

Mr. BORDEN (Halifax). In the one case, there is a lease to the Grand Trunk Pacific giving it control over the road. In the other case, which I have just suggested, the government would have either the ownership of the road or the absolute control of the running powers. In either case the running powers over that road, so far as all the companies are concerned, would be regulated by an independent power.

The POSTMASTER GENERAL. May I read to the hon. gentleman, for his information, a clause in the proposed lease, which he criticised on the 30th of July last? As the hon. gentleman is aware, the government is to own the eastern division, to be the landlord of it, and is to grant to the Grand Trunk Pacific a limited interest in it. This clause says:

"(a.) Reserving to the government in respect of its ownership, present and future, of the Intercolonial and any other line or lines of railway, running powers and haulage rights over the said eastern division upon equal terms with the lessees, subject to such reasonable restrictions as may be necessary to secure safety and convenience."

And so on. Then, as regards outside companies:

"(b.) Reserving power to the government to grant running powers and haulage rights sufficient to enable any railway company desiring to use the said eastern division, or any part thereof, to do so upon such terms as may be agreed upon between the companies, or, in case of their failure to agree, then upon such terms as may be deemed reasonable and just by the government, having regard to the rights and obligation of the lessees."

Under that wording, the government remains in possession to the extent that is necessary to give to all railways such running power as the government deems reasonable and proper.

Mr. BORDEN (Halifax). Having regard—

Cost of Line From Fort William to North Bay.

The POSTMASTER GENERAL. Having regard to the rights of the lessees, and the rights granted are subject to the reservation. The reservation is as large as the rights, and all have to be read together as one scheme, and the government is the tribunal who determines the rights of other companies and the terms upon which other companies shall use the road. And yet the hon. leader of the opposition

Expressed His Opinion on the 30th of July,

not only with reference to these words, but generally, that running rights such as these are of no practical value. If so, what is the meaning of his scheme to acquire the Canadian Pacific Railway from North Bay to Fort William, with a few words thrown in, that perhaps running rights might also meet the case?

The Hon. Gentleman's Own Colleagues all Understand His Scheme,

which contemplates the purchase of the Canadian Pacific Railway from North Bay to Fort William, a distance of 634 miles; and the question is, what will that piece of railway cost? The Canadian Pacific Railway Company is not in the habit, I think, of giving anything away at less than its value. I would not blame them for hanging on to their own; and if the hon. gentleman thought of expropriating—and this is what he hinted at—this line of railway, he will be confronted at once with an estimate of what it cost. The