

the Prime Minister, the Postmaster General and others. The attitude of the government in the sessions of 1903 and 1904, when their railway policy was discussed, was this: it is not wise in the interest of Canada to operate railways; it is however wise in the interest of Canada to build our own railways, and to let private companies operate them. The position of the government to-day is just as complete a reversal of their attitude of last year and the year before as that attitude was a complete reversal of what they said in 1898. Their attitude during the sessions of 1903 and 1904 was this: let us build and own railways, but let us operate them. Their attitude to-day, as announced by the Minister of Railways, is, let us not build our own railways, but let us operate railways owned by private corporations. This is exactly the reverse of the policy laid down in 1903 and 1904. For my part, I do not see how both these positions can be in consonance with what is wise in the interests of the country. If it be a good thing to operate this railway, it seems a little difficult to understand why it would not be equally a wise policy to operate what is known as the eastern division of the Transcontinental. However there will be an opportunity later on to discuss some of these matters. Let me add this further. As far as I understand the policy of railway companies, such a company does not take or accept running rights whenever it can get anything better. Whenever it can acquire the ownership of a connecting road on fair and reasonable terms, it is always considered good policy to do so rather than content itself with running powers only, especially when the corporation which owns the road, over which running powers are required, must after all have a dominant voice in determining how those powers shall be exercised: The government told us last session and the session before that it would be impossible to operate the Canada Atlantic successfully, even if the country owned it unless they equipped it with a fleet of steamers on the lake, built elevators at Parry Sound and kept an army of canvassers in the west to solicit trade in competition with the Grand Trunk Railway. Well, if all those things were essential after you had acquired the Canada Atlantic, will they not be much more essential if you propose to operate that railway, and operate it, not with perfect control, but in direct competition with the Grand Trunk Railway, which not only has practical control over it but will have connections all through that western country and that large fleet of steamers on the lake which the right hon. gentleman declared to be absolutely necessary. These are the considerations which struck me at first blush on hearing the Minister of Railways. We shall have an opportunity of debating the question later

on, but my own view certainly is, subject to what I may learn in the debate, that if it be a wise policy to extend the Intercolonial Railway to Parry Sound, it would be infinitely better to do this by acquiring this road and thus have our own line from Halifax or St. John to Parry Sound or some other point on the Georgian Bay, and operate it as a part of the Intercolonial Railway. These are the considerations which strike me at the moment.

Mr. HAGGART. Some time ago I asked the right hon. gentleman the leader of the government whether any negotiations had taken place between the government and the Grand Trunk Railway or the Canadian Pacific Railway with reference to the acquisition of the Grand Trunk Railway by the Canada Atlantic or the obtaining by the government of any concessions or running powers over the Canada Atlantic. I was assured by the right hon. gentleman that no negotiations of any kind had been conducted. That reply seemed strange to me after the statement of the president of the Grand Trunk Railway when addressing the directors—not only his directors but the owners of the road over in England—that he was sorry that he could not take them fully into his confidence because if he could there would be no objection to the proposition to acquire the Canada Atlantic Railway. That foreshadowed to my mind some negotiations, tentative or otherwise, with the government of this country or with some other corporation with reference to the acquisition of the Canada Atlantic. I have not seen the Bill which the hon. Minister of Railways has introduced and I cannot say positively in what manner he has secured over the Grand Trunk Railway and the Canada Atlantic running powers from Montreal to Coteau and from Coteau on to Georgian bay. As far as I can understand, he says the rates are to be fixed by a tariff, which must first of all be passed upon by the Railway Commission with a right of appeal to the Supreme Court. A tariff may be fixed in a great many ways. Running powers may contemplate the ownership or part ownership of the road and a division of charges according to the running rights which each company may exercise and the user of each, as is done in the case of the extension of the Intercolonial Railway into Montreal. In that case we virtually purchased a half ownership in the bridge and the connecting line to the bridge and the terminal facilities in Montreal, and then we pay into the Grand Trunk Railway according to the users of the Intercolonial Railway. If the tariff rates are to be fixed on any such principle as that, and they must be, the government are contemplating the ownership directly or indirectly of that portion of the Grand Trunk Railway between Montreal and Coteau and of the Canada Atlantic from Coteau to Georgian bay. Of course we will see all this when the Bill comes down as