

MR. SMITH: The Railway from Selkirk does not go to the water's edge; it stops at a considerable distance from the water. If the hon. Minister knew the great difficulty there is in transporting loads in the summer, he would see how desirable it is that that passage should be left open.

MR. MACKENZIE: I do not propose, at the present moment, to enter upon the discussion of a very serious matter connected with the working of this Railway, although I hope to do so at a future time. We have already spent \$100,000 upon rolling-stock for the Pembina Branch. There is another vote asked for—\$600,000 for rolling-stock upon other portions of that road nearing completion. Vast preparations have been made for the purpose of working the Railway. The hon. gentlemen opposite professed, some years ago, to be strongly in favour of all such roads being worked by a company. The late Administration were of the same view, because they made arrangements for letting the Pembina Branch, hoping that, within a short time, some permanent arrangement might be made for opening any part of the new roads which might be finished. I think it is not desirable that the Government should continue to be the masters of our Railway system. It is difficult for them to do so, and it involves many considerations of public inconvenience. While I, at present, simply enter my protest against preparations for working the whole of the Government Railways in this country, I shall not take up the time of the Committee by discussing the principle now.

SIR CHARLES TUPPER: If the hon. gentleman wishes to enter his protest against the Government making preparations to operate the road, I am prepared to say that I would not be inclined to agree with him that it is desirable that this matter should be put upon a strictly commercial footing, and in the hands of commercial men. But, in the meantime, the country being involved in such a heavy expenditure for the construction of the road, it is incumbent upon us to make timely preparation to secure that the road shall be as useful to the country as possible.

MR. McLENNAN: I should like to ask the hon. the Minister of Railways

whether any income was derived from the Pembina Branch during the period it was leased to a private company. We had a statement, a few nights ago, of what the road earned under the management of the Department. It would be a matter of interest, before this promised discussion comes up, to be able to compare the results of the experiments that have been already made.

SIR CHARLES TUPPER: The road was leased to Messrs. Upper and Company, not from choice but from necessity. It was the only means we had of operating the road at all. We found the company in existence, and gave them until the end of the year just closed to finish the road. They were obliged, under that contract, to have it ready by August 1st, for the passage of slow trains. We found it was practically impossible to have the road constructed by one party and operated by another, and, consequently, we were compelled either to let the road be idle or to enter into an arrangement with them—which I submitted for the approval of Parliament last Session—and under which they were obliged to give us 25 per cent. of the gross earnings of the road. The gross earnings of the road, during the time it was in the hands of Messrs. Upper and Company, were about \$4,000 per month, 25 per cent. of which is due to the Government. The road was not pushed to completion. Differences arose among the contractors, and the progress of construction was very unsatisfactory. Under these circumstances, the time having expired for the completion of the road, the Government terminated the contract and took the road into their own hands. We are now engaged in finishing the road ourselves. Under the contract the road is to be finished at the cost of the contractors.

MR. BLAKE: With reference to the suggested comparison asked for by the hon. member for Glengarry, it is, as the hon. Minister said himself, that the returns he brought down to us the other day of the receipts during this last month, furnish a fair index of the gross monthly returns for the twelve months on that road.

SIR CHARLES TUPPER: It would be impossible for me to say that that is the case. There is, of course, a large amount of freight business going over