

Mr. FOSTER. But are they going to make pulp mills for the purpose of building their roads?

Mr. W. McINTYRE. The Canadian Northern in that country operate their own mines for the purpose of supplying their own coal. What is the meaning of the phrase 'for the purpose of its undertaking'?

Mr. FOSTER. What is its undertaking? It is to lay out, construct and operate a railway. I know there are a good many ways in which adjuncts are necessary, and can be well undertaken in connection with the road, and for its purposes. But I think this is altogether too wide. We know that in the United States of America to-day there is a great deal of agitation in regard to the wide powers given to railway corporations, and there is now legislation going on compelling them to loosen their hands upon coal areas, mines and the like of that. It is on the same principle as this. The question is whether it is best for a country to have its carriers also the producers of coal, lumber and so forth, where they have the double interest of being not only producers but carriers to their customers. The coal roads in the United States, the Reading Company in Pennsylvania and other companies are bound, as I understand, to cut the connection within a year or two. You can easily see to what a disadvantage a corporation is put, which is not a railway, when it has to compete against a railway corporation which is in the same business as itself, and which also does the carrying. It is almost impossible to get fair treatment for the transport of its products. This road, it is proposed, is to have its own coal mines, its own timber lands, it is to make pulp, it is to do almost everything under the sun. It will have a great advantage over its competitors. I think we are doing wrong in giving these all embracing powers to a railway company. There are other ways: A company may be formed to make pulp, a company may be formed as a lumber company. But to put all this into an omnibus clause is a serious matter, and I call the attention of the Minister of Railways to it.

Mr. TURRIFF. When this Bill was before the committee this point was discussed at some length, and the view the committee took was somewhat different to the view enunciated by the hon. member for North Toronto (Mr. Foster). This company applied for these powers to acquire timber limits, coal lands and other mineral lands, and it was pointed out that in an unsettled country they needed to establish these undertakings for the purpose of making traffic for their road. There was an amendment made in committee to subsection 'h' of section 14, that prohibited them from disposing of these timber limits or coal lands that

they might acquire until they had built and put in operation 500 miles of road. Therefore they cannot get a railway charter to acquire limits, coal mines and other lands for merely speculative purposes, and not dispose of them without having first carried out the intention of the project to the extent of putting into operation at least 500 miles.

Mr. FOSTER. I do not think that makes much difference.

Mr. TURRIFF. I do not think it does.

Mr. FOSTER. You see to what it leads. Here is a corporation going on with one legitimate business, it is brought into being as a public utility, to do work for other people. It has to see that the people get decent travel accommodation and proper carriage for their products, and we have a Railway Commission to control their operations. The prime object of a railway is to serve the public. Now if you divert its attention from that purpose and allow it to develop another set of activities, you throw its energies into another channel and allow it to develop profitable undertakings which are not at all in the line of a public utility. But there is worse than that. You put power into the hands of that wide-awake corporation, stretching out into all parts of the country, to acquire the very best areas of coal or timber lands, water-powers for electricity, and so forth; in fact a wide-awake company like that could take everything within the sweep of its influence for forty or fifty miles each side of the railway. In this way it would become a monopoly, and get hold of vast resources, which would bring them into conflict with the population which is sure to flow in. The vista is a pretty wide one, and I think we are not wise in giving a railroad corporation an immense endowment like this.

Mr. GRAHAM. There is a good deal of force in what my hon. friend says about these wide powers and although the committee did pass the Bill I took occasion to make a few observations along the line of what my hon. friend says to-day. I thought it was about time that we should confine railway companies to the building and operations of railways. Heretofore large powers have been given to some companies, but the country is gradually getting opened up and I feel that we may be placing ourselves in the position in which our neighbours across the line find themselves. For instance, the coal carrying business is controlled by the transportation companies as well as the coal itself. With that state of affairs our transportation facilities and natural products would be interwoven in such a way that one company might control the whole situation.