

that will assist this House in determining to what extent it would be desirable to spend the country's money in the development of the harbour of Port Nelson.

Coming now to our National Railway system I believe that we all desire to congratulate the president and his officers upon the splendid financial showing made by that system last year. They have succeeded, to a wonderful degree, in reducing the deficits which have burdened the system from year to year. We hope that that increased prosperity will be maintained, more particularly in the western sections of the Dominion, and that the time will not be far distant when the Canadian National Railways will be able to meet their obligations in full.

I note in the speech from the throne the statement that the government purposes bringing in a three-year branch line programme. I think that those of us who have followed developments in that regard will admit that the last three-year programme has been a success, and it is our belief that it is a good method of carrying out new construction in so far as the National lines are concerned. But there is one point I should like to impress upon the Minister of Railways and it is this: There are many branch lines on the National system, more particularly in western Canada, that are only partly completed. These branch lines are intended to serve well populated districts in the west, and we believe that every effort should be made to complete them. Those of us who have followed the situation know very well that no railway system can make a success of branch lines that are only partially completed. For one thing they are operated under a heavier expense than they would be if the lines were finished. There is no doubt that the completion of branch lines already under way should be the first objective of the National Railway system.

The speech from the throne also intimates that it is proposed to make some arrangement with the debenture holders of the old Grand Trunk system. These debentures, I understand, were issued in perpetuity. I do not know exactly what the government's proposal is, but I can assure them that we will give it the closest possible examination. Any proposals of this character should be fair to all parties concerned, and we hope the government will be successful in adjusting the matter to the satisfaction of the House and the people of Canada as a whole.

Hon. members who sat in this House during the last four or five years will recall that we have had before us what is known as

the Crownsnest pass agreement. I do not believe it is necessary for me to enter at this time into any detailed explanation of that agreement. I feel that all I need say is that it was entered into in 1897 between the then government under Sir Wilfrid Laurier and the Canadian Pacific Railway. Under the agreement certain subsidies were granted to the latter corporation in return for which they consented to a maximum rate as regards grain and grain products and certain commodities coming from eastern Canada. At that time grain rates were much lower than the maximum fixed by the agreement but the Great war brought about abnormal conditions resulting in a gradual increase of those rates until they reached the maximum agreed upon. Later on the agreement was suspended by act of parliament. In the year 1922, under another statute, it was restored in part with respect to grain and grain products originating in western Canada and going to Port Arthur and Fort William. I believe, too, that that portion of the agreement affecting commodities coming from eastern Canada was once more brought into force. Subsequently we discovered certain discrepancies as regards the rates applicable to western Canada under that agreement. That is to say certain points at a similar distance from Fort William or Port Arthur were being charged a higher rate than were points at an equal distance on the main line of the Canadian Pacific. The government of the day recognized the disability from which those producers were suffering who were paying higher rates than they should pay, and in 1925 brought in amending legislation. In such legislation that part of the Crownsnest pass agreement which dealt with maximum rates on certain commodities originating east of Fort William was abrogated. It was anticipated that when the amending legislation was passed, the railway companies would naturally apply the rates as parliament expected them to be applied, that is with fairness, and that there would be no discrimination in the application of the rates to points at a similar distance from Fort William and Port Arthur. Soon after this legislation became effective, and it went into force on the 27th of June, 1925, the Board of Railway Commissioners asked the railway companies to file a schedule of tariffs consistent with it. Up to the present time the railway companies have never filed that schedule of tariffs. They have sheltered behind this claim: They say that the rates in force are, in their judgment, neither unjust nor discriminatory, and consequently they should remain in force. The situation is