

management of the road could be directed by Order in Council. I should think instructions would be given them by Order in Council simply to organize and operate the road.

Hon. W. B. ROSS: I had a note of the railway legislation of last session, just to see how this works out. The Canadian National Railways would be operated by a Board of not less than five nor more than fifteen, appointed by the Governor in Council, but it has no stock at all. There is a provision in the Act that the Government may issue stock if it chooses to do so; but at the present time they have no stock at all. When the Grand Trunk is taken over by Order in Council it will be operated by the Board of the Canadian National railways—not less than five nor more than fifteen. So far as I can see, the thing will be exactly the same as if they had said the railway shall be operated under the Minister of Railways; that is to say, it will be a branch of the Dominion Government, nothing more nor less, and the fiction of there being a company is just as thin as the fiction of there being a corporation, when you say the Minister of Militia shall look after certain things, or the Minister of Railways or certain others shall do certain things. As a matter of fact, it is the Crown as represented by the Government of Canada.

Hon. Mr. DANDURAND: I put the question, honourable gentlemen, because, in reality, our system of railways will be administered by a commission of management appointed by Order in Council, or by a board of directors—we may give it any kind of name and call it a company. It is but a fiction, and, realizing that it is but a fiction, and that the Government of Canada will be administering a road that is owned by the people of Canada, I ask myself the question, how shall we be able to deal with the public differently from what we would if we were administering a Government-owned railway? In reality, how shall we be able to differentiate between the administration of the Intercolonial railway and that of the Grand Trunk system, when it comes to the question of paying taxes to the towns, cities and municipalities through which the railway passes? That is a point on which I would like to have the opinion of the leader of the Government, because I cannot see how the Intercolonial railway will be freed from municipal taxation, while the Grand Trunk will have to pay the municipal taxes along its road. I cannot see how we can make

that difference when in reality those two roads will be in the same position towards the Government.

Hon. Sir JAMES LOUGHEED: I am informed that the legislation which has been passed in no way changes the character of the properties so far as taxation is concerned. The property remains represented by that stock, just the same as if the transaction had not been completed. If the property is taxable to-day it will continue to be taxable.

Hon. Mr. DANDURAND: But the stock is all in the treasury of the Government of Canada.

Hon. Sir JAMES LOUGHEED: But the physical property is not. They could not tax the stock because it is owned by the Crown, but the title of the physical property is just the same as it was before.

Hon. W. B. ROSS: It was stated over and over again in the House of Commons—and I agree with the statement made by a minister of the Crown there—that the Government of Canada would acquire the Grand Trunk by the purchase of its stock. There is no getting away from that; and they may so acquire this stock that, no matter where they put it, whether in their vault or anywhere else, they may start in and manage it under the Canadian National Railway system. It is Government property.

Hon. Mr. DANDURAND: The Act is called "an Act respecting the Acquisition by His Majesty of the Grand Trunk Railway System."

Hon. Sir JAMES LOUGHEED: Suppose the Government wanted to sell the property, it would not make the title by a grant, but it would simply transfer the stock, and that stock continues to be Grand Trunk stock.

Hon. W. B. ROSS: Not at all. It could sell it direct. The Crown could make the grant and convey it.

Hon. Mr. BEIQUE: I think that it would be but proper to have some information from the Government as to the present condition of these different things mentioned here: the Grand Trunk Railway Company of Canada Superannuation and Provident Fund Association, the Grand Trunk Pension Fund, and the Grand Trunk Railway Insurance and Provident Society. What are the conditions of those things?

Hon. Sir JAMES LOUGHEED: I may say the intention is to carry on those in-