

schedule been brought down contemplating the construction of such lines in the near future?

Mr. GRAHAM: There is nothing in this vote for branch lines except perhaps for minor ones. I stated a few days ago that the board had recommended a programme of branch lines, which I hope to introduce by way of resolution in a very few days.

Mr. LEWIS: The subsection to which I have just referred, "construction and betterments," is included in the vote, and I thought the minister could tell us whether any branch lines were being considered. There is another question I desire to have answered. Will the Canadian National officials who will be engaged in this building in Paris also act in the capacity of immigration officers?

Mr. GRAHAM: The Canadian National officials, like the officials of the Canadian Pacific Railway, will co-operate with the Immigration department in the interests of immigration.

Mr. LEWIS: Does the immigration which at present comes from that part of Europe demand such a large expenditure as is provided for in this loan, and that offices shall be established in Paris?

Mr. GRAHAM: The hon. gentleman seems to think that the Canadian National Railways are going to occupy the whole of the building.

Mr. LEWIS: Not at all.

Mr. GRAHAM: The railways will use only a part of it. As I pointed out some time ago, the Canadian National system wants to get its share of all the business which there is, or which can be created. That is not being done at present, because there are no headquarters in Paris. It is believed that traffic can be secured by an aggressive policy in Paris which will add greatly to the income of the railways.

Mr. LEWIS: I can readily understand that if the Canadian National Railways are ever to be put upon a paying basis there is only one way in which this can be brought about, and that is by service to the public. Naturally, we should expect that if we are to have service the population ought to be increased. But at the same time I would impress upon the minister the importance of having branch lines and feeders to the main trunk lines. We have sufficient trunk lines now; in fact, I think we have too many; and the only way in which the railways can be made to pay at all is to give them something to do. There are places in the West that are thirty or

forty miles from any railway, and as a result the farmers do not produce as much as they would if they were in the vicinity of a railway line. Some of these people have been promised railways for a number of years. They went into these remote districts on the strength of such promises, and because those pledges are not being honoured many of these people are leaving. It does seem to me that if the government is going to shoulder a loan of \$2,000,000, it would be much better, in the interests of the Canadian people and of the Canadian National Railways, to expend the money on branch lines to serve such places as are badly in need of them. I certainly hope that when the schedule is brought down to parliament it will include a number of branch lines and feeders for the main trunk lines; I am convinced that it is absolutely necessary to provide these lines if the railways are to pay. In the vicinity of Swift Current we have certain lines that are almost completed, just about twenty-five miles or so remaining to be done. But because of this gap it is necessary to send grain and coal over some hundreds of miles to connect up with the main lines. As a business proposition, therefore, and as an investment that would prove beneficial to the public well-being as well as in the interests of the National lines, I would urge that all such gaps be closed up and that the branch lines be completed as soon as possible.

Mr. STEVENS: A short while ago I asked the minister a question or two and he was rescued from his dilemma by the intervention of some other observations. I inquired what objection he had to informing the committee of the nature of the agreement, or the conditions of the agreement, entered into between the company and the syndicate in New York on whose behalf the \$2,000,000 is advanced. I should really like the minister to give us that information. I would also ask him to state in what way he considers anyone could be injured or any interests be jeopardized by disclosing the personnel of the syndicate. I would call his attention, too, to the answer he returned to my hon. friend from Swift Current (Mr. Lewis) on the question of interest. The interest, he says, is being paid on the \$2,000,000 by the bank. But is not the syndicate charging interest at a much higher rate for the \$2,000,000 advanced in Paris? And who absorbs that difference?

Mr. GRAHAM: That is very easy; I can answer a plain question without any frills. The bank is paying interest, and the difference between that interest and the interest that