

APPENDIX No. 2

Dominion railways. In the legislation of 1903, I think, they changed that in some respects, but in 1908 or 1909 they enlarged it in this way; that the Parliament of Canada takes jurisdiction wherever a Dominion railway acquires property which is under the jurisdiction of a provincial legislature by purchasing its stock or the control of its securities, or in any other way of that kind. That we have nothing to say about. The only case we want to bring before the Committee is the simple case of leasing and the point is raised by the Canadian Pacific Railway in connection with a particular railroad which they say is the only railway to which this new section will apply, and they ask the favourable consideration of the Minister and the Committee to that case. The railway is the Quebec Central Railway which is not now under the jurisdiction of the Parliament of Canada, and is not by any existing section of the Railway Act covered, because the Canadian Pacific Railway does not own its stock or its securities. It has its own organization and its own officers; it is operated by itself except that for a rental it is leased to the Canadian Pacific Railway, and the following is an extract from a letter from Mr. Beatty, the General Counsel of the C. P. R.

Mr. SINCLAIR: You are not passing now under the Board? Does this railway not go to the border?

Mr. CHRYSLER, K.C.: No.

Mr. SINCLAIR: Is it the only railway that is not under the Board?

Mr. CHRYSLER, K.C.: The only railway of the class, it is only a provincial railway; other railways have been acquired and taken by control of the stock and bonds, but in this company the shareholders hold the stock and the bonds are held by the creditors.

Mr. SINCLAIR: There is a railway in the province of Nova Scotia that is not under the Board.

Mr. CHRYSLER, K.C.: I do not say it is the only case of the kind, but it is the only case in which the C. P. R. is interested.

Mr. SINCLAIR: The one in the province of Nova Scotia is owned by the coal company, and has never been brought under the jurisdiction of the Board.

Mr. CARVELL: The Minto and Grand Lake Company I think has not been brought under the Board.

Mr. MACLEAN: Would an injustice be done in that case, if that road should pass under control of the Railway Commission?

Mr. CARVELL: An injustice?

Mr. MACLEAN: Yes.

Mr. CARVELL: No, on the contrary if you go along one of these roads where the road is under the local Board and is operated by one of the great railroads, you will see what injustice is done to the traffic on that railway; it ought to go under the Board.

Mr. CHRYSLER, K.C.: I have no instructions about the case of which Mr. Carvell speaks, but this section, it seems to me, is one in regard to which Parliament should withhold its hand for the reasons I am going to read from this letter written by Mr. Beattie, Vice-President of the C. P. R., who says:

We are not affected except in one instance—the Quebec Central,—a provincial company which is leased to this company for financial reasons but operated as a separate property with its own management and staff. It is not in any sense a work for the general advantage of Canada, or operated as such, it is not even operated as part of the C. P. R. system. The advantages of this arrangement, from local standpoint, are many.

Now this is the point which may offset the proposed advantages of which you spoke:

The railway was fostered by the Provincial Government, an extension of it from time to time has been made to open up local territory. It has therefore