butcher or my baker; I may change my bill of fare; I may wear different garments and have different personal expenditure; but I shall probably spend in the current year about as much as last year. Nobody can tell exactly what items will be incurred as contingencies in the public service. This sum is voted to cover a miscellaneous collection of expenditure which cannot be foreseen in detail. And if my hon. friend, having had full explanation from the Minister of Customs, threatens this House with obstructive tactics unless he gets certain statements made to him, I think this committee should respect themselves enough not to tolerate the success of such tactics. This is not an unusual thing with the hon. gentleman. In fact, it is part of his programme to declare that nothing shall be done unless his particular demands are complied with.

There is an effort made on the part of the government to be reasonable at all times, it is our desire to do so on all occasions. But when an hon. gentleman persists in asking a question that has never been asked, as far as I remember, during my experience of 23 sessions, I think the committee is warranted in concluding that no public good is going to come from the prosecution of any such inquiry. Now we are told by the hon. member for Leeds that he will not let this item pass until he gets information that cannot be given. He has asked a lot of absurd questions. He has asked the Minister of Customs to state how much he is going to pay for this and for that item, how much he is going to pay this man and that man in the future because similar services were paid in the past—a question I think on reflection he will be ready to acknowledge was not reasonable. He has asked the Minister of Customs to do the impossible, to tell this committee how this item is going to be made up in the various contingencies. Since the hon. gentleman has told us that he will not allow this committee to proceed until that information is furnished, we have come to a deadlock. The hon. gentleman has threatened to obstruct because the minister will not answer a question impossible to be answered.

Mr. INGRAM. When the hon. gentleman talks about the Auditor General's report showing us the expenditure up to the 30th of June last, it was my duty as a member of this House to go through these items and investigate them. If there is anything we do not understand we come to this committee when these items are under discussion, and ask the minister to explain them to us. Now here is an item of $37,500 the details of which the minister says have not been asked for before. Is that a good reason why the minister should not answer?

Sir WILLIAM MULOCK. How can he give the details of a future expenditure of this kind? It has been the practice to group in contingencies a number of expenditures of an indefinable character, it has been done by all governments, and it is the only possible way of carrying on the business. The hon. gentleman knows quite well that never before in the passage of Customs items did any member ever ask what is being asked for to-night. There is no particle of good coming from it. The government side are quite as able to remain here as the opposition side. We have had many of these contests in the past, I have taken part in them in opposition, and I have come to the conclusion that there is no practical good in them. Hon. gentlemen are expected to give reasonable criticism to our items, but at the same time to allow us to make substantial progress. This desultory, pointless debate has been prolonged now into the small hours, and to all appearance we are to be kept here indefinitely because at the present time the hon. member for South Leeds will not recede from that position. The opposition cannot dominate this House. There is no disposition on the part of the majority to do it. The majority is as conciliatory and reasonable as it is possible for it to be. It is only in that spirit that we meet the House. But, there comes a time when discussion ceases, when there is no profit any longer in discussion and I submit that we reached that point long ago in connection with this item. It is impossible to define in any more detail than the Auditor General report defines the prospective expenditure of this money. Why persist in asking for what it is impossible to give?

Mr. INGRAM. If the hon. minister had said in the first place that he had not an

itemized statement, that would have ended it, because he could not have given it, but the hon. gentleman led us to believe that he had these different items particularized, and if he had given the statement then that would have been an end to any discussion as far as the $37,500 item is concerned. As far as these estimates are concerned, I think we made very good headway until we struck this item of $37,500. When we had passed a million and some odd dollars I think it was time to adjourn. The hon. Postmaster General and the hon. Minister of Customs were both active members of the opposition, and I think I am not saying too much when I say that when it came to an unreasonable hour and they asked for an adjournment and our friends did not grant an adjournment there was only one method left for them to pursue, and that was to act stubbornly and say : We will not allow any items to pass. Knowing this, these hon. gentlemen ought to have some respect for the opposition now. If we had adjourned at 10.30 or 11 o'clock, I think we would have accomplished just as much as we are doing now.

Mr. SPROULE. I submit to the hon. Postmaster General that the information given us is not the information we are accustomed to have in this House. He will remember that when Sir Mackenzie Bowell occupied the position of Minister of Customs he came down to this House with a book containing all the details, and as soon as an item was called he read from his book the explanation of how much he wanted for this and how much for that. We have passed the item providing for the ordinary expenditure on civil government salaries. What does it say in the Auditor General's Report ? I asked the hon. Minister of Customs how much he wanted for salaries in the different provinces. He could give no information whatever. The Auditor General's Report shows that for salaries and contingencies there was an expenditure in Ontario of $324,329. Surely the hon. gentleman had that information. Then I find that there was an expenditure of $261,905 for Quebec, and there is a separate item for each of the other provinces. Yet the hon. minister could give us no information about this item of $1,184,865 under this head. Is it fair to ask an opposition, which is doing its proper duty, to allow items of this kind and size to pass on such meagre information ? It is not an answer to say you have it in the Auditor General's Report. My hon. friend from Leeds (Mr. Taylor) gave an illustration of the absurdity of presenting this as an argument and of saying we should be satisfied with that. There was no more unreasonable man in this House than the hon. Postmaster General when he and his friends were in opposition. There was no more unreasonable man in this House than he was. We are doing our duty as we conceive it, and we shall exercise our own judgment as to what we conceive to be our duty. The hon. Minister of Customs stands up without any information and says : I want $1,184,865 for salaries and contingencies, and you can find the explanation of it in the Auditor General's Report. I say that we will not be doing our duty by allowing these items to pass. No opposition can faithfully discharge its duty without more information as to what the money is required for than that which the hon. Minister of Customs has given to-night. We are amply justified in the demand that we shall get the information which has been so unreasonably denied us.

Sir WILLIAM MULOCK. I pledge my word that never since the hon. gentleman was in this House was the information he asked for denied or asked for. I say that never since this House has sat, and never since Canada had a parliament, were such details demanded or furinshed to parliament. My hon. friend says that I myself made these demands, and that I was very unreasonable in having done so. Then, why follow such an unreasonable precedent ?

Mr. TAYLOR. We have not begun to follow it yet. The hon. Postmaster General lectured me a few moments ago, saying that he had been so long in public life and that he never saw such tactics pursued as those which he witnessed to-night. I have been in this House as long as the hon. gentleman, and I would remind him that the hon. Postmaster General and the hon. Minister of Customs and their friends kept us here from Wednesday until Saturday night at twelve o'clock. I never left the House till Saturday night at twelve o'clock, because these hon. gentlemen talked and talked from Wednesday until Saturday. A strong appeal was made by my hon. friends from Grey and Elgin to adjourn at 1 o'clock this morning, after we had voted nearly $2,000,000, but it was refused. We have been trying ever since to get information. As the minister in charge is not present, I will wait until he returns.

Mr. FIELDING. The hon. gentleman can not detain the House unless he is addressing it.

Mr. INGRAM. In order to save time, I will point out that in the 'Hansard' for 1895, Mr. Mulock now Sir William Mulock, and then in opposition, strongly insisted on getting information about certain items, and the report in the 'Hansard' shows that Mr. Foster then Minister of Finance gave full explanations to Mr. Mulock. We, the members of the opposition, are constantly met in our campaigns with statements by supporters of the government, that these items are passed year after year without criticism, and they even go so far as to say that we do not record a single vote against them. When reasonable questions are asked by gentlemen of the opposition, the least the

minister should do is to answer them. If he has not the information in his possession he can promise to bring it down, at a later date, and so far as I am concerned it will satisfy me.

Sir WILLIAM MULOCK. There is nothing to warrant the conclusion that we on this side of the House have accorded anything but the most courteous treatment to gentlemen opposite. The Minister of Customs has told the committee that there is uncertainty as to this expenditure, which can only be cleared up with time and experience as the business of the department proceeds. He has also told us that the only guide as to future expenditure is the experience furnished by the past, and hon. gentlemen have got in their hands the record of past expenditure. That is the only guide we have. Under these circumstances, nothing can be gained in persisting in this contention. I may point out that long before a single item was passed an adjournment was asked for, and most of the time this evening has been spent in asking for an adjournment.

Mr. BLAIN. How much of this was spent last year for uniforms ?

Mr. FIELDING. $2,500.

Mr. BLAIN. And how much will be spent this year for the same ?

Mr. FIELDING. It is estimated that the expenditure will be about the same.

Mr. BLAIN. Are they purchased by tender ?

Mr. FIELDING. An allowance of $8 is given each officer and they purchase for themselves.

Mr. BLAIN. What officers wear these uniforms ?

Mr. FIELDING. Landing waiters attending on the arrival of vessels and officers examining baggage at the principal stations.

Mr. SPROULE. The Postmaster General has stated that no such questions were ever before asked in this House, and no such answers given as we desire. I beg to refer the Postmaster General to the ' Hansard ' of 1884, when Sir Mackenzie Bowell was Minister of Customs, and there it will be found that in reply to Sir Richard Cartwright, Sir Mackenzie Bowell went into the most minute details as to the services for which a vote of $35,430 would be expended. He gave full explanations as to the additional number of employees and their classes, where they were to be employed, and all other particulars. And yet the Postmaster General says he never heard of such information being asked for in this House before. If I went through the various items I could show him that the same principle has been invariably carried out.

Sir WILLIAM MULOCK. By the analysis of the expenditure which I have had made for the last fiscal year I find that there was expended some $46,000 under the following heads : transfer officers, $7,927.50 ; legal expenses, $264 ; advertising, $9.60 ; guarantee bonds, $4,786.65; stationery, $9,889.02; printing, $17,500; uniforms, $2,355.06; newspaper subscriptions, $367.05 ; general account, $2,983.25. The railways contributed, $12,000 odd towards that expenditure, leaving the sum of $34,000 odd of disbursements out of the Dominion treasury.

Mr. SPROULE. The Postmaster General has given the very information we have been trying to get for two hours.

Sir WILLIAM MULOCK. It is all in the Auditor General's Report.

Mr. SPROULE. It is not our duty to hunt up these items. The ministers should be ready to give us the information.

Some resolutions reported.

On motion of Mr. Fielding, House adjourned at 2.55 a.m., Tuesday.

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FOURTH SESSION—NINTH PARLIAMENT, 1904.

Vol. I., 1904.

From the Tenth day of March to the Twenty-fifth day of April, inclusive.

Abbreviations of well known words and Parliamentary expressions are used in the following:—1°, 2°, 3°, First Reading, Second Reading, Third Reading; 3 m. h., 6 m. h., 6 w. h., Three Months' Hoist, Six Months' Hoist, Six Weeks' Hoist; *, without remarks or debate; Accts., Accounts; Adjn., Adjourn; Adjd., Adjourned; Amt., Amendment; Amts., Amendments; Amalg., Amalgamation; Ans., Answer; Ass., Assurance; B., Bill; B.C., British Columbia; Can., Canada or Canadian; C.P.R., Canadian Pacific Railway; Com., Committee; Co., Company; Conc., Concur, Concurred, Concurrence; Consd., Consider; Consdn., Consideration; Cor., Correspondence; Deb., Debate; Dept., Department; Depts., Departments; Div., Division; Dom., Dominion; Govt., Government; His Ex., His Excellency the Governor General; Hse., House; H. of C., House of Commons; Incorp., Incorporation; Ins., Insurance; I.C.R., Intercolonial Railway; Man., Manitoba; Mess., Message; M., Motion; m., moved. Neg., Negatived; N.B., New Brunswick; N.W.T., North-west Territories; N.S., Nova Scotia; O.C., Order in Council; Ont., Ontario; P.E.I., Prince Edward Island; P.O., Post Office; Par., Paragraph; Prop., Proposed; Q., Quebec; Ques., Question; Recom., Recommit; Ref., Refer, Referred, Reference; Rep., Report, Reported; Reps., Reports; Res., Resolution; Ret., Return; Ry., Railway; Rys., Railways; Sel., Select; Sen., Senate; Sp., Special; Stmnt., Statement; Sup., Supply; Suppl., Supplement, Supplementary; Wthdn., Withdrawn; Wthdrl., Withdrawal; Y.N., Yeas and Nays; Names in Italics and parentheses are those of the mover.

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Fresh Meat, Transportation in Cold Storage (Ans.) 678 (i).

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