

We would say that we would be able to handle at the ocean terminals in St. John and Halifax all the freight that is carried from one part of Canada to the ports that I have mentioned.

Mr. ARCHAMBAULT: The President of the Council (Mr. Rowell) stated that we could not expropriate the Grand Trunk railway because we could not expropriate a line in the United States. I quite agree with him, but I would go further. I believe that Canada cannot operate railroads in the United States. The reason for this is, in my opinion, that if we operate railroads in the United States, we become subject to American railway laws. I think everybody will agree on that point. When we say that Canada owns and operates railroads in the United States, that means that His Majesty the King owns and operates railroads in the United States. Now, certainly my hon. friend is too loyal to contend that the King could become subject to the American law, and I believe this reason is very serious.

Mr. MEIGHEN: I discussed this point at some length this afternoon. Even although the Government of Canada as a government owned the road, there would surely be no more objection to the road being owned and operated directly by the Government than there is now to the American Government operating roads directly in Canada.

Mr. ARCHAMBAULT: If my hon. friend will allow me, I do not believe that the American Government now owns any roads which are operated in Canada except roads such as the New York Central and the Delaware and Hudson which are privately owned roads, only operated temporarily, if I am not mistaken, by the Government of the United States.

Mr. MEIGHEN: I know that. The hon. gentleman was talking of operation. That is all that he mentioned in his first statement. Does he say that it is all right for the Government to operate a road in another country providing that it does not own the road? The nonsense of that will appear to him at once.

Mr. ARCHAMBAULT: I do not believe that Canada can operate any railroads in a foreign country.

Mr. MEIGHEN: Then the foreign country cannot operate any railroads in Canada, but it is doing that every day, and so are we in that country.

Mr. J. H. SINCLAIR: Temporarily.

Mr. MEIGHEN: Temporarily, it is true.

Mr. ARCHAMBAULT: Privately-owned railways.

Mr. MEIGHEN: It may be temporarily or it may not, but I do not see any more objection to the United States operating a road in this country for ten years than to their operating it for one year. I do not see where the legal phase is in any way altered; it is all the same in the one case as it is in the other. As to the advisability of it, that is a matter for them to decide. Direct operation by Government in its most objectionable form from the standpoint of the hon. gentleman takes place now. The United States Government directly operates railroads in Canada in at least four different instances.

Mr. ARCHAMBAULT: Not owned by the United States Government.

Mr. MEIGHEN: Does the hon. gentleman argue that it is all right for the Government to operate roads in a foreign country providing that it does not own them?

Mr. ARCHAMBAULT: Yes.

Some hon. MEMBERS: Oh, oh.

Mr. MEIGHEN: I will have to let the hon. gentleman's answer expose his own fallacy, because it really becomes so patent an absurdity that nothing more can be said on it. In this case, the Government does not propose directly to operate the line. The Government will only be stockholders of a company which operates. It will be said that that is only a change of method. That is all it is, but it is a very important change, for this reason, that if there is any breach of law in operation of the country operated through, then the action lies against the corporate entity, and the fact that the Government owns the stock does not affect the matter in one way or the other. The corrective agent will be applied against the corporated entity, the Grand Trunk Railway Company or the Canadian National Railway Company, and not against the King in the right of Canada.

While it is only a change of form, from the point of view of any possible legal, constitutional or international objection it is a very important change, very important indeed. I do not see the slightest objection to the Government operating the line directly. I cannot see that there could be any objection to operating for three years, that would not be quite as valid to operating for