

should think that the onus should be left with the railway to the extent that if they believe in a certain part there is no danger, no likelihood of liability, then, of course they could take the chance themselves and not fence; but you provide here that they will not be liable even though they do not fence in a district where there are settlements. I think that is going too far and is setting a bad precedent for these railway bills. We are just really in the beginning of building these northern railways. I hope there will be more of them. Is it to be a general principle that the railways do not need to fence in the north country? I think that they should accept that responsibility of deciding whether it is advisable to build a fence or not and should not be given a statutory exemption.

HON. MR. CHEVRIER: I do not think there is any question of general policy in connection with exempting the railway from any liability. I think the committee will agree that in that isolated country it is not unwarranted to have a clause of this nature in the bill. Should settlements grow up, however, I think it would be wise for the Canadian National Railways to give consideration to fencing at least that part which is contiguous to a settlement. I presume they have made the investigation of their income position on the basis that there would be no fence, and to fence a railway of that nature 155 miles in length will add again to the cost and reduce the income position. Mr. Green, you asked a question with reference to clause 7, the deposit of the proceeds from the sale of the securities and you might care to hear a word from Mr. Rosevear about the alternative that is left in subsection (1) of this clause.

MR. ROSEVEAR: Mr. Chairman, there are temporary loans obtained from the Minister of Finance from time to time which are of course repaid out of the proceeds of security issues, but as a general practice I would say that the Finance department does direct us to deposit the proceeds of security issues with chartered banks. Nevertheless, it has been the policy as long as we can remember to have the alternative described in the bill to pay the money into the Consolidated Revenue Fund if the minister so directs, and I would hesitate to change that because there might be an occasion when the minister might desire us to pay money into the Consolidated Revenue Fund although, as I said, our practice has been to pay it into chartered banks designated by the minister.

MR. GREEN: Mr. Chairman, that is a very reasonable explanation. On this clause 9, I would also point out that it also includes station grounds; it is exempting the railway company from any liability if it does not fence station grounds. I would say that the clause should be deleted. I would move that the clause be deleted.

HON. MR. CHEVRIER: There are no stations on the line. What is the position at Sherridon now, Mr. Rosevear?

MR. ROSEVEAR: There is no possibility of agriculture up there. I do not know whether it is possible for someone to have the odd cow or not. But those cows become quite valuable, Mr. Chairman, when they are hit by a locomotive. I was going to say this, that I think the railway's position should be made clear, not only will we not have it fenced but I think you could assume that nobody in that country is going to have a fence; whoever has animals will have them wandering all over the place. I feel we are not doing any serious injury to anybody because I do not think there will be any animals to speak of that will come into contact with locomotives except as I said, cariboo and deer and so on. I think the railway should be exempted from fencing. I think it is fair to exempt us from fencing and to leave the clause as it stands because if we do not fence, we are insurers—

MR. GREEN: Why do you want that written in, "and station grounds"? There are to be 2,500 people at Lynn Lake, are there not?