

Hon Mr. GRAHAM: May I not—

Sir HENRY DRAYTON: There were exceptions made, and I think we had better have the same rules all around.

Hon. Mr. GRAHAM: Major Bell tells me the point I referred to is in the Canadian National Act.

Sir HENRY DRAYTON: I don't know why that should be put on the Canadian National if not on the private lines. The Government ought to have as much business control as a private line.

The CHAIRMAN: Have you finished yet, Mr. Henry?

Mr. HENRY: I was going to explain that there were two alternatives being considered.

The CHAIRMAN: All right; go ahead.

Major BELL: In connection with that point brought up about both lines. There are a number of things to be discussed this year. One thing is taxes. I think that was explained, that taxes in the different provinces vary, as to the methods of arriving at the amounts. We are going to try to have a meeting of all the provincial treasurers to get some form of taxation that will be fair to the provinces and fair to ourselves, and we will probably, in discussing that, find a possible way of the Government lines paying certain taxes, but there would probably have to be some change to bring the Government lines under the Board of Railway Commissioners, because they are exempt in regard to the orders for subways, etc.

Sir HENRY DRAYTON: I do not think the lines in eastern Canada should be any different to those in the west. It is most unfair for the provinces of Nova Scotia and New Brunswick if they cannot collect their taxes, while the other provinces can.

The CHAIRMAN: Now, let Mr. Henry complete his statement.

Mr. HENRY: The other alternative contemplated is running from the end of the present constructed line at Pickering over to the old Grand Trunk, and construct along the same right of way a third track up as far as Kennedy Road, and then make a junction with the Canadian Northern at that point, running down to Queen Street and Bloor. The idea there was to have the use of the third track up that hill, so that we could utilize it for both purposes, both steam and electric.

The CHAIRMAN: Are you through with that?

Mr. HARRIS: We have not anything there excepting the idea that there were two or three things under consideration, Mr. Chairman. What is the policy of the Canadian National Railways with regard to that?

Mr. HENRY: The policy with regard to that is to make the electric connection right through to Whitby, Oshawa and Bowmanville, connect it with the old Canadian Northern Railway at Orono, and continue on to Port Hope.

Mr. HARRIS: Which one of the alternatives do you propose to use?

Mr. HENRY: We have not quite decided about that.

Mr. HARRIS: When do you expect to come to a conclusion?

Mr. HENRY: Very shortly.

Mr. HARRIS: And when you come to that conclusion do you propose to ask permission to go ahead with that work?

Mr. HENRY: Yes, but there would not be much done this year.

Mr. HARRIS: Will there be anything done on it before you come to Parliament?

Mr. HENRY: No.

[Mr. Henry.]