

enter into an internecine war, like we are having at the present time in this country, or they will come to a mutual understanding and pool rates, and there will be no actual competition in railway traffic like there is in any other kind of business. One of the best instances of this truth is that which was afforded in Manitoba some time ago. You will remember that our good friends on the prairies thought that the Canadian Pacific Railway was harshly exercising its powers which they had under their exclusive charter against the province of Manitoba. They sought connection with the Grand Trunk Railway system per the American railway system and succeeded in getting that connection, and what was the result? They found out that the line which was to bring them competition and reduce rates did not compete against the Canadian Pacific Railway, they found it afforded them no relief whatever. So I make the assertion that so far as the argument of competition is concerned, there is no great force in it under any circumstances. But in this present instance it is absolutely without value, and I will tell you why. The Canadian Pacific Railway in that Kootenay district is not in the same position as the Canadian Pacific Railway in any other part of this country. They have not got control over their freight rates, the control of the freight rates is left entirely in the hands of this Government and of this Parliament; and that differentiates the case out there entirely from what it might be in any other part of Canada. In order that you may see the full force of that argument I will read you a section or two from the legislation which was passed last year in connection with the Crow's Nest Pass Railway. The agreement which was then entered into between the Government and the Canadian Pacific Railway is embraced in these clauses. Clause "c" reads as follows:—

That so soon as said railway is open for traffic to Kootenay Lake, the local rates and tolls on the railway and on any other railway used in connection therewith, and now or hereafter owned or leased by or operated on account of the company south of the company's main line in British Columbia—

You will see that this legislation will operate in connection with this proposed extension of the Canadian Pacific Railway just as much as it does with that part of it which they are building at the present time under this contract.

—as well as the rates and tolls between any point on any such line or lines or railway and any point on the main line of the company, throughout Canada, or any other railway owned or leased by or operated on account of the company, including its lines of steamers in British Columbia, shall be first approved by the Governor in Council or by a railway commission, if and when such commission is established by law, and shall at all times thereafter, and from time to time be subject to revision and control in the manner aforesaid.

Mr. McINNES.

It seems to me that is very explicit, that it gives absolute control over the freight rates, not only upon that section of the Crow's Nest Pass line which is being constructed at the present time, but over any extensions or connections with the Canadian Pacific Railway south of their main line in British Columbia, now or at any future time. There are other sections which also give this Parliament a very large measure of control over the proposed extension of the Canadian Pacific Railway out there. Section "f" reads as follows:—

That the Railway Committee of the Privy Council may grant running powers over the said line of railway and all its branches and connections, or any portions thereof, and all lines of railway now or hereafter owned or leased by or operated on account of the company in British Columbia south of the company's main line of railway, and the necessary use of its tracks, stations and station grounds, to any other railway company applying for such grant upon such terms as such company may fix and determine, and according to the provisions of the Railway Act, and of such other general Acts relating to railways as are from time to time passed by Parliament; but nothing herein shall be held to imply that such running powers might not be so granted without the special provision herein contained.

Section "g" also gives considerable power and control over the Canadian Pacific Railway extension:

That the said railway, when constructed, together with that portion of the company's railway from Dunmore to Lethbridge, and all lines of railway, branches, connections and extensions in British Columbia south of the main line of the company in British Columbia, shall be subject to the provisions of the Railway Act and of such other general Acts relating to railways as are from time to time passed by Parliament.

It is, therefore, clear that the power to regulate the rates and see that the freight charges are reasonable, which shall be collected by the Canadian Pacific Railway on its proposed extension, is entirely in the hands of this Government and of this Parliament. Now, commenting upon these particular sections, last year the Minister of Railways and Canals spoke as follows—and I would call my hon. friend's attention to the interpretation which was placed upon these sections by the Minister of Railways and Canals, and if he is not disposed to take my interpretation of them, I hope he will follow his leader:

The committee will have noted that we have sought to ensure the country a large measure of relief from the rates which have obtained since the Canadian Pacific Railway was started. We have imposed conditions upon the company which are very largely restrictive of their present powers. We have embraced in one of the sub-clauses of these resolutions a considerable list of articles which go into very large consumption among the people of the western provinces, and we have secured an agreement on the part of the Canadian Pacific Railway that very substantial reductions will be made upon existing rates. We have also received the consent on