

Mr. BRISTOL: If you were seeking to obtain advances in the money market for enterprises of this character you would have to show, in a very definite way, before you could borrow, what the probable traffic and the financial returns would be.

Mr. GRAHAM: There is a good deal of truth in that, if we look at it from one angle; but there devolve upon the Canadian National lines, duties, whether we like this or not, that private companies do not always have to assume. As I said the other afternoon in the House, private companies are altogether at liberty to select their own territory, and to build only those lines in which they will have an immediate profit. I do not say that that is being done; but I say that there are many lines that ought to be constructed with the two-fold object: One in the future—not at present—to give the Canadian National Railways a traffic that belongs to it through a branch-line system, and the other to give service to the people. Notwithstanding what my hon. friend has said, I submit that what is known as a government-owned railway, although under the name of a company, has on it, or the people think it has on it, obligations that are not imposed on a private company. But, turn to the other side. Many private companies are very careful, notwithstanding the fact that present construction will not yield a revenue, to see that they hang on to territory that rightly belongs to them, by the building of branch lines, feeling confident as business men that, in years to come, they will get a return for the present outlay, because if it was not made, the territory might go to some other line. I think I am free to say that very few branch lines that are constructed give immediately a definite return, but if they are not constructed, the trunk line might as well close up.

There is another thing that is not connected with this, but I wish to bring it to my hon. friend's attention. The Grand Trunk Pacific, if it lacks anything, lacks branch lines. That is one of the difficulties which we had in connection with the Grand Trunk Pacific Railway Company during the time of its construction. I am glad to hear the ex-Minister of Finance (Sir Henry Drayton) say that he feels confident this will be a paying line.

Sir HENRY DRAYTON: I did not say that. I said that it was a line that had far more merit in it than many of the others. The district is not properly served.

Mr. GRAHAM: In a degree. I agree with him in that I think this line will bring  
[Sir Henry Drayton.]

in a return at once, but it is through an older settled territory, and it is merely cutting off, as I understand the matter, certain undue distances in the transportation of the products of the people in that vicinity.

Sir HENRY DRAYTON: There is one thing that my hon. friend has said that, I think, ought to be challenged at the earliest possible minute. He states that on this system are imposed certain obligations to which private companies are not subject. I am very sorry to hear my hon. friend make that statement. It is the sort of thing we thought we had got rid of and that my hon. friends across the aisle always think they have got rid of. If there be a difference between a private corporation and this corporation that is supposed to be handling this tremendous undertaking as a business concern in trust for all the people, the only real difference, the only possible distinction that can exist is that political motives, political interests and matters of expediency are to be considered, when they would not be considered by proper, decent business men to whom a trust had been confided. I am sorry that my hon. friend says that there is a difference. He endeavours to strengthen his position by saying that lines often have to be built in order to secure territory. I would have thought it would be comparatively easy to-day to save wasting the money of the taxpayers of this country, simply for the purpose of doing something which is said by the minister not to pay, which is said by him will yield no return, will have to be carried for some time without recompense, just in order to prevent somebody else from losing money.

Mr. GRAHAM: I said that private companies did that.

Sir HENRY DRAYTON: I would have thought that, not only the country, but the Canadian Pacific itself, had seen by this time the folly of senseless duplications and fighting for territory. Surely this House is not going to be asked to vote untold millions for the construction of branch lines simply to shut out the Canadian Pacific. The Minister of Railways can easily see that an arrangement is made that territories are held for both these systems. He can see to it that the follies of the past are some day to stop; that duplication will cease, not only of services, but of lines, and that there will be some chance for this property to become an earning property. He cannot possibly make it an earning property if the policy he proclaims is followed. If my hon. friend will take hold of this matter with both these