

bunal. The appeal is therefore made by reference from the decision of the Railway Commission to the Supreme Court. The tariff rates shall be subject to the Railway Commission in the same way as tariff rates on other railways, that is to say, all freight and passenger rates over the Canada Atlantic system and the Grand Trunk system shall be subject to the decision of the Railway Commission. All freight originating on the Canada Atlantic system or on the Grand Trunk system for points on the Intercolonial system shall be subject to the same tariff rates as freight originating on all other railways working on that system. It would be very unfair to have the Intercolonial take freight at any point along the Canada Atlantic Railway upon terms that would be subject to its own decision. Therefore, it has been deemed wise to make the tariff rates along the line of the Canada Atlantic subject to the judgment of the Railway Commission, and also to make all freight originating on that system to be transported over the Intercolonial Railway to Canadian seaports subject to the judgment of the Railway Commission. I have thus in a few words described the purview of this Bill, and its further discussion will no doubt come up at a later stage.

Mr. R. L. BORDEN. Mr. Speaker, the minister has not favoured us with a very elaborate statement of the policy of the government which has resulted in this Bill. However, as he says, we shall have an opportunity of getting a little closer to that a little later on. I must confess that I do not at present understand what is the full scope of section 4 of the Bill, which I have only had an opportunity to glance at. I would not be surprised if the minister would find that that section at least will require some amendment. As far as the whole scope of the measure is concerned, I would like to point out that it is now five or six years since the late Minister of Railways and Canals (Mr. Blair) brought a measure into this House for the extension of the Intercolonial Railway from Levis to Montreal. We all know the ground upon which he advocated that extension; first of all, that it was absolutely necessary, in the interest of the Intercolonial Railway, that it should be so extended as to enable it to compete with the other great lines of the country for the traffic of the west. We know also the expectations which were then held out to the country by the government through the mouth of Mr. Blair. It was pointed out that the Intercolonial Railway for a number of years had been piling up deficits, and the government practically announced to the country that the era of deficits was absolutely past, and that the extension of the Intercolonial to Montreal at very great expense would certainly result in our securing a very large share of the western traffic. We were to secure that by

Mr. EMMERSON.

means of a certain traffic arrangement which we made with the Grand Trunk Railway Company at that time. Practically the only advantage which the Intercolonial Railway or the country has ever received from that traffic arrangement is an arbitration which is now going on between this country and the Grand Trunk Railway Company, in which the country is claiming that in respect of nearly every article of that traffic arrangement, the Grand Trunk Railway Company has not fulfilled its part, but has from the first carried to the city of Portland in the United States the traffic which should have gone over the Intercolonial Railway to our maritime ports. That is about the net result, except that the deficits on the Intercolonial Railway have been somewhat larger since that extension to Montreal than they were before. My hon. friend the Minister of Railways and Canals has not indulged in any prophecies to-day, which I imagine is very wise on his part; but let me point out for one moment what the attitude of the government is with respect to this very matter, compared with what it was only a few years ago. The object at that time, as declared by the Minister of Railways and Canals, was to reach out and obtain a portion of the western traffic. Mr. Blair, when Minister of Railways and Canals, frankly admitted to the House and the country that that extension of the Intercolonial to Montreal had not fulfilled his expectations, and had not resulted in giving to the country any appreciable share in that traffic which he had expected to procure; and he pointed out, while he was still Minister of Railways and Canals, the desirability of carrying that railway still further west, because at Montreal, we had no western connections, whereas, if the Intercolonial Railway were extended to the great lakes, we would there be in a position to compete on even terms with the Canadian Pacific Railway and the Grand Trunk Railway. I cannot pass over this without once more directing the attention of the Minister of Railways and Canals to the fact that in addition to Mr. Russell, who represented Halifax and afterwards Hants in this House, my hon. friend the Minister of Railways and Canals, then a private member of this House, was perhaps the most earnest advocate of the extension of the Intercolonial Railway to the Georgian bay by the acquisition of the Canada Atlantic Railway itself, and not by the acquisition of running rights over that railway. The government apparently had new light on the question later on. They came to the conclusion, at the time the policy of the government respecting railway matters was introduced by the Prime Minister in 1903, that the operation of railways in this country was not a good thing in the interest of the country. I could easily quote a dozen very strong statements to that effect by