

House of Commons Debates

THIRD SESSION—NINTH PARLIAMENT

WITH COMPLIMENTS OF
Jas. L. Sifton

SPEECH

OF

HON. CLIFFORD SIFTON, M.P.

ON THE

NATIONAL TRANSCONTINENTAL RAILWAY

OTTAWA, THURSDAY, AUGUST 13, 1903

The MINISTER OF THE INTERIOR (Hon. Clifford Sifton). Mr. Speaker, the debate in which we are engaged at the present time has now reached such a stage that we may fairly say that the House is seized in a general way of the views put forward by the government in favour of the proposition which we are discussing, and that it is seized in a general way of the objections which are put forward by our friends on the opposition side. We have, therefore, made some progress, and if the debate at later stages is to be illuminated upon the subject it will be necessary for us to confine ourselves more to the points which prove to be at issue between the parties, instead of discussing the general features of the scheme, which are now well before the country as well as the House. We have had exhaustive statements from both sides. We had an eloquent and able speech from the right hon. leader of the government, in which, with that ability which on both sides of the House, I think I can fairly say, we all admire, he placed before the House and the country his views respecting this great project. He was followed by my hon. friend the leader of the opposition. That hon. gentleman did not, it is true, have the printed contract before him sufficiently long to enable him to give a mature and detailed criticism of its contents, and therefore he may fairly ask that this House and the country shall hear him again. But, in so far as the general features of the scheme were concerned, they had been reported in the press without dispute; they had been brought before the members of the government following in caucus, and, with that enterprise which char-

acterizes our friends of the press, had been fully and completely reported to the readers of the newspapers. Therefore, I think my hon. friend the leader of the opposition, probably knew as well, when he came to listen to the Prime Minister's deliverance, the general features of the scheme which he should be called upon to criticise, as he knows at the present time. He did not shrink from the task which was imposed upon him, but he spoke vigorously and at length on behalf of himself and his party, and placed himself on record respecting this proposition. Then we had an address from my hon. friend from South Lanark (Hon. Mr. Haggart), who, by reason of his length of service in this House, his service in the late government, and the position which he occupies in the public life of the country, is well qualified to speak for the Conservative party of the province of Ontario in this House; and I think I do not misstate my hon. friend's position when I say that it was one of uncompromising hostility to the proposition of the government. Then we had from my hon. friend the late Minister of Railways and Canals (Hon. Mr. Blair) a lengthy and exhaustive discussion from the standpoint of an opponent. My hon. friend and late colleague spoke with all the knowledge of a gentleman who had been a member of the sub-committee who were instructed to prepare the details of this scheme. Therefore, he could not claim that his information was not full and complete or that he had not sufficient time to go into the subject with great fulness since the speech of the right hon. the Prime Minister. So that we may

take it that what he has said is the worst that can be said, so far as he is concerned, with respect to the scheme before us.

Then we heard yesterday from the leader of the Conservative party in the province of Quebec the hon. member for Jacques Cartier (Mr. Monk), and I think I am safe in saying that his attitude was one of uncompromising opposition. We heard also from the hon. member for Hamilton (Mr. Barker) last night, and his attitude was equally one of uncompromising opposition. So that we have this fact thoroughly well settled, that from every portion of the Dominion represented by our hon. friends on the opposition benches, except from the west—we have not yet heard from our friends from the west—we have uncompromising opposition to the plan of the government in connection with this transcontinental proposition. From our side we have had a very able and convincing speech from my hon. friend from North Norfolk (Mr. Charlton), and last evening we had from the Finance Minister a speech characterized by that ability and eloquence which causes us all on this side to be so proud of him. Leaving aside for the moment the presentation originally made by my right hon. leader, the different phases of the subject were dealt with by the hon. member for North Norfolk and the Finance Minister in such a convincing, exhaustive and conclusive manner that it would be mere impertinence for any one at this stage to undertake to amplify the argument and reasons which they gave. But if I may be permitted, I will devote a few moments to a consideration of a few of the objections which have been raised by our hon. friends on the other side to this contract.

My hon. friend from Jacques Cartier spoke to us yesterday afternoon at considerable length, and the chief ground he took for opposing the Bill was that we had no information about the country through which we proposed to run the line from Winnipeg to Quebec. I understood him to take the position that it was unwise and imprudent to undertake to build a railway without first having had an actual survey made of the route. But it has been pointed out that the position taken by the hon. gentleman, and which has been reiterated on that side, is contrary to all business experience and practice. When people undertake a railway enterprise, they usually come to parliament for authority to go on, before making an actual survey of the route. They get first a general knowledge of the country, such a knowledge as justifies them in the conviction that a railway of the character they intend to build, can be built, and then proceed to get the requisite authority to make a survey and decide on the exact location. That is what was done—in fact I do not know that quite as much was done when the Dominion undertook to build the Canadian Pacific Railway. Information was at the disposal of the government which enabled it

to say that the railway could be built and they undertook to build it and they did build it.

And after the government entered into a contract for the building of the Canadian Pacific Railway, that railway did not follow the line of the survey which had been made at all, but went hundreds of miles away from where, according to the survey, it was intended the road should go. It will not be found, in all the practice regarding the initiation of great railway enterprises, that complete surveys are required before a decision is arrived at to go on with the work.

My hon. friend from Jacques Cartier raised another objection. He said the province of Quebec required colonization railways, and he made that statement in such a way as to indicate that the argument or proposition he was advancing was an argument against the scheme we were discussing. Well, I am wholly unable to see what it has to do with the proposition we are discussing. If the province of Quebec requires colonization railways, if there are districts in that province through which the building of colonization railways can be justified, then this parliament is prepared to deal liberally with any proposition for development of that kind when it is brought before us. My hon. friend has been a member of this House for six years, during two of which he has occupied the position of lieutenant of the leader of the opposition, and up to this moment he has not brought before us a single scheme looking to the building of a colonization railway in his province. I do not see therefore how he can say how there has been any lack of disposition on the part of this House to deal liberally with his province in that respect. There is absolutely no connection between the two propositions. We stand in the same position with regard to the province of Quebec upon that subject as we do with regard to the other provinces of the Dominion. As a member of a government I have never had any sympathy whatever with the agitation which has arisen and been fomented in certain parts of the older provinces against the bonusing and encouraging of railways.

I take the position that it would be an act of folly, that it would be disastrous for the parliament of Canada to lay down any principle contrary to the encouraging of railway construction in this country. I have suffered politically somewhat for my faith, because in certain parts in the western country which are fairly well served with railway facilities, the people have been persuaded that the policy of bonusing railways should cease. But I am convinced that the view which I entertain is sound and will appeal to the solid business judgment of the people in the long run. We are prepared to give effect to the policy of encouraging railway construction in the provinces of Quebec and Ontario, and the other provinces of the Dominion, including the old province of New

Brunswick, where additional facilities are required.

The hon. member from Hamilton (Mr. Barker) has addressed some criticisms to this contract. I am sorry he is not in his place, because he has been placed by our hon. friends opposite in the position of a railway critic and as being in some sort, after the hon. member for Lanark (Hon. Mr. Haggart), the railway expert of the opposition; and we are therefore to pay some considerable degree of attention to what he says. My hon. friend criticised the provision of this contract regarding running powers. I regard that provision as most essential and important, as a fundamental provision, without which this contract never could have been made. That is the importance which the government attaches to that provision of the contract, and therefore when it is attacked we find it necessary to meet the attack. And when this debate is over, I do not think that hon. gentlemen on that side will be able to say that any attack was made on this particular phase of the question which has not been thoroughly met. My hon. friend from North Norfolk dealt with that question fully.

The allegation is made that the provisions respecting running powers are not practical. In broad, general terms, that is the proposition that is laid before the House. It is said: Your idea about a railway highway, your idea about running powers is a good enough idea, but it won't work. What did my hon. friend from North Norfolk say? He showed that it is actually working. He said: It is of no use for you to say it won't work; here is a road where it is actually working now. And what is the answer to that? I am free to say that I do not know. It was said that the arrangement could not work where the road was more than one division long, say more than 75 or 100 miles, for you would have to have engines, shops and changes of crews. And my late colleague, the ex-Minister of Railways (Hon. Mr. Blair), excited the mirth of our hon. friends on the other side by the humorous description he gave of the difficulties that would arise in endeavouring to carry into effect what he represented as a ridiculous and impracticable idea. Now, humour is a very good thing, and a very entertaining thing—but it is not argument. And when, after my hon. friend's humorous address, the hon. member for North Norfolk said: Your argument is very well for a lawyer, but here are the facts, here are two railway companies doing this very thing which you say is ridiculous and impracticable; what have you to say to that? And we ask hon. gentlemen on the other side what they have to say at this present stage of the discussion? My hon. friend from Hamilton (Mr. Barker) has an answer to it, and to that answer I desire to draw attention. Let the House observe that the hon. member for North Norfolk spoke in the morning, and

V 88—1½

the hon. member for Hamilton, who is a railway man—I understand he has been a railway manager—a man with expert knowledge of railroads and familiar with the road to which my hon. friend from North Norfolk referred, and the country through which it runs, spoke in the evening. And what was the only argument he could bring against the facts stated to this House by the hon. member for North Norfolk? Why, the only thing he could allege, after a whole day's consideration of this most important phase of the question, which goes to the root of the whole contract, was that the dominant railway, the Canada Southern, did not permit the junior railway to compete with it for local traffic. That was all he could think of saying. It turns out then that even that is not correct. My hon. friend from North Norfolk says that, so far as freight business is concerned, the dominant railway does permit competition for local traffic, for he says he has shipped the freight. There cannot be very much mistake about that. And my hon. friend from South Essex (Mr. Cowan) says that, so far as passenger business is concerned, they do permit competition, because he has bought the tickets. There cannot be very much mistake about that. So the alleged facts put forward by my hon. friend from Hamilton do not appear, so far as the testimony at our disposal is concerned, to be very conclusively established. But, supposing they were established, supposing that what my hon. friend says were perfectly true, and the railway company which owns the fee of the Canada Southern did not permit, and was not permitting, the junior road, the leasing road, the road co-operating with them in the use of the line, to compete for local business; will my hon. friend from Hamilton, or will the hon. member for South Lanark (Hon. Mr. Haggart), when he follows me, say how this affects the provision of the contract that we have now before us? The arrangement in the case of the Canada Southern is a voluntary arrangement; the dominant railway can allow competition for local traffic if it likes, or it can refuse to allow it if it likes. Is that the case in this contract? This contract provides that the government shall decide the terms and the running powers. It is not a voluntary question; the Grand Trunk has nothing whatever to do with the subject; but the government, or the railway commission, or whatever authority the government may provide, will decide the terms on which these running powers shall be used. Therefore, let the House understand and mark well, that this futile, absurd and ridiculous objection is the only answer that can be made to the conclusive argument of my hon. friend from North Norfolk upon this question.

Now, my hon. friend from Hamilton undertook to lecture the Minister of Finance (Hon. Mr. Fielding) as being a very inno-

cent and easily gulled person, because, forsooth, that hon. gentleman relied to some extent upon the survey of Sir Sandford Fleming, made about thirty years ago. I would have gathered from the remarks of my hon. friend from Hamilton that there was great danger that the physical features of the province of New Brunswick had changed within the last thirty years. He did indeed make the suggestion that the surveyors of thirty years ago were not as careful and particular in gaining information as are the surveyors of the present time. Well, Sir Sandford Fleming, be it remembered, was the chief engineer of the Canadian government. He was instructed to procure the necessary information for the purpose of locating the Intercolonial Railway line. As was pointed out by the Finance Minister, he made three surveys for the purpose of locating three practicable and reasonably good commercial lines, any one of which might have been adopted by the government of Canada for the location of the Intercolonial Railway. And what the hon. member for Hamilton, in his answer to the Finance Minister, asks us to believe is that, because that was done thirty years ago, and the report is an old report, and because the government ultimately decided that for political, military and imperial reasons, they would decline to take the better route, which Sir Sandford Fleming, though he did not recommend it, evidently thought was the better route, we are not justified in believing that that route is there at the present time just as much as it was thirty years ago. Well, it would be painting the lily to answer an argument of that kind. My hon. friend from Hamilton then proceeded, being somewhat restless under the remarks of the Finance Minister respecting the attitude of the opposition towards the Intercolonial, to rebut, with some degree of warmth, the suggestion that the opposition were not friendly to that road. There is an old line asking a question which seems appropriate here :

Perhaps it was right to dissemble your love.
But why did you kick me downstairs ?

Our hon. friends on the other side have dissembled their love for the Intercolonial very successfully for the last five or six years. They have been kicking the Intercolonial downstairs and the late Minister of Railways and Canals with it, on every occasion that they got a chance. They say they have not been hostile to the Intercolonial. Well, when we came into power we found, as has been very truly said, the Intercolonial Railway ending in a ploughed field. We brought it into the city of Montreal and made a modern and business-like railway out of it. We have spent millions of dollars to bring the Intercolonial up to date and make it a modern railway, and give the people of the maritime provinces a railway service that they have a

right to be proud of and to be satisfied with. This government, and the united force of the members of parliament behind this government, enabled the Minister of Railways and Canals to come down to this House and make this proposition for the purpose of carrying out what we believed to be a sound and businesslike policy in regard to that railway. But where were the gentlemen on the other side? Why, Sir, year after year they have fought that proposition, every proposition, that we brought forward, inch by inch, tooth and nail, every day and every hour of the day, to the greatest extent of their ability. And not only that, but while this has been going on, year after year they have denounced the late Minister of Railways and Canals; they have attacked the late Minister of Railways and Canals, they have hounded the late Minister of Railways and Canals all over Canada, in their press and upon the platform. And, Sir, we have the astounding spectacle within the last two or three weeks, after the culmination of their attacks, of the whole Conservative party joining in enthusiastic applause while the late Minister of Railways and Canals addressed the House from his desk; and we find them endeavouring to show to the country that this gentleman whom they have been hounding year after year, whom they declared to be incompetent, and corrupt and incapable, is the greatest railway authority in the Dominion of Canada.

Now, the hon. member for Hamilton (Mr. Barker)—and I am devoting some attention to the hon. member for Hamilton, because he has been put forward early in the debate, he has been put forward before the late Minister of Railways and Canals in the Conservative government, my hon. friend from Lanark (Hon. Mr. Haggart), he has been put forward even ahead of the leader of the opposition, to declare the railway policy of the Conservative party in connection with this contract. My hon. friend from Hamilton took violent exception to what has come from this side of the House in advancing the argument that this railway is required in view of the possible withdrawal of the bonding privilege. I am not going to discuss that question, because in my judgment it has been discussed sufficiently. The Prime Minister, the member for North Norfolk (Mr. Charlton) and the Minister of Finance have given very fully the views of this side of the House on that question, and I do not propose to repeat the discussion. I propose to devote a moment or two to the criticism of the hon. member for Hamilton. If I understood him aright, his answer to the suggestion that another railway was necessary and would be a convenient safety valve in case of the withdrawal of the bonding privileges, was this: That if the bonding privileges were withdrawn it would simply have the effect of driving the traffic to Canadian ports over

the Intercolonial, and that we ought to feel gratified that such should take place; and we should devote ourselves to building up the Intercolonial instead of building another line of railway through New Brunswick for the purpose of helping to take care of that business. I do not think I misstate the position of the hon. member for Hamilton. Let us examine his proposition for a moment or two. At the present time the Intercolonial Railway has certain equipment, certain switches, certain station yards, certain engine houses, certain terminal facilities. My late colleague, the ex-Minister of Railways and Canals, says the facilities are not sufficient for the purpose of doing the business that we have to do at the present time. We have large appropriations before parliament at this session for the purpose of improving those facilities. We have been improving them by spending millions of money every year since we came into power. We are told by our late colleague that the facilities are not sufficient as yet, and that some millions more will be required to enable that road to cope with the business which it has to meet under present conditions. Well, I do not know whether that be correct or not; I do not know enough about the Intercolonial to say; but I think perhaps we may all agree over that which we do know, which is a matter of common knowledge, that the Intercolonial has had all the business within the last year or two that it could do, and that its facilities are not more than sufficient to enable it to do the business which it has at the present time. The Canadian Pacific Railway has a short line to the city of St. John, it has large facilities for doing business there and along that line. 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. 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 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 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 North-west; we would have the business of the country disorganized, because the business of Canada depends upon its export trade, and we should 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.

There is another contribution which my hon. friend from Hamilton made. He pointed out with some detail and with great accuracy that the prairie section of the railway was easier to build than the eastern section; and that inasmuch as the Grand Trunk Company would probably start up first to build, and would complete it as rapidly as they could, they would have that line of railway in the western portion of Canada, or a considerable portion of it, hundreds of miles of it, I think he said, constructed and graded to do business before the government would have built the eastern section between Quebec and Winnipeg. 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 blockage 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 Railway Company will to a considerable extent be able to relieve the congestion in the west. As to this argument against the immediate construction of the Winnipeg-Quebec line, I would say that if it proves anything it proves that we should have started to build the line to Winnipeg two or three years ago so as to be there in time. It certainly does not prove that we should not start now. I just note in passing that my hon. friend from Hamilton, like some other members on the other side of the

House, argues in favour of the construction of another line by way of North Bay instead of going to Quebec or to the eastern provinces. I note also that my hon. friend from Hamilton, who perhaps thinks it is necessary for him to do something to bring about better relations with the late ex-Minister of Railways and Canals than he has been having during the last few years, entered into an argument for the purpose of justifying my late colleague for leaving the government and I think that my hon. friend was rather unfortunate because he justified my late colleague for leaving the government on the ground that he was not sufficiently consulted by the right hon. Prime Minister, but he forgets that that is not the statement of the late minister himself. My late colleague says that that is not the reason at all. He says that his resignation only had relation to the question of the policy of the government. So that, if my hon. friend from Hamilton thinks to pay court to my late colleague I am afraid he will find that this effort has not been successful. I note also that almost every hon. member on the other side of the House who has spoken has suggested that this line of railway will not have any return traffic and that the amount of business it will do is extremely problematical. I hope to say a few words upon the subject of traffic before I finish my remarks. I just note now for the purpose of marking the objections that have been made that this is one of the objections which has been raised very generally by our friends on the other side of the House. Then, Mr. Speaker, I note also that our friends on the opposite side of the House, particularly my hon. friend from Hamilton and my hon. friend from Jacques Cartier (Mr. Monk), took strong objection to the accuracy of the Ontario government reports in regard to the country which we have to deal with and through which we are going to build this railway. I have had some experience in connection with the sending out of exploration parties and the organization of parties and I have made an examination of the reports of these parties to which reference has been made. I have taken the trouble to look into the organization and constitution of these parties. I have read the instructions which were given to the various members of these parties and I make the statement without any hesitation and without any fear that it will be successfully contradicted that these parties were organized in a most comprehensive and in a most businesslike way. If there is any reason why these reports are not reliable that reason has not been made evident to this House and that reason is not open to the ordinary observer or to the person who ordinarily examines these papers. We have every reason, I submit, Sir, to entertain the belief that these reports are in every respect completely accurate, and completely reliable in so far as

they have gone. But, if our hon. friends on the other side of the House are not satisfied to take the reports of the Ontario government, if they are not satisfied to take the reports prepared when the party with which it does not agree politically, was in power, I think we can furnish them with a large amount of information prepared and procured by the government of Canada when their own party was in power which deals very fully and very comprehensively with the questions which are at issue in regard to the quality and the nature of this country, and I shall take occasion before the conclusion of my remarks to indicate briefly the nature of these reports and the method by which that information has been procured.

Just now I desire to call attention to what I regard as a somewhat important criticism of the contract which is before us. When the hon. leader of the opposition (Mr. Borden, Halifax) addressed the House in reply to the right hon. Prime Minister, one of the important points which he made, one of the points upon which he laid great stress was the allegation, since supported and amplified by the hon. ex-Minister of Railways and Canals, that the contract was an abrogation and an abandonment of the policy that the government inaugurated and carried into effect when it brought the Intercolonial Railway into the city of Montreal. That statement has been made, my hon. friend the leader of the opposition has attached great importance to it, has put it in an important place in his remarks upon this important subject when he was addressing the House and the hon. ex-Minister of Railways and Canals has amplified it at considerable length. Let us for a moment or two examine the question as to whether that suggestion or statement is justified or not. It is an important point, it is a point that ought to be settled, and today, therefore, some consideration may properly be devoted to it. We have spent a large amount of money in bringing the Intercolonial Railway into the city of Montreal. We inaugurated an important line of policy when we did it and we say that we are not abandoning that policy. We say we were successful in carrying that policy into effect, that it has brought about the results which were anticipated, that we are not abandoning that policy at the present time and that in no possible respect does this proposition affect that policy. The hon. leader of the opposition said that if this policy meant anything its logical conclusion was that we were going on with the Intercolonial Railway to the great lakes. I make the statement that the hon. gentleman has not made out the truth of that proposition. That is an assertion which an examination of the facts does not warrant. The Intercolonial Railway, as a matter of railroading, was brought into the city of Montreal for the purpose of bringing it into

the commercial metropolis of the country in order that it might be able to do business in competition with the Canadian Pacific Railway and the Grand Trunk Railway upon equal terms. It was not brought there for the purpose of enabling it to do the grain traffic of the west. It may be a proper thing some time to do it, but the two propositions are entirely distinct. There is no connection between the two. The hon. leader of the opposition suggested further—I think his words were—that if that policy meant anything it meant that the Grand Trunk Railway was to hand over at Montreal to the Intercolonial Railway its proportion—I took note of the word used—its proportion of the traffic for the seaboard. It depends upon what my hon. friend meant by the word 'proportion.' If he meant a ratable proportion, if he made a half, or a third, or a quarter, or any fixed proportion then he was entirely wrong, because there is nothing of that kind in the contract. The traffic contract obligates the Grand Trunk Railway to hand over to the Intercolonial Railway the traffic which is routed by shippers over the Intercolonial Railway. That is what it requires it to do, and if the contract which we are now discussing is carried into effect the position of the Intercolonial Railway will not be altered in the slightest possible degree in any way, shape or form. Since that contract went into effect what has been the position? The condition has been, that the Intercolonial Railway is competing for through-traffic between Montreal and St. John with the Canadian Pacific Railway short line, and with the Grand Trunk Railway still shorter line to Portland. It was able to do during the last year, 1903, \$1,739,545 worth of through business. That was the through business of the Intercolonial Railway done in competition with the Grand Trunk Railway short line and the Canadian Pacific Railway short line. The local business of the Intercolonial Railway was \$4,327,626 or a total of \$6,067,000. What does that prove? It proves, first of all, that the predictions of hon. gentlemen on the opposite side of the House, that the policy of extending the Intercolonial Railway to Montreal was an absurd policy, and that their assertion that the railway would do no business was absolutely foundationless.

Some hon. MEMBERS. Hear, hear.

The MINISTER OF THE INTERIOR. And, Sir, I venture to assert that the criticism which they are making now, that the railroad which we propose to build will not do any business, will prove to be equally foundationless when the facts are known. The figures that I have given prove that the Intercolonial Railway was able to do a substantial amount of business, and that the Intercolonial Railway was able to do it in competition with the Grand Trunk Railway and the Canadian Pacific Railway; both lines much shorter than the Inter-

colonial Railway; both lines—and this is the point I wish to emphasize—both lines shorter than the new Grand Trunk Pacific Railway line will be. Then, Mr. Speaker, if the Intercolonial Railway under its traffic agreement can compete with the short line to Portland and with the short line to St. John, why in the name of common sense cannot it compete with the new line by way of the Chaudière Junction? When you come to sift the arguments presented, when you come to look into the actual facts, there is absolutely nothing in the business position presented in connection with the traffic of the Intercolonial Railway, which even suggests the idea that this transcontinental railroad is going to do any harm to the Intercolonial Railway, so far as the through business is concerned.

It is said that the Quebec and Moncton branch of this railway will injure the Intercolonial Railway, by taking business away from it in a local way. I would suggest, Mr. Speaker, in that connection, that members of the House should direct their mind to the illustration which is in their own experience in matters of this kind. I believe, Sir, that if they do address their minds to this experience which they can recall, they will come to this conclusion—a conclusion which I venture to say is justified by all railway experience on this continent—that the building of additional lines of railway where there are any considerable natural resources does not have the effect of injuring the business of the first line. Experience will show all over Canada and the United States that the railways that are doing the worst business, the railways that are the poorest, the railways that are prospering the least, are the railways that are alone. That is the experience all over this continent, and that always will be the experience, mark you, in a country where there are any considerable natural resources and which has any capacity to develop trade. Of course, if you run a railway through the desert, or if you run it through a region of rocks where no traffic can be got, that would not be the case. But where you run a railway through a country that is capable of development and capable of sustaining a population, a new road, according to all experience, builds up its own business, and in addition to building up its own business, by its drawing power and general effect in building up the country, it promotes the general business so that the old road will do more business than it did before the new road was built.

Some hon. MEMBERS. Hear, hear.

The MINISTER OF THE INTERIOR. Why, Sir, the Canada Atlantic Railway has not done any worse since the short line from Montreal was built by the Canadian Pacific Railway. I am told they are doing better. If you take the position of the Grand Trunk Railway in Canada, everybody knows that

the Grand Trunk Railway Company never began to prosper until the Canadian Pacific Railway was built, and came down to the province of Ontario, and invaded the city of Montreal, and put new life into the business. The Grand Trunk Railway has prospered in a greater degree ever since. And what is going to happen in the province of New Brunswick and in the province of Nova Scotia when this railway is built, and when through business is carried to a large extent—to I believe an enormous extent—through these provinces? In the first place we are going to have, even while the railway is being constructed, an enormous demand for the products of the industries of Nova Scotia and New Brunswick.

Some hon. MEMBERS. Hear, hear.

The MINISTER OF THE INTERIOR. We are going to have business done in Nova Scotia and New Brunswick upon a scale and upon lines that have never been attempted before. And, Sir, what is going to be the first institution that is going to prosper by the increase of business, and by the increase of general prosperity in these provinces? Why, Sir, the railway is the very first institution that will prosper, and I venture to say that the first effect of this prosperity and this increased business in Nova Scotia and New Brunswick will be to benefit the Intercolonial Railway. I am not in the habit of making predictions, and I am not generally very sanguine in matters of this kind, but I venture the statement—and time will show whether my statement is correct or not—I venture the statement that the inauguration and carrying out of this enterprise will be the first step which will go towards placing the Intercolonial Railway on a paying basis and making it a good and a revenue-producing property. I have never been able to comprehend the position of my hon. friend (Hon. Mr. Blair). I have never been able to follow his argument; I have never been able to see that there was any argument of any kind whatever in a business way, in the contention which he advanced with respect to the Quebec-Moncton line.

I want to say upon that point just another word, and if I speak at such length on this question of the Quebec and Moncton line, it is because of the fact that it has been made the point of resistance, the point upon which the attack of our friends of the opposition, and their press all through Canada—with the exception of the press of Nova Scotia and possibly a part of New Brunswick—it is the point upon which they have centred their attacks. I would not say anything further were it not for the fact that as a representative of a far distant portion of the country, I wish to express my view on the proposition to construct that line. I entertain the view in the first place, that it is very surprising to me that the people who are going to be served

by this new line should have stood being treated as they have been treated, so long. I express the opinion very emphatically, that if these people were animated by the same spirit as the people that I have the honour to represent in this House, and that my hon. friends from the west have the honour to represent, they would have had that railway before now.

Some hon. MEMBERS. Hear, hear.

The MINISTER OF THE INTERIOR. They would have had the promises which have been repeatedly made to them and repeatedly broken, carried out. They would have had these promises implemented and carried out, or somebody would be made to suffer very severely in consequence. Therefore, I am surprised, I am extremely surprised that this railway which upon every possible ground of reason and common sense the people that are going to be served by it are entitled to get, I am surprised that it should be the one part of this proposition that is attacked with the utmost venom, and that it is held up as being wholly indefensible and wholly absurd. If we were being asked in this House at the present time to build a branch line of the Intercolonial Railway into that part of the country; if we were being asked to subsidize another railway there, who would raise his voice in objection? There is not a man on this side of the House, and there is not a man on the other side of the House, who would raise the least objection to the construction of that line; and if a single man did raise an objection, the railway history of the Dominion of Canada would be the answer to that objection.

References have been made in the press—I need not multiply them now—to cases in the province from which I come, in my own county, where there are railway lines ten, twelve, thirteen and fourteen miles apart. Nobody talks about the infamy of paralleling railway lines there; and we are getting on pretty well, and the railways are getting on pretty well too. Take the position in the province of Ontario, with the Canada Atlantic and the Grand Trunk running on the average not further apart than this line.

Mr. COWAN. The Canadian Pacific from London to Windsor, for 110 miles, does not run more than two miles from the Grand Trunk, and we subsidized it to do that.

The MINISTER OF THE INTERIOR. We subsidized a portion of that line in this House, and was there a man who took the responsibility of dividing the House on the question or of saying that we were wrong?

Hon. Mr. HAGGART. What part of it did you subsidize?

The MINISTER OF THE INTERIOR. A part that runs not more than five miles

from the Grand Trunk. I know that, because I scaled it on the map.

Hon. Mr. HAGGART. When was it subsidized?

The MINISTER OF THE INTERIOR. Three or four years ago; I cannot give the exact date. I remember it being discussed in council, and I remember the subsidy being passed in this House. I cannot remember the local name of the line. Now, Mr. Speaker, consider a few more cases. It may seem that we are wasting time on this point; but we are not wasting time when we are showing that the principal objection which has been raised to an important part of this scheme is an objection that is perfectly absurd, and has not a particle of foundation. The Grand Trunk Railway and the Canadian Pacific Railway parallel each other from Montreal to Toronto. How far are they apart? I looked at the map the other day and scaled the distance, and I do not think they are more than forty miles apart anywhere. They are not as far apart on the average as 62 miles. The Canada Atlantic and the Grand Trunk, running down from the Georgian bay are no further apart on the average than these two lines that we are speaking of. Why, when Mr. Booth built the Canada Atlantic Railway he was hailed as having achieved something which entitled him to be ranked as one of the great men of Canada, and I think that is right. I admire Mr. Booth because of his achievements, and I think he is entitled to respect and credit at the hands of the people of Canada for what he has done. But if Mr. Booth is entitled to credit for having built a railway to the Georgian bay paralleling the Grand Trunk to get a share of the same business, how is it that when you propose to build another railway in another part of the province you are infamous, and too much cannot be said against your proposition? I venture the statement that the longer that particular objection to this proposition is discussed, the more our hon. friends on the opposition side will wish they had never raised it.

I do not know whether we are safe in saying that the leader of the opposition party is against this contract or not. I have listened with some degree of care to the addresses which have been delivered, and I have not heard anything from the other side of the House in favour of the Quebec-Moncton line. I have heard a very great deal against it from the different gentlemen who have spoken, including the hon. ex-Minister of Railways and Canals. I do not suggest that he undertakes yet to speak for our hon. friends on the other side. From the hon. member for Jacques Cartier (Mr. Monk), from the hon. member for South Lanark (Hon. Mr. Haggart), from the hon. member from Hamilton (Mr. Barker), we have received word of what I take

to be uncompromising opposition to the Quebec-Moncton line. Our hon. friend the leader of the opposition has not yet spoken clearly on that question. We invite him to speak.

Mr. BORDEN (Halifax). You will hear him all right.

The MINISTER OF THE INTERIOR. We invite him to say whether he, speaking as the responsible leader of the Conservative party, is prepared to endorse what the gentlemen sitting behind him have said, and what they are saying in the country with regard to this proposition. The people whom my hon. friend represents have a right to know where he stands. Sometimes, Mr. Speaker, there are difficulties and responsibilities in connection with the position of a leader of a great party which are very embarrassing; but my hon. friend will have to face the embarrassment, and he will have to tell us whether he elects to stand with the people of New Brunswick, the people of Nova Scotia and with the people, so far as the rest of Canada is concerned, who are supporting this government, or whether he elects to stand with those members of his party and a small remnant of the people of Canada who have undertaken to block a meritorious proposition. We shall listen with interest to what my hon. friend has to say on that point.

Mr. BORDEN (Halifax). You will hear it all right; do not be alarmed.

The MINISTER OF THE INTERIOR. I desire to refer to one criticism which my hon. friend the leader of the opposition made, and which requires to be mentioned and cleared up at some stage of the debate. My hon. friend referred with fine sarcasm to a provision in this contract which relates to the question of security. He read the clause with reference to the deposit of \$5,000,000, and spoke somewhat sarcastically of this clause as a statesmanlike provision. I will quote his own words:

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

If the company were depositing \$5,000,000 as security that it was going to use the government guaranteed bonds, the sarcasm of my hon. friend would be perfectly justified. That would be not a statesmanlike provision, but a most absurd, a most futile, a most ridiculous proposition; and I wonder that it did not occur to my hon. friend the leader of the opposition, in the hasty examination which he made of this contract, that it would be safer, in his preliminary criticism, to give the lawyers of this government, including my hon. friend the Minister of Justice, credit for a little

common sense and a little brains in drafting the document which they submitted to the consideration of parliament. If the hon. gentleman would give us credit for a little common sense and intelligence he would not put that construction upon this document. The hon. gentleman read the clause and therefore could hardly claim that he was not aware of its contents. By reading the clause, he made this perfectly clear, that the \$5,000,000 are put up for the purpose of securing that the company shall build and equip the railway in accordance with the terms of the contract. What does that mean? It means that the company shall use the bonds guaranteed by the government and the bonds guaranteed by second mortgage in order to procure money for the construction of the railway and also for its equipment to the extent of \$20,000,000, and we shall have a mortgage on the whole. I leave my hon. friend to explain this discrepancy between his version of what the contract provides and the actual facts. An off-hand statement as to what a clause in a contract means must be made with some degree of caution or serious mistakes will occur. It is not, I presume, a thing that can be lightly passed over, that when a contract of this description is made, when the utmost care is taken in the drafting of its provisions, when legal counsel are employed to draft, with the utmost care, security clauses, and when a large and substantial security is being put up, a gentleman occupying the responsible position of the leader of the opposition should wholly distort and misconstrue the effect of this important provision. My hon. friend must remember that the great Conservative party throughout this country will look with respect to what he says on this question, and therefore he cannot afford to entirely mislead them in regard to one of its important phases.

I have tried, in the remarks I have made up to the present, to advert more particularly to what I consider the important feature of the contract. I spoke of the question of running powers, and I said that that was so important a feature of the contract that in all probability, if that provision had not been there, the contract would not have been concluded. There is another provision of equal importance. It is one to which reference has been repeatedly made. I refer to the provision which relates to the question of routing traffic by Canadian ports. Certain criticisms have been addressed to that particular part of the contract. I may say that I agree largely in the view expressed by my hon. friend the Finance Minister, when he said that inasmuch as we were making a clear, distinct and unambiguous contract with a responsible company, with a respectable institution which might reasonably be expected to implement its obligations, we should have a good deal of confidence that every reasonable effort

would be made by them to carry out the contract. There is much more to be said on the question, and I desire to call attention to the nature of the criticisms on this point. I think that the criticism of my hon. friend, the leader of the opposition, was perhaps the most reasonable. He said that this is a provision which you can evade and he left it there, except that he suggested that there was no penalty provided in case the Grand Trunk Railway failed to meet its obligations in this respect. Upon that I shall speak in a moment or two. Then my hon. friend and former colleague, the ex-Minister of Railways and Canals (Hon. Mr. Blair) suggested a most elaborate method of getting around the contract. He suggested that while the Grand Trunk Pacific Railway would not know that the contract was being violated, the Grand Trunk Railway would send up agents over the Grand Trunk Pacific Railway stations to induce people to route their traffic by the Grand Trunk Railway to Portland instead of to Quebec and St. John. That was the suggestion given by the ex-Minister of Railways and Canals as a reason why he does not think this is a good or effective proposition. My hon. friend from Hamilton (Mr. Barker) has another reason. He says that the Grand Trunk Railway would issue instructions to its officials not to interfere with the routing of the traffic but to let people route traffic at the same rates by St. John and Halifax, if they wanted to, but the Grand Trunk Railway would take care not to promote any official who would permit that to be done. 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 Pacific Railway? 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. If evidence were given on behalf of the government that the agents of the Grand Trunk Railway went through the stations, communicated with the people, and induced them to send their traffic down to Portland, I would like to see the officials of the Grand Trunk Pacific getting up and declaring that they knew nothing at all about such proceedings. How long would a judge, with any common sense, listen to such an absurd, ridiculous plea? If it were a criminal case, there is not a court or a jury in Canada who would not convict the accused of guilty knowledge. We cannot put upon the interpretation of the contract any such ridiculous reasoning. How great a penalty would the hon. gentleman want? Would it do if we fine the company \$1,000? Would it do if we fine them \$10,000? Or would it do if we fine them \$1,000,000? If

hon. members will look at section 35, they will find the following words :

For the purposes hereinafter in this paragraph respectively defined the company may and shall create mortgages to trustees as follows :—

Then, in subsection (c) :—

A mortgage which shall be a charge upon the rolling stock constituting the equipment of the eastern division next after the charge mentioned in paragraph 35 (a)—

That is, our own mortgage, not another—
—to secure to the government the rental payable in respect of the eastern division, the efficient maintenance and continuous operation of the said eastern division, and the observance and performance by the company of the terms of this agreement.

Upon that line of railway there is to be \$5,000,000 of rolling stock under a mortgage to the government to secure the performance of the terms of the agreement.

Mr. BORDEN (Halifax). May I ask my hon. friend (Hon. Mr. Sifton) a question? I suppose he is very familiar with this contract and could give me in a moment the information I want. Is there any provision in the contract which requires the Grand Trunk Company to own the rolling stock on the eastern division? Would it not be possible for it to merely lease it?

The MINISTER OF THE INTERIOR. I will deal with that in a moment.

Mr. BORDEN (Halifax). I should be glad if the hon. gentleman would do so.

The MINISTER OF THE INTERIOR. The point referred to was one passing through my own mind, because it was adverted to, I believe, by my hon. friend from Hamilton though I did not hear him very distinctly. It is an important point to be considered. But just now I was calling attention to the fact that upon \$5,000,000 worth of rolling stock the government of Canada has a mortgage expressly provided not only to secure the operation of the eastern division, but to secure the performance of the terms of this agreement. And one of the terms of this agreement is that this clause shall be fully and completely carried out. If it is a fine our hon. friends want, there is a fine provided, amounting to the respectable sum of \$5,000,000. 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. In drawing this contract, we are not making an amendment to the criminal law, we are making a contract between parties. If the contract were between two private parties there would be no penal clause. Any lawyer will agree that while sometimes such a clause as a

liquidated damage clause is inserted in a contract, yet, in ninety-nine cases out of a hundred, contracts between private parties simply state what the parties agree to and they are left to their ordinary remedies in the courts. In this case, the contract is being made between a great railway corporation and, in effect, the parliament of Canada. The parliament of Canada has plenary jurisdiction over the other party to the contract. There is no body that has jurisdiction over the parliament and over the railway company too, and we cannot place ourselves in exactly the same position as that in which private parties stand. The company trusts in our good faith that we will deal reasonably and properly with them, and they are perfectly safe in so doing. If there is any doubt about the meaning of any clause in this contract, they may fairly say to us: Do not pass an Act of parliament to decide what this means, but submit the matter in some way to a judicial and impartial tribunal, in order that it may be decided. In such case, we should not have the right to legislate upon a question that was fairly and reasonably a subject of dispute between us. But if we come to a clause which is absolutely clear, about the meaning of which there is no possible dispute, and a state of fact arises in which it is clear beyond doubt that the company is wilfully, deliberately violating the terms of this agreement, will the leader of the opposition, or will the ex-Minister of Railways and Canals, tell this House that the parliament of Canada has no remedy in the circumstances? Sir, the proposition is the most absurd that could be brought before a deliberative body. It would be the duty of parliament, in case of such a state of facts arising, to apply every remedy within its power; and it cannot be doubted that its power is ample and complete with regard not only to the Grand Trunk, but with regard to the Grand Trunk Pacific. I can see no possible ground for argument that, in case of a wilful violation of this clause, parliament would not have power, properly and without the violation of good faith, or proper practice in the premises, to take any steps necessary, in the exercise of its supreme legislative jurisdiction, to enforce the carrying out of the terms of the contract.

Now, I have dealt with what seemed to me to be the main criticisms which have been addressed to this contract by our hon. friends on the other side. Looking over the trend of what has been said up to the present moment, I gather that hon. gentlemen opposite are opposed to this proposition, they are opposed to it with unanimity and, apparently, they oppose it with vigour. They have certain grounds upon which they base their opposition. First, they say that this railway is not a pressing necessity at this time. Second, they are opposed to the Quebec-Moncton branch—except my hon. friend the leader of the op-

position (Mr. Borden, Halifax), and we shall hear from him later on. Third, they are opposed—and this is a point to which I wish to direct a little attention later on—to our construction of the Quebec-Winnipeg line. The hon. member for Jacques Cartier (Mr. Monk) tells us that the proper method of developing the outlying districts of the province of Quebec is by colonization railways running out from the older parts of the province, and my hon. friend from South Lanark (Hon. Mr. Haggart) expressly takes the position, so far as Ontario is concerned, that that province, he believed, would favour the development of the newer portion of the province, not by a through line, as we suggest, but colonization lines running out from lines already in existence. You will see, Sir, that I am trying to define the issue. As I understand, these hon. gentlemen take issue as to the necessity of this work, and as to the method, and say that their method would be better and more in accordance with the necessities of the case. These are the issues between us. They say that the road will not have enough business to justify its existence or its construction. And lastly—I think these three or four points that I mentioned would cover the main ground upon which they object to our proposition—lastly, they apparently decline to accept the reasoning which we have presented to them from this side of the House upon the financial phases of this scheme.

Our hon. friends opposite view apparently with some degree of amusement the reasoning which has been presented to them, and the statements which have been made in respect to the financial effects of this contract, and the amount of money which it will take to implement our obligations in regard to carrying it out. My hon. friend the Finance Minister—and I may perhaps ask that particular attention be given to this phase of the question, because I think it is the most important in the whole discussion—my hon. friend the Finance Minister took the provisions of this contract in so far as they relate to the financial features, and he went over it from end to end. He made a close, and a careful, and an exact calculation as to the amount of money which we should have to pay if the Grand Trunk Pacific carries out its contract. That was the nature of the calculation which was made by the Finance Minister. If the Grand Trunk Company 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 Fin-

ance Minister said, not one dollar more, not one dollar less. We have therefore to discuss the question upon that basis. I intend later to say a few words in regard to the question of traffic, but in the meantime I desire to point out one important consideration having reference to the question whether the government are taking sufficient guarantees that the company will carry out its obligations. In the first place, we have to consider what was well suggested by the hon. member for Brant (Mr. Heyd), who asked what would happen when the railway bonds mature. Upon that point I am not going to enter into a lengthy argument, because I do not think it is necessary. I will, however, say this, which I think will meet with the immediate assent of every member on this side of the House at least, and I hope of every member on the other side, that so far as the payment of the bonds at maturity is concerned, either upon the eastern section or upon the western section, we are perfectly satisfied that fifty years of development in Canada will make that railway worth a great deal more than the face value of the bonds. Therefore we may dismiss from consideration, we need not bother our heads about the payment of the bonds. The railway will be able to do much more than take care of the principal and the bonds when it is called upon to do so.

As to the payment of interest in the meantime, what you have to consider is the immediate security the government has for the obligations which are incurred. The security which the government has for the fulfilment of these obligations is this: In the first place, the Grand Trunk Railway Company have to find the additional quarter of the money for the construction of the western section; they find \$20,000,000 for rolling stock, and they put that \$20,000,000 under our mortgage; they put under our mortgage \$30,000,000 of their money which they provide as an additional security for the general purpose of carrying out this contract. I think, as my hon. friend the Finance Minister well said last night, when he so fully, so clearly, and so ably discussed the financial phases of this question, that no parliament, certainly not the parliament of Canada, was ever asked to assent to an important financial proposition which was so buttressed with security, so impregably fortified by all the securities that were required, as this proposition which we are dealing with at the present time. And yet, we are asked to believe that after a little while the Grand Trunk will fail to carry out its contract, and it won't go on. What does that argument amount to? What is the Grand Trunk going into this scheme for? It is because it has a magnificent system of railways in the eastern portion of Canada, because there is an enormous and growing traffic in the west, and the Grand Trunk wants to get in there, and by

means of this railway it is going to get in. Moreover, its thousands of miles of railway all over Canada are going to be connected with the growing trade in western Canada, and they are going to do a large and profitable business in consequence. Yet, Sir, the suggestion is made that after a little while, after they have got that trade built up, after they are making millions of dollars out of it, they are going to stop operations on this transcontinental road, throw it all up, and withdraw altogether from the business, as they will do, if they do not carry out the terms of this contract, and it is only by carrying out the terms of this contract that they can get any business from the west, or over the western line. So I think it must be clear that we may feel ourselves reasonably safe and reasonably well protected.

A word upon another point, and I would like my hon. friend from Lanark to direct particular attention to it; I would like him to give his view as to what is likely to happen as a result of this enterprise. I would like my hon. friend, with his knowledge of this country, to say if he does not himself know and believe in his heart, that this is going to be a great and a successful enterprise. My hon. friend once had faith in the country, I do not know whether he has lost it or not. He told us some time ago, in fact, that he used to have faith in the Intercolonial and in its management, but that the management of the Intercolonial under the late minister had destroyed any prospects which might have once existed of advancement in the policy of government ownership of railways. Now, the real question on which we are at issue with our friends opposite is the necessity of this railway, the immediate necessity of it. My late colleague, the ex-Minister of Railways and Canals, entertained the House at some length in discussing this question of the immediate necessity of the railway. He said that if there had been any demands made for that road he would have heard them. Well, I thought if what my hon. friend said was true that he had not heard any demands made, that he must have been suffering from deafness even worse than I am myself. I thought he must have been emulating the example of that celebrated character Rip Van Winkle, he must have been asleep, and he must have been sleeping very soundly, or he would have heard the many and insistent demands, a very few of which I shall refer to, for the construction of a new railway to afford greater transportation facilities to the country in general.

But what I desire to advert to is not so much the attitude of the late minister, which was fairly well dealt with by the member for North Norfolk, but the attitude of our friends upon the other side, because, when the late Minister of Railways and Canals said there was no immediate necessity for this railway, his remarks were re-

ceived with the greatest of applause by hon. gentlemen on the other side of the House. We are, therefore, justified in assuming that they approve of the position taken by the late Minister of Railways and Canals, when he stated that there was not sufficient necessity for this road and that he had heard no insistent and strong demand for its construction. It is necessary that we should make our position upon that point clear. This is not a thing that can be passed over with a wave of the hand. It is a serious and important matter of business, and if the allegation is that twelve or thirteen members of the government have gone into the council chamber, locked the door, discussed this matter, and have, after a little talk with the railway managers, brought out a scheme for building a transcontinental railway involving an enormous expenditure of money, when the people do not want the road, and when there is no demand for it, it is a pretty serious allegation and it is an allegation that we have to meet. What are the facts in regard to that point? I think the testimony will be found to be absolutely conclusive.

At one o'clock. House took recess.

House resumed at three o'clock.

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THE MINISTER OF THE INTERIOR.
I desire, Mr. Speaker, in passing, to call attention again to the fact to which I made reference this morning respecting the bonusing of a certain line of railway in Ontario which was a very short distance from another line of railway. I made the statement that this line was four or five miles distant from the other, and I think that is admitted. As to the question whether we bonused the line or not, I refer hon. gentlemen to the Subsidy Act of 1899, in which it will be found that this country gave a bonus to a railway to parallel the Lake Erie and Detroit Railway, and that these two lines are not more than five miles apart, as my hon. friends from that part of the country will know. There we have a striking example of the bonusing of parallel lines of railway, lines coming closely into competition with each other and going through almost the same territory. That, therefore, is a matter which depends on the necessities of the trade of the district in a particular case, and it is not to be settled by any general proposition that no parallel line should be constructed. That principle is so well recognized in this House that no one will undertake to dispute it.

I want to call attention to some other points on which there has been some misunderstanding. If we are to proceed with this debate upon intelligent lines, then there should not be so much discussion about matters in respect to which there can be no dispute. In the Conservative press and in the addresses made by some of our hon.

friends—my hon. friend from South Lanark amongst others, but I do not blame him, because when he spoke he had not time to read the contract—in considering the cost of this enterprise the government is charged with the interest upon the cost of construction, and which, if it should not be charged with, would mean a very substantial difference in the total amount of the liability. My hon. friend (Hon. Mr. Haggart) will by this time have discovered his mistake and may correct it, but in the speech that was made by the ex-Minister of Railways (Hon. Mr. Blair), who certainly had every opportunity of reading the contract with care and deliberation, he also charged us with interest upon the cost of construction in his calculation. Now, if you read the contract, you will find that the interest on the cost of construction shall be part of the cost of the road, and is provided for as capital in the ordinary way. Any person of ordinary intelligence will see that in the contract, so that there need be no dispute about it. Therefore, when we guarantee interest upon a maximum of \$30,000 per mile in the mountain section of this railway, the interest on the cost of construction, as it goes on for the five years, is included in that \$30,000 per mile, and that is the maximum of our liability. We have no charge for additional interest, to the interest upon that \$30,000. That is covered by the capital account when the capital account is closed, and it is the same way with regard to the cost of construction of the eastern division. I call attention to that, because in the opposition press calculations are made which should be lessened to the extent of some millions of dollars on account of this manifest error into which they have fallen.

I want to say a word on the question of running powers; not for the purpose of demonstrating the practicability of carrying out this provision in the contract, but for the purpose of showing my hon. friends from the eastern portion of the country how important we who represent western Canada believe this clause with regard to running powers, is. Gentlemen who live in the eastern provinces, and who do not know what it is to be cut off by thousands of miles from the seaboard, have no idea how helpless such a community is to alter the conditions of transportation without assistance of a very important and of a very extensive character. The prairie community west of Red river is in the position that they may develop their population and their trade to a very large extent, that there may be abundance of trade for independent lines of railway, in addition to these already constructed in the prairie country, but you cannot get anybody to consider the advisability of constructing lines of railway, simply by reason of the fact that they cannot get out of the country for want of an outlet. In the other provinces you can get people to engage in a railway enterprise, but the op-

portunity to do that does not exist in the west, for the simple reason that a railway of 50, or 60, or 200 miles, is liable to be confiscated at any minute by the conditions which a through line of railway may impose upon it. Therefore, it is that we who come from the west feel that this clause in the Bill which provides for running powers is very important to us. That clause can be so worked out that other lines of railway can make use of it, and it means that it will place the people of the west in a position of independence that no other scheme possibly could.

Some hon. MEMBERS. Hear, hear.

The MINISTER OF THE INTERIOR. I want to say a few words on the much discussed question as to how these running powers can be carried out. It was discussed by the hon. member for North Norfolk, and later on by the Minister of Finance. My hon. friend the Minister of Finance touched a point which causes me to make another remark. He suggested that there was very little doubt about the possibility of carrying out this clause with regard to running powers, and that it would be simply a matter as to whether it could be economically done, and whether in the matter of business it would pay to have it done. It will suggest itself at once to the members of the House that when the country develops, as it will develop, when the time comes that the Intercolonial Railway, for instance, may desire to make use of that eastern section, and when the Canadian Northern Railway, or other lines which may be built in the western country, desire to make use of that eastern section main line, there is nothing to prevent the forming of an operating company, just as a terminal company is formed in the city of Chicago, or any other place, and have that operating company put its staff along the line of railway, as is done in the case of the Canada Southern; and that operating company will act for the benefit of all the railway companies that may desire to participate in the advantages afforded by that main line. That is a simple matter which requires only to be stated in order that it may be perfectly clear that the bugaboo that has been raised in regard to this clause about operation is absolutely unfounded in fact, upon the question being examined.

My hon. friend from Hamilton (Mr. Barker) indulged in criticism of some provisions of this contract, and I am bound to say that if the hon. gentleman were not a man of age and discretion, I should not have been disposed to take him seriously; I should have thought that instead of addressing an argument to the House he was making a joke. My hon. friend's argument, as I understand it, was based on section 14 of the contract. I suggest to my hon. friend from Hamilton that in reading this contract, it would be better for him to enter-

tain the idea that it is a serious business contract, intended to govern transactions in a businesslike way, and not specially drawn for the purpose of concealing some nefarious plot to be palmed off on the public. If I understood my hon. friend's argument aright it was that section 14, which defines working expenses, as including in respect to the eastern division, money paid in respect of the hire of rolling stock, was put in the contract in order to enable the Grand Trunk Pacific Company to borrow or rent the \$20,000,000 of rolling stock, instead of purchasing it and putting it on the railway according to the terms of the contract. That is my hon. friend's suggestion. If you read this clause, you will find in it a definition of the expression 'working expenses,' and the obvious purpose of that provision, in respect of the hire of rolling stock, is this, that if the company—as it will, as every company does, from time to time—has the use of rolling stock belonging to other companies, the rent which is paid for the use of that rolling stock goes into the working expenses as part of the cost of running the road; and I am not aware of any other provision that could be made to cover the case.

Mr. BARKER. May I ask the hon. gentleman a question? Does he not find in the 14th clause that the rent is to be charged on the cars furnished for the equipment of the eastern division?

The MINISTER OF THE INTERIOR. My hon. friend's argument, if I understand it aright, is that that clause is intended to let the company put rolling stock on the eastern division without owning it. They are going to borrow or rent that rolling stock, and what are they going to do with it when they get it there? Under the provisions of this contract, they are going to put a mortgage on it. That is my hon. friend's argument. Now, I do not know whether my hon. friend's attention has been much given to criminal law or not; but if it has, he will know that to mortgage property which does not belong to you is considered a serious offence, and I do not think it probable that this company will do that under this contract.

Mr. BORDEN (Halifax). Might I ask the hon. gentleman a question? Is it a criminal offence for a lessee of property to mortgage his interest in it?

The MINISTER OF THE INTERIOR. If his mortgage of the property is under such circumstances as to be an unlawful conversion of the property, it might be; and I think my hon. friend as a professional man will be able to recall numbers of instances in which that point has been under consideration. But, as I said, if my hon. friend had not addressed that argument to the House with the elaboration and care which he did, I would not have thought that he meant it seriously.

My hon. friend the leader of the opposition has asked me to devote some attention to the question of the ownership of this rolling stock, and I intend for a moment or two to refer to it. Section 22 of the contract provides:

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

The first reflection that occurs to any one after reading that section is that if the company borrowed the rolling stock, they would have to borrow it for fifty years, and a loan of that kind would be somewhat extensive in its period. But, apart from that feature of the case, I may say that, while it is not my business to advise the government on questions of law, that being the duty of the hon. Minister of Justice, and while the counsel who were associated with the Minister of Justice in the revision and examination of this contract were clear in their opinions as to the meaning of it, those of us who are lawyers may nevertheless express an opinion as to the meaning of that section; and I venture to give the opinion, without any doubt at all as to its correctness—and lawyers know that we cannot always give an opinion without doubt as to its correctness—that no court in Canada would hold that the company complied with the terms of that clause if they did not own the rolling stock and put it on the road as the property of the company. If there is any doubt about that, look at section 35, which says:

For the purposes hereinafter in this paragraph respectively defined, the company may and shall create mortgages to trustees, as follows:

(a.) A mortgage which shall be a first charge upon the railway, undertaking, equipment, and property.

The company is declared by this Act to have the power to put a mortgage which shall be a first charge upon the property; and subsection (c) of the same section says:

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

Well, Mr. Speaker, I do not think we need apprehend that any court that is called on to construe this agreement could by any possible construction of this provision, hold that the company could borrow their rolling stock and send it there for the purpose of complying with the terms of this contract.

I was speaking at one o'clock of the fact that our hon. friends opposite take issue with us upon an important phase of this question. They take issue with us as to the necessity for the railway, and I adverted to the fact that they loudly applauded my former colleague when he expressed himself as having been wholly oblivious of any demand for the construction of an additional transcontinental line. I, therefore, think it is wise to advert briefly to the evidence of such a demand and to the evidence of the fact that the government, in coming to the conclusion to which it did, is not submitting a proposition which is without public support and unwarranted by public sentiment. Well, I venture to express the doubt as to whether any member of this House can recollect any important proposition ever brought before the parliament of Canada which was received with such unanimous approval from all quarters as the proposition that the Grand Trunk Railway should build to the Pacific. Whether the people would approve of the method proposed, is matter for discussion, but there can be no doubt as to the opinion of the people of Canada regarding the necessity for a new railway across the continent. We find the evidence in all shapes and forms. In the fall of last year, the board of trade of Winnipeg—that city which is the entrepot of the trade of the great west and which, in my judgment, will remain so and achieve great growth as the result of the development of that country—passed a resolution, most unqualified in its terms, as to the necessity for additional transportation facilities. In this resolution the board of trade said that the railway service had become so unreliable on account of being overtaxed that relief was absolutely needed. The passenger service had become so irregular, unreliable and apparently demoralized, that much loss was inflicted on business men. Then they spoke of the congestion with regard to freight traffic and other difficulties affecting transportation, and wound up by saying:

Therefore this board respectfully urges the Dominion government to take such immediate action as shall remove the grievous disabilities under which the people of Manitoba and the North-west Territories labour, and to take such further measures as shall effectually prevent a recurrence of the conditions herein described.

I find that the North-west territorial assembly, in the fall of 1902, passed a very strong resolution, in which they recited the many difficulties under which the people of the west were labouring in the matter of transportation, and wound up by saying that:

The prospective increase in the volume of traffic, which largely increased cultivation and settlement of lands in these territories will certainly create, will further tend to congest traffic between these territories and the provinces of the east, and unless it is held desirable to divert part of such traffic through foreign channels, adequate facilities for transportation must be immediately provided. That this assembly does therefore humbly pray that Your Excellency may be pleased to take such action as may be necessary or expedient to insure that the people of these territories are provided with an efficient transportation system as contemplated by the contract made between the people of Canada and the Canadian Pacific Railway.

It will be remembered that this is an address or memorial, passed by the representatives of the people of the North-west Territories, coming from all portions of the territories, and fully aware of the facts and circumstances as they existed at that time. I find that last winter the Grain Growers' Association of the North-west Territories passed a strong resolution, in which they say that the country is not only being retarded, but the residents are suffering much deprivation on account of the scarcity of fuel and building material, owing to the lack of transportation facilities.

I see in the 'Regina Leader'—not an editorial item—but a news item, stating that:

For many weeks past, first one merchant and then another has in vigorous language drawn the attention of the 'Leader' to the fact that the condition of railway traffic in the west is continually getting worse. The situation last year was bad enough, when for days and sometimes weeks, merchants were completely out of certain lines of goods, because the railway could not get them in. This year it is infinitely worse, for many business houses have been completely sold out of certain lines for weeks and months, notwithstanding the fact that their orders were placed in plenty of time and the goods promptly shipped by wholesalers in the east.

I find in last December an opinion given by a gentleman, with whom I have had long personal acquaintance, and who is better qualified to speak of the railway situation in western Canada than any man living. I refer to Mr. William Whyte, a prominent officer of the Canadian Pacific Railway, and for many years general superintendent of that western division. Last December he said:

There is lots of room for the Grand Trunk Railway in the North-west. I'm glad to hear they are coming. You must remember that the Grand Trunk Railway is a national road, and it is far better to have it than an American road. If the people of the east had any idea of the rapidity with which the country is settling out there, they would not be surprised to hear me say: 'There is room for the Grand Trunk Railway and others as well.' The condition of affairs has completely changed even since a year ago. The traffic is not only abnormal east-bound but also west-bound. It is this fact which has simply rendered it impossible to handle the crop with the despatch which was necessary.

Again he said :

In 1895 we had a large crop, as you remember, which was handled satisfactorily, simply because we could rush the cars back, and reload. To-day all is changed, and I don't suppose we are getting within 35 per cent of the use of our cars for grain haulage we did last year, simply because they are used in other ways. The people are rich, they are purchasing in the east, and what we call our lake trade has increased 95 per cent over last year. Then the fuel situation has changed; they are consuming more fuel as they become richer, buying more groceries, provisions, &c., in the east, so that the abnormal increase has been in both east and west-bound, and in local trade.

My hon. friend from Macdonald (Mr. Boyd) made a remark last May. He said :

Still, as I have said, there is no denying the fact that they have not met the requirements of that country—

That is, the railway companies have not—and that, if they are going to remain in the country and if the country is going to make the progress we all feel it ought to make, either the company must voluntarily do more than it has done, or else this government or whoever is responsible in the premises, must take steps to meet the emergency which now arises.

And my hon. friend from East Grey (Mr. Sproule) said this year :

Now with the influx of population to that country which has taken place lately, what will it be two or three years hence when you have 400 million bushels of grain? Why, even twelve or fifteen railroads could not handle it.

Some hon. MEMBERS. Oh, oh.

Mr. SPROULE. I am afraid the hon. gentleman (Hon. Mr. Sifton) has not completed the quotation. My remembrance is that the rest of the sentence is something like this: 'in the short time the farmers expect it to be handled in the fall of the year.' Let the hon. gentleman give it all.

The MINISTER OF THE INTERIOR. House of Commons 'Hansard,' May 5th 1903—that is where the hon. gentleman (Mr. Sproule) will find what he said. I have here a resolution from the council of the Toronto board of trade. As you go along and pick up just here and there a little of the evidence on this point as to the demand for this railway, the assertion of some hon. gentlemen that they never heard anything about it is slightly humorous. However, we have the resolution of the Toronto board of trade, passed on June 23rd of this year :

Whereas, the board realize the necessity of an outlet by the shortest and cheapest route for the fast increasing productions of the North-west country and the advisability of competition without the extravagance of the duplication of lines.

Be it therefore resolved that this board urges strongly upon the government of Canada the construction by the Dominion of a line from Quebec to Winnipeg traversing the clay belt of northern Ontario and passing north of Lake Nipigon to Winnipeg, the use of such railway being permitted to all railroads under proper regulation.

Has the Toronto board of trade gone mad? Are these business men all fools?

Mr. KEMP. May I ask the hon. gentleman a question? Will he make it clear that that was not a resolution of the Toronto board of trade, but of the council of the board of trade?

The MINISTER OF THE INTERIOR. I shall not attempt any answer to my hon. friend (Mr. Kemp). He desires this House to take knowledge of the fact that there is a distinction between the most prominent men of the city of Toronto, selected by the business men of Toronto to be the council of the board of trade and their constituents.

Mr. KEMP. If the hon. gentleman will allow me—

The MINISTER OF THE INTERIOR. Well, now, perhaps my hon. friend will permit me to proceed—

Mr. KEMP. I will not interrupt the hon. gentleman if he does not allow me to.

The MINISTER OF THE INTERIOR. I am referring to a question of fact about which there is a dispute. It has been alleged in this House that nobody ever heard of the demand for this railway before. It is alleged that the government go into the council chamber, discuss this matter by themselves, then come out here and launch upon this parliament a mad, stupid, crazy scheme not worthy the support of any man of sense or reason. What do we find? We find that the council of the Toronto board of trade, the selected representatives of the business men of Toronto, next to Montreal the commercial metropolis of Canada, have solemnly put themselves on record as advising this very thing. If my hon. friend (Mr. Kemp) had been desirous of accentuating this bit of evidence, he could not have done it more effectively than by calling attention to the fact that it was not a big mass meeting, perhaps acting without any very great deliberation, but a meeting of the council of the board, prominent men, responsible to their constituents, and giving their advice upon this question deliberately. Well, I find the Winnipeg 'Tribune,' my old friend, says that it is a good thing to have the Grand Trunk go west. The Winnipeg 'Telegram,' equally friendly to myself, says :

The same confidence in the west we still have, and we have no more doubt that the west can support a third system of railway than we had in 1901 that it could support a second system.

This was on the 27th of November. Two days before they had a long article in which they said that if the Dominion government make satisfactory arrangement the railway should be a good thing for the country, and the country could sustain the road. The 'Mail and Empire' had something to say on the subject on November 25th last. My hon.

friend the ex-Minister of Railways and Canals (Hon. Mr. Blair) was good enough to point out that, of course, when it is known that the government has made up its mind to do a particular thing, the party press throughout the country naturally falls into line and is disposed to advocate the idea of doing this thing which the government has already determined to do. The suggestion of my hon. friend was that the knowledge that the government was going to take a certain course had considerable effect upon the mental attitude of the members of the press. I may be excused for doubting that the knowledge on the part of the managers of the 'Mail and Empire' that the government was likely to take up this project would very much influence them in its favour. Therefore, I quote the 'Mail and Empire' as one of the few newspapers not likely to be subject to government influence in the way suggested by my late colleague. The 'Mail and Empire' said :

Last year the crop was more than the Canadian Pacific Railway, exerting all its great resources, could handle before the close of navigation. This year, the crop is still larger, and though the hauling power of the road has been very greatly increased, millions of bushels will remain to be carried after Fort William is closed by ice. Yet the traffic of our North-west is but in its beginning: Instead of 70,000,000 bushels of wheat grown this year, five times that quantity may have to be looked after before the Grand Trunk Pacific is ready for business. Production will greatly thicken in the zone traversed by the Canadian Pacific and the Canadian Northern. But the wheat belt has been proved to be much wider than that zone. Far north of the country served by existing lines, the finest hard wheat can be produced. There is plenty of room for another railroad in the prairie country. The completion of the Canadian Northern and the Grand Trunk Pacific will not prevent the Canadian Pacific Railway continuing by leaps and bounds along its career of prosperity.

And I find that on the 24th of November last the Montreal 'Star' said :

That the great North-west needs additional railway connections with Eastern Canada is obvious.

Mr. Thomas Crawford, Conservative member of the Ontario legislature for a Toronto division, a large cattle dealer, an experienced and capable business man, said, as reported in an interview in the Toronto News, on November 27th :

That to his mind, as a cattle man, it would be a good thing for Canada which would be a boon to the country and give us an assurance of good times for twenty years. 'The time has come,' said he, 'for such a line, and to-day if it were in operation it would do well. To-day there is such a traffic in our trade in North-west cattle that some of them have now to be shipped in by Chicago.'

Then a leading official of the Canadian Pacific Railway, Mr. H. P. Timmerman, general superintendent, according to the Toronto 'News' of November 25th, said this :

I believe the Grand Trunk Pacific will be of great advantage to the west. It will certainly not injure the business of the Canadian Pacific Railway, for the output of produce is so vast that the question of competition will not be considered for many years hence.

I find that Mr. J. R. Booth, an able and experienced railway man, whose opinion has great influence in this House and throughout the country, in an interview accorded to the Ottawa 'Journal,' is reported to have said :

There is room enough for all in the trade which is to develop in western Canada. I certainly think it is a good thing for the country, and in fact I don't see how they have got along without a transcontinental line so long. They certainly need it to feed their large capacity at the shipping ports of Montreal and Portland.

That is what Mr. Booth said when he had before him the original project, when the Grand Trunk intended to apply for a charter, and announced that they were going to build to North Bay and make their business tributary to their present outlet. But as the House will have seen, we have changed all that. I find in the 'Globe' newspaper of November 25, an opinion of Mr. E. F. Clarke, M.P., who is quoted as saying :

He thought that the proposed extension was second only in importance to the building of the Canadian Pacific Railway some twenty odd years ago. He believed that the development in Manitoba and the Territories would go on so rapidly that even this third transcontinental railroad would find abundance of traffic awaiting its completion. The fact that it was to pass through the Peace River district gave some idea of the immensity of our country, for this district was fully 800 miles north of Toronto. He believed the project to be of the greatest importance, not only to Toronto and Ontario, but to the whole Dominion.

In the 'Mail and Empire' of November 24, Mr. J. R. Booth is again interviewed, and expressed himself in favour of the project. In the 'Globe' newspaper of November 25, I find the opinion of Mr. W. R. Brock, M.P. This paper, I believe, is on fairly good terms with my hon. friend, except politically. This is what he is reported to have said :

The new road will be the grandest possible thing for Canada. The Peace River district, through which the railway is to run, will be our future granary. The engineer who first surveyed for the Canadian Pacific Railway desired to go the route now proposed by the Grand Trunk Railway. There can be no question about the proposed route, being a success in every sense, and an inestimable boon to Canada. It is better to have such a road as the Grand Trunk build the new lines, because it will ensure competition.

Now, I do not wish to misrepresent my hon. friend, or anybody else. This opinion of his was expressed on November 25th, before it was decided and announced that the line was to be built from Quebec to Winnipeg. These gentlemen were then in favour of the project. I wish them joy of

it, I want them to take the responsibility of it, and I ask them to put themselves on record again. These gentlemen must therefore be taken to approve of the project of a transcontinental line, and of the route of the Grand Trunk Railway from North Bay westward to the prairies to bring its business down to Portland.

Mr. BROCK. Does the hon. gentleman contend that great quantities of wheat from the North-west will go over the route they are now proposing, instead of over the route that I approved of?

The MINISTER OF THE INTERIOR. I will discuss that with my hon. friend later on. I have not the slightest hesitation in discussing that; we expected to discuss it when we brought in this Bill, and we are going to discuss it. I have here a whole list of important men of business, speaking on November 24, who expressed favourable opinions with regard to the construction of this railway, and to the necessity of its construction. I need not give them more in detail. I find in going over this symposium of testimony, the views of the ex-Minister of Railways and Canals, not only in the Victoria papers to which reference has been made by the hon. member for North Norfolk, but in the 'Toronto Globe' after he got back from his trip, after he had seen the west and had breathed the invigorating air of the prairies. The 'Globe' represents, and no doubt truly, my late colleague as saying:

There is room for several railways in the west. With the business that will be created by the rapid settlement of the country, I venture to say there will be room for railways within twenty-five or thirty miles of each other. He said the extension of the Grand Trunk would be a good thing for the country.

Generally his views were favourable to the project. Later on my hon. friend the ex-minister was represented by the Montreal 'Star,' I do not know whether correctly or not, as saying:

I am free to confess that in my judgment the development of the Canadian North-west and British Columbia will be so rapid the next few years as to afford ample traffic for three transcontinental lines, and I am glad to know that the Grand Trunk Railway Company seeks to share in that development.

I simply mention that to show that the view which my late colleague entertained at Victoria, when he was in favour of three transcontinental lines, did not evaporate on the way across the continent, and that he still entertained it when he got here. Mr. Alexander McFee, president of the Board of Trade in Montreal, an important business man, doing a large business in that city, said on November 24:

The building of a transcontinental route by the Grand Trunk Railway means a good deal to the Dominion of Canada, east and west. The announcement means that one of our great

needs is to be supplied. It assures the development of the Canadian North-west along Canadian national lines. The new railway is required. The North-west is ready for it. The country is in a state of rapid development.

The 'Montreal Herald' of November 24, reports Mr. J. G. Garneau, member of the council of the board of trade, as expressing a favourable opinion. In the 'Montreal Herald' of the same date, Mr. W. I. Gear, president of the Montreal Corn Exchange, when interviewed, expressed himself as follows:

In the projected line of the Grand Trunk, competition cuts no figure. The country can support a new line and more than one. Besides, a little competition is a good thing for all parties, and a very good thing for the country. There is a lot of the North-west that has not been opened to settlement. The proposal of the Grand Trunk, I believe, is to open new country, and aid in filling the North-west. The benefit to the country of such a line as the proposed one cannot be estimated at the present time, but it is bound to be very great. The east and the west will alike share in the benefit.

Hon. Richard Turner, member of the legislative council of Quebec, Mayor White, of St. John, Mr. Jas. Carruthers, a prominent grain man of Montreal, commenced the building of a new railway. Mr. H. D. Metcalfe, ex-president of the Corn Exchange, and a prominent grain dealer in Montreal—expressed a strong opinion in favour of the proposition for the building of a railway to the west by the Grand Trunk. Although these statements, of which these are a few picked out at random without any special care, were published broadcast through the press, the position is taken in this House and before the country that no necessity exists for the construction of this railway.

I have a word to say on my own behalf as to the question of the future. We gave last year 31,000 homesteads. That means 31,000 farms taken up, and we expect to give the same number or a larger number next year. If hon. members will take the trouble to stop and think what it means to have 30,000 or 40,000 fertile farms taken up every year they will have some idea, though only a small idea, of what is going on in the west and what it is necessary to provide for. I think we can safely say that if we continue our present efforts in the way of immigration we will probably be able to keep the movement of population up to somewhere in the neighbourhood in which it is now, for a considerable number of years and if we do that we shall inevitably increase tremendously the production and not only that, but as I have pointed out and as the testimony which I have read points out conclusively, there will be an enormous amount of grain from the west and there will be an enormous amount of general merchandise to go back to the west and which this proposed line of railway may

be absolutely unable to handle. The Montreal 'Gazette' of August 13—that is to-day—practically admits the necessity of a further outlet. In attacking the provisions of the government proposition, it says :

A line from North Bay to the Pacific, with such branches as the company thought it commercially wise to construct, would have been defensible and commendable and no one could have successfully attacked it.

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The MINISTER OF THE INTERIOR. I have one other authority, just one as to the necessity for a transcontinental railway. It would be undesirable that I should omit to mention that the leader of the opposition on the 26th May last, brought this subject to the attention of the House, and pressed upon the attention of the government a resolution of the Halifax Board of Trade which is sufficiently important to be again referred to in this debate. The hon. gentleman (Mr. Borden) placed before the House and the government particularly, the resolution in which it was stated as follows :

Whereas, application has been made to the federal government for a charter to build a line of railway known as the Grand Trunk Pacific Railway, from Quebec to Port Simpson, or Bute Inlet on the Pacific coast (said line to run south of Lake Winnipeg), and no provision has been made in application for the shipment of the traffic originating on said line through the maritime province ports in the winter season.

And whereas, members of parliament representing maritime province constituencies at Ottawa, have urged that the charter be granted only on the condition that the Grand Trunk Pacific Company agrees to build the line from the Pacific coast to the town of Moncton, N.B.

Therefore resolved, that this board approves of the stand taken by the representatives from the maritime provinces.

The resolution then goes on to deal with the necessity for an arrangement by which the railway shall be built entirely through Canadian territory, that the rates of freight should be controlled and placed upon an equality; that the railway company shall be compelled to proceed with the construction of the eastern section simultaneously with the western section, and they recommend that the railway be built north of Lake Winnipeg, which is not quite so wise as the other provisions of the resolution, but which is no doubt due to the fact that the Halifax gentlemen are not as familiar with the country up there as some of the rest of us. Then they go on to say that the government be urged to adopt this route for a new transcontinental railway seeking government assistance, and the board also desires to express its opinion that the interests of Canada demand that the Intercolonial Railway be extended to the grain producing centres of the west. There is further on a telegram somewhat on the same lines which was sent by the Halifax Board of Trade

to the late Minister of Railways and Canals. The leader of the opposition having knowledge of the fact that this resolution had been passed by the Board of Trade of the city of Halifax in his own constituency, very properly brought it before this House and proceeded to ask if the government were then in a position to say to the House and to the country in what way they proposed to deal with this transportation problem, and

Was the government able to disclose to the House and to the country any really comprehensive national policy by means of which it may be able to deal with this question of transportation in the west and in the east also.

I recommend these words of the leader of the opposition to my hon. friend from Lanark :

We know that not only in the west of Canada, but in the east of Canada as well, it is of the utmost possible importance to the people, it is vital to the interests of the people that they should have means of transporting their products to the foreign market equally as cheap and equally as available as those which are enjoyed by their competitors to the south of us, and we know that it is otherwise impossible for our people in the east, or in the west to compete on fair conditions with their chief competitors, the people of the United States of America.

Now, has the government any policy upon this matter which it is prepared to disclose to the people of this country, and if it has not any policy at the present time, when may we expect that its policy shall be announced to the country.

Why, Mr. Speaker, if the Prime Minister had been forecasting the policy which we have laid before parliament he could not have done it in more explicit terms than those announced by the leader of the opposition in this House on the 26th May last.

Mr. BORDEN (Halifax). Would my hon. friend permit me to call his attention to one paragraph which he has omitted :

I would submit to you, Mr. Speaker, that on a question of this kind which touches the whole future history of the transportation question of this country, the government ought not to take any leap in the dark, it ought not to take any step at hap-hazard. If the government proposes to appoint a commission it should have appointed that commission long ago, and that commission should have been at work dealing with and studying the very problems of transportation which are now confronting the government in regard to this matter.

The MINISTER OF THE INTERIOR. I do not think that anybody will dispute that the government ought not to take a leap in the dark. We are not taking a leap in the dark. We are taking a leap exactly on the line and over the route suggested by the Halifax Board of Trade, by the business men that my hon. friend represents, on the exact route which they suggested, and which my hon. friend (Mr. Borden) not knowing and not supposing that the government did purpose to bring this policy down at this present session of parliament, brought to our

attention, and practically endorsed some months ago. My hon. friend (Mr. Borden) gave an intimation in another way that he had not a very decided opinion that the government was likely to adopt such a policy as it has adopted, and that he had in his mind the idea that possibly the government would adopt the policy of encouraging the construction of the Grand Trunk Railway from North Bay. Therefore, my hon. friend (Mr. Borden) in addressing the Conservatives of Ward 2, in the city of Toronto on March 25th, 1903, as reported in the 'Mail and Empire,' spoke as follows:

While this great question of transcontinental railway extension—

I stop for a moment to refer to that in connection with the suggestion of my late colleague (Hon. Mr. Blair) who never heard anything about the necessity of a transcontinental railway. My hon. friend the leader of the opposition heard about it and heard about it so often that he was making it a subject of discussion before his party friends who were assembled to hear him in the city of Toronto.

While this great question of transcontinental railway extension is before parliament and before the country, we must see to it that the public rights are guarded. The Postmaster General in his address of last evening expressed views which were sane and sensible.

Flattering to my hon. colleague the Postmaster General.

At last he has realized that this country is a great one and can only be developed by a strong railway policy. In the past Mr. Mulock and his friends said that the Canadian Pacific Railway would never pay—

We have heard something about railways not paying, for the last day or two:

—and that British Columbia was merely a waste of mountains, but their views are changed, for which he should be thankful. I am glad to hear of Sir William Mulock's noble and patriotic words. I am glad to hear of his conversion, but we as Canadians must ask some questions. Shall we take care to so guard any franchise we give that it must be exercised alone in the public interest? Shall we see that any railway receiving public assistance forms part of an all-Canadian route? But gentlemen, the record of the government is not such as to lead us to believe that these questions will be regarded with the importance they deserve. If assistance is given to any transcontinental railway it must be an all-Canadian line, which will take Canadian products to Canadian ports, where they will be shipped abroad.

That is the testimony of my hon. friend the leader of the opposition.

Mr. BORDEN (Halifax). I do not think you will get much consolation out of that.

The MINISTER OF THE INTERIOR. My hon. friend (Mr. Borden) succeeded in making his meaning very clear. Now, there is some testimony since this project was launched, I find that Sir Sandford Fleming—

a gentleman of great experience in connection with railway matters, formerly chief engineer of the government and chief engineer when the Canadian Pacific Railway and the Intercolonial Railway surveys were made, a man who has taken a great interest in the development of Canada ever since—I find he is reported in the Winnipeg 'Free Press' of August 3rd as having given to the correspondent of that paper in Ottawa an interview heartily endorsing the general scheme which is before parliament at the present time. In the 'Globe' of August 6th Mr. James H. Ashdown of Winnipeg is reported as having given the correspondent of the 'Globe' an unqualified endorsement of the government scheme. I attach a very considerable degree of importance to the opinion given by Mr. James H. Ashdown. Mr. Ashdown is perhaps the ablest business man that we have ever had in Manitoba or the North-west Territories. He occupies the position of being recognized as an especially able, keen, capable business man, and probably the wealthiest citizen and most successful business man of the west. Mr. Ashdown has been a member of both political parties. He was formerly a Conservative; later he became identified with the Liberal party; but he is not a man of strong party feelings, and has never had any very strong affiliations with either party. But he is a man who knows more respecting the trade conditions of the North-west, its importations and exportations, than any other business man in the west; and he gives his opinion in a most unqualified way in endorsement of this proposition.

So, Mr. Speaker, I conclude with the testimony in favour of this proposition; and I think I may venture to remark that the testimony in favour of the immediate construction of a transcontinental railway may be regarded as tolerably conclusive. Sir, the congestion of traffic in the west has not been the congestion of wheat traffic only. Reading the discussions in the newspapers, and hearing what has been said upon the subject, persons not familiar with the local situation would naturally be led to the conclusion that it was a congestion which arose altogether by reason of the rush of wheat during a few months in the fall. That would be an entire mistake. The congestion during the last year or two has occurred not only during the months when wheat was pressing upon the railways, but during other months when the railways have been choked with cars loaded with general merchandise; and when the wheat season has come on they have been caught with their yards full of cars loaded with general merchandise which even then, before the wheat began to move, they have been unable to handle. Let it be understood that every carload of freight that goes to the North-west, wherever it may have originated, has to be taken care of by the railroads there, and the congestion has naturally arisen from the lack of com-

plete facilities to handle the accumulation of traffic from various agencies. While that congestion was not serious in the early stages of the development of the country, it has now, according to the testimony of competent observers, reached a stage when it is absolutely necessary that effective relief should be given. I wish to point out to this House, in connection with the situation there, a most important circumstance. You have a large and important part of Canada so situated that it is a thousand miles away from the other portion of the country with which it has political and business affiliations; and you have immediately south of our western territory a well-developed, well-peopled district, with vigorous and capable railway systems. Immediately to the south of the boundary line between Manitoba and the states of Minnesota and Dakota there are four or five of the finest railway systems in the world—the Burlington, the Chicago and North-western, the Great Northern, the Northern Pacific, the Chicago, Milwaukee and St. Paul—strong, well-equipped, vigorous systems, thoroughly versed in everything that pertains to the management of the railway business on the prairies. They are only a few miles away from Manitoba and our prairie district in the North-west Territories; and do you expect that you are going to allow the traffic to be congested year after year, the grain to be held up, and the merchants to be left with their shelves empty, for lack of transportation facilities, and that these railway systems are not going to go in there and take this business to the south? It is contrary to experience and common sense. I am bringing this aspect of the case to the attention of the House because it is naturally my duty to do it. Hon. gentlemen from eastern Canada have not had their attention directed to this particular phase of the situation, and you would properly say to me that I had failed in my duty to the House and to my colleagues if I had not brought it strongly and seriously to the attention of the House. No person who has any knowledge of the situation will for an instant throw any doubt on this statement, that if arrangements are not made for relieving the congestion of traffic, not only in wheat, but in cattle and produce of all kinds for shipment outwards, and in general merchandise for shipment inwards, and if those arrangements are not made soon, as surely as the sun shines, the greater portion of that trade will go south to the United States. It is going now. Mr. J. T. Gordon, of the firm of Gordon & Ironsides, the largest cattle exporters, I believe, in Canada, states that that firm sent last year 3,000 head of cattle by an American line because they could not get shipping facilities over the Canadian line. That is what is going on now. In the agricultural implement business, the makers of eastern Canada are handicapped for the same reason. A few hundred miles to the south

there are implement makers with first-class shipping facilities, and the means of filling orders promptly when they come; and even if there is a slight difference in price, or if the difference is equal in amount to the duty, you will find that the inability of the Canadian dealer to fill orders, largely due to lack of shipping facilities, is going to result in the business being taken away from him by his competitors to the south. So our duty is to relieve this congestion of traffic, and provide for the future, not only for the purpose of enabling the great products of the country to be exported, but for the purpose of enabling the manufacturing towns and villages and the industrial centres of eastern Canada to be put in communication with our fellow-citizens upon the prairies, so that mutual benefit may bring mutual profits to all concerned.

Now, having decided—and I think the reasons given are conclusive in favour of our so deciding—that we should build this railway, we had to decide whether we should own and operate it ourselves, or whether we should deal with a company, and allow that company to undertake the task. I do not propose to discuss at any very great length the question of government ownership of railways. I have never been an advocate of that principle. I have never seen anything in the experience of the government of Canada to induce me to become an advocate of it. What has been our experience of the Intercolonial Railway? We have a length of line of 1,510 miles; the total expenditure of capital to June, 1902, was \$68,310,619; it is over \$70,000,000 now; all the surpluses since 1876 to the 1st of July last added together amount to \$445,647; and the deficits since that time, if you subtract the surpluses, amount to \$5,281,000. That is the position of affairs, financially, resulting from the operation of the government railway in Canada.

Now, Sir, let me not be misunderstood. I entertain no feeling of hostility to the Intercolonial Railway. I recognize, as I said this morning—and I believe every man on this side of the House, and I have no doubt every member on the other side recognizes—the fact that the building of the Intercolonial Railway was a part of the terms of confederation, that Canada owes it to the people who accepted the terms of confederation that that railway shall be maintained and operated properly, and not only that, but that it shall be kept up to date, and that the people of the maritime provinces shall have a good, liberal, up-to-date service, a service which they will have reason to be satisfied with and proud of. I believe that it is true. I am in favour of doing that which is necessary for the purpose of giving effect to that proposition, but I see no reason why the fact that we are prepared to implement our obligations honourably should oblige us to enter into other obligations of a similar character and

which we believed to be totally unnecessary under the circumstances. So far as we know anything about the operation of government railways, there is nothing in what has happened to induce us to place upon this country at present the burden of operating a line of railway across the continent. A moment's consideration with regard to the railway management of railway properties, must show us that there are good reasons—apart altogether from the question of honesty or dishonesty, or corruption or political influences, which we all know are serious enough in matters of that kind—why it is difficult, if not impossible to have a railway managed by a government as effectively and economically as by a private individual.

If you will consult railway men, they will tell you that the interference even of boards of directors is detrimental to the proper running of a railway. American railway managers have found that they cannot effectively conduct their railways with a board of directors which will interfere with the men who are running the road. The same experience has been felt by Canadian railway companies. The result has been that the system has now become general of giving the president practically undivided power and control. It has been found that divided power and divided authority make it impossible for a road to be effectively administered. Under our system what have we? We have a Minister of Railways who has to submit to parliamentary criticism every time he wants to spend \$5 or \$10 on anything connected with the whole railway system. He can never conduct the enterprise with the same confidence, energy and vigour, when he knows that every item of his administration has to be dealt with and discussed as a matter of politics, as he would if he were serving a private corporation, confident that he would be backed up by the board of directors. That is one of the main reasons why it is wise for us, in a case of this kind, where we desire that the country should be opened up by an active, aggressive policy, not to load ourselves with that task, but to commit it to a private corporation.

We are not committing it to a company that we know nothing about. So far as the sentiment in favour of government ownership is concerned, I believe it is largely due to the fact that Canada has been behind the period in the matter of railway legislation. But we are remedying that every year. We are providing legislation which will have the effect of removing the grievances of which our people complain.

We have passed a railway Bill which is the first effort of a Canadian parliament to provide an effective means by which the public may get redress from railway companies. I am satisfied that the effect of that railway legislation, if administered, as I have no doubt it will be, in the spirit in which it is intended, will be to remove the feeling of distrust against railway compan-

ies due to the fact that the people have had unredressed grievances from year to year, and also the sentiment in favour of government ownership due to their belief that if they had to deal with a government their grievances would be more easily redressed. Having decided that we were not going to operate this railway line as a government system, the question arose which company we should deal with. I have not heard any attack made on the decision of the government to deal with the Grand Trunk Railway; and inasmuch as that proposition is not attacked, I need not defend it. If we come then to the terms upon which the railway is to be constructed, what criticism can be offered? My hon. colleague the Finance Minister discussed it in detail last week and so did my hon. friend the member for North Norfolk (Mr. Charlton). Both showed that the terms upon which the western division is to be constructed practically amounted to this, that we guarantee the bonds, and as security for our guarantee we obtain a first mortgage on a property which is going to cost from \$55,000,000 to \$60,000,000. We shall have a railway which with its rolling stock will have a value of \$55,000,000 at least and inasmuch as our guarantee will not exceed \$30,000,000, we will have that guarantee secured by a mortgage on a property of about double the value. That is surely as good a bargain as was possible, and certainly no attempt at detailed criticism has been attempted on the other side.

As to the eastern section we have two alternatives, and I come now to a point where there seems to be a line of cleavage between some hon. members opposite and ourselves. Whether that cleavage exists all the way across the opposition, I am not yet in a position to say. We had in the beginning one proposition and to that proposition there was an alternative. The suggestion was made that we should assist the construction of a line from the end of the North Bay branch of the Grand Trunk Railway northward and around to the city of Winnipeg and further westward to Fort Simpson. If we had carried through that scheme, we should have, if they went by the route originally contemplated, about 600 miles of railway on a route practically alongside the Canadian Pacific Railway, or very near to it, which would have been, to all intents and purposes, absolutely useless except for the purpose of making connections. That, however, was not a necessary incident of the scheme, because they might have gone north to the clay belt and around to the city of Winnipeg without very much increasing the distance. We had, therefore, the project of a railway from North Bay west to Fort Simpson, but without eastern connection except that which exists by the Grand Trunk Railway at present. We declined to agree to a proposition of that kind. We declined to assist the Grand Trunk Railway

to go westward and build up its business in such a way that, in so far as the winter business is concerned over this line, it would necessarily go to Portland. We declined to assist the Grand Trunk Railway upon those terms, and I would like our hon. friends opposite to say, before this debate is through, whether they support that proposition or not. If they are in favour of it the country has a right to know it. The country has a right to know whether they support the position we took in that respect or are opposed to it.

We decided on the other plan. We said that we could not agree to that proposition, but would insist on a line being built from Winnipeg to Quebec and from Quebec to a central point in the maritime provinces, with the result that we will get a road which will open up, for the first 400 miles east of Winnipeg a territory where there is some fertile land and a good deal of timber readily available; a road which then goes through the clay belt of the province of Ontario, which is somewhere in the neighbourhood of 500 or 600 miles long, a road which would furnish the shortest available line to the Canadian seaboard and furnish us, at the same time—and this is a point which, I think, ought to be marked—with just as short and just as good a road through the provinces of Ontario and Quebec by the communication which will be opened up when the road is built. We have the Quebec to Winnipeg line north of Lake Timiskaming; and with the connecting line to North Bay and down to Toronto, as short a route from Winnipeg to Toronto as exists at the present time by the Canadian Pacific Railway, or within a few miles of it. Practically, the distance will be the same; according to some scaling the distance is rather in favour of the new line. So, while we have the advantage of the through line, and of a line going through territory that requires settlement, yet, at the same time we have the advantage of just as good and short a route to every town and village in Ontario and Quebec by the old Grand Trunk system. So, we give what our hon. friends say we were going to give in the first instance, the line from North Bay, and we give the other line under conditions which will assure the carrying out the stipulations with regard to it.

Mr. BORDEN (Halifax). May I ask the hon. gentleman a question in that connection? He has referred to the through line to Quebec and a branch to North Bay. Has he made any approximate estimate of how much grain is likely to go by the all-rail route, and how much by the North Bay branch?

The MINISTER OF THE INTERIOR. I am about to deal with that in a few minutes. We are being asked—and that point was referred to by my late colleague (Hon. Mr. Blair) in one of the letters he wrote to the Prime Minister—why we build the ex-

pensive section of the line from Quebec to Winnipeg ourselves, that is, the government furnish the money to build the line, but we hand over the western section, the profitable part of the line, to a company to operate. The stating of the argument in that form is an intimation that we are keeping the unprofitable part and losing money on it, and handing over the profitable part to a company to make money out of it. But a cursory examination of the proposition before parliament must show any person that that is the exact opposite of what we really do. It is true we furnish the money to build the eastern section, under financial conditions which I shall not further discuss. But we make it a condition, mark you, with the Grand Trunk Railway, that if we assist them in the construction of the line of railway westward over the prairies and to the Pacific ocean, they agree to take from us the eastern section and pay three per cent interest on its cost, and that is one of the conditions of the whole enterprise. So, the scheme we place before parliament is a completed scheme, a scheme under which we place the profitable and unprofitable parts under one management, and make it an enterprise which will not place a burden upon anybody. In no other way could we have so arranged it that the business of the line would be managed in such fashion as to prevent any burden falling upon us. It is not a case of handing over to the company the profitable part of the line and keeping the unprofitable; but we bind the two together and make the profit of the whole line pay for the cost of construction of the whole line, so that no loss will rest upon anybody. I have no doubt that the Grand Trunk Railway Company would have preferred to get a good liberal bonus, pretty nearly enough to build the line from North Bay to Winnipeg, without any harassing or embarrassing stipulations as to what they shall do with their traffic, but under conditions such as railway companies like, leaving them free to do just as they please. That might have suited the Grand Trunk, but it would not suit the government, and it would not suit the Canadian people—and we are well within the judgment of the people in that respect.

I desire to say a few words in regard to the character of the country through which this Quebec to Winnipeg division is to pass. I shall try to make my remarks on that subject as short and as little tiresome as possible. It has been said with a good deal of insistence that we do not know much about that country, that the explorations have been few and vague. A good deal of discredit has been thrown upon the official reports of the Ontario government on that country. I never heard before that those reports were unreliable. The reports were brought down to the legislative assembly of Ontario, the Toronto newspapers published excerpts from them and referred in glowing terms to the great domain shown to be

owned by the province of Ontario, and congratulated the people of that province upon their possession. Nobody ever heard that these reports were not reliable until this debate opened, and it was found that this government was going to build a railway through that country. Then, suddenly, our friends of the opposition become very sceptical as to the value of these reports. Well, we have some reports which they got themselves, or which the Dominion government at various times have got. I wish to ask hon. members to look at a map which I have here which represents the territory through which the railway will run. The green lines, which hon. members will see are pretty numerous, represent the routes of exploring parties of this government which have from time to time passed through that territory. These lines have been traversed by exploring parties of the Geological Survey, to say nothing of the provincial examinations which have been made, and of the surveys and other explorations made from time to time. These lines show that the country has been traversed from end to end, so that we practically know all about that country. Thinking this an important point, I have had some definite information collected upon the subject from the reports which are available, and I have here a memorandum prepared under my instructions. I told these officers: Divide the line into twelve sections and tell me the character of the country through which each section passes, from the reports which are available. Sir, we have reports in regard to every one of the twelve sections, showing with a fair and reasonable degree of accuracy what the nature of that country is. My hon. friend from South Lanark (Hon. Mr. Haggart), when he was discussing this question the other night, made use of the following statement with regard to the road north of Lake Superior:

No. It will be built—it must be built—in that section north of the height of land reaching to the plateau which borders Hudson's bay and which, at the verge of the plateau, drops to the extent of three or four hundred feet. Between that drop and the height of land, the land is totally unfit for any purpose known to civilization, a land of low scrubs and unfathomable muskegs crossed by granite ridges.

Let me read to my hon. friend from an official report some facts regarding the character of that country.

In a northwesterly direction from the city of Quebec it is not difficult to reach the St. Maurice. The Lake St. John Railway runs in that direction quite a distance, and from the point near Rivière à Pierre a northwesterly direction towards La Tongue and Iroquois Chute. Thence to the height of land there are no obstacles of any account, a general level plateau is struck which can be followed in a westerly direction for 800 miles not varying 200 feet in that distance.

That is on the question of grades. The St. Maurice division comes next:

Country less hilly as we proceed towards head waters of St. Maurice and Rouge rivers. Good agricultural land in numerous areas, 3,000,000 acres fit for settlement.

This is the part of the country which my hon. friend from Jacques Cartier said was no good, and would not enable us to do any colonization work.

Farming by Hamilton Bros., ten miles up the Rouge river, successful. Well timbered country. Red and white and jack pines, spruce, tamarack and birch. Climate is not any more severe than that of Quebec. Hills disappear at the height of land. At 380 miles from its mouth, the St. Maurice is still a large river. Above Grand Piles station, last station up the St. Maurice valley, navigation is good for seventy miles. Numerous surveys by Richardson, In-gall, Bouchette and other surveyors and explorers and geologists, have been made.

That is about the worst part of the country, or nearly so.

Division No. 3, the Upper Gatineau.

Above 100 miles from mouth of Gatineau, country is generally level, rocky hills occasionally seen. Soil, sandy loam. Oats, barley, pease, spring and fall wheat under cultivation. Excellent reports from all sources. Timber abundant. Spruce, balsam, fir, white birch, black birch, white and brown ash, also maple, besides white and red pine. Minerals, nickel, copper, iron, limestone, &c. Water power, excellent. Character of crops grown indicate nature of the climate.

Surveyed by James Richardson, 1870, from Desert river to height of land, head waters of the Gatineau. Head waters of the St. Maurice on to Lake Mistassini, revealed a flat undulating plain, with good flats of farming land throughout the country.

Upper Ottawa division, No. 4.

This division comprises a good portion of the unorganized country of the county of Pontiac. Country generally flat or undulating plain, part of Hudson bay basin. The southern portion hilly and rocky. Middle portion, through which the line traverses, is flat and easy grade. Soil—large areas of dry clay soil extend around the height of land. Although the district as a whole in its southern portion cannot be said to be suitable for agricultural purposes, still in many places considerable areas of good land are known to exist.

I may say that from the northern slope of the height of land the southern part of the clay belt is well timbered, the waters running down to the northward. The railway must run along the northern part of the clay belt if we are to put it in such a position that the timber can be got out. Every man who is familiar with lumbering knows what I mean when I say that the timber can only follow the flow of the river, and the railway must cross the lower region, otherwise the timber cannot be driven down and reach the railway. A branch railway must go on the northern side of the clay belt so as to take in the lower region of the river and enable the timber to be driven down, so that the large timber resources of the province of Ontario lying along the northern slope of the height of land may be rendered available for commerce.

Timber on the lowlands mostly spruce, tamarack and fir. On the high land, birch, poplar spruce and red pine. The country has been many times surveyed, and traversed by explorers since the early part of last century. Gold, gypsum, lignite, have been discovered.

Mr. CLANCY. Will the hon. gentleman say what page of the report he is reading from?

The MINISTER OF THE INTERIOR. I am reading an abstract from information in the Geological Survey, which has been made at my request and by my instructions, by Dr. H. M. Ami, a member of the Geological Survey, who will be responsible for the correctness of the information which he has taken from the official survey.

Mr. BORDEN (Halifax). The suggestion was that if he would give us the pages of the reference as he goes along, it would be convenient to this side of the House.

The MINISTER OF THE INTERIOR. I cannot do that for the reason that this is collected from a large number of reports in different places; but I will leave upon the Table of the House what I am reading from, so that it can be consulted from time to time. I will leave also further references which will give an indication as to where they can be obtained.

Surveys by the geological surveys of Canada, by the Crown Land Commissioners of Ontario and Quebec, as well as by the officers of the Ontario Bureau of Mines, afford valuable information on the resources of this division, who all state favourably.

Division No. 5. Abitibi division.

Minerals—Iron, copper, magnetic iron pyrites and steatite are reported, and inasmuch as the great Huronian belt of metalliferous rocks traverses this region further discoveries are anticipated.

Timber—White and red pine found over the whole region. On the north side of the height of land pine trees measure from eight to nine feet in circumference.

I heard a statement made, I think by the hon. member for Hamilton, last night, that there was not any timber up in that country any larger than a man's thigh. We have here an official report which states that there is timber there ranging from eight to nine feet in circumference. Our hon. friends have a very contracted idea of the resources of their own provinces.

Soil and climate—The whole country northward from the mouth of the Montreal river is pretty correctly described as a level clay plain with rocky hills protruding here and there through it. Mark the distinction between this region and the country south. Clay appears to be uniform throughout the whole region. Several acres of this clay soil are cultivated at the Hudson Bay Company's post at Abitibi. All the ordinary cereals cultivated on the St. Lawrence can be cultivated at Abitibi.

I may here mention that in 1896 or 1897 seed which had been sent to a point called Lake Wawanisipi, 80 or 90 miles north of Lake Abitibi by Dr. Robert Bell, of the Geological Survey, was planted and successfully ripened.

Division No. 6, Upper Moose or Mattagami division.

Character of country—Fine agricultural land, clay and sandy loam forms part of great clay basin of Moose river and its numerous tributaries which take their rise near the Canadian Pacific Railway line north of Lakes Huron and Superior, and even south of the line. The head waters of the rivers in this division are well timbered, and the country is well described as an undulating, rolling plain, gently sloping towards James' bay.

Soil is good for farming throughout the greater portion of the country.

Division No. 7, Kabinakagami river division.

Character of country—Generally level plain, slightly inclined to the west, very easy grade, practically level. Soil, clay for the most part. Land low and swampy in places, needs drainage. Rolling land, heavily timbered.

Timber—Good spruce, tamarack, banksian pine, poplar, red pine, cedar, reported throughout this division, besides white birch, balm of Gilead.

Then we come to division No. 8, the 8th division out of the twelve into which the line was divided.

Division No. 8, Long Lake division.

Character of the country—Fine agricultural land. Level and rolling country. Partially dissected plane. Rocky in the southern portion. Flat and generally level along the projected line. Soil—Very productive. Abundant vegetation everywhere. Good timber.

Division No. 9, Nipigon division (in Thunder bay district of Ontario).

Character of country—In part level and undulating and part rocky. The Nipigon region constitutes a dissected plane. Good agricultural land, clay soil and clay loam and sandy loam.

Timber—A little north of Lake Nipigon the country is heavily timbered with spruce, banksian pine, poplar and balsam, with occasional birch, also tamarack.

Then we have sections 10, 11 and 12 at the other end of the line, which do not constitute a country which we can call an agricultural country. The last 300 miles, or probably 400 miles, of the line is in a country which it cannot be successfully asserted is likely to be a country which will amount to very much as an agricultural country. There are occasional patches of good land along the water-courses, but they are not large in extent. This is a country which is largely timbered, which will produce a very considerable amount of business for many years to come by reason of the fact that the railway, if it is constructed as suggested, will go along on the lower reaches of the river and will in that respect be in an exactly converse position to that occupied by the Canadian Pacific Railway now. The Canadian Pacific Railway, unfortunately for it, in being built from Port Arthur to the Red river, was built in such a way that it runs along just at the southern end of the rivers which run northward and the timber which is situated near the head waters of these rivers cannot be driven to the line of the Canadian Pacific Railway, because the flow of the water takes it the other way. The result is that the Canadian Pacific Railway be-

tween Port Arthur and Winnipeg practically has no lumber business at all except what comes to it from the south by way of the Lake of the Woods. The fact that it touches the Lake of the Woods so that American timber that comes from the Rainy river and across the Lake of the Woods can be shipped by it is the only thing that enables it to do any timber business at all. This line that we are proposing to build will go further north and the timber will be driven down the streams and a large business will be created in that way. I do not know that I need say anything more upon that phase of the subject. I have taken the trouble to have this report prepared, because I thought that the House was entitled to something more than mere fragmentary statements in regard to this matter, and that it was entitled to a systematically prepared statement by a responsible officer of the government which would give us that information and would give it to us in a form that could be relied upon.

We are at issue with our hon. friends on the other side of the House upon an important question of policy in regard to colonization. The hon. member for Jacques Cartier and the hon. member for Lanark have taken the position in this House that in regard to the great and important question of opening up the unsettled portions of the provinces of Ontario and Quebec the sound and statesmanlike policy to follow is to run colonization railways from the older parts of the provinces and they put the position against the position we take when we say that the sound and statesmanlike method of opening up these unsettled portions of the country is to put a through line of railway through those territories so that we shall be enabled by means of that railway to make it at least probable that settlement will take place. Let us understand each other. The hon. member for Jacques Cartier and the hon. member for Lanark, one representing the province of Quebec and the other representing the province of Ontario, the two provinces that are most concerned in regard to this proposition, say that it is wrong because we propose to put a through line through the northern part of Quebec and through the northern part of Ontario, instead of building colonization railways up from the older portions—and stopping there. Stopping in the woods, stopping nowhere. The policy which is advocated by these hon. gentlemen, if pursued, would, in our judgment, not result in the settlement of that country for many years. I ask the House to compare these two lines of policy. If you cannot do any better in opening up the northern parts of the provinces of Ontario and Quebec, build a colonization railway up there. It will help. The Timiskaming Railway is a meritorious enterprise. It will develop the country, slowly, it is true; it will help towards the development of the country, but I ask hon. members of this House to contrast

the development that is likely to take place from two lines of railway, one running from Quebec and the other from Ontario in these respective provinces, to contrast the development that is likely to take place under the policy advocated by my hon. friends with what is likely to take place if we send a transcontinental railway longitudinally through that district, and if we place that district not upon a back street, not away in the woods where nobody can see it, but on the main artery of travel, upon the transcontinental line. When the trade of this line is developed the staff of men who will be required to operate this important railway will be of itself an important nucleus of settlement within that district and the supplies which would be required of one kind or another and the work which gathers around the operation of a great railway will be the very best nucleus of settlement, the very best stimulus, and it is certain that settlement will take place rapidly. I think when the matter is placed before the House there will hardly be any difference of opinion that we will see these northern territories of the provinces of Ontario and Quebec settled much more quickly under the policy which we propose than under the policy which our hon. friends opposite have advocated. Then, my hon. friend from Lanark—I was rather surprised at him criticising this scheme—asked: What is to become of my province, the province of Ontario? I do not know what my hon. friend considers to be a grievance. We have in Ontario a great undeveloped territory, almost an empire, a territory as long as from Windsor to Montreal and as wide as the fertile portion of the old province of Ontario. We have in the St. Maurice valley in Quebec one million acres of land open for settlement. Ontario is confronted with the task of developing the great territory to the north, she is confronted with an enormous task, a task by which the resources of a provincial government will be taxed in order to carry it out successfully and this government, without asking for a dollar from Ontario, except such as is her share of the general contribution, inaugurates a scheme to put a transcontinental line of railway right through the heart of that territory; yet, my hon. friend from Lanark has nothing to say in regard to that proposition except that there is a grievance on the part of the province of Ontario. If my hon. friend thinks that is a grievance on the part of the province of Ontario—he is generally a man of pretty good sense—I think he will find he has made a mistake this time and I think he will find that the people of Ontario, when he goes out amongst them, will not agree with him in regard to that proposition.

It has been suggested to me at various times that I should make a remark or two about the question of the wheat traffic on this line. Manifestly, Mr. Speaker, no man is called upon to make any definite or specific predictions in regard to the wheat tra-

ffic. When the hon. leader of the opposition made the statement the other day that the Canadian Pacific Railway had handled last year forty million bushels of wheat and that only two and a half million bushels went all rail, I queried the statement and I made up my mind that my hon. friend had not been properly informed. I took the trouble to telegraph to the grain commissioner to get the figures, and I find that during the last year the total amount of grain from Manitoba and the North-west of all kinds that came east was 45,087,413 bushels, and that the amount that came all rail was 5,823,000 bushels, so that the percentage of the total that went all rail was 12.9 or practically 13 per cent, instead of 2½ per cent, as the leader of the opposition has been informed.

Mr. BORDEN (Halifax). I did not say two and a half per cent; I said six per cent, and these figures I believe are reliable.

The MINISTER OF THE INTERIOR. The figures given by the commissioner officially to me, show that the amount that went out by rail was 13 per cent. It is difficult to get correct figures in matters of this kind, and I suppose when my hon. friend made the statement that the return which he had got was in some sense a partial statement and that he had been misled in that way.

Mr. BORDEN (Halifax). Might I ask the hon. gentleman whether the whole of the 5,500,000 bushels he refers to went north of Lake Superior by the Canadian Pacific Railway?

The MINISTER OF THE INTERIOR. That is not stated. I have simply the returns of what came to the east by rail.

Mr. BORDEN (Halifax). My hon. friend will remember, because he wants to be perfectly fair, that what I was speaking of was the quantity that went by the Canadian Pacific Railway north of Lake Superior. What is the name of the commissioner who made this statement?

The MINISTER OF THE INTERIOR. Mr. Castle. The statement I have is a statement of the amount of grain that went from the west by rail as compared with the amount that went by water, and that is the point with which we are concerned and with which we have to deal in connection with this argument. Now, the figures I have given do not include the shipment of flour, and the advantage which wheat has in shipment by water is not applicable to flour in the same degree. I find in the Inter-State Commerce Commission report for 1901 (page 13) that the subject is fully discussed, and it is pointed out that when it comes to the shipment of flour, the water route has not the same advantage over the rail route that it has in the shipment of wheat. It is well known by

those who ship these commodities, that the water route cannot compete in the same degree with the all rail route in the shipment of flour. I do not think there is a difference of opinion as to that. Now, a very large quantity of flour will be shipped from the North-west Territories and Manitoba as time goes on. I do not think that it ever can be said that any large percentage of the crop will be shipped in the shape of flour, but no doubt an enormous quantity of flour will be shipped, a quantity which will furnish an appreciable traffic for a railway. I find further in connection with these shipments, that there is a very substantial amount of wheat that goes from different points by rail as opposed to the water route. I will give these figures, not with the object of showing that the facts will be paralleled in connection with the railway we are speaking of, but I will give the information because it bears upon this discussion, and as I think, because it will lead to a certain conclusion in connection with it. From the city of Chicago in the year 1901, 31,523,000 bushels of wheat went by lake and rail, and 13,969,000 bushels went by all rail. In 1902, from the city of Chicago 22,000,000 bushels went by lake and rail, and 8,190,000 bushels went all rail. This will show that the lake and rail route even when most advantageously situated has not by any means yet a monopoly of the business. Now, let us take the shipments of flour. In the year 1902, 1,086,000 barrels of flour went from Chicago by rail and lake, and 4,752,000 barrels went all rail, showing that when it comes to the shipment of flour the railway has a great advantage.

We have some times very indefinite ideas as to what rates could be made by railways when they want to make a good rate, and when they get down to a competition basis and find they cannot get any more. I shall give two or three rates as an illustration of what railways can do. I am not going to say that this new railway will open with a rate of this kind, I am not going to say that this railway will carry all its business on a rate of this kind; but the railway we are going to build is going to be a good railway; it is going to be just for the express purpose of carrying heavy loads and giving low rates, and being able to compete with a low rate. Therefore it is proper for us to consider what low rates have been given and can be given on similar commodities as those which we shall haul, in other parts of the continent. I find that the average distance from Kansas city to Chicago by the three roads: The Santa Fe, the Burlington, and the Rock Island is 488 miles. By the report of the Inter-State Commerce Commission for 1901 (page 15) there was in the previous year a rate of five cents per hundred pounds between Kansas city and Chicago. If you take the distance from Winnipeg to St. John via the Grand Trunk Pacific Railway you will find that the equivalent rate from Winnipeg to

St. John would be 11½ cents per bushel, and if they can haul wheat for 11½ cents a bushel they can get plenty of it to haul. The Inter-State Commerce Commission report for 1900 (page 22) points out that there had been previously a rate from Buffalo to New York of two and a half cents per bushel. That is not the average rate upon which the wheat is carried, but that was a rate which obtained and under which immense quantities of wheat were carried, and which the railway companies were prepared to maintain if circumstances did not alter. The average distance from Buffalo to New York by six routes is 443.12 miles, and on this basis the rate from Winnipeg to St. John would be 10.56 cents. Now, to come nearer home, during the past four years the Canada Atlantic Railway has hauled grain from Depot Harbour to Montreal as follows: highest rate four and a half cents; lowest rate two and a quarter cents. There is a break in the route from Depot Harbour to Montreal. It is all rail to Coteau and then there is from 42 to 45 miles of water carriage to Montreal. This rate is what the Canada Atlantic Company charged to haul it over the all rail route and then tranship it and take it down the 45 miles and deliver it at Montreal. The transshipment and the handling and the carrying for the 43 or 45 miles was certainly as expensive to them as it would have been if they had their own line into Montreal and had taken it through by rail. I fancy there is no doubt that if they had their own line into Montreal they would prefer to carry it in, rather than tranship it and take it 45 miles by water. The comparison therefore is a fair comparison. The distance from Depot Harbour to Montreal is 388 miles, and as I have said, the Canada Atlantic Railway during the past four years has hauled grain from Depot Harbour to Montreal; highest, four and a half cents a bushel; lowest, two and a quarter cents per bushel. If you take the lowest rate of two and a quarter cents, then on that basis the rate from Winnipeg to St. John via the Grand Trunk Pacific Railway would be 10.85 per bushel. Now, I want to compare that. I talked with a prominent member of the Winnipeg Grain Exchange the day before yesterday, and I asked him, how that 10.85 cent rate would compare with the rates which he is now paying from Winnipeg to New York by lake and rail. He tells me that, taking into account the rate by lake and the rate by rail, and a small additional charge for extra insurance which they have to pay by reason of this mixed carriage, the rate to-day from Winnipeg to New York is 16¼ cents. And, mark you, if the proposed railway can haul wheat as cheaply as the Canada Atlantic line, it can carry it from Winnipeg to St. John for 10.85 cents per bushel. My hon. friend says in emphatic terms that this railway is not going to haul any wheat. I do not say whether it is or not; but the hon. gentle-

man must get over these figures before he can convince the public that it is not. They are set forth in the official report, except as regards the Canada Atlantic, which I procured privately, and, as they are in accord with the information received respecting the Canada Atlantic, there can be no question of their accuracy.

When I speak of the traffic which this railway is going to handle, I point to the fact that 1,000 miles of this line from Quebec to Winnipeg are going to be in the province of Ontario and the whole merchandise traffic which now goes by rail from Grand Trunk points in Ontario and Quebec, except that on the new line west of the city of Quebec, will go via North Bay and Timiskaming over 1,000 miles of this useless line, and through the fertile clay belt to Winnipeg. In the face of that fact it is childish to talk of this railway having nothing to do. Within a week after the railway is opened, it will be busy hauling merchandise from eastern Canada. Let me call attention to the fact that the distance, as estimated by an expert officer of my department, from Toronto to Winnipeg by way of Chicago and the American lines over which much of the traffic has gone of late years—especially before the last two years, when the Grand Trunk and the Canadian Pacific Railway made some arrangement about taking the freight northward—is 1,400 miles by one line, and 1,394 by another. The distance from Toronto to Winnipeg by way of the Grand Trunk line to North Bay, from there by the Timiskaming line, and around by the projected line, is estimated at 1,171 miles, or some 200 miles shorter than the main route by which the great business was done for many years by way of Chicago. It may be that the estimated length of the new line is a little short. It is difficult to estimate exactly what it will be, but certainly it will not be more than 1,200 miles. If you take the route by the Canadian Pacific Railway from the city of Toronto to Winnipeg, you find that the distance from Toronto to North Bay is 226 miles, and the distance from North Bay to Winnipeg is 1,060, or a total of 1,286 miles, as against 1,200 miles by the projected road. So that, making a fair allowance for deviations, the length of the new line will be substantially the same as that of the Canadian Pacific Railway. Therefore, we have the city of Toronto placed in communication with the west by this system as directly as it is now by the Canadian Pacific Railway. We have that competition and its increased facilities established. From the city of Montreal and from the city of Toronto the distances will be practically the same. So that we have these connections established on the most favourable terms.

There is another line of trade to which just one word of reference may be made. It is the cattle trade. I want to call the attention of this House to a fact or two

with which I think they are not acquainted, because they are not likely to have ever been brought to their attention. I want to call attention to the fact that one of the great industries of the North-west Territories is grazing cattle, as contrasted with raising cattle. Last year we imported into the North-west Territories no less than 50,000 head of what are called stockers, that is, young cattle, bought by the ranchers for the purpose of being finished and perfected for the English market. Where did they get them? They got 25,000 from the good province of Ontario, and our friend Mr. Crawford, the Conservative member for one of the Torontos in the provincial legislature, says they have not at present facilities for sending their cattle to the North-west, and he wants the Grand Trunk Pacific built so that they will have more facilities. Where did they get the rest? They got them from Mexico. Cannot the farmers of the province of Quebec and the maritime provinces raise cattle to supply the stock grazers on the Northwestern plains? Why, Sir, it only needs to be stated for us to understand what a profitable business it would be for the farmers of the eastern provinces, who can raise cattle, but who are not able, on account of the want of pasture facilities, to finish them for the English market. Here we have 25,000 stockers in one year coming from far away Mexico, because we have not the shipping facilities to take them from eastern Canada. Not only have we not the shipping facilities to take cattle in, but we have not the facilities to take the cattle out; for I find that Mr. J. T. Gordon, in an interview says that his firm had last year to ship no less than 3,000 head by an American line because they could not get facilities over the Canadian line. And the cattle business in the North-west Territories is simply in its infancy. Last year we shipped out 42,000 head of cattle. That in itself is a pretty substantial business; but it is only a trifle as compared with what is coming. A necessary part of this business is the handling of stockers, and this is a business which the new road will do on an enormous scale, and in which it will be difficult for any other line to compete with it. It will pass through a northern country which will abound with cattle and through which they can be easily and favourably shipped. So we have in that business a large and important item, which will prove a great and substantial source of revenue to the new railway when it is constructed.

I want to say a word or two in regard to the prospects of this enterprise from a financial standpoint; and I speak as one who has had a considerable personal knowledge of the development of the western country, and of the differences that have been produced in the financial conditions of the railway companies owing to that development. The net profits of the Canadian Pacific Railway during the year ending the 30th of

June, 1902, were \$14,085,000, and last year its net profits were \$15,000,000. The company have made of their railway enterprise a magnificent success, and if they were called upon to-morrow to incur the liability to pay back every cent of public subvention which they have received, and all the money which they have received for lands, notwithstanding that, the Canadian Pacific Railway Company would be a good, sound, and solvent concern. Compared with that enterprise, the route from Quebec to Winnipeg by the Grand Trunk Pacific Railway is a better route. For perhaps one-half of the way there will be a considerable business, particularly in the line of timber, which will constantly contribute to its revenue. And throughout that district, there are good agricultural lands from which we may expect, within a reasonably near future, a fair amount of traffic. The Canadian Pacific Railway, on the contrary, was built around the north shore of Lake Superior. It was built through a rocky country which did not then, and does not now, produce a single pound of traffic, and which is difficult to operate on account of its grades and the sharpness of its alignments and curves. The Canadian Pacific Railway along the north shore of Lake Superior is absolutely unproductive. Then speaking of the Canadian Pacific Railway line across the prairies, it runs through the very worst portion of the territories. You could not select a line that could be very much worse unless you got right down close to the international boundary. But this new line of the Grand Trunk Pacific Railway will run from Winnipeg to the mountain pass through a territory, every mile of which is fertile and productive. It is hardly conceivable that such could be the case, yet the information in the possession of the government amply justifies the statement I have made. There is no such fertile stretch of country in the world. Now take the British Columbia part, for some reason best known to themselves, which nobody has ever been able satisfactorily to explain, the Canadian Pacific Railway chose the Kicking Horse pass, which is the worst pass in the whole lot, and it went through a line of territory which perhaps, of all the different belts that could be opened up through the Rocky mountains is the least productive. And it suffered in consequence. For years it got no traffic, except what its own construction gave, out of that portion which goes through the eastern part of British Columbia. The Grand Trunk Pacific, on the other hand, will go from the Rocky Mountain pass to the coast through as rich a timber and agricultural country as there is in Canada—a country rich in timber, mineral and soil. Then we must not forget that when the Canadian Pacific Railway was projected, there was no movement of settlement from the outside. There were no farmers coming to Canada in 1881 from foreign countries. At any rate

their number was inappreciable, and the Canadian Pacific Railway suffered from that fact. That company had dozens of agents out trying to initiate movements of population into our western country but did not succeed to any considerable extent, and for years later there was practically no immigration of any serious volume into the North-west Territories or upon the lands from which the Canadian Pacific Railway had to draw its traffic. What movement of population there was came almost entirely from the eastern provinces. But what is the position now? We had an immigration into the North-west of 125,000 people last year. If it keeps on at that rate for the next ten years, think what that will mean for the Grand Trunk Pacific Railway. Think of the difference in the position of that company as compared with that of the Canadian Pacific Railway, which went travelling on for years and years before there was any appreciable influx of settlers. Let it be remembered also that when the Canadian Pacific Railway started business, it had no connections with eastern Canada and no way of getting business. What had it to do? It had to go to Montreal and set to work at an enormous sacrifice to parallel the Grand Trunk Railway by connections all over Canada. The Grand Trunk Pacific Railway, on the contrary, will start with a magnificent system of connections, ready to open business the very day the road is finished. What does that mean? It is impossible for us to conceive the difference that will make in the volume of business which the railway company will do. Consider these facts. Consider the prospects of this railway, and ask if there is the slightest reason why any sane, reasonable man should think this company will fail in its obligations to the government.

I have extended my remarks, Mr. Speaker, at much greater length than I had anticipated and must apologize. I have only one point further to call to the attention of the House. We have had in the North-west Territories, ever since this government has been in power, a state of affairs, under which the great bulk of odd-numbered sections of public lands have been held locked up by our obligation to furnish large quantities to railway companies. Many years ago the system was adopted of surveying the country into odd-numbered and even-numbered sections, and of holding the odd-numbered sections for railway purposes, to be given to railways as government land grants. The even-numbered sections were kept as homesteads. We have not been able to deal with the odd-numbered sections in the Territories or Manitoba, because of the fact that we had large obligations outstanding binding us to furnish certain specified

quantities of land to various railway companies, under arrangements made by the previous government. I am not expressing any opinion as to whether that was wise or not, but that was our position. But we are now arriving at that position when, I fancy within the next two or three weeks, a final arrangement will be closed, under which the railway companies which have claims for land grants, including the Canadian Pacific Railway, will have those claims finally settled. I am pleased to say that as a result of this, an enormous quantity of odd-numbered sections will come back to the government and be available for disposition in any way which the government may be authorized by parliament to adopt. We shall have no doubt in the neighbourhood of 50,000,000 acres of odd-numbered sections to dispose of in such manner as parliament may authorize. I propose at an early day to submit a measure providing for the disposition of these lands. The first principle will be that the actual settler on an even-numbered section alongside an odd-numbered section shall have the preference in buying that piece of land at a price to be fixed in the manner provided in the Act. But I would point to the fact that we shall enter upon the business of selling something like 50,000,000 acres of land in the territories in a short time, and if we watch the manner in which the business of selling land by railways and land companies, has been going on, we have no reason to doubt that, if we choose, these lands will be disposed of with some degree of rapidity. What I desire to say is this: There is probably, out of that 50,000,000 of acres of odd-numbered section—the even-numbered sections are kept for the poor man's homestead—20,000,000 or 25,000,000 at present so far removed from communication as to be absolutely of no money value whatever. But in my judgment, within ten years from the time this railway is completed, 20,000,000 acres of land owned by the government at present will have acquired a value at least of \$3 per acre. That is not a thing about which there is any question. We have seen it happen before, and we know it will happen again. I have quoted this to the House to show that, so far from the railway costing the people anything, the fact will be that the enhanced money value of the property of the government will be four times as great as will be necessary to pay for the road. I simply desire to add that whether you consider this scheme in its broad outline, or its comprehensive and careful details, or whether you consider the manner in which it achieves great results with a minimum of cost, I am satisfied it is a scheme which ought to commend itself to the enthusiastic support of this House.

To the President ^{Board} of the ...
Very And Sincerely,
April 5th 88

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