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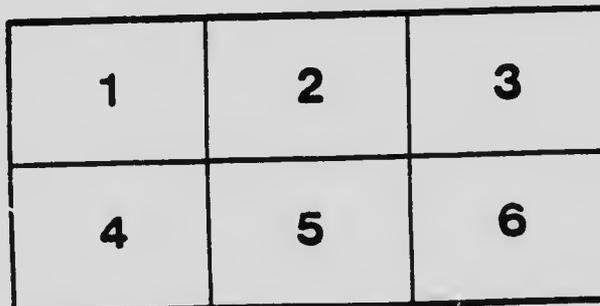
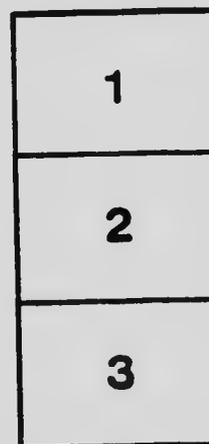
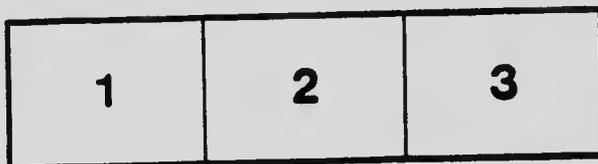
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SPEECH

R. L. BARNETT, M.P.

MEMBER OF PARLIAMENT

On the Government's
Railway Policy

S P E E C H

BY

R. L. BORDEN, M.P.

LEADER OF OPPOSITION

On Government's Railway Policy

HOUSE OF COMMONS, OTTAWA,
AUGUST 18, 1903

Mr. R. L. BORDEN, (Halifax), discussing the Government's Railway Bill, said: Mr. Speaker: Let me in the first place thank the Minister of the Interior (Hon. Mr. Sifton) for bringing to my attention an unintentional misstatement which I made to the House in speaking very hurriedly after the Prime Minister a few days ago. I then said that only 2,500,000 bushels of grain had been carried out during the past year by the all-rail route from Fort William and Port Arthur. I made that statement on the authority of a gentleman who was in possession of the facts. Since the error was pointed out to me by the Minister of the Interior, I communicated with that gentleman to whom I had written for information in the first instance, and he sends me in reply the following letter:

"We have been asked by several different members as to the all-rail shipments eastbound from Fort William; in some cases the inquiries applied to wheat only, and in other cases to grain of all kinds. I may say that this led to some confusion, and that the figures given to you by me were not entirely correct. Our records show that during last year the all-rail

shipments of grain of all kinds amounted to 5,697,695 bushels. Of this quantity about 3,100,000 were for export and the balance went to local points in Canada. I intended to give you the quantity shipped for export, because local shipments play no part in determining the practicability of an all-rail route to the sea for grain. The expansion, if there is to be any, must be in the carrying by rail of grain for export. Apparently I gave you the local figures instead of the export figures, so that your statement was about 600,000 bushels under the mark. You may use this letter to correct error, if you choose to do so."

It is desirable that any statement of facts in the House should be correct, and therefore I am obliged to the Minister of the Interior for attracting my attention to this, and I take the earliest possible opportunity of correcting the statement which I then made.

Let me say further, I am also informed that the circumstances under which some 5,600,000 bushels of grain went out last winter were altogether exceptional. The Canadian Pacific Railway required stiffening cargoes for their vessels, and there was also a pressure that the elevators at Port Arthur and Fort William should be

cleared out, and in consequence grain went out last winter by the all rail route which we could not reasonably expect would go out in that way under other conditions.

I would also like to say that while I am thankful to my hon. friend the Minister of the Interior for correcting me in this respect, I am not particularly thankful to him for the manner in which he quoted my remarks of the 30th of July. He attempted to make it appear that in some way I misled the House as to the meaning of section 12 of the contract. I read that to the House at the time and I made some observations which the Minister of the Interior quoted only in part. I corrected him as to one mistake he made—or one oversight—in regard to my remarks of the 26th of May, and I desire now to correct him with regard to his mis-quotation, no doubt unintentional, of my remarks of the 30th of July. I quoted section 12 on that occasion and I followed that quotation up by these words:

“Therefore, the company guarantees by the deposit of \$5,000,000 to do something without which its enterprise would be of absolutely no moment at all.”

That is to say, having built the line, of course the company might naturally be expected to equip it, and as the guarantee of \$5,000,000 is for the building of the line and the equipping of the line, you are not very far from the mark when you say that it is practically a guarantee to do something without which the enterprise of the company would be of no moment at all. Then I continued:

“In other words, the company guarantees to build a railway as to which it receives a guarantee of \$13,000 a mile for one portion of it, and \$30,000 a mile for the rest, and it deposits with the government \$5,000,000 as security that it will use for the construction of the railway the moneys derived from the bonds guaranteed by this government.”

And practically, that is all that this guarantee amounts to; and I did not observe then what has been noted in this debate; that this very sum of \$5,000,000 can be paid out to this company practically on progress estimates from time to time as it proceeds with the work. Then I continued:

“That is certainly a most remarkable

piece of statesmanship, and I am not surprised at the plaudits with which the announcement of this clause was greeted by the right hon gentleman's supporters. It is quite evident that they were kept as much in ignorance of the real nature of this clause as were the hon. gentlemen on this side of the House.”

Permit me to say, before I go further, and before I forget it, that I would like to re-assure my hon. friend the Minister of the Interior with regard to the people of the maritime provinces. That gentleman, in the course of his remarks, was good enough to say, in effect, that the people of the maritime provinces were a mean spirited and a weak-kneed people, or they would have had a railway through the centre of New Brunswick long ago. He told us in effect that if they had the spirit of the men of the west, we might have expected that they would have arisen in their might and demanded this railway years ago. I want to tell my hon. friend the Minister of the Interior, who of all men has the least cause to complain of plain speaking from the people of the maritime provinces, that his own department has been somewhat in question down there, not only among the Liberal-Conservative papers, but among Liberal papers as well. There is a newspaper published in the city of Halifax called the ‘Morning Chronicle,’ which is owned by three gentlemen, of whom one is the agent of the Deputy Minister of Justice at Halifax, a very prominent Liberal, another is the Liberal member for the county of Colchester in the provincial legislature, and the third is president of the Liberal Association of the county of Halifax; and I have before me some plain speaking from that paper in regard to the hon. Minister of the Interior, so forcible and so personal in its character that I will not read it to the House to-day; but if any hon. gentleman wants to see whether the people of the maritime provinces are incapable of speaking out plainly and forcibly, let him consult the columns of the ‘Morning Chronicle,’ of September 27, 1902. If the hon. Minister of the Interior consults the editorial columns of that paper of that day, he will find something that suits even his craving for strong language in regard to the conduct of the government.

I must apologize to my hon. friend the

member for Hants (Mr. Russell), because I shall not be able, I fear, to give very special attention to his remarks. I was unfortunate enough not to hear the whole of them. A greater part of what I did hear consisted of a personal attack upon my hon. friend from North Victoria (Mr. Hughes), which consumed about an hour of the three hours and a half in which the hon. gentleman condensed the remarks he made to this House. The other portion consisted very largely in somewhat slighting remarks with reference to his late leader the ex-Minister of Railways and Canals (Hon. Mr. Blair), and the imputation of unworthy motives to that hon. gentleman for his resignation from the government. But, in passing, let me ask my hon. friend why he is so extremely optimistic in regard to the prospects of the Grand Trunk Pacific Railway, and so extremely pessimistic in regard to the prospects of the Intercolonial Railway? I was under the impression, until I heard the hon. gentleman speak, that he was one of those who had voted for an expenditure of some \$15,000,000—that is what in the end it amounted to—to extend the Intercolonial Railway to Montreal. We have been treated this afternoon to a long lecture, a long historical review of every country which has attempted the state operation of railways. The hon. gentleman, in dealing with the question, does not seem to realize for one moment that it is not a question of theory in Canada at all; it is a question of what we are going to do with the Intercolonial Railway. We have 1,600 miles of state-owned railway in Canada; what does my hon. friend propose to do with it? What does he mean by asking whether or not we shall enter into the state ownership of railways in Canada? Let me read, for his information if he is not aware of it, a portion of a folder which is issued by the government which he supports, through good report and ill, and which points out that there is government ownership of railways in Canada at the present time; and that, to use a common expression, it is a condition and not a theory that we have to deal with in this regard.

"Perfect travel means good road-bed, good equipment, good scenery, which you have on your own line. The Intercolonial Railway of Canada is, in more senses than

one, the people's line. As a government road, it is owned by the people, and in the operating of the line this principle is ever kept in view, so that the best available service will be given. In another sense it is the people's line, because it is popular as the great all-Canadian system, and the only all-rail line from Montreal to the extreme points of the maritime provinces. It is equally popular as the great tourist and sportsman's route, and that by which the desirable places in the provinces by the sea can be most conveniently reached."

What is the logical outcome of the argument of my hon. friend from Hants? The logical and the only inference you can draw from his argument is that we should sell or give away the Intercolonial Railway at once. He has made a long drawn out argument against undertaking government ownership in this country, when in fact we have government ownership now. I would like my hon. friend to go back to the people of Nova Scotia and tell them whether or not his argument means that the Intercolonial Railway is to be given to the Grand Trunk Railway Company, or to the Canadian Pacific Railway Company, or to some other railway company, and is to be no more the people's railway; and that state ownership in Canada is no longer to exist. It was somewhat amusing in this connection to hear my hon. friend giving a lecture to the 'Farmers' Sun' because it opposes the granting of subsidies to railways.

Was not the song of hon. gentlemen opposite, of whom my hon. friend was one, through many weary years in opposition, that no railway subsidies should be given? To have my hon. friend stand in the House and discuss editorial articles in the 'Farmers' Sun' and endeavour to bring that paper back from the supposed error into which it has fallen, an error in which the hon. gentleman himself participated and believed in days gone by, is a spectacle that would have been more refreshing than it is if fortunately during this summer session we were not blessed with cool weather.

I do not propose, Mr. Speaker, to deal any more in detail with the argument of my hon. friend from Hants; but I think I shall, during the course of my remarks, answer two or three of the arguments which he, in common with other hon. gentlemen on the other side of the House, have put for-

ward in regard to this scheme. I do not know that we might expect that a policy such as this is, evolved by the government, as we are told by the hon. Ex-Minister of Railways, without any assistance from experts, without any assistance or advice from the officers of the Intercolonial Railway, would be likely to commend itself to the country at first blush. The record of the government in the past with regard to these matters is not a very striking one in point of success. We know their proposals with regard to the fast Atlantic service. We know the story that was told throughout the country at that time, a story quite as glowing as that which was presented to the House by the Prime Minister the other day. We were told that the fast Atlantic service was absolutely accomplished. My right hon. friend the Prime Minister received a telegram at Toronto in the nick of time, for the purpose of reading it to a Toronto audience, stating that the fast Atlantic service was a fact accomplished at last. Month after month and year after year have gone by, and we are no nearer the accomplishment of a fast Atlantic service than we were on the day he read that telegram. If you look at the record of hon. gentlemen opposite with regard to the Crow's Nest Pass Railway, you would not be inspired with any confidence in any project they may bring before the House, without advice, particularly when you realize that the policy they are bringing down is one that has led to the resignation and retirement from the government of the only man among them who during the last seven years has been studying this transportation problem, the man who during the past seven years they have been hailing as the ablest railway administrator that ever presided over the department. It is being—it is more than amusing, it is delicious—to see these hon. gentlemen, after cheering the ex-Minister of Railways and Canals for seven years past, after supporting him by vote and speech on every occasion, now standing up in the House and belittling him as a statesman, and imputing unworthy motives to him; and when the hon. gentlemen on the treasury benches do not care to do that themselves, they put up someone like the hon. member for North Norfolk (Mr. Charlton) or the hon. member for Westmoreland

(Mr. Emmerson), the pupil in political life, if I am rightly informed, of my hon. friend, the ex-Minister of Railways and Canals, to show that that hon. gentleman never was a statesman, never was a man of broad views or a man of courage, and that he had not resigned from the cabinet on a question of policy, but really because he was subjected to some personal slight. Well, as I have said before, there have been rumors in this House that there were other gentlemen in the cabinet who were not one whit better pleased with this project than the Minister of Railways and Canals, the only difference between them being that he had the courage of his opinions and they had not.

The transportation problem of Canada beyond doubt is a very complex problem. Having had to give some special attention to this subject during the past four or five weeks, I have realized, more than ever I did before, the very great complexity which surrounds this question in Canada and the very great importance indeed of our not acting too hastily or not taking any leap in the dark, but procuring, before taking any action, the very best expert advice and assistance that can be obtained. In speaking on this subject in the city of Winnipeg, in October last, I used this language:

"It is the policy of the Liberal-Conservative party to grapple with this transportation problem from a national standpoint. We would not do it hastily, but would do it after taking the advice of experts and others familiar with railway problems and after fully investigating as to what would be the best course to pursue. In this the party should commend itself to the people for railway transportation and other matters of this kind require the very best expert advice and assistance that can be secured."

I am glad to know that the Winnipeg Board of Trade endorsed that opinion by resolution during the past year in this language:

"That a thoroughly qualified expert in the management of railways be appointed to make a report on existing conditions, and what in his opinion would make the Intercolonial a paying concern and of the greatest benefit to the country, and also to study and make recommendations on the

Following alternative schemes for the consideration of the government and the people."

At the beginning of the session, a policy of that kind was promised by the government. It was not necessary that an announcement of that kind should have been delayed until the opening of this session. During last autumn, or immediately after the closing of last session, the government should have appointed the commission which they proposed this year in the speech from the Throne, and should have had the report of that commission ready for this House when it began to sit this year.

If this government had, during the past year, taken the best advice which the continent can afford, we might have had a very different proposal submitted by the government this session; but this so-called businesslike government, with its unbusinesslike methods; procrastinated and dillyed with this question until the session opened and then came down with a speech from the Throne, in which they used the following language—good, sensible, rational language.

The only fault to be found with the government, in that respect, is their delay in taking the step which, in the speech from the Throne, they promised to take.

"The whole question of transportation and terminal facilities continues to occupy much attention, and my government will immediately appoint a commission of experienced men to report on the subject."

A good, sensible, proper view to take of the question, considering that it involves problems in Canada of a most complex character.

Well, sir, the session opened on the 12th of March. Nothing was done from that time until the 19th of May, when an Order in Council was passed, which was subsequently brought down to this House and which contains language startling in its character, when contrasted with the speech of the Prime Minister made on the 30th of July. Let us observe what that language is. This is the language of the government, affirmed by His Excellency, and put in the shape of an Order in Council brought down to this House, declaring the policy of the government on the 19th of May last:

"That the development of North-western Canada has manifested the inability of ex-

isting Canadian transportation agencies to take care of Canadian products.

"That our agricultural exports can only command the prices over seas to which their natural excellence entitles them when they cease to be confounded and confused with the inferior and often adulterated articles produced elsewhere; and to preserve their separate identity they must go through Canadian channels."

The minister further states that the questions to be considered are complicated and involved, including among the objects to be sought the transportation of western products from place of production to the markets of the world.

This involves the consideration of their transportation:

"From place of production to Canadian sea-ports."

"From place of production to the Western ports of Lake Superior."

"From the western ports of Lake Superior to Canadian sea-ports."

"From Canadian sea-ports to Europe."

"From place of production through Canadian ports on the Pacific."

As it affects the products of the eastern provinces of Canada it involves their movement:—

"To the sea-ports."

"From the sea-ports to Europe"

I call the attention of the House and country to these words:—

"It is obvious that before any satisfactory conclusion can be reached upon these questions a thorough and comprehensive inquiry should be made regarding:—

"The conditions of original shipment and the possibilities of improvement in the conditions surrounding such shipments."

"The storage requirements of lake, river and ocean ports."

"The harbour facilities of the inland lakes, rivers and Atlantic and Pacific ports."

"The conditions with regard to the navigation of the St. Lawrence route, and, generally, any improvement, enlargements, or other matters affecting the more economical and satisfactory uses of any Canadian channel of transportation by land or water."

Taking in, by those comprehensive words, the whole system of transportation in Canada:

"The minister further states that in

making such investigation attention should not be confined to routes and facilities which are at present utilized, but, if necessary, new surveys should be made to determine whether any more economical and satisfactory channels of transportation by land or water can be opened up.

"The 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.

"The minister apprehends that in these circumstances it devolves upon the Dominion government to consider and adopt the best possible means of promoting such measures as may enable Canada to control the transportation of its own products, and it is thought that the most efficient method of conducting such an enquiry and obtaining the required information is by means of a commission of competent and experienced experts who may be appointed and authorized under the provisions of chapter 114 of the Revised Statutes of Canada."

That was the attitude, the carefully thought out, the well considered attitude of the government on the transportation question on the 19th of May. It was also the attitude of the government later than that, because there was no recession from that attitude when I brought the matter to the attention of the House on the 26th of May.

I would like the hon. gentleman on the other side of the House who is to follow me in this debate, to tell me what occurred which altered the opinion of the government on that point between the 26th of May and that day in June, when the government press, for the first time, announced that the government would bring down a policy of its own and that the reasons for the appointment of any such commission as I have referred to, had ceased to exist. What was the reason which caused this change of policy?

On the 19th day of May, this question

is one which requires the most careful consideration and deliberation. Words of caution are used by the government with regard to this subject. On the 30th day of July, the Premier speaks in a tone of panic, telling us that a crisis has developed. What crisis developed, Mr. Speaker, between the 19th day of May and the 30th day of July? Was there any crisis with regard to the bonding privilege on the 30th of July that did not exist on the 19th day of May? It is true the Minister of the Interior [Hon. Mr. Sifton] came home in the latter part of May, and it may be suggested that he had something to do with the crisis—brought it with him perhaps. But there has been no suggestion of that kind up to the present time. Now, a grave change of attitude on the part of the government with regard to a question of such transcendent importance to this country as the transportation question requires some better explanation than any other that has been given up to the present time. I will endeavor to examine, later on, the reasons which the Prime Minister gave on the introduction of this measure. In the meantime, if my right hon. friend, or the hon. gentleman who is to follow me, can tell me what crisis existed on the 30th day of July with regard to the transportation question that did not exist on the 19th day of May, it is only right and proper, and it certainly is desirable that the House and the country should be informed with regard to it.

Mr. Speaker, there is no use wasting words about it. We know that no such crisis did exist. We know that the Prime Minister, when he came down to this House on the 30th day of July, knew of no crisis before this country. He knew that the conditions were exactly the same on the 30th day of July as they were on the 19th day of May. He came down to this House with a bogey with which he might frighten some people with regard to the bonding privilege, and might appeal to certain national sentiment in Canada, which he was wont to condemn very much in days gone by, when he used to speak—I do not know whether on this side of the line or on the other—of his preference for the American dollar over the British shilling, and to point out to the people of this country that their natural interest would lead them to trade with the people

of the United States rather than with the people of Great Britain.

The Prime Minister, in introducing this measure, rested his case mainly on three grounds, which I want to state fairly before the House. The first was that a transcontinental railway such as this is required to save Canada from the effect of the repeal by the United States of the bonding arrangement; second, it will have the effect of diverting to Canadian channels traffic which now passes through American channels and to American ports, particularly to Portland; third, a road built in the manner and along the route proposed is necessary for the development of the country. Now, I want to take up these grounds one by one and examine them.

First, let us deal with the question of the bonding privilege. I observe that, as this debate has proceeded, my right hon. friend has not received very much support from any of his colleagues who have spoken with regard to the bogey he raised before the House. In answering the right hon. gentleman on the spur of the moment after he had spoken, I took the ground, which I still believe to be the true ground, that the people of the United States are as much concerned and interested in the bonding arrangement as are the people of this country.

Mr. CLARKE. More so.

Mr. BORDEN. An hon. gentleman near me says that they are more interested, and I would be inclined to go even to the length of that hon. gentleman's opinion, and say that the people of the United States are even more interested in this bonding arrangement than are the people of Canada. And I pointed out, as I still desire to point out to the people of this country, that it is an undignified thing for the Prime Minister of Canada to stand in his place in this house and practically tell, not only the people of Canada, but the people of the United States, that we are at the mercy of the United States in this matter. I say again, as I said then, that we are not at the mercy of the people of the United States. We can do without this privilege if need be, as well can the people of the United States; and we can work out our destiny and our political future even if the United States should go so far as to commit the unfriendly act of re-

pealing this bonding privilege. But how does the right hon. gentleman propose to save us from the effect of the repeal of this privilege? By building a line from Levis to Moncton which passes within two or three miles of the American boundary. This will save, according to the right hon. gentleman, a distance of from 120 to 140 miles. My hon. friend from Alberta [Mr. Oliver], who has evidently not made much of a study of the question, went a little beyond that—he saw the right hon. Premier and went a little better—saying that it would save 200 miles, I believe. The hon. member for North Norfolk [Mr. Charlton] says it will save 110 miles. The Minister of Finance (Hon. Mr. Fielding) says it will save 96 miles. Other hon. gentlemen say it will save from 50 to 70 miles. My hon. friend from South Lanark (Hon. Mr. Haggart) and my hon. friend from Hamilton (Mr. Barker), after having studied the reports of Sir Sandford Fleming, and after having discussed the subject with that gentleman, who is well informed on the question, say that it will save nothing at all if you build the road in such a fashion as to give the grades which are required for economical hauling. That is the way in which the right hon. gentleman proposes to save the people of this country. My hon. friend the Finance Minister does not go quite so far as the Prime Minister. He says that we shall build it—well, as an object lesson. Practically, that is what he says. We shall build this line so that the people of the United States, when they look across the border to ascertain the effect of repealing the bonding privilege, will say: Alas! it is too late; it is no use to repeal the bonding privilege; the Canadians have built a short line from Levis to Moncton, and we might as well leave the bonding privilege where it is. But, Sir, the Minister of the Interior really excelled himself with regard to this subject; and, in order that I may not do injustice to that hon. gentleman—whose absence to-day I very much regret—let me quote his mode of supporting the right hon. Prime Minister with regard to this point. I think that my right hon. friend (Rt. Hon. Sir Wilfrid Laurier) who has, even with regard to matters that are controversial in this House, a very excellent sense of humor, will enjoy this very much.

"The Grand Trunk Railway has a line from the city of Montreal to the city of Portland. It is a magnificent line of railway, well equipped in the best modern style, and it has terminal facilities which I am credibly told have cost from \$20,000,000 to \$25,000,000."

By the way, this is the line that the Minister of Finance proposes to nationalize in some not very easily understood way.

"We are told by the Grand Trunk people that the facilities which they have for doing business between Montreal and Portland are not sufficient now to cope with it."

"Now what is the proposition of the member for Hamilton. It is that the Intercolonial, with its barely sufficient equipment to do the business which it has now, shall take the three or four times as great business of the Grand Trunk, that it shall take the business of the Canadian Pacific Railway, and that the business of these three railways shall be suddenly precipitated upon the Intercolonial Railway, and that that railway shall be expected, with its insufficient facilities, to do the business of the whole three. And my hon. friend says that that is a consummation to be desired. He says we should not be alarmed at a prospect of that kind, that it is something which will help the Intercolonial and which does not at all call for any action upon the part of this government for the purpose of preventing the consequences which might flow from it. Why, Mr. Speaker, has he considered for half a moment what would happen in such a case as that? Why, we would have in the traffic of Canada confusion worse confounded, we would have a blockade which would throw into the shade the wheat blockade which took place during the last couple of years in the Northwest; we would have the railway business of the country disorganized because the business of Canada depends upon its export trade, and we would have millions upon millions of money of the people of Canada annually wasted on account of our inability to do the business which ought to be done over these railways. That, Mr. Speaker, is the contribution to the discussion of the railway question which is made by the railway expert of the Conservative party."

Well, how opposite are the views of the

right hon. gentleman and the Minister of the Interior? The right hon. gentleman wants to divert the trade of Canada into Canadian channels, and the Minister of the Interior pictures the horror and dismay which would overtake Canada if the trade from Portland should be diverted to the Intercolonial. Why, Sir, imagine the people of the United States considering whether or not they should repeal the bonding privilege. They would look over into Canada and they would say: "There are some idle, good-for-nothing railways in Canada which are hardly employed at all; there is the Intercolonial Railway, which according to the statement of the gentleman who has been operating for seven years, could do four times the traffic which it does at present. Here we have railways which are actually overloaded, let us relieve our railways and send our surplus traffic over to the Canadians, and so punish them in that way, by means of repealing the bonding privileges, we will send all this traffic over Canada. But my hon. friend the Minister of the Interior, I suppose had more particularly regard to the question of congestion. We would all deprecate any congestion of business in Canada."

And what would be the logical way of dealing with this question if we were confronted with any such difficulty as that? Would it be to build more railways? No, but to equip the Intercolonial so that it could do four times the business it is doing at present, a business which the officials of that railway say it is easily capable of handling.

But when the Minister of the Interior gets as far as Moncton, I do not know how he would relieve the situation there. In the first place, how would he relieve the situation before he got to Moncton? Is he to keep the present Intercolonial up to the standard of a through railway, and is he to have two such railways from Lewis to Moncton? If so, he is going to run this country into a pretty big expenditure; if he does not do that, he has just one railway to Moncton as we have today, and after he gets to Moncton, what about the congestion? Is there any duplication of the line from Moncton to St. John? Is there any duplication of the line from Moncton to Halifax? None whatever. So the congestion so alarmingly pointed out by the

Minister of the interior would only be transferred from Levis or Quebec, to Moncton. There is one possible explanation, and that is that the Minister of the Interior, being misled by the Minister of Finance, thinks of equipping Moncton as an ocean port. My hon. friend the Minister of Finance, with great gravity, stood up in this House and stated that this was a true transcontinental railway, because it extended from the Pacific coast to Moncton; and he pictured the great number of passengers that were going to travel over that railway for the purpose of viewing the celebrated 'bore' of Moncton. Now, I know that the town of Moncton is an enterprising, active and progressive town inhabited by splendid, enterprising, progressive and industrious people; but I do not think the town of Moncton has ever claimed to be capable of doing business as an ocean port. Certainly, if it is to be equipped as an ocean port, I would expect my hon. friend from Cumberland (Mr. Logan) to put in a similar claim for Amherst, and my hon. friend from Colchester (Mr. Gourley) to put in a similar claim for Truro. As a matter of fact, this bogey about the repeal of the bonding privilege does not amount to anything at all. There is no danger of it, as was pointed out by my hon. friend from Hamilton (Mr. Barker). The very men who stand as the backbone of this undertaking, the men who are controlling the destinies of the Grand Trunk Railway to-day, are the men who are putting their money into enterprises which depend to a great extent for success upon the existence of these very bonding privileges.

Now, my hon. friend the Minister of the Interior was somewhat exercised with regard to my attitude concerning the Quebec-Moncton line. He had evidently been somewhat misinformed with regard to the condition of affairs in the maritime provinces, because he seemed to think that I was in a somewhat embarrassing position concerning that line. Let me assure my hon. friend the Minister of the Interior and the House, that I feel no embarrassment on this subject whatever. As he has invited me to state my view with regard to that, I will state it at once, though I might have left it to a later period in my speech, were it would more properly belong. But I will say at once

what my attitude is with regard to that line. I say that if there is to be found a better and shorter line between Riviere du Loup, or any other point on the Intercolonial, and Moncton, a line the construction of which will give to Halifax and St. John and the Maritime Provinces generally a better fighting chance for western traffic than that which they have at present, I will support the construction of that line. But I will not support it with the object for which this bill provides. I will tell my hon. friend how I will support it. I will support the construction of that line as part of the Intercolonial Railway. I do not believe in constructing that better and shorter line for the purpose of handing it over to the Grand Trunk Pacific or any other railway company, but I do believe in constructing it and keeping it for the people's railway. That is my position and it is a position which I am ready to discuss in the maritime provinces or anywhere else, with either the Minister of the Interior or any other hon. gentleman in this House. For what reason should we, having found a better route through the province of New Brunswick, having found a route by means of which another railway might compete with the Intercolonial, as the Intercolonial exists at present, for what reason should we construct another railway there and hand it over to a competing company for the purpose of destroying the Intercolonial Railway which belongs to the people of Canada? Build a railway, if it will give to the provinces of Nova Scotia and New Brunswick a fighting chance for the trade of the west, and when you have built it, keep it for the people of Canada, as part of that system which we have at present, and which I hope to see some day extended further west than at present. In all this, act reasonably, survey your country, consider the grades to be secured, consider the distance to be saved, consider the cost of haulage to be saved. Do not plunge into the thing rashly, do not undertake to build it upon a survey made 30 or 40 years ago when railway conditions were different from what they are at present. Go into the enterprise sanely, and after having obtained information which would justify you in believing that it would give a better chance for trade to

the people of the maritime provinces, and to the cities of Halifax and St. John; build it, as I said before, by the people of Canada, for the people of Canada and for the people's railway.

Some hon. MEMBERS. Hear, hear.

Mr. LOGAN. Why don't all the hon. gentleman's supporters cheer.

Mr. COCHRANE. Why didn't the hon. gentleman cheer himself.

Mr. BORDEN (Halifax). My hon. friend is very curious. What would he think of the proposition which I suggest?

Mr. LOGAN. If I followed the hon. gentleman's argument, and if such a line would parallel the Intercolonial, I would be opposed to it.

Mr. BORDEN (Halifax). I am glad that I have elicited for my right hon. friend a very frank expression of opinion from the hon. member for Cumberland in opposition to the very project which he has brought down here. I assure my right hon. friend that it was quite unintentional. I was not aware before I spoke that the hon. member for Cumberland was on strike. There are, of course, many other things which would have to be considered in the expenditure of this money. Do not let any hon. gentleman in this House suppose for one moment that there is no room for the expenditure of more money in the maritime provinces for improving the Intercolonial Railway. The terminals at Halifax should be improved, the line between Truro and Moncton should be improved and there should be a better passenger service than there is at the present time between the maritime province and Montreal. I passed over the Grand Trunk Railway two years ago between Hamilton and Toronto, and I found that if the Intercolonial line could operate their express trains at the same rate of speed between Montreal and Halifax we would reach Halifax in twenty-one hours from Montreal instead of twenty-eight hours as at present. The train creeps along, stopping at every station and makes very poor time for an express train. In many other matters there is room for expending money on the Intercolonial Railway, but notwithstanding that if the construction of this line through New Brunswick will give our maritime cities a better fighting chance I would be prepared to support an expenditure of money for that

purpose. What are to be the grades of the proposed line from Moncton to Lewis? Does any hon. gentleman know? Is the maximum to be a grade of twenty-one feet in the mile, or is it to be a grade of forty-two feet in the mile, a grade of one per cent. or is it to be a grade of four-tenths of one per cent in the mile? As has been pointed out by the hon. member for North Norfolk (Mr. Charlton) before we plunge into the building of a railway we should understand that thoroughly; and I am glad that I have the support of that hon. gentleman who said that it would be of no use to build this railway unless we can get grades not exceeding four-tenths of one per cent, or not exceeding at most one half-half per cent, which, if I remember his remarks correctly, he said to be the highest possible grade over which any railway can haul grain successfully under modern conditions. Now, the hon. Minister of the Interior (Hon. Mr. Sifton) justifies the haste in connection with this railway because he says companies often get charters before they commence to build. There is no analogy between that and this. They do not make a charter to build. This is not a charter to build but it is a contract to build. Did you ever hear of a railway company contracting to build a line through a country about which it had no more information than the government have about this country? Did you ever hear of a contractor undertaking to build a line through a country of which he had no more knowledge than we have about this country? All that the opposition have said about this is that the government are not in possession at the present time of sufficient information to justify them in proceeding with the scheme without further surveys, and I am prepared to say further than that, that if a line is built it should be retained as part of the Intercolonial Railway.

My hon. friends the hon. Minister of the Interior and the hon. Minister of Finance both referred to the question of the paralleling of railways. The hon. member for Cumberland is troubled about this paralleling of the Intercolonial Railway. I would like to ask these hon. gentlemen and I would like to ask the hon. member for Cumberland, assuming that the building of this line through central New Brunswick means the paralleling of the In-

tercolonial Railway, means a better line over which through freight will go, is it better to have the Intercolonial Railway paralleling itself by this better line or is it better to give that better line over to a company which will compete with the Intercolonial Railway? If you are going to parallel the Intercolonial Railway by a better line surely the Intercolonial Railway had better parallel itself and use that better line for the traffic which otherwise would be carried over the railway competing with the people's railway.

Mr. LOGAN. No hon. member can make any such assumption. It would be an impossible assumption. You could no more parallel the Intercolonial Railway by building a line from Levis to Moncton than you could parallel the two sides of a triangle by building across the base.

Mr. BORDEN (Halifax). I am glad my hon. friend has come back to the fold. A moment ago I thought he would not return, but now he says that the road does not parallel the Intercolonial Railway?

Mr. LOGAN. I do not think my hon. friend wishes to misrepresent me. What I said before was assuming that the arguments put forward by the followers of the hon. gentleman were correct, therefore I drew certain conclusions, but I make no such assumption and deny that they are correct.

Mr. BORDEN (Halifax). I accept at once the statement of my hon. friend. I regret, I am sure, that I misunderstood him in any way, I certainly understood when he spoke a moment ago that he was opposed to any line which would parallel the Intercolonial Railway, and that he thought a line through New Brunswick would parallel it. I am glad that he and I are of the same opinion in regard to that and as that difficulty is out of his way I would ask him again what he thinks of the people of this country owning the proposed shorter line through New Brunswick.

Mr. LOGAN. I will answer the hon. gentleman's question later on.

Mr. BORDEN (Halifax). My hon. friend the Minister of Justice (Hon. Mr. Fitzpatrick) came to the rescue of my hon. friend from Cumberland but it was too late to help him. The hon. Minister of Justice says they own it now. I suppose

he means that they will own it under the conditions of the present proposed Bill?

The MINISTER OF JUSTICE. They will own it under the proposed Bill.

Mr. BORDEN (Halifax). Yes, that is a perfectly fair answer. They will own it, but what will they do with it? They will take that better line and hand it over to the Grand Trunk Pacific Railway Company. I see that the hon. Postmaster General [Hon. Sir William Mulock] is also going to interfere. Perhaps my hon. friend the Minister of Justice will deal with this matter later on and we are better not to have any more cross firing than is absolutely necessary.

The next point in the speech of my right hon. friend that I desire to deal with is that this road will bring and keep Canadian trade within Canadian channels. Well, there is no man on this side of the House who will not support the right hon. gentleman most heartily and most earnestly if he will bring forward a scheme that is likely to accomplish that result. In Canada to-day we are all at one in regard to that. No one doubts its desirability, but this is in contrast with the idea which was to be observed in certain of the right hon. gentleman's utterances years ago. Now, the trend of trade, according to his views, should be from west to east and across the ocean to the mother country, but in the old days it was to be from north to south, it was continental free trade, it was unrestricted reciprocity, it was commercial union, which the right hon. gentleman desired, and I am sure no one congratulates the right hon. gentleman more heartily than the Conservative party upon the fact that he has come round to their view upon this question. However, I suppose it is a matter of legitimate inquiry to know how the right hon. gentleman proposes to accomplish that object. He proposes it by a clause in this agreement which provides that unrouted traffic shall be carried by Canadian ports. Let us read the clause and let us see to what extent it is likely, particularly in view of the utterances of my right hon. friend, to accomplish the desired object:

"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."

In section 43 the company further agrees:

"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."

Now, Mr. Speaker, I took the point in my remarks on the 26th of May last, that I doubted very much the efficacy of a provision of that kind. After having submitted to the attention of the House a memorial from the Halifax Board of Trade, I said:

"I must confess, that, having regard to the conditions as they are in Canada at the present time in regard to the Grand Trunk Railway, I have not been able to reach a conclusion that such guarantees as have been spoken of in the press and in these resolutions, can be very easily enforced or carried out. I should be glad indeed to see the Grand Trunk railway taking its part in the solution of Canadian transportation problems, and I hope it will be able to do so, but we have to consider conditions as they are and we know that the interests of the Grand Trunk Railway to a very considerable extent are, of course, centred in a winter port in the United States in which it has expended a very large amount of money in terminals and shipping facilities."

I want to say with regard to this

that it all depends, in the first place on what enforcement you can have of this contract; and in the second place, on how much unrouted traffic there will be in Canada, and particularly in connection with the export grain trade of Canada. I will give later on some information which I have gathered to that which will indicate to the House that so far as grain is concerned, a covenant that unrouted traffic shall go to Canadian ports simply amounts to nothing at all.

Some remarks of mine were referred to to day, by my hon. friend from Hants. I desire to declare to this House and to the people of this country my sincere belief and solemn conviction, that the only way to send Canadian traffic through Canadian channels and through Canadian ocean ports, is to make transportation by that means at least as economical, as expeditious and as advantageous to the shippers of Canada as any other means of communication. There is one way and only one way to accomplish that object, and that is the way I have stated to the House just now.

I may be wrong with regard to that; I do not claim to be infallible; I may not meet the views of the majority of the people of this country—I do not know anything about that, but I declare it to be my most solemn faith and conviction, that the only means by which you can send Canadian trade through Canadian channels by means of accomplishing a result such as that. Trade and commerce, and transportation as well, will flow along the line of least resistance, and I do not believe that, by all the Acts of Parliament in the world you ever can accomplish the result in any other way.

Now, let us see to what extent we shall have accomplished anything by means of these covenants upon which the Prime Minister and his supporters rely: This particular covenant, obviously will be of no value at all unless the products are to be carried by rail to Montreal, Quebec, Halifax or St. John. The Minister of the Interior argues that grain would be so car-

ried, and he cites a case in the United States from Kansas City to Chicago to establish a rate of 11½ cents a bushel to St. John, New Brunswick. If you take the rate from Winnipeg to Fort William and base thereon the rate from Fort William to Quebec or Montreal, you will find that from Fort William to Quebec, say 1000 miles, the rate would be 23.3 per hundred pounds, or 13.98 cents per bushel; from Fort William to St. John the rate would be 34.97 cents per hundred pounds, or 20.97 cents per bushel, and from Fort William to Halifax the rate would be 37 cents per hundred pounds or 22 cents per bushel. Wolvin & Company are carrying grain from Duluth to Quebec for three cents and a half cents a bushel, and it has been as low as three cents. Can a railway carry grain for any sum such as that? The rate from Fort William on the Canadian Pacific Railway is 20 cents per 100 pounds or 12 cents per bushel to Montreal as well as to St. John I believe, and they are not anxious for business at that rate and they carry this grain out only for the purpose of providing stiffening cargo for their vessels at the port of St. John. We must remember that in all these matters you cannot judge by any particular rate at any given time. A railway company may have ships chartered at a point on the Atlantic coast, and it may be absolutely necessary to make such an extremely slow rate as to astonish one, simply for the reason that the railway must supply cargo for that vessel which it has chartered to carry cargo across the Atlantic. The hon. Minister of the Interior referred to the rates from Depot Harbour to Montreal, giving the maximum rate of four and a half cents, and the minimum at two and a quarter cents a bushel. This would give a rate from Fort William to Quebec of about 12 cents maximum and 6 cents minimum, but, as I have pointed out, it has been carried by water from Duluth to Quebec, a greater distance, for 3 cents per bushel. Grain is now being forwarded from Fort William to Montreal via Depot Harbour for three and three quarter cents per bushel. Over that Georgian Bay route and by the Canada Atlantic Railway grain has been handled this summer for three and three quarter cents per bushel, and I ask

whether it can reasonably be expected that grain would be carried that distance over an all-rail route north of Lake Superior for anything like the same sum? The railways have some chance of competing with canal transportation, because canal vessels take small cargoes, but when railways come to compete for 500 miles along Lake Superior with boats that will carry 300,000 bushels each, you can not reasonably expect real competition by the railway against the water route. I am also informed that by developing our water ways, by providing proper elevators at Port Colborne and other lake ports, grain can be carried by lake, river and canal, from Fort William to Montreal for three cents a bushel and earn a fair, moderate profit. I am informed of that by a gentleman who has made a study of the subject and who I believe will probably engage in that business before very long. Let us remember in this connection that the lake and river route, and the all-water route of this country serve two distinct purposes; they are both necessary, and therefore we should look to the development of both. The canal navigation closes about the middle of November, and the Georgian bay does not close for navigation until the 15th of December, and those who are familiar with the navigation of the Georgian bay tell me that there is not the slightest difficulty in keeping up the navigation later than the 15th of December, up to the 1st of January and even the middle of January, if assistance were given in the shape of breaking the ice which forms near the shore. You would thus have the lake and canal routes operating up to some time early in November, and after that the railway and lake routes operating up to the 15th of January. These are complementary to each other, all serving a common purpose; because it is necessary that we should get a very considerable portion of the grain of the Northwest, not only to Fort William and Port Arthur, but to the eastern side of Georgian bay, before the close of navigation, so that it may be transmitted to Atlantic ports by rail as soon as possible.

Now, let us compare the grain rates in the United States. Let us take some of the rail rates which have been established in the United States by the Grand Trunk Railway itself. The all-rail rate in cents

per hundred pounds from Chicago and Chicago junctions to Boston is 20.3 cents; to New York 18.3 cents; to Philadelphia 16.3 cents; and the rate from Minneapolis and St. Paul to Boston is 20½ cents; to New York 27½ cents; and to Philadelphia 25½ cents. Compare these rates with the quotations which I have just been referring to, and consider, if you will, whether or not profitable rates can be established over this railway running to the North of Lake Superior. These railways in the United States are charging these rates in the presence of fierce competition, not only with other railways, but with the all-water route and the lake and railway routes as well. They are railways established in a thickly settled country, with heavy traffic in both directions, and largely supported by local traffic.

Do you imagine that a railway running north of Lake Superior can make even as fair rates as those to which I have referred; and even so, are these rates which can compete with the lake rate or with the lake and rail rate, which I have given to the House?

Let us apply some common sense to this question, and consider for a moment whether or not a railway north of the height of land, having among other disadvantages to carry its coal a thousand miles into that country, having to compete for five hundred miles with vessels carrying 300,000 bushels, can make as good rates as the United States roads. If it can, it cannot possibly compete with the all-water routes or with routes part rail and part water. Let us see what is said in the United States Industrial Commission report of 1900 in this regard. A very competent witness, whose evidence is cited in the report, gives the rates in the United States as follows:

"For the year 1897 the average all-rail rate from Chicago to New York on corn (Indian corn, maize) was 11.43 cents per bushel. During the season of navigation of that year the average rate by lake and canal, including the charge at Buffalo, was 4.53 cents per bushel. For 1898 the average all-rail charge on corn was 9.8 cents, and on wheat 12 cents. The aver-

age charge by lake and canal, exclusive of charges at Buffalo, was 3.81 cents on corn, and 4.45 cents on wheat."

Now, compare the two rates in 1897, 11.43 cents per bushel on corn by rail, 4.53 cents per bushel by lake and canal; in 1898, 9.8 cents per bushel by rail, 3.81 cents per bushel by lake and canal. On wheat in 1898 the rates were: By rail 12 cents, by lake and canal 4.45 cents. Then he says, further on:

"On the amount of grain exported during the year 1898, the difference between the all-rail charges and the lake and canal charges would be about \$25,000,000."

We have a report on this very subject ourselves. I do not know whether the members of the government, in dealing with this question, have thought fit to consult their own reports. If they did, they might find conclusive evidence on this point. Let them turn to the report of the Department of Railways and Canals for the present year, and compare the rates given in that authoritative volume for these different modes of transportation. I will give only the rates of wheat, although the rates on corn are given as well. The rates on wheat per hundred-weight by lake and canal have been as follows: In 1881, 8.67 cents; in 1882, 7.23 cents; in 1883, 9 cents; in 1884, 7 cents; in 1885, 6.5 cents; in 1886, 9.1 cents; in 1887, 9.5 cents; in 1888, 7 cents; in 1889, 6.9 cents; in 1890, 6.7 cents; in 1891, 6.9 cents; in 1892, 6.4 cents; in 1893, 7.6 cents; in 1894, 5.1 cents; in 1895, 4.8 cents; in 1896, 6.2 cents; in 1897, 5.2 cents; in 1898, 4.4 cents; in 1899, 5.8 cents; in 1900, 4.5 cents; and in 1901, 5.11 cents. So that you see a reduction in the cost of carrying wheat by lake and canal from 8.67 cents in 1881, to 5.11 cents in 1901, a period of 20 years. The rate on wheat per bushel from Chicago to New York by lake and rail was reduced from 10.49 cents in 1881 to 5.54 cents in 1901. In 1881 the all-rail rate from Chicago to New York was 14.4 cents per bushel, and in 1901, 9.88 cents per bushel. In the year 1901 the cost in the United States of carrying a bushel of wheat from Chicago to New York by these three different modes of transportation, was as follows: By lake and canal, 5.11 cents per bushel; by lake and rail, 5.54 cents per bushel; and by all-rail, 9.88 cents per bushel. If

you look at the decrease in cost, you will find that the lake and canal and the lake and rail rates have decreased proportionately quite as much as the all-rail rate. This is a very significant circumstance, particularly when we consider that the people who are anxious that the state of New York shall undertake the deepening of the Erie canal to a depth of 14 feet, estimate that when that work is completed, it will be possible to have wheat carried from Chicago to New York for 2 1/2 cents a bushel. They estimate that in this way: They say that the average cost of transportation from Chicago to Buffalo last year was 1 1/2 cents per bushel, and that when the deepening of Erie canal is completed, it will be possible to take wheat from Buffalo to New York for eight tenths of a cent per bushel, thus making the rate from Chicago to New York practically 2 1/2 cents per bushel. In view of these facts it is very difficult for us to believe that this project can be very successful, as regards the carrying of grain, and upon that the success of the whole project depends. Let us take the evidence given by an officer of the Grand Trunk Railway Company, given before a committee of the House in 1898. It is to be found in sessional papers volume 33, appendix one, page 149. It is the evidence of Mr. Wainwright, a very able man, who was giving evidence on the question of railway transportation:

Q. As a railway expert what on ordinary freight is the charge per ton per mile that would pay expenses?

A. That is a difficult thing to answer. It depends a good deal on the description of freight, the quantity you can carry and the distance of haul. In carrying coal for instance we do not calculate on a rate per ton per mile, we calculate what we can carry a train load at. It is carried in train loads and we can afford to carry it very much cheaper per ton per mile than in the case of other classes of freight.

Q. Take hauls of 400, 500 or 1000 miles for instance, what would you regard as a satisfactory charge?

A. We look upon a rate of 1 1/2 to 5/8 of a cent per ton per mile as satisfactory.

Q. That is a satisfactory rate?

A. It is a covering rate rate if carried some distance in train loads.

Mr. Haggart:

Q. It is according to distance?

A. Yes, entirely.

Mr. Powell:

Q. I am asking about long distance train loads. As a supplementary question, what proportion would be profit and what expense?

A. That goes into the question entirely of working.

Q. Take a fairly economically managed road, take the Intercolonial for instance, what do you think would be a fair charge per ton per mile over that for long hauls under favorable conditions?

A. I could not tell you as to the Intercolonial. On our own road at half cent per ton per mile under most favourable conditions we should not make more than one tenth of a cent per ton per mile.

Further on he said three tenths of a cent might cover the actual cost on a perfectly level road.

Coal, labour and materials have all increased in price since above evidence was given and consequently cost of haulage must have increased also.

In dealing with freight of this character, he puts down coal as freight which is carried cheaper than anything else. That would equal a rate from Fort William to Quebec of 24 per ton, or 11 cents per bushel, and from Winnipeg to Quebec of 16 1/2 cents per bushel. There is more than that. I would like to read to the House a short memo. as to the relative merits of rail and water routes which I have obtained from a transportation expert. It is in these words:

"The average all-rail cost from Fort William to Montreal during the past five years has been twenty cents per 100—twelve cents per bushel.

"The average all-water, and lake and rail rate for the present year from Fort William to Montreal is five cents per bushel. The nominal lake and rail rate to-day is less than four cents, and grain is actually being carried at less than this. The rate via Midland to-day would be a little higher, about 4 1/2 cents.

"The Wolvin Company is at present carrying grain from Duluth to Quebec for 3 1/2 cents per bushel.

"By the all-water route from Fort William to Montreal, grain has been carried in large quantities during the present

season at five cents less 14 cent for elevating charges—434c.

"By carrying in large steamers from Fort William to Port Colborne, there unloaded into elevators, reloaded into craft of the size suitable for Welland canal and forwarded to Montreal, the cost of transportation would not exceed three cents per bushel. Not more than ten per cent of the wheat is carried by the rail route and is so carried only in times of necessity when it is absolutely necessary to bring the grain forward at almost any cost. In the United States the rail and water routes carry over seventy-five per cent of the grain of the United States and it must be remembered that the rail competition there is over railroads which run through a thickly populated country having large commercial interests and supported by very large local traffic. The conditions connected with the proposed Grand Trunk Pacific from Fort William to Montreal would be absolutely different."

I have other statements here comparing the cost of transportation in the western states with that in Canada. For example, from Earling, a town west of Chicago, 44 miles distant, the rate is 20 cents per hundred pounds and 12 cents per bushel. From Chicago to the sea-board, 908 miles, the rate is 14 cents per hundred pounds and 84 cents per bushel. The total distance is 1,349 miles, and the rate per hundred pounds is 34 cents, and per bushel 204 cents. That about corresponds with the distance from Winnipeg to Quebec. From White Earth to Duluth, a distance of 602 miles, the rate is 20 cents per hundred pounds and 12 cents per bushel. From Duluth to New York, 1,387 miles, the rate is about 20 cents per hundred pounds and about 12 cents per bushel. The total distance 1,989 miles, and the rate about 40 cents per hundred pounds and about 24 cents per bushel. And so on, with many other illustrations of a similar character, with which I will not weary the House, as I fear I am taking no too much time. My hon. friend the Minister of the Interior referred to a rate of 5 cents per hundred pounds between Kansas city and Chicago, a distance of 488 miles, but that was obviously a cut-rate during a period of severe competition. I find that the rate between

cents, and to day it is 14 cents; the standard rate is 12 to 14 cents per hundred pounds, or nearly three times greater than the rate my hon. friend gave. My hon. friend quoted this rate of 5 cents to show that freight could be carried at 11 1/2 cents per bushel from Winnipeg to St. John. But take the lowest standard rate between these two points, and you have a rate of 47 cents per hundred pounds from Winnipeg to St. John, or 28 cents per bushel. And, as I have said, these American rates are on roads running through thickly settled country with large local traffic, subject to control by commissions and to fierce competition, not only by other railways, but by water routes.

The provision in this contract regarding unrouted freight is of no importance unless there should be a considerable quantity of such freight. But what is the practice with regard to unrouted freight in the United States and Canada? Have the Government stopped to inquire? Can any one on the government benches tell me how much unrouted freight is sent forward from Fort William? It all goes to Fort William as unrouted. But thence to the coast, it is routed by men who know much more about this question than any member of the government—men who make this question of transportation an every day study, men who know ten times as much on the subject as nine-tenths, at any rate of the members of this House. Unrouted freight goes to Fort William just as it goes to Minneapolis, Duluth and Chicago, and is routed thence for export to Europe. How is that done? It is done in this way. The shipper, who has made a study of all possible routes, wires to one line and to the other, inquires as to rates, and when he has got the rates, he selects his own route. Does the government know that one man in Canada last year controlled the routing of 10,000,000 bushels of grain? What does that provision regarding unrouted freight amount to unless you can show me that some considerable part of the grain of Canada will come within its scope? What are the terms of the contract? They are:

"That all freight, not specifically routed otherwise by the shippers, shall when destined for points in Cana-

da, be carried entirely in Canadian territory or between Canadian inland ports."

Where does that bring it to? To Fort William as it is at present. What happens then? It is routed for export. Will any hon. member point to one provision in this contract which will prevent the Grand Trunk Railway from competing at Fort William or Port Arthur or Midland or any of those ports on the Georgian Bay and securing that freight and carrying it to Portland? If there is I would like to know where it is. My hon. friend the Minister of the Interior would seem not to have read this contract, although he was put up in the House to defend it. Let me quote some of his language with regard to it. Referring to the hon. member for Hamilton [Mr. Barker] he said:

"My hon. friend then proceeded to show that the result would be that the Grand Trunk Railway, long before the government line to Winnipeg was built, would be hauling out wheat from Manitoba and the North-west territories, and bringing it down to the lakes and sending it to the markets of the world. I may be excused if I do not regard that as a very alarming proposition. If the proposition is that before we get the line built to Winnipeg the Grand Trunk Railway Company will be relieving the congestion and raising the blockade in the west by taking the grain out by way of the lakes, the way our hon. friends say it ought to go, that is not a very alarming criticism of the proposition before us. We trust that that will be the case. We trust that the prognostications of my hon. friend from Hamilton will come true that at an early date the Grand Trunk Pacific Company will to a considerable extent be able to relieve the congestion in the west."

Well, we shall be delighted to have the Grand Trunk Pacific, when it gets to the west, remedy the congestion. But let us not suppose that there is anything in this contract that will prevent the traffic going to Portland. It would be brought, as the Minister of the Interior says, to the lakes, and then the Grand Trunk Railway, controlling as it does the Grand Trunk Pacific, will see to it that that traffic at the lakes goes to itself. When that traffic gets out of the lakes, is there any contract which forbids it being carried to

Portland instead of to Halifax or St. John? I have not found that the Grand Trunk Pacific Railway Company of Canada is a party to this contract. Is it a party to the contract? The hon. Minister of the Interior seems to think it is. Let us look at his language:

"Are the opponents of this measure driven to such absurd reasons as these against a provision of this kind in a solemn contract made between the government and the Grand Trunk Railway?"

Does my hon. friend the Minister of Justice [Hon. Mr. Fitzpatrick] say that the Grand Trunk is a party to this contract? I have the document before me. It is not even a contract with the Grand Trunk Pacific, but is a contract made by certain gentlemen, Sir Charles Rivers-Wilson and others, "acting on behalf of the Grand Trunk Pacific Railway Company"—not on behalf of the Grand Trunk Railway Company of Canada. My hon. friend the Minister of the Interior is referring to some imaginary contract between the government of this country and the Grand Trunk Railway Company. Where is that document? Why has it not been produced to the House? It is not a mistake, a slip of the tongue on the part of the Minister of the Interior, because he repeated it again and again. For instance, he says:

"I would like to see my hon. friend the leader of the opposition or the ex-Minister of Railways and Canals sitting upon a bench, as the sole arbitrator between the government of Canada and the Grand Trunk Railway to adjudicate on a complaint that the contract was being violated under such circumstances."

And he says, later on:

"But I go further, I would not consider it at all advisable to put in this contract a penal clause, a clause that would provide, for instance, that a fine in the ordinary sense should be levied against the Grand Trunk Railway for the violation of the clause. It would not, in my judgment, be an appropriate or proper way of arriving at the end we desire to reach."

How are you going to put a penalty against the Grand Trunk into a contract to which it is not a party? Then, later on.

"If the Grand Trunk Railway carries

out its contract, then there is no escape from the conclusion which was placed before this House by my hon. friend. You cannot get over it by laughing, you cannot meet the argument by jeering at it. There is only one way of meeting the argument that he presented to this House, and that is by showing that the Grand Trunk will not be able to carry out this contract. That is the only way you can meet it. If the Grand Trunk Company carries out its contract, then we will pay just what the Finance Minister said, not one dollar more or one dollar less."

And still later :

"And yet, we are asked to believe that after a little while the Grand Trunk will fall to carry out its contract, and it won't go on. What does that argument amount to? What is the Grand Trunk going in to this scheme for?"

And so forth. Now, I respectfully point out to the House that the Grand Trunk is not a party to this contract. The Minister of the Interior is in error in supposing that it is a party, and the Minister of the Interior and the Minister of Finance have no grounds for their supposition that you can come to this parliament and get parliament to punish the Grand Trunk for the violation of a contract by which it has never been bound. When I pointed out that there were no sanctions in this contract, what were we told? We were told: Parliament will create the sanctions after the offence has been committed. I think it would be better for parliament to create the sanctions before the offence comes. That would be the fairer way. These hon. gentlemen seem to think it would not interfere with the sanctity of contracts in this country to say: We will not put a punishment or sanction in this contract, but when there is an attempt to evade it, parliament will come forward and provide the punishment and sanction. But surely you are not going to punish the Grand Trunk for violation of a contract they never entered into. That is the argument, nevertheless, of my hon. friends the Minister of Finance and the Minister of the Interior.

The practice in Canada at the present time—the practice which has grown up in Canada as in the United States, is to route the freight from an interior point to a Lake Superior port, whence it will be

routed by the best, most economical and expeditious line; and the Grand Trunk is at perfect liberty, under the terms of the contract, to carry to an American port every pound of freight which it thus secures at Lake Superior. In that way has the government, by the expenditure of \$100,000,000 attempted to secure the transport of Canadian products through Canadian ports. There is only one way to do that, as I said before, and I hope, before I sit down, to point out the means by which it can be accomplished in a somewhat surer way than that which the government have brought to the attention of the House.

The third point in the speech of the right hon. Prime Minister was that this road was necessary to develop the country for settlement. The opposition are ready to support any well-considered measure looking to that end. The Grand Trunk Pacific is entitled to build in the west. So far as subsidies are concerned, they should not be given where private enterprise will build all necessary railways. If we accept the statement the Minister of the Interior, the government should never have granted assistance to the Grand Trunk Pacific. For that hon. gentleman pointed out that there was such a future before any railway building into that country that the enterprise would attract capital from all over the world. According to what the hon. gentleman says, railways will be built there without any assistance whatever. But I say in respect to the development of the west, I would be willing to support the government in a measure for the building of further railways through that country for the purpose of opening up land for settlement and providing means of communication for the thousands of settlers who are going into that country. And I would not count the cost over-carefully in such a matter. But in the portion of the country where the Canadian Northern and Canadian Pacific Railway are stretching out their feeders, as they must do to supply their very important lines, I should think that private competition would do everything that was necessary. Therefore, I would think it the duty

of the government to see to it that the Grand Trunk Pacific went north into the undeveloped country to provide means of communication for the people who are going there and not send it through the country that is already served by rail. Now, so far as that part of the government scheme is concerned, I think that you might give to the Grand Trunk Pacific Railway Company, for some distance west at least, the assistance proposed by the government for the reasons I have mentioned, and for the further reason that you will, perhaps, by means of that—though I think you can do it in a better way which I shall point out later—bring the great railway systems of Ontario and Quebec into close and direct communication with the great railway systems of the west. What are the objects to be aimed at in dealing with the transportation question at this time?

1. To secure the lowest possible rate for transportation in order that our people may obtain a portion as large as possible of the price at which their products are sold in our domestic and foreign markets.

2. To secure the transportation of Canadian products through Canadian channels.

3. To promote trade and intercourse between the two great divisions of our country, the east with its great industrial future, its vast resources of the field, of the forest, of the mine and of the ocean, and the west with its vast plains capable of supplying the food not only of the empire, but the world, and beyond the province of British Columbia with its great mineral and other resources.

4. To take immediate steps for the relief of any congestion of traffic on Canadian lines of transportation.

5. To develop and utilize for transportation purposes our great national highway, the Intercolonial, on which we have expended more than seventy millions, as well as our great inland waterways, rivers and canals upon which we have expended quite as much. It is not possible to ignore this vast expenditure amounting to more than \$150,000,000 in considering our future policy in regard to transportation.

6. To promote the development of our country by encouraging colonization and settlement in districts suitable for that purpose.

7. To firmly insist that any assistance given for the construction of railways shall be amply compensated for by equivalent advantages secured to the people of the country.

8. To act in concert with and not to restrain or discourage individual enterprise, but at the same time to prevent monopolies and to maintain effective control over great corporations.

9. In this connection it should be added that if, in the public interest, the whole or any portion of any great line of transportation can be more advantageously operated by the country than by a private corporation, then the same justification exists for exercising the right of eminent domain, upon payment of due compensation, as that which permits the government of a great railway corporation to expropriate the business, or property, or undertaking of a farmer, of a merchant or manufacturer.

My right hon. friend smiles. I do not know for what reason he would make any distinction between the two. The principle has been justified in the United States, in Great Britain and in this country, on the ground that it is in the public interest and in the interest of the whole country, and I say I know of no reason why it should not be exercised in the case I have mentioned with all due regard of course to private interests, because in such cases you must not only be fair, but you must be generous to the person whose property is taken against his will. But so far as the principle itself is concerned, I say that it supports action in the one case as well as in the other.

Now, taking these points which I have referred to the government proposal, it seems to me, has nothing in it to ensure or even to render probable a reduction of rates, dealing with the first desideratum I have made. The present rates by lake and rail and by lake and river are much lower than those which can reasonably be expected from the line proposed by the government. The road in the west will be subject to less stringent control than that exercised over the Canadian Northern at present by reason of the agreement which has been made between that company and the Manitoba government.

Further than that, this company is to have a very large capitalization. I know there are many hon. gentlemen in this House, some of them on my own side, who do not agree with me that capitalization has anything at all to do with the control of rates.

But the extent of capitalization has been raised in the western states, where it is relied on and made the basis of argument; and I feel that, taking human conditions as they are, dealing with human influences as they are exercised, you must come to the conclusion that over-capitalization will have some influence upon the fixing of rates. What is the capitalization of the line from Winnipeg to the coast.

Capital Stock	\$45,000,000
Prairie section bonds \$20,000 per mile for 1,100 miles	22,000,000
Mountain section bonds \$50,000 per mile for 600 miles	30,000,000
	\$97,000,000

\$97,000,000 for 1,700 miles equals a little over \$57,000 per mile. The \$25,000,000 of common stock may be acquired by the Grand Trunk Railway Company for a consideration that cannot be regarded as more than nominal. Further than that, if the eastern section is built, with the grades which are referred to by the hon. member for North Norfolk, is there any gentleman on either side of the House that can give me any estimate at all of what that road will cost? The hon. member for North Norfolk says you must have grades not exceeding one-half per cent. He says that economical haulage would probably call for grades of not over four-tenths per cent.

Is there any hon. gentleman who can give us within \$10,000,000 an estimate of what that road will cost with grades of that kind? There is no one capable of answering that question to-day—and I dare say I might increase the amount within which I could ask them to name a figure.

But I venture to say that there is no one who can give us that amount within \$10,000,000, and support it by any data which would be regarded for one moment by any company undertaking to construct a railway in Canada. Well, what will your rates be? They will depend altogether on the cost of this road, because the country is to pay 3 per cent of the cost of the road, and does any one suppose that great corporations like the Grand Trunk Company and the Grand Trunk Pacific Company will not be able to see to it that such rates shall be fixed as will enable them to pay that rental without loss to themselves, or else

they will throw over the road upon the government and say that they cannot operate it at all. There are some peculiar provisions in this contract by which the government can stop the construction of this road at any time between sessions of parliament. I did not exactly understand the explanation given by the Minister of Finance with regard to that, but possibly some hon. gentlemen on the other side of the House can give more detailed explanations of it.

Now, in the second place, as regards keeping the trade within Canadian channels, a majority of the grain, as I have said, will go to Thunder Bay ports, it will be carried by lake and rail, and eventually the greater part of it will be exported to Europe. The Grand Trunk Pacific, the Canadian Pacific Railway, or any other road, can go there and compete for this grain without fear or favour. The Grand Trunk railway is not any more bound by this contract than is the Canadian Pacific Railway, so far as I can understand. Therefore, it is not bound in any way to carry it to Canadian ports. There is nothing in the present scheme specially calculated to promote trade between the east and the west. The greater portion of the heavy traffic will be carried as before.

Then what has been done to relieve the congestion of traffic. The present congestion is occasioned, not by lack of railways, but by lack of equipment. It is admitted and stated, not only by men who are concerned in this matter personally in the west, but by newspapers all through the west, that there are plenty of railways, but a lack of equipment. I was astounded the other day on being told the amount of traffic that the Great Northern Railway handles upon a single line. The two railways from Winnipeg to Fort William and Port Arthur can handle this traffic easily enough, there will be no congestion if they are only properly equipped, and the same thing, I have no doubt, might be said of the other lines from the west.

In the next place, if the scheme is successful, it is calculated to destroy the usefulness and opportunities of the Intercolonial. The Minister of the Interior took issue with regard to that, and I am prepared to take just as sharp issue with him. We spent more than \$15,000,000 on the Intercolonial in bringing it to Montreal, and to improve it, and equip it after we brought it there. Now, is any one in this House prepared to say that that railway was not extended to Montreal for the purpose of capturing some portion of the trade of the west? The policy of the government with regard to that was announced at the time, by the Minister of Railways, the mouthpiece of the government, and

hearty cheers were evoked by the very language I am now about to read to the House, which was used by him on the 16th of June, 1897, and which is to be found on page 4286 of the 'Hansard' of that year:

"And, as I was saying a moment ago, if you examine the details of the contract which has been entered into between the government on the one hand and these companies on the other, you will perceive very clearly that we have been solicitous and careful, that every term and every condition should be introduced which would ensure us an opportunity to gain our share of the western trade. As you will see we have engaged with the Grand Trunk to carry the freights for us from the west to Montreal and deliver these freights to us when they get them there, not to take them around by the Richmond line or by Levis, not to carry them off on the Grand Trunk, but to deliver them to us. So, when we send our canvassing agents through the west, as all railway companies do and ought to do, and these agents pick up traffic and make contracts, we may be sure that the business will fall into our hands when it reaches Montreal."

That was the policy of the government then. The right hon. gentleman had not then had the inspiration of his visit to Depot Harbor. He came to the conclusion that the government should send out agents to solicit business for the railway, and ask for the trade of the west, and it was on this ground that we extended the Intercolonial Railway to Montreal and on this ground almost alone, although, of course, it was important that better communication should be in that way ensured to the maritime provinces. The great desideratum pointed out to the House and the country at that time was that the Intercolonial Railway should be prepared to reach out and obtain control of some of the trade of the west and for that purpose it should send out canvassing agents throughout that territory. What happens now? According to the terms, upon which my right hon. friend supports this scheme the grain trade of the west is to go over the eastern section of the Grand Trunk Pacific and is not to go near Montreal at all. Having expended \$55,000,000 in the first place on the Intercolonial Railway and having expended \$15,000,000 for the purpose of capturing some portion of the trade of the west we are now expending \$100,000,000 in order that the Intercolonial Railway shall get no portion of that trade. Yet, the hon. Minister of the Interior stands up and says that it does not affect the agreement which was made in 1897. Does he not remember the elaborate traffic arrangements entered into between the government and the Grand Trunk Railway Company by which the trade secured by these canvassing

agents and brought from the west by the Grand Trunk Railway would be delivered to the Intercolonial Railway for transport to Halifax—delivered to the Intercolonial Railway not at Levis or Quebec, but delivered to it at Montreal? Now, these same bountiful products of the west are to be carried over the Grand Trunk Pacific Railway, over its eastern section to Moncton, by running powers to St. John and Halifax, and the Intercolonial Railway is not to carry one pound of that freight. Was my hon. friend the hon. ex-Minister of Railways and canals right or wrong when he said that I did not put this matter strongly enough. I said it was a reversal of the policy which the government had entered into in 1897. He says that it is a condemnation of the policy of 1897. I am prepared to admit that the hon. ex-Minister of Railways and Canals was right because I do not think that even he used strong enough language to describe the conduct of the government as it affects the Intercolonial railway. After spending \$15,000,000 in '97 to get a portion of the trade of the west, after having arranged to send out canvassing agents to secure it and to have it delivered to the Intercolonial Railway at Montreal, they are now spending \$100,000,000 to take it over this proposed railway away from Montreal and away from the Intercolonial Railway altogether. They add to the national debt \$100,000,000, for the purpose of undoing that which they spent \$15,000,000 to accomplish in 1897. Look at what we have on our hands in Montreal at the present time. What did we do for the purpose of securing the trade of the west? We rented half of the terminals of the Grand Trunk Railway Company of Montreal. There was an investigation in connection with the proposal, and one of the Grand Trunk officials was asked the question: Do you not think this is a pretty big thing for the Intercolonial Railway to undertake—the renting of half of these enormous terminals of the Grand Trunk Railway Company in Montreal? His answer was: It is pretty large, it is like a newly married couple hiring a very large house but they will have use for it in the future. Well we have our terminals in Montreal and we pay \$140,000 a year for them and we also paid during this last year \$168,000 as our share of the maintenance of these terminals; making an expenditure of \$308,000 a year for the terminals at Montreal alone. Now we are to spend \$100,000,000 more to take all the traffic away from Montreal.

I want it to be remembered in this connection that in offering this criticism on this project I am not at all offering any

criticism of the proposal that the Grand Trunk Pacific Railway Company or the Grand Trunk Railway Company under that name shall get into the west. What I am criticising is the mode of doing it. It seems to me most extraordinary, most contradictory and a complete reversal and condemnation of the policy which the government adopted in 1897.

Then, what advantages are secured to the country for the assistance granted to this road? The portion which the hon. minister says is a magnificent business proposition is the portion which is to be built with government assistance. There is no contract for the control of rates such as has been obtained in Manitoba. There is only the control that is exercised over railways generally.

Are there any lower rates guaranteed? None are guaranteed and how can you expect lower rates in view of the statistics which I have presented to the House and in view of the statistics of a similar character which have already been submitted. In addition to that there is, for the reasons that I have mentioned, no assurance that the trade shall be sent through Canadian channels.

Further than that the Grand Trunk Pacific is given power to engage in almost every possible description of enterprise and in that way it may be possible in the future that individual enterprises may be dwarfed and curtailed when it may come into competition with this great corporation.

Mr. Speaker, the opposition might well content itself with stating generally the objections to the policy of the government, but, in view of the importance of the question it is essential that an outline of our policy should at least be stated. In the first place I say that I believe this is a question upon which any political party in Canada should obtain the best possible expert assistance and advice, and it would be our policy, by commission or otherwise in the speediest possible way to obtain that advice and assistance so as to be able to act upon broad lines, upon reasonable lines and with due inquiry, with due promptitude and at the same time with due caution and deliberation. Subject to that consideration the policy which I think

should be adopted by the country is, in the first place, as follows:

Canada has expended on the Intercolonial Railway over \$70,000,000 and of that expenditure \$15,000,000 pointed to further development, to a further extension of the road to the west. As I said before in answer to the hon. member for Hants (Mr. Russell), you have the Intercolonial Railway and you have to do something with it. Will you sell it or give it away? Are you going to let it stand still or are you going to develop and extend it? Is it alone of all the great railways in this country to stand still, because we must remember that stagnation means in the end ruin? I say that I am not one of the pessimists such as the hon. member for Hants who are afraid of the future of the Intercolonial Railway. The hon. gentleman talked about pessimists. Did you ever hear anything more pessimistic than the doleful account he gave of the prospects of the Intercolonial Railway and his expression of opinion that the people are not able to operate efficiently their own railway? He spoke about croakers. I do not want to apply any terms of that kind even though they come from him, but I will ask when he is dealing with the Intercolonial railway who the croaker is in this House to-day.

What are we going to do with the Intercolonial Railway? We are not going to give it away, I hope. We are not going to sell it, I hope, and we are not going to let it stand still, I hope. Other railways throughout the country are being developed and extended. Why not the Intercolonial Railway? I say that I do not believe the Conservative party, the party which had the courage to build the Intercolonial Railway, the

party which had the courage to build the Canadian Pacific Railway in the face of opposition of hon gentlemen opposite, will shrink from extending the Intercolonial Railway to the shores of Georgian Bay.

That may be done either in the mode mentioned by the honorable the ex-Minister of Railways and Canals, or by some other way. The hon. gentleman (Hon. Mr. Blair) spoke of, and the public press of this country have discussed the question of acquiring the Canada Atlantic Railway. I have no doubt that that railway is a very valuable line. I have made some inquiries with regard to it and I may give to the House and to the country some information as to what it has accomplished in the way of solving transportation problems in this country during the past six or seven years. The Canada Atlantic Railway extends from Depot Harbor on the Georgian Bay to Coteau Junction, a distance of 342 miles. In addition to this they have a line 57 miles in length between Coteau Junction and Alburgh Junction in the state of Vermont, making in all about 400 miles.

In order to obtain access to Montreal a line would have to be built from Coteau Junction to Jacques Cartier Junction, or or similar point, to connect with the Intercolonial railway.

During the last year for which we have a report, over 19,000,000 bushels of grain were carried over this road, over one-half a million barrels of flour, 12,700 tons of live stock, over 500,000 tons of lumber and wood and about 500,000 tons of manufactured goods and other articles. The total tonnage amounted to 1,545,000 tons.

Running east from Depot Harbour to Madawaska, a distance of 133 miles, the grades are about one per cent., but from Madawaska to Coteau Junction in no place do they exceed one-quarter of one per cent. At the present time their engines are hauling from twenty to twenty-five cars of wheat from Depot Harbor to Mad-

awaska and from Madawaska to Coteau Junction they haul from sixty to seventy cars of wheat.

At Depot Harbour the Canada Atlantic Railway has an elevator capacity of 1,250,000 bushels. They have two warehouses 700 feet long by 90 feet wide, and the docks form an aggregate length of 3,000 feet and are built in 22 feet of water.

The harbour is about half a mile in width and the water is of sufficient depth to accommodate the largest lake going steamer and perfectly safe in all winds and weathers.

In connection with the Canada Atlantic Railway, there is a steamer service known as the Canada Atlantic Transit Company. They have several very large steel steamers of 4,000 to 7,000 tons burden each which have a capacity from 180,000 to 275,000 bushels of grain, equal to 175 to 275 carloads. These steamers make trips between Fort William and Depot Harbour. They also run to Chicago, Milwaukee and Duluth, where they obtain a large amount of freight to and from. During the past season they carried 19,000,000 bushels of grain, there being generally two or three million bushels in transit.

Large quantities of package freight are shipped every season between New England towns and places in Manitoba and the west over the Canada Atlantic Railway.

The gross earnings of the Canada Atlantic Railway last year were \$1,816,946 and the net earnings were \$569,000 or a little over \$4,000 per mile. Their net earnings last year were sufficient to pay five per cent. on their capitalization.

They have forty-five passenger cars, about 1,000 box cars, over 500 platform and coal cars, besides the ordinary snow ploughs and other equipment, and sixty engines.

The steamers are not owned by the Canada Atlantic Railway Company, but by the Canada Atlantic Transit Company, and while there may be some difficulty about the crown owning steamers which ply for commercial purposes to foreign countries, I should suppose, though I did not consider the question very carefully, that a difficulty of that kind could be overcome by maintaining the present organ-

ization; or in other words, the legal title to the steamers would remain vested in the company, and the government could own stock in the company in the same way that the British government own stock in the Suez Canal. Let me point out to the hon. member for Hants (Mr. Russell) who talked about the advisability of carrying grain from Montreal or Quebec to Halifax for nothing, that this is the scheme that suits him exactly. Here are 19,000,000 bushels of grain that he can capture in this way and bring to Halifax: here are 31,660 cars of grain, or from 800 to 1,000 trains. According to the view of my hon. friend (Mr. Russell) this could be carried to Halifax without appreciably increasing the cost of operating the Intercolonial Railway. Is not this a splendid opportunity to carry out the idea of my hon. friend (Mr. Russell) who I am sure will be the first on the other side of the House to stand up and regret that this matter has escaped his attention, and to assure me that a scheme of this kind will receive his absolute and unqualified support? The Canada Atlantic Railway is thus referred to in the report I have already mentioned of the Industrial Commission of the United States:

"A new and very advantageous route has recently been established in what is known as the Canada Atlantic Railway. This route is from Chicago via water to great lake ports, say Parry Sound, Ont.; thence by rail through Canada to a place called Coteau Point, where grain is transferred into barges and alongside vessels at Montreal. This route was built two years ago and has handled an enormous quantity of grain. It has had a tendency to regulate to a certain extent the rates via the American all-rail lines. . . . At present the Canadian routes are the cheapest, and during last season they have had all the grain they could possibly take care of at Montreal, and the lack of ocean tonnage has been the only thing which prevented Montreal from doing a much larger business."

Any hon. gentleman who likes to investigate the subject can see the evidence of the witness who gives the evidence re-

ferred to at page 412 of this report.

Now, Mr. Speaker, I am not wedded to the acquisition of the Canada Atlantic Railway. I am only propounding a policy which I think ought to be followed, namely, the extension of the Intercolonial Railway to a Georgian Bay port. It may be that after expert advice has been obtained some other scheme may be found for carrying out that policy that would be better and more advantageous than the acquisition of the Canada Atlantic Railway. So let it be. If, however, the Canada Atlantic Railway commends itself to the judgment of experts, and from what information I can obtain with regard to it, I should think it ought to so commend itself, and I would think that the extension of the Intercolonial Railway from such a point as Jacques Cartier Junction to Coteau, and the acquisition of the Canada Atlantic Railway to Depot Harbour, would place the Intercolonial Railway in a very much better position than it is at present.

What would be the advantages of this proposal? It would place in the hands of the government a means of bringing to the Intercolonial Railway a very considerable portion of western traffic, and thus absolutely secure in the country, transportation of Canadian products through all Canadian channels to a very great extent. There would be no gainsaying the question of all Canadian channels then. Here is a railway that carries 19,000,000 bushels of grain alone, and an enormous freight traffic besides. Go and acquire this railway; go to a Georgian Bay port and you would at once most assuredly and certainly bring to Canadian channels all that traffic so secured. In the second place, it will render the present Intercolonial Railway more valuable by obtaining a share of the western traffic; it would render it more valuable by giving it that through traffic which is so important for the reasons that have been suggested to day by my hon. friend from Hants (Mr. Russell) in that cogent and forcible way which he presents such matters to the House. In the third place, it will bring the people of the maritime provinces into close touch with the people of the west, and by this means the government railway or as

the Minister of Finance rightly described it, the people's railway—the people's railway will have taken one more step further to the west. It will connect directly at the Georgian Bay with the industrial life and increasing development of the great west. In the fourth place, this is the logical outcome of the extension of the Intercolonial Railway to Montreal. In the next place it is an advance step, not a retrograde step in the principle of government ownership. We should abandon government ownership altogether, or we should give to our system of government railways such extension and development as the business interests of the country demand. Is every other railway to advance, and the Intercolonial to stand still? No, Mr. Speaker, I believe not; and I believe, that the Conservative party, having carried this railway to Lake Superior, as they will be in a position to carry it when they come to power at an early date: the Conservative party having thus extended this railway, will make it in the best sense the people's railway. The Conservative party which was not afraid to build the Canadian Pacific Railway and to bind together the scattered communities of Canada will not be afraid to carry this Intercolonial Railway to the Georgian Bay, and if the needs of the country demand it, to the distant shores of the far Pacific.

I do not expect my hon. friends on the other side of the House to be enthusiastic about this. I know they were afraid of the Canadian Pacific railway project in days gone by. I know that they will be afraid of this extension to the Georgian Bay. Let them have hope and confidence in the future of this country. Let them not be afraid that the people of this country will not know how to operate their own railway. Let them not be of that faint heart which showed itself so unpleasantly twenty years ago; let them come forward and adopt this principle of government ownership of railways as far as the Georgian Bay at least, with an extension some time in the future to the Pacific coast. Let them demonstrate to some extent that conversion which they claim from their faint heartness, and lack of confidence of twenty years ago. Let there be no uprising of croakers or faint hearts when this proposal is mentioned.

Let us remember that this is the people's railway; let us remember that the people of Canada are capable of governing themselves; and let us remember that the people of Canada, if they are capable of governing themselves, are capable of operating this railway in a way which will free it from party political control, while maintaining over it political control in the broadest and best sense of the word. I know that strong men have failed in the past in dealing with this question, but I do not despair of dealing with it vigorously and efficiently and rightly in the future. I believe that some means can be found of freeing the management of the Intercolonial from that party political control which has done so much to keep it in the background in the past. Take away from it the party element and retain in it the broad political element, namely, that it is the people's railway, operated by the government of this country for the people and under the control of the people. Taking our stand upon the broad principle, and not going upon theories of the King of Belgium or any one else, let us realize once and for all that we now have government ownership in Canada to the extent of 1,600 miles of railway.

The next proposal I desire to make—and I say again that it is a question on which I would ask the advice and assistance of experts—is this: There are in Canada two great natural 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, should fit harmoniously into each other. These two great divisions of our country are connected in summer by a magnificent highway, the water-way of the 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 the lines of trade to run north and south, instead of east and west as they should. 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. That 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 advantageously be expended. The grades, I understand, 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 I have suggested, ten times the traffic which is carried over it at present. I say it would be a proper thing and a wise 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 Railway equal running powers over it. I say that for this reason, that to build two railways or three railways where one railway, with running rights over it, will answer the same purpose, is economic waste. By the acquisition of this railway you can put the Grand Trunk Railway, one of the great railway systems of Ontario, into direct touch with the commercial life and development of the west inside of six months. For the purpose which I have suggested, the government can acquire either full ownership of that railway or the absolute control of running powers over it.

It may be suggested by some hon. gentleman on the other side of the House that what I propose is impracticable. I say it is not impracticable; and I have talked this question over with many railway men who are more familiar with the subject, I think, than any gentleman in this House, with the possible exception of my hon. friend from South Lanark (Hon. Mr. Haggart), who has given these subjects a great deal of attention. It is difficult to give to one railway effective running powers over a line which is under the

control of another and competing railway.

But if the government acquires this railway from North Bay to Fort William, it can establish and maintain an independent control over it and give to these three railways exactly equal running powers over it for which they shall pay in proportion to their user on a wheelage basis; and that object can be accomplished, as I have been informed by railway men, the highest in the country, without any difficulty and without any friction whatever.

I would not for one moment suggest that anything should be done that would break the continuity of a great transcontinental highway like the Canadian Pacific Railway. But this would not break the continuity of the Canadian Pacific Railway. The Canadian Pacific Railway Company at the present time owns that road, which has only one-fifth or one-tenth of the traffic it can carry. If you give to the Canadian Northern and the Grand Trunk, in common with the Canadian Pacific, equal running powers over that line, you will increase its traffic to some extent, but for many years to come you will have an avenue for all the trade that will be carried from the east to the west by means of a railway. You will not only bring the Grand Trunk immediately into touch with the commercial life of the west, and with it every village and town of Ontario, but you will also bring the west, by means of the Canadian Northern, into direct touch with the villages and towns of Ontario. I regard the Canadian Northern as being as much entitled to the status of a transcontinental railway as the Grand Trunk Pacific. Its object and aim has been to reach the Pacific coast, and its object and aim must be also to reach the Atlantic coast; and having received running powers over the Canadian Pacific Railway from Fort William to North Bay, there is no reason why that railway should not at an early day be extended to the shores of the Atlantic. Already it has a line under construction to the town of Edmonton; and with regard to a line from there to some further point in the west, I will give you my views before I sit down.

I have suggested the extension of the Intercolonial to the Georgian Bay. If we should acquire the Canada Atlantic Railway, we could build a line from that point or more probably from Scotia Junction to join the Canadian Pacific Railway at or

near Sudbury. That country has already been surveyed five or six times by the Canadian Pacific Railway Company, once by the Canada Atlantic Company, and once by Messrs. Mackenzie & Mann. The cost of constructing a railway through that section is well known, or could be ascertained by the government in a few days. By that means the Intercolonial, besides being extended to the Georgian Bay, could be joined by a line about 105 miles in length to the Canadian Pacific Railway running north of Lake Superior.

The third proposal which I would submit to the consideration of the House, as a sound policy, is to assist in improving the grades of one or both lines from Winnipeg to Fort William, upon the condition that complete control of rates is obtained and that the Grand Trunk Railway, as well as the Intercolonial Railway shall have running powers from Fort William into Winnipeg. Such running powers might be exercised by joint operation; or if that were found unpracticable, owing to rival interests, then under an independent authority appointed for that purpose by the government. This arrangement will bring the Grand Trunk Railway, with all its great system in Ontario and Quebec, into direct touch with the railway system and industrial life of the west, inside of six months or a year. What will be the advantages of this proposition? In the first place, it will insure further competition with respect to rates in the west. In the second place, it places at the disposal of all our great railway systems the existing line from North Bay to Fort William, which can serve the requirements of all our great railways for many years to come. In the third place, it will give the people control over rates by the mere fact that the Intercolonial Railway has the power to enter Winnipeg. It will place the people in a position to own and operate their own line through the west to the coast, in case of oppressive rates, or in case control of rates by the railway commission should not fulfil our expectations, or in case the development of the country, within a few years, may point to that as a desirable policy.

The fourth feature of the policy which I have to propose is this: I would assist the Grand Trunk Pacific Railway on reasonable terms, to build a

line north of the Canadian Northern Railway as far west as Edmonton or some adjacent point.

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 Railway, as well as the Grand Trunk Railway, should covenant that traffic, as far as possible, shall 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. I do not regard it as of any great value, but I do regard it as of the utmost possible value to extend the Intercolonial Railway to the Georgian bay and thus to secure a considerable portion of the products of the west for transportation upon the people's railway to our own ports of Quebec and Montreal and the ports in the maritime provinces.

As far as the line from Edmonton to the coast is concerned, I do not believe that at present there is in Canada any call for two railways. We know that the Canadian Northern Railway is looking for extension to the coast. It has its charter to the coast, and it has its line partly built to Edmonton and from Edmonton west. I repeat that you must regard the Canadian Northern railway as one of the great transcontinental systems of Canada. At some point on this side of the Rocky Mountains, there should be a common point, a junction between the Canadian Northern Railway and the Grand Trunk Pacific Railway. From that on to the coast there should be one line. That line should be built by these companies, under such an arrangement as would give them joint control. Reasonable assistance should be given by the government by a guarantee of bonds in aid of construction. Should there be any difficulty in coming to such an arrangement, the government should build that line itself and maintain control and give these railways for a term of years equal running powers over it. There is no reason why we should build competing lines through the Rocky Mountains, but there is reason why we should build the Grand Trunk Pacific Railway into the west, because the west is developing rapidly. But from

some point near Edmonton to the Pacific ocean, there should be one railway. If these two great corporations, the Canadian Northern and the Grand Trunk Pacific railway—or the Grand Trunk Railway, as it is in fact—had equal running powers over that line to the coast, under independent control, by that means you would have in fact three transcontinental railway lines in Canada, and I think you would have the transportation problem in Canada settled, as to its main features, for the next twenty-five years.

So far as the line from Quebec to Winnipeg is concerned, I am not disposed to minimize the possibility of that northern country. Looking at the history of the great west, there may be a great flood of settlement into that country north of Lake Superior, some day or other, at least up to a certain point west, but I do not think we know enough to justify us at present in saying that there will or will not be, because I do not know how far that country is capable of competing, in the early future, with the magnificent country we have in the North-west. I have some doubts as to whether or not that great northern country may compete as early as we would desire with the great western country. But, I am not disposed to minimize its importance in any way, and to my mind the rational way of dealing with the proposed line from Quebec westward is this: First, thoroughly exploit and explore that northern country, realize and understand its capabilities and possibilities for settlement and colonization and build such railways as these conditions and requirements may demand. Build only after you have obtained the fullest possible information and obtain that information with the least possible delay. You may find curious conditions surrounding you when you get into that country. You may find that the road, which is the most direct line to the Pacific coast, will not be the road that will open that country for colonization. You may find it necessary to have a road running in one direction for colonization purposes while any future line to the coast must take a very different direction.

You may also find that lines running north from the settled portions of Ontario

and Quebec will be required for the development of the country. You must go upon sufficient information, upon sound and reasonable lines, and when you do that, give to that country all the development which the people require. Not only build that line, but operate it as a government line. A government line, it seems to me, would be peculiarly suitable to that country for colonization purposes, and I see no reason why the problem should not be solved in that way. If in the future the enormous development of the west should make another transcontinental line necessary, and if through this northern country an economical and practicable route can be found, then extend that road to the Pacific coast. Build it as a government road from Quebec to the coast. Be not afraid to undertake that project, but do not undertake it until you have the information, the data and the necessity which will justify you to deal with it. I am not saying this for the purpose of unnecessary delay. I believe in going ahead with the work once you get the information and the data which are necessary and as soon as the development of the west justifies it.

The next feature to which I refer is one upon which I think there ought not to be two voices in this House or country.

Thoroughly equip our Georgian Bay ports, our national waterways, our St. Lawrence route, and our ports on the Atlantic coast. Give them the terminal facilities which shall enable them to compete with the American ports. Give them, if necessary to properly compete with the American ports, free terminals. Give them terminals on the Georgian bay, both on the east and west coasts, develop the waterway on the St. Lawrence route, develop the facilities at Port Colborne, exploit the harbor at Montreal and make that a national port in the true sense of the word.

Do the same with regard to the port of Quebec, with regard to the port of St. John, with regard to the port of Halifax. The people of this country are not afraid of spending money, if it is spent in a sane and reasonable way. And I know of no better way in which the money of this country can be spent than by improving the Great inland waterway, the St. Lawrence route, and our great national ports. And I am prepared to support this govern-

ment, or any other government, that will spend money for this purpose, and spend it in such a way as will enable the people of this country to compete with the tremendous influences which affect this question of transportation to the south of us. There is no reason to be afraid of spending money. I am not afraid of spending money. And the country is not afraid of spending money. But let us spend it in a reasonable and proper way. And no saner or better way can be found of spending the money of this country than in providing these terminals on the lakes, developing the lake ports to which I have referred, improving the St. Lawrence waterway so as to make it as perfect as money can make it, and placing the ports of Montreal, Quebec, St. John, Halifax and any other national ports on as good basis as any American ports. I have already explained my position with regard to a shorter line for the Intercolonial through New Brunswick.

It is very near six o'clock, but, if it is not asking too much of the indulgence of the House, I would like to finish what I have to say before you leave the Chair, Mr. Speaker.

The elevator question in the west, in connection with these terminals, is a very important one, and it is one that will have to be dealt with by the government, and dealt with under the best possible expert advice. We know that in the western states a farmer, on putting his grain in the warehouse, gets a certificate which is guaranteed by the state and which is practically so much money to the person for whose benefit it is given. He can go to any bank and draw the amount at once. This is a matter that I have not studied or carefully considered; but it seems to me it would be a proper subject for the government to fully investigate, with a view to deciding whether some similar system could not be adopted in this country, so that the farmer of the west, putting his grain into warehouse would receive such a certificate, would, if necessary, have the whole faith of the country pledged to the accuracy of the certificate, and be able to realize upon his grain at once. It is

a question not without difficulties, not without complications. But there are dozens of questions as important to the people of this country as this one, which this government does not seem to have investigated at all, but which would have been investigated and placed before the House in suitable form if the government had proceeded with the policy they brought down at the opening of the session and repeated in the month of May last. Do not let any man in this House or out of it believe that he understands the question of transportation thoroughly. I do not believe there is any one man in Canada who understands that question completely in all its aspects. You would have to get a number of the best railway men in Canada together in order to understand the complexities and difficulties of the situation, so as to be able to meet them. For example the Canada Atlantic Railway is competing at Duluth and Chicago for western grain. Matters of this kind should be considered and weighed as they affect the problem in the east. All the questions affecting the right of the farmers of the west to store his grain practically at the expense of the country, without charge, except as afterwards included in the railway freight rate—because, I believe, that is what is done in the western states, where the elevator charge for a certain period is not paid in the first instance by the farmer, but is absorbed in the railway charge—all those things should be studied. It may be found necessary for this government to take steps to relieve the congestion in the west, and for the purpose of relieving that congestion, to exercise the running rights I have referred to over the Intercolonial to Winnipeg, and to provide in Winnipeg additional terminals to those I have suggested on the shores of Georgian Bay. I think that is a great possibility, a very serious possibility, and perhaps in the not very distant future. Because we shall have enormous grain crops in the North-west, and it would be an economic waste it seems to me, for 100,000 farmers to build 100,000 barns or warehouses, when, by means of proper transportation facilities, their grain could be stored for a merely nominal charge in elevators erected as a common enterprise.

Now, let me say in conclusion, that this

that I have stated is in outline the policy I would be prepared to adopt. I would take the advice of the experts in the department of railways and of the best experts in Canada, and, if necessary, of the best experts that this continent or any other continent can produce. But, subject to that advice, I would be prepared to proceed along the broad lines I have proposed. Consider my proposal, as contrasted with that of the government:

1. It combines prompt action with deliberation and caution.

2. It develops and does not throttle the Intercolonial.

3. It takes account of the expenditure upon the Intercolonial and upon the Inland Waterways, and brings those great national highways into harmony with our project. The lake route, the St. Lawrence, the canals and our great railway systems are joined by the policy I propose in one harmonious whole, whereas the policy of the government ignores the waterways, takes no account of the lake communication—cuts off the very Intercolonial Railway on which this country has spent \$70,000,000—and on which this government has spent \$15,000,000 for the purpose of doing the very thing which I am advocating in this House.

4. It develops transportation along the lines of least resistance, that is to say, by water and by water and rail.

5. While connecting at the same time all the great railway systems in Canada, it controls in the only effective way the carriage of Canadian products through Canadian channels, by enabling the people's railway to compete for this traffic.

6. It affords immediate relief to the congestion of the west by bringing the Grand

Trunk Railway into Winnipeg without delay. And

7. It insists that further railway development in the west shall not only give necessary competition in settled districts, but shall open and develop new country.

This, Mr. Speaker, is an outline of the policy which I would submit as an alternative to that proposed by the government. It is a policy based upon an abiding and abounding hope and confidence in the future of this country; a policy which looks to an enormous development in Canada within the next few years; a policy which, I trust, is not unworthy of the traditions of that great party which made the North-west a part of Canada, which bound together the scattered provinces of Canada by a railway stretching from the Atlantic to the Pacific, and which from first to last, has believed in and advocated a national policy, not only for the development of our industrial life, but also for the solution of the great transportation problems of this country.

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