

THE C.P.R. STOCK ISSUE.

Mr. Fitzpatrick's Bill Dealing With the Matter.

THE CONDITIONS.

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MR. DEVLIN'S POSITION.

The Opposition Criticise His Utter- ances—How the West is Being Filled Up—British Immigration.

(Special Despatch to The Globe.)

Ottawa, April 17.—This afternoon the Minister of Justice introduced his bill respecting the increase of \$20,000,000 in the capital stock of the C. P. R., and gave a lucid explanation of its provisions, and the reasons why it had been thought necessary to pass legislation confirming the order in Council, and giving the force of statutory law to the conditions which the Government had imposed for the protection of the public interests. The items for immigration were voted in supply, after a comprehensive review by Hon. Clifford Sifton of the work of the department, which demonstrated the efficiency of the policy adopted with regard to immigration since he assumed the portfolio of the Interior, as tested by comparison with the results produced by the policy in force up to 1896. His assurance that the record of immigrant arrivals for the first three months of this year indicated that the great movement of population from the western States to the northwest had not abated, and was increasing very rapidly, elicited warm cheers.

Canadian Pacific Bill.

Hon. Charles Fitzpatrick introduced his bill to amend the provision with respect to tolls of chapter I of the statutes of 1881, respecting the Canadian Pacific Railway. Speaking in support of the bill, he explained that the order in Council authorizing the C. P. R. to increase its capital stock by \$20,000,000 provided that no part of this stock shall be issued at less than par, and also defined the purposes to which the money to be derived from the sale of the stock shall be applied. It further provided that this increase of stock shall not in any way be considered as affecting the question of control, namely, the question of the control of the Government over the rates of the company after its earning power has increased to the extent of 10 per cent., or 15 per cent. on its capital. In order that the House should be fully informed of all the facts, Mr. Fitzpatrick briefly specified the legislation which was in existence previous to the passing of this act, and which would be affected by the bill introduced. In the bill he had laid before the House the Government had taken the precaution to make it a matter of statute that the money shall be applied to the purposes for which it was said to be necessary at the time the order in Council was applied for. With respect to the tolls, at the time of the incorporation of the C. P. R. railways were regulated by the consolidated railway act of 1879, being 42 Victoria, chapter 9, which act, in so far as its provisions are applicable to the C. P. R., and in so far as they are not inconsistent with or contrary to the provisions of the company's charter, and save and except as is specifically provided in the charter, is incorporated with the C. P. R. charter.

Reduction of Tolls.

Mr. Fitzpatrick quoted sub-section 11 of section 17 of that act, which provides that the Parliament of Canada may reduce tolls upon the railway, but not without the consent of the company, so as to produce less than 15 per cent. per annum profit on the capital actually expended in its construction, nor unless the net income of the company is shown to have exceeded 15 per cent. upon the capital actually expended. Section 20 of schedule "A" of the company's act of incorporation provides that the limit to the reduction of tolls by the Parliament of Canada may be to such an extent that such tolls, when reduced, shall not produce less than 10 per cent. per annum profit on the capital actually expended in the construction of the railway, instead of not less than 15 per cent. per annum, as provided by the above sub-section, etc. Now, said Mr. Fitzpatrick, sub-section 11 of section 17 of the act of 1879 has been repealed, but I still hold that it must be taken as forming part of the company's charter, and must be referred to in order to understand section 20, which I have just quoted. I have gone carefully through all the legislation and am quite satisfied that there is not now in existence any clause similar to sub-section 11, and this sub-section and our section 20 of the charter form the only legislation which need be referred to on the subject of tolls. Sub-section 11 was re-enacted by the consolidated railway act of 1888, and appears therein as sub-section 11 of section 16, but it was not re-enacted in 1888, when the railway act was again consolidated. Now the order in Council of January 25th of 1902, so far as it relates to the increase of capital stock, went into force as soon as it was passed, and has been acted upon by the company. That sub-section 11 was re-enacted, as I say, in 1886, but was not re-enacted in 1888. At the

same time, in order to understand section 20 of schedule "A" of the company's act, which refers to this section 11, it is necessary to read section 11 in conjunction with it. Now this legislation was necessary only with respect to two points—with respect to the restraint placed upon the company in issuing any part of this amount of capital stock at less than par—for under their charter they would have had the right to do so—there is a restriction that the \$20,000,000 shall not be issued at less than par, and then with respect to the tolls, it is merely made a matter of special stipulation that when you come to apply section 20 for the regulation of tolls this additional \$20,000,000 shall not be taken into account; and, further, the Government have thought proper, at the suggestion of the Minister of the Interior, to provide that this money shall be specifically applied for the purposes for which the company say they require it—that is, it shall be applied in the improvement of the property of the company.

In reply to Mr. Haggart, the Minister of Justice said the C.P.R. was a consenting party to the bill, and that it left the company with regard to tolls in exactly the same position they occupied before getting permission to issue the extra \$20,000,000 stock.

Mr. Maclean Protests.

Mr. W. F. Maclean protested that there was no proposal in the bill to deal with the two great grievances which existed, with respect to the tolls the C.P.R. were charging and the determination of the actual cost upon which they are entitled to receive 10 per cent. before the Government could reduce the tolls. The question of the expiration of the term of exemption of the company's land grant was also left untouched. Mr. Maclean contended that money for much of the work for which this extra stock was to be issued could be obtained by an issue of bonds or paid out of current revenue. The Government should have sat down in the same way as they did in the Crow's Nest Pass Railway bargain, and refused to give the company what they asked unless they agreed to come at once within the 10 per cent. clause, and he was satisfied the company would have done so.

Hon. Clifford Sifton.

Hon. Clifford Sifton thought Mr. Maclean would agree with him that it was not conducive to the public interest nor the fair discussion of the merits of the bill which had just been explained to debate its provisions when members were not in possession of its exact terms. He pointed out that the grievances to which Mr. Maclean referred arose under legislation placed upon the statute book by the Conservative party, and which would be in a great measure redressed by the very bill which the Minister of Justice had just introduced. He challenged Mr. Maclean to lay his finger on any piece of legislation introduced by the Conservative Government in which, in so few words so many important matters were dealt with and the rights of the people so effectively protected as in the measure before the House. The company asked for permission to issue \$20,000,000 for specific and legitimate and honest purposes, and he thought the House would agree that the C. P. R. had arrived at that position when they need not look for cheap huckstering in connection with its capital. The condition imposed upon the company, when permission to increase its capital by \$20,000,000 was given, was that that amount should not be taken into consideration by the Government when applying the control which the law gives in certain cases with respect to rates. Mr. Maclean was, he believed, something of a Socialist. Perhaps he would have taken the position that he did not care what the law was on that point or what the legislation was, that he did not care what the vested rights of the stockholders and bondholders of the C. P. R. were, but he would simply have done as he pleased. Mr. Sifton said he was bound to say that the Government were not prepared to take that position, but were prepared, and he believed with the full agreement of the responsible members of the other side of the House, to give full, fair and reasonable protection to every vested right of any person who invests a dollar in the Dominion of Canada. That does not prevent them, however, when Government action was required, from taking fair and reasonable measures for the protection of the public, and he thought it would be the sentiment of members on both sides of the House that they had gone in this respect as far as they honorably and legally could have gone.

Finding Out the Cost.

Mr. Maclean—Will the hon. gentleman say what this Government have done to ascertain in five years of office the actual cost of that railway?

Hon. Mr. Sifton—Immediately before the order in Council was passed which provided for this particular matter being dealt with in the way I have stated, another order in Council was passed with the consent of the C.P.R. Company, and it was required that they should give their consent to the passage of that order in Council before this order in Council was passed. My hon. friend will learn, I think with great delight, that the first order in Council provided that an immediate reference should be taken to the courts for the purpose of determining the amount of the capital actually expended in the construction of the road, so that we might know exactly where we are in respect to the control of rates on this railway. (Hear, hear.)

The bill was given first reading.

Hon. Clifford Sifton's bill to preserve the few remaining herds of wood buffalo in the Mackenzie River district was given first reading.

Imperial Relations.

On the motion to go into supply Mr. W. F. Maclean called attention to a cable in The Winnipeg Tribune from its London correspondent, stating that while the colonies would reluctantly surrender their self-governing rights it was probable that some basis for financial contribution to Imperial defence might be reached, some form of preferential tariff be adopted by the home Government, and that some of the colonies might agree upon a 5 or 10 per cent. increase of tariff duties and set apart the sum realized for defensive purposes. Mr. Maclean repeated his criticisms of a few days since in reference to the refusal of the Canadian Government to discuss the question of Imperial defence at the forthcoming colonial conference. He blamed the Government for having held the urgent cable invitation from Mr. Chamberlain for ten days before replying, waiting, he supposed, until the discussions which existed in the Cabinet had been overcome. Mr. Maclean said that the reply from Canada, when it did come, was such that it chilled and froze the hearts of the Imperial Cabinet, and

they did not even send the despatch which was promised would follow. The Canadian Government failed to take the lead, as it was expected to, and the result was that the Imperial budget placed a tax upon grain and foodstuffs, and Canadian grain had to pay duty the same as that of every other country. He quoted La Patrie, which stated that the funeral oration of free trade had been pronounced in England, and Canada was not to get a preference in the British markets. Mr. Maclean asked for an announcement by the Government of their policy upon this question, and whether they had protested against the imposition of a duty upon Canadian grain in Great Britain. There was no reply from the treasury benches and no further remarks were offered on the Opposition side of the House.

Immigration Expenditure.

Mr. Uriah Wilson brought up the question of expenditure for immigration. He spoke of changes which had been made in the Emigration Department in England, and hoped that the Minister would adhere to the principle adopted some years ago and would not approve the suggestion of Mr. Preston to remit to British emigrants their passage money when they arrived in Canada. Mr. Wilson hoped the Minister of the Interior would explain why he had raised the salary of Mr. C. R. Devlin by \$1,000, giving him a salary greater than the Superintendent of Immigration. Mr. Wilson, while expressing disapproval of the appointment of a number of immigration agents on commission in Ireland, expressed himself as strongly in favor of the proposition to retain British emigrants if possible for British colonies. At great length he criticized the actions of Mr. C. R. Devlin, emigration agent in Ireland, and read the article published in The Montreal Witness on January 17, 1901, as an interview with Mr. Devlin, which has previously been referred to and discussed in the House and Committee on Agriculture and Colonization. Mr. Wilson read an affidavit from Mr. Lutton, stating that the interview was accurately reported, and that the statement that Mr. Devlin had never asked anyone to emigrate from Ireland and never would, was in Mr. Devlin's own handwriting. Under the administration of Mr. Sifton there had, Mr. Wilson said, been a larger amount of money spent in Great Britain and Ireland with less results than in former years. Mr. Wilson expressed warm appreciation of the manner in which Mr. Frank Pedley had mastered all the details of his department.

Cost and Results.

In nine years from Ireland we got 7,800 immigrants, at a cost of \$83,000. We were spending more money and getting fewer immigrants. He believed we would get as many immigrants from Ireland if we had no agents there at all as we are getting with all our agents. The salaries paid were not reconcilable with common sense. He complained, too, of the expense bills of the Irish agents and of the system under which increases are granted. Mr. Wilson stated that for the past ten years the total number of immigrants coming to Canada was 262,292, at a cost of \$2,400,173. In the first five years \$876,369 was spent, and in the five years under Liberal rule \$1,523,804 was spent. In the first five years the average cost per head was \$7.05, and under Liberal rule \$9.05, an increase of \$1.40 per head. Mr. Wilson also claimed that the country is being overrun by undesirable immigrants whom the United States would not admit. In this matter the Minister had moved altogether too slowly. He read a letter from the United States immigration inspector at Montreal in which it was stated that six inspectors are located at Montreal, and smaller numbers at almost every other border town. He asked if it would not be possible to make an arrangement with the United States whereby all emigrants would be inspected at the port of departure. Mr. Wilson dwelt at some length upon this question of inspection and rejection in Canada of emigrants en route to the United States. In the concluding paragraphs of the letter which Mr. Wilson read the writer stated that he did not wish to criticize the Canadian Government, but he hoped they would see their way clear to exclude diseased immigrants or those likely to become burdens. Mr. Wilson suggested the adoption of the American system of compelling the steamship companies to deport such immigrants at their own expense.

Mr. Sifton's Reply.

Hon. Clifford Sifton, Minister of the Interior, said that he had no fault to find with the manner or spirit in which Mr. Wilson had criticized the work of his department; possibly it would be beneficial for his officials to know that their work was likely to be overhauled in the Agricultural Committee. The Minister spoke of the enormous natural possibilities of Canada and the unlimited field for immigration in northern Quebec, northern Ontario, Nova Scotia, New Brunswick and the west, in fact in all the Provinces of Canada except Prince Edward Island. As to Mr. Devlin's position in Ireland, Mr. Sifton said that Mr. Devlin was a man of very extraordinary and exceptional ability. No person who knew Mr. Devlin would deny that, and if any man was well qualified to take charge of the work in Ireland and turn the tide of Irish emigration to Canada, Mr. Devlin would be the man likely to do it. In answer to Mr. Wilson, the Minister said there has been no substantial change in Mr. Devlin's position since the recent visit of the Deputy Minister of the Interior to Ireland. Mr. Sifton said he knew there were men on both sides of the House who had very violent differences of opinion with Mr. Devlin in regard to certain questions. So far as this question was concerned, whether Mr. Devlin sympathized with Mr. Redmond's political opinions or with the political opinions of Col. Saunderson, the noted fire-eater from Ulster, who occupied a seat directly opposite to that of Mr. Redmond—

Col. Hughes—Will the Minister allow me to correct him? Col. Saunderson is not a fire-eater, and he represents the City of Glasgow and he lives in Glasgow.

Mr. Sifton—If he is not a fire-eater, I beg your pardon.

Col. Hughes—Col. Saunderson is a gentleman, sir; a most distinguished gentleman.

Mr. Sifton—Well, I will speak in general terms and I will say "any fire-eater." However, I may tell Col. Hughes that my idea of Col. Saunderson being a fire-eater arose from the fact that the

last time I saw his name mentioned it was in connection with a free fight in which the two sides were represented.

Col. Hughes—Yes, and he won.

Mr. Sifton—That gave rise to a slight impression in my mind that Col. Saunderson might be a fire-eater.

Col. Hughes—He stood up for his rights.

Mr. Sifton took the position that it might be better to leave Mr. Devlin to decide on his own political opinions, so long as he did not make himself obnoxious to the British Government.

This evening Hon. Mr. Sifton resumed his remarks upon the motion to go into supply. Referring to the criticisms by Mr. Wilson upon Mr. Devlin, Mr. Sifton said he did not think it possible or practicable for the Government to make an inquisitorial examination into the beliefs of every official. They had in the Government service Irish Catholics and French Catholics and English and Irish Protestants, and all had their own opinions regarding home rule as well as other subjects. Regarding the increase in salary given to Mr. Devlin, Mr. Sifton said it was given on his own motion, and he took the full responsibility for it. The members of the House who were acquainted with Mr. Devlin would not, he thought, say it was out of proportion to the ability and energy which Mr. Devlin brought to bear upon his work. Mr. Sifton briefly referred to the withdrawal of one of the agents from Ireland, and laid down the policy that Canada should endeavor to get as many of the emigrants who are leaving Great Britain and Ireland as possible.

Diseased Immigrants.

Regarding the statements made, that the United States found it necessary to have a large staff of agents to prevent the entrance through Canada into the United States of diseased and undesirable immigrants, Mr. Sifton said that the United States' agents on the frontier were appointed for the purpose of enforcing the alien labor law, although they occasionally stopped an immigrant, but this was not of sufficient magnitude to necessitate action on the part of this Government. He admitted it was necessary to keep a close watch upon people coming from foreign countries to our shores, and an efficient staff for that purpose was maintained at our ports. As an illustration of the extravagant statements circulated in this connection, Mr. Sifton said he had investigated the statement published that there were 200 diseased immigrants in the various hospitals at Montreal. The extent to which the statement was founded on fact was shown by the report of the Superintendent of Notre Dame Hospital that there were two cases in January, two in February and six in March; there had been none in the Royal Victoria Hospital for six months, or in the Montreal General Hospital for three months, and in the Hotel Dieu there were seven persons, of whom one or two might be classed as immigrants. Of 25,000 persons who came into Canada, 132 were rejected by the United States commissioners as undesirable, and out of these 132 there are 20 persons in Canada at present, 21 of whom were rejected for trifling and absurd causes by the United States commissioners, and are now settled in the northwest. They were German families, who made desirable settlers. Seven or eight of the others were now waiting deportation at St. John. That was the sum total of all the agitation that had been aroused upon the matter.

Work of the Department.

Mr. Sifton gave to the House a general review of the work of the Immigration Department, for which the expenditure amounted to \$500,000. There are, he pointed out, suitable facilities for examining and taking care of immigrants at Halifax, St. John, Quebec and Montreal. The Government gives a grant to a women's association at Montreal, who look after immigrants needing attention. At central points in Manitoba and the Northwest there is accommodation for newly-arrived immigrants, provision being made for caring for and keeping track of them until they finally locate on the land. The cause of the failure of the immigration policy of the late Government was the absence of any such provision, the immigrants being dumped down and left to look after themselves. As soon as he took office he organized a staff for that purpose, which, under the energetic direction of Mr. Wm. McCreary, now the representative of Selkirk, of whose abilities Mr. Sifton spoke in the highest terms, cared for the new arrivals and assisted and advised them until they got upon their feet. Incidentally, Mr. Sifton said, there are twenty-five salaried immigration agents and two hundred and fifty commission agents of the Government employed in the United States. The work in Europe was also giving satisfactory results, in view of the difficulties encountered upon the continent in carrying on immigration work. Mr. Sifton dwelt upon the value of a successful immigration propaganda, which would add materially to the population engaged in agricultural operations. The work carried on by the late Government had proved an absolute failure, and, recognizing its uselessness, that Government had voluntarily reduced its expenditure for that work. The department, under the present Government, had been obliged to build up a new policy altogether, and the result had been most satisfactory, as much so as any branch of the public service could show in five years. The immigration in 1896 numbered 16,835, and last year it had grown to 50,000, and he was not over-sanguine when he estimated that this year it would number probably 70,000.

Difficulties in the United States.

As indicative of the difficulties Canada had to encounter in getting immigration from the United States, Mr. Sifton said that in the western States the farmers were absolutely ignorant of the ability of the northwest to raise wheat. This was partially overcome by sending exhibits to the State fairs and by inviting the editorial press associations of the various States to visit the northwest and go through to the Pacific coast. The result of the advertising which western Canada received was shown in the number of immigrants from the United States, which rose from 712 in 1897 to 9,198 in 1898, 11,945 in 1899, 17,500 in 1900 and 17,987 in 1901, while those who are well qualified to judge say that it will not be possible for the figures to fall below 25,000 or 30,000 this year. In the first three months of this year the arrivals at Winnipeg were 10,000, as compared with less than 6,000 last year. An analysis of the nationalities of the immigrants entering last year showed that of a total of 49,000 about 30,000 were British or United States, and of a desirable class. The cost per immigrant from the continent was \$2.65 per head; British, \$9.58; United States, \$7.99; or on an average, including the cost of looking after them in Canada, of \$8.34 per head, equal to \$35 per family, which was much less than it cost the railway companies to get settlers in some of the States.

Figures for This Year.

The figures regarding the arrivals in Canada were borne out by the home-

stead entries, which for the first three months of this year, numbered 3,024, and he was confident the total entries would number 10,000 this year, as compared with less than 1,500 in 1899. The homestead entries, however, did not indicate by any means the total settlement. The sales of the four principal railway and land companies in the northwest in 1896 amounted to 108,000 acres; in '98 it had increased to 448,000 acres, and in 1900 the sales were 648,000 acres. During the first three months of this year 442,000 acres have been sold by the same companies. As another indication of the effectiveness of the immigration work done in the western States, Mr. Sifton quoted from The Minneapolis Journal an article extolling the northwest as the land of great crops, showing that the co-operation of the most powerful medium of reaching the people of the western States, the American newspapers, had been secured. Articles in The Winnipeg Telegram, a paper which has in the past most violently attacked his immigration policy, and papers published in the United States, were quoted by Mr. Sifton in justification of the policy he had pursued. During the next two or three years, Mr. Sifton said, Canada had the greatest opportunity of promoting immigration and the settlement of the west that she has enjoyed since confederation. (Cheers.) A greater movement into the northwest had been inaugurated than that of 1881-83, when the first great movement which opened up and settled Manitoba occurred. Mr. Sifton impressed upon the House the influence upon the prosperity of the Dominion of the rapid settlement of the northwest, and pointed out that at the rapid rate at which settlement was going on it was but a matter of a few years before there would be a million or a million and a half of people there.

Railway Accommodation Needed.

He asked the members of the House to consider for a moment what the wheat production of that country would be with the population and acreage of cultivation trebled. In this connection Mr. Sifton pressed upon the consideration of the House the absolute necessity of railway accommodation to meet the requirements of the people. Settlers now would not settle, no matter how good the land, if there was no probability of a railway within reach; they would rather go one hundred miles or five hundred miles farther, where they could get railway communication, as experience proved they could not grow grain and haul it profitably for long distances. He referred to this matter in order to call the attention of the House to the necessity of pursuing a liberal policy in the encouragement of railway construction in the northwest. Mr. Sifton explained the changes made in the emigration work in England, by which the operations of the staff have been placed under the direct control of Mr. W. T. R. Preston, and entirely new methods adopted with gratifying success. Mr. Sifton spoke for about an hour and three-quarters, and was frequently and heartily cheered by the Government benches.

In Committee of Supply.

The House went into Committee of Supply at 9.15.

In reply to Mr. A. L. Puttee, the Minister of the Interior said that no encouragement was given to persons to come to Canada who did not purpose settling on the land. It must be remembered the officers of the department could not compel the immigrants to go to any place unless the immigrants were willing to go.

Mr. Bourassa exhibited a map, issued in England under the High Commissioner's direction, in which a half dozen of the most fertile counties of Quebec were shown as in the State of New York.

Mr. Gourley wanted a systematized system that would bring British people to Canada. "I see some paper says, 'Gourley has imagination,'" he said. "Yes, Balek had none; that was the trouble with the man, and he went to the wall."

Mr. Jabel Robinson said that Mr. Bourassa threw the whole blame for a slight error in a map on the whole people of England. The English people were a splendid race. We had fine men there advertising Canada, and in a while we would get immigrants.

Mr. Marcl urged the House to consider this question apart from any party point of view. The infusion of new blood into our country, irrespective of origin, was of national consequence. He particularly urged the Government to pay attention to colonization, on the principle that it was more important to keep one Canadian in the country than bring in two strangers. (Hear, hear.)

A desultory discussion covering the whole range of immigration work was brought to a close at midnight by passing the item of \$110,000 for the salaries of agents in Great Britain and foreign countries.

Keeping Our People Here.

Upon the last item of \$333,000 for contingencies in Canadian, British and foreign agencies, Mr. R. L. Borden suggested that the Immigration Department might adopt in the Maritime Provinces the policy adopted by Mr. Devlin in Ireland, who, while he does not urge people to leave Ireland, does effective work in making known the advantages which Canada has to offer to settlers in the northwest. He thought something should be done to keep Canadians within the Dominion.

Hon. Clifford Sifton expressed himself as in sympathy with Mr. Borden's view, but had been deterred from doing more than making known the advantages of the northwest, fearing the House would not support more vigorous action. However, he would give the matter careful attention.

The item passed, and the House adjourned at 12.10.