

would move to add a clause to the bill, making two provisions, one that in case of a purchase of any road by the government, whether for a branch of the Intercolonial Railway or any other purpose, the amount of subsidy granted by the government should be deducted from the purchase money. I would go further—I call the attention of the hon. Minister of Justice to this point, that we grant a large subsidy for the construction of a road: we afterwards find that the road, so far as its paying properties are concerned, is useless, and it fails. There is no redress at all. You cannot take it. I think the government should be enabled, under those circumstances, to take possession of the road and, if necessary, to sell it and recoup themselves for the amount of money which has been expended upon it. I have heard no explanation on these railway subsidies yet, nor have I read of any in the lower House, or the reasons which induced them to take the Baie des Chaleurs road to experiment with at the expense of the country, and whatever reasons there may be for it I should like to understand what authority the government has to take any railway under its control, run it at the expense of the country and lose a lot of money without the sanction and authority of parliament. I am not aware that the government has one tittle of authority by law to take possession of any railway and run it for the advantage of the people who live along the road, at the expense of the country. If they have, perhaps the Minister of Justice could inform us of it; and if they have not, they should inform the House, if they have not already informed the country, the reasons why they take that in hand, and by what authority it was done, and whether they have asked an indemnification from parliament for spending the public money without the authority of parliament. It is a very grave question. I may have overlooked the debates in the House of Commons, and consequently may be speaking not by the book, but I have failed to hear or to read of any explanations why the government did what I have indicated they have done. We know that they did take it in hand at a time when it was thought it was going to pass into the hands of the Quebec government. They might better have left it to the Quebec government to operate. As I understand, it proved a failure and caused a large loss to the revenue of the country, and then they gave it up.

What is being done with the road now I do not know. I make these remarks to place myself upon record as opposed to the principle of the distributing of subsidies in the reckless manner we have been in the past indulging in, and more particularly against that clause which duplicates the amount to be paid, leaving it to the discretion of the Minister of Railways and his colleagues to say whether they shall advance it or not. If there has been corruption in the past, we are placing it in the hands of the government to perpetuate that system, and to increase it to an enormous extent.

Hon. Mr. SCOTT—There is a point in connection with the extra subsidy to which I should have called the attention of the House:

Any company receiving a subsidy in excess of \$3,200 shall be bound to carry Her Majesty's mail free of charge for a period of ten years.

That applies to all railways where the subsidy is more than \$3,200. It was not supposed that it was going to increase the amount at all.

Hon. Sir MACKENZIE BOWELL—Of course that is no security where the road fails to run, as happened with the Baie des Chaleurs Railway, and I think one railway in the county of Albert, N.B.

Hon. Mr. SCOTT—If they earn more than \$3,200 they are bound to carry the mails free for ten years.

Hon. Sir MACKENZIE BOWELL—If you purchase that Drummond County Railway will the subsidy be refunded?

Hon. Mr. SCOTT—Oh yes, I announced that. There is no mistake about it. It was announced in the House of Commons. We would not be likely to overlook that.

The motion was agreed to and the bill was read the third time and passed.

POST OFFICE ACT AMENDMENT BILL.

FIRST, SECOND AND THIRD READINGS.

A message was received from the House of Commons with Bill (129), "An Act further to amend the Post Office Act."

The bill was read the first time.