

that the Government have made a particularly good bargain in acquiring this property for \$1,200,000.

HON. MR. ALMON—The other party must have made a very bad bargain then.

HON. MR. POWER—I shall say something about that presently. Hon. gentlemen will see that the Dominion Government can manage a public work of that sort in the interests of the people of the district, to a greater degree than either the local government or a company could. The Dominion Government do not expect large dividends, and if the road pays something above working expenses, that is all they can reasonably look for. The Local Government in all probability could not have continued to work the road themselves, and they would very likely have been obliged to transfer it to a company; the company would be obliged, and would naturally seek, to make the road pay them as well as possible, and the consequence would be that the people on the line of the road would suffer very considerably from high rates. Further, I think it better that roads of this sort should not be owned by local governments; they are too large for weak bodies like local governments. While I congratulate the Government, and the Province, on the fact that this road has been taken over, I regret that so much delay has taken place. I understood that it was to have been taken over more than two years ago, had not a plan known as the "Syndicate Scheme," been broached by the Premier of Nova Scotia at that time. But, while I cordially approve of the Government taking over the Pictou branch and Eastern Extension, I cannot say that I am satisfied with the means which they have used to bring about the consummation that has been reached. I think that the Local Government of Nova Scotia have not been generously treated—in fact the treatment meted out to them forms a very startling contrast to the way in which the people of British Columbia were dealt with; and that is the reason why I regret that the hon. Minister of Justice had not gone to Nova Scotia as well as to British Columbia. In the first place, when the Local Government had acquired the Eastern Extension road, and made all the arrangements they

were reasonably bound to make, they applied for a transfer of the Pictou branch, and that transfer was refused on grounds which were undoubtedly frivolous. At the outset there was some little technical quibble raised—I hope hon. gentlemen will excuse me for using a word that is slightly unparliamentary—as to the completion of the Extension. Then the Government, when it was found that that was untenable, raised difficulties—at least so I understand, though I have not had the official papers before me—as to the tariff. The Dominion Government insisted that the tariff for carrying coal should be so low as to deprive the Local Government of any possibility of deriving any substantial revenue from the road.

HON. SIR ALEX. CAMPBELL—The hon. gentleman is mistaken; we never got so far as to discuss such items as the tariff.

HON. MR. POWER—The hon. Minister of Justice was not the minister who was particularly concerned in the transaction; but unless my information is incorrect that matter was discussed with the acting Minister of Railways, and it was insisted that no higher rates should be charged for carrying coal than are now charged by the Dominion Government. Those were rates which would not have enabled a company to make any money out of the Pictou branch and would have prevented the Local Government from making satisfactory arrangements for transferring the road to anybody else for any large consideration.

HON. SIR ALEX. CAMPBELL—There may have been a conversation of that kind in advance.

HON. MR. POWER—There is no doubt that the acting Minister of Railways did insist on this condition. Then again, there were conditions insisted upon as to the rolling stock, which were exceedingly unreasonable; and the Dominion Government placed the Local Government in a very awkward dilemma. They were obliged either to accept the terms offered by the Dominion Government, as to giving over the road, or to continue to operate the Eastern Extension at a loss, without any prospect of regaining the money at