

period shall have elapsed, it cannot at present be acceded to.

Mr. PUGSLEY: I think I observe in my right hon. friend's words an expression of sympathy with the position in which the province is placed in connection with this road; but it seems to me there is a fallacy in the suggestion of my right hon. friend that there will be ample time in the fifteen years for the Dominion Government to consider whether or not the time will be extended during which the Dominion will bear the burden of the interest. Does not my right hon. friend see that if the province of New Brunswick, after the road has been constructed, and after the bridges have been built, asks the Government to alter the terms, it may very well be told that this is an agreement; that the province of New Brunswick has consented to this; that the bridges have been built under this legislation, and that therefore it is a part of the arrangement which the province of New Brunswick has no right to ask then to have altered. Therefore, if any alteration is to be made, now is the time for us to make it. There will, I think, be no opposition to this legislation from either side of the House, and it will not take very long to go again to His Royal Highness, in order to get his consent to a resolution which will alter the terms in the way in which I have suggested. The matter is of great importance; it is entirely for the Government to deal with; and all I can do is to make the suggestion.

Bill reported.

CANADIAN NORTHERN RAILWAY AGREEMENT.

Consideration in Committee of resolutions respecting the Canadian Northern railway—Mr. Borden—resumed from Tuesday, May 19; Mr. Blondin in the Chair.

'Constituent companies' means such of those companies mentioned in the first schedule to the following resolutions, and such other companies, hereafter declared by the Governor in Council to be comprised in the Canadian Northern system, as own or operate railways, terminals, bridges or other railway facilities.

Mr. A. K. MACLEAN: May I ask the Government if they have conferred with the provincial governments as to the taking over of equities of redemption of Mackenzie, Mann and Company, Limited, in provincially chartered railways which are mortgaged by such provincial governments? I have in mind the case of the Halifax and Southwestern railway, which

is mortgaged to the government of Nova Scotia.

Mr. BORDEN: I assumed, of course, that the provincial Governments were thoroughly aware of the nature of these proposals; up to the present time no suggestion of protest has been received from the Government of Nova Scotia in that regard. I shall be very glad, however, to address a letter to the Premier of Nova Scotia making an inquiry in the matter.

Mr. GERMAN: Why has the Niagara, St. Catharines and Toronto Railway Company been left out of part I of the second schedule of these resolutions? It is a very profitable road; last year its earnings were \$148,000.

Mr. MEIGHEN: The Niagara, St. Catharines and Toronto railway is to be transferred to the Canadian Northern system. It occurs to me that the reason—although I am not certain of it—why it does not appear in the first part of the second schedule is that it is to be transferred to the Canadian Northern Ontario instead of to the Canadian Northern, and if it were in the first part of the second schedule it would go direct to the Canadian Northern.

Mr. GERMAN: That is not an explanation at all. If the stock of these companies is to go to the Canadian Northern, why should not the Niagara, St. Catharines and Toronto railway be put in exactly the same position as the other companies?

Mr. MEIGHEN: I do not give the explanation with certainty, but this railway is to be a part of the system, and if it is not to become attached to the Canadian Northern proper, it would not do to have it in the first part of the second schedule.

Mr. GERMAN: Why?

Mr. MEIGHEN: Because it would then have to be transferred to the Canadian Northern. The reason for having it annexed to the Canadian Northern Ontario railway, if I am right in my explanation, is this: the Canadian Northern Ontario has a certain power with regard to its 4 per cent perpetual debenture bonds which the Canadian Northern itself has not, and if that additional power is the acquiring by means of those bonds of these roads, that is, the payment of the debt against them by means of these bonds, the Canadian Northern Ontario, not the Canadian Northern itself, would have to