

It refers to money already expended on works not complete. The company claim that they have no right to pay interest on works incomplete when they are not in a position to use these works. The situation is very clear—that the Government, under the agreement, is not in a position to execute the lease because they cannot tell the company what the cost of the road is. They can tell what the cost of the road is up to date, but the Quebec station is not completed and that is included in the agreement with the Grand Trunk Pacific. Shops are being constructed by the Transcontinental Railway Commission, which is the Minister. The Champlain Market station is not completed. A line to connect the shops with the main line at Cap Rouge has been purchased from the Canadian Northern Railway, and there is an amount in the Estimates now to make that road fit for the traffic of the Grand Trunk Pacific. The terminals in Quebec city are not completed; they are scarcely started. They will not be completed for months and months, if not for more than a year; they cannot possibly be. That being the case, should we not approach this matter in another way, instead of saying to the Grand Trunk Pacific: We take it for granted that you are not going to take over this line, and we are going to operate it ourselves? We are not entitled to say that under the agreement, because we are not prepared to hand the road over in the completed state.

Mr. BURNHAM: Why was it not arranged in the first place that it would be amicably taken over?

Mr. GRAHAM: I cannot tell my hon. friend why it was not; I am speaking of the agreement as it exists. We are all bound to admit that it is in the interest of the country that this road should be operated. We all agree as to that, but we want to arrive at some way by which it can be operated in a measure, that is with the exception of the uncompleted work, and that finally the company can be asked to take it over under lease. But we are not in a position to do that now and we are not in a position by reason of anything the company have done to expropriate their property, as this resolution proposes to give the Government power from Lake Superior Junction to Fort William. A practicable arrangement ought to be made in some way for the operation of this line until the Government can say to the company: Here

is the whole scheme completed; are you going to take it over or are you not? If not, we can run it ourselves and we are going to take over your line from Lake Superior Junction to Fort William. But at the present time the Government are not in a position to say to the company: You must take over this line, and if you do not you will violate the agreement, because, I submit, the line is not finished according to the agreement. I am firmly convinced that some arrangement ought to be made for the operation of the road.

Mr. BURNHAM: Would not a practical arrangement of that sort be a surrender?

Mr. GRAHAM: It would not be a surrender because the road is not completed. If the road were completed it would be a surrender. The correspondence shows that it is not completed except for the purpose of operation and it is not available for complete operation in my humble judgment. As to taking over the road finally; I am glad that the correspondence does not indicate that the company has declined to take over the road. If the Government go about it in a peaceful manner I think some arrangement could be made for the operation of this line and for the use of the Superior Junction—Fort William line if necessary until such time as the Government have the undoubted right to say to the company: We have fulfilled our part of the agreement; are you going to execute this lease? I would go a little further. Speaking for myself as a private individual I do not know that I would object to seeing this Government operating the Grand Trunk Pacific in connection with the Intercolonial railway. In that I am speaking for myself solely. If the time ever came that there should be a disagreement and the company should decline to take over the road, which I do not think it will do, a worse thing could happen to the Dominion of Canada than that the Intercolonial should be hitched up with the Grand Trunk Pacific and given its own line through to the western provinces. However, that is by the way. The point I was urging on the Government was, first, the necessity of operating the line in some way, and I was cautioning them that they were not going about it in the right way, because I believe the better judgment of the people will lead them to the conclusion, after seeing the correspondence, that under the agreement the line is not completed, and that the Government is not in a position to execute a lease