

way at about \$50,000 per mile. My hon. friend, the Postmaster General, treated the road from Moncton to Winnipeg as costing absolutely nothing after it was once completed, and after the period of non-payment of rental had ceased. On the same basis, if he had desired to make a fair comparison of these two schemes, he surely would have estimated that the Canada Atlantic Railway, if acquired by this country, paying as it does, 5 per cent on its capital, would not only cost this country nothing, but would afford a small margin of annual profit on the transaction. Yet, according to the estimate of my hon. friend, one road is to be put into this fair comparison at \$15,000,000, and the other is to be put in at absolutely nothing beyond the loss of rental during the first seven or ten years.

The next portion of my scheme which the Postmaster General dealt with was the line from North Bay to Fort William, which he estimated as costing the country \$38,040,000. At page 9769 of 'Hansard' he dealt pretty fully with the character of that road; and it is just as well that his language should be placed before the House, in order that we may have a thorough appreciation of the view he takes as a lawyer of the compensation that ought to be paid for a public work acquired by the government. He said:

Everybody knows that the 634 miles operated by the Canadian Pacific Railway between Fort William and North Bay is about the most unprofitable piece in all Canada. Everybody knows that the Canadian Pacific Railway have an alternative route from Duluth to Sault Ste. Marie, and a distance of nearly 400 miles, which they would be only too glad to use if they could get rid of the expensive north shore piece of railway. The hon. gentleman proposes to take out of the Dominion treasury \$38,000,000 and hand it over to the Canadian Pacific Railway for the purchase of its railway from Fort William to North Bay. Every day it runs a train from Fort William to North Bay, it loses money. I am not in a position to say how much, but an hon. gentleman opposite—speaking with, I do not know what authority—suggested that \$1,000,000 is the annual loss in operating the railway between Fort William and North Bay.

My hon. friend, speaking not only as Postmaster General, but as a lawyer, has taken the ground that if we expropriate a railway, which is an expensive road to maintain, which is losing money every year to the company operating it, we are to pay not only the value of that road, but the cost of it. Well, Mr. Speaker, I thought that every infant in the law knew that when the government expropriate a property in the interest of the country, it pays not what the property cost, but the actual value of it to the person from whom it is taken. That is a principle which my hon. friend the Minister of Justice would not controvert for a single moment, because he knows that it is supported by authorities so absolute and so numerous that no lawyer

could dispute it. But the hon. Postmaster General says that although this is a losing road, although it is practically valueless to the Canadian Pacific Railway Company, although to be relieved of it and to get running powers over it on a basis of rental would be of great advantage to the company, yet if we undertook to expropriate that line we would be obliged to pay the cost of it. Why, Sir, this matter was argued out in this House years ago. We argued it out in the discussion on the acquisition of the Drummond County Railway. We took the ground, which was not disputed, that the true basis on which the government should pay for that railway was the value and not the cost. Further than that, we took the ground with regard to the Drummond County Railway, which I am prepared to take with regard to the Canadian Pacific Railway from North Bay or Sudbury to Fort William, that if the company sought to be paid compensation on the basis of cost, it would be only fair and proper, in the interest of the country to take into consideration the subsidies which have been paid by the country to the company towards the building of the road. Why should a railway company receive the cost of a public work expropriated by the country when a part of that cost has already been borne by the country? We took that ground with regard to the Drummond County Railway, and it is a sound principle to adopt with regard to any work expropriated by the government in the interest of the country. But notwithstanding that, the Postmaster General puts in this road as part of my scheme at \$38,040,000. I would like to know why he puts it in at one single dollar, if he adopts the argument of the Minister of Finance. What was my proposition in regard to the acquisition of the line from North Bay or Sudbury to Fort William? My proposition was that either the absolute right of ownership or the absolute control of running rights should be acquired by the people and that equal running rights over that line should be given the three great railway systems of Canada, the Grand Trunk Railway, the Canadian Pacific Railway and the Canadian Northern Railway. My proposition also involved the necessary consequence that these roads shall pay for that running power. How would that be accomplished? In the first place by the exaction from them of a rental to cover the interest on the expenditure, and in the second place by making them pay, upon what is known among railway men as a wheelage basis, the cost of maintenance and operation. So that if my hon. friend the Postmaster General had desired to make a perfectly fair comparison, if he had dealt with my proposition as he did with that of the government, he would have put it down as costing to the country not one cent, because the whole cost of the line and its operation would necessarily be borne by the

Mr. BORDEN (Halifax).