

the Minister of Railways asks what we can do in this case. I do not say that I can make that road run. It is not for me to make it run. I am a private member of the House. The government of the country are responsible for the conduct of public affairs. I do not know whether there is any law under which the Department of Railways and Canals could interfere. I am not prepared to argue that point at all. All I know is that it is within the knowledge of all the members from the district of Montreal that this road is of great importance, and that the subsidy has been misapplied. If I call the attention of parliament to the matter, it is to prevent future mistakes.

THE MINISTER OF RAILWAYS AND CANALS. Let me ask my hon. friend one more question. Is he aware whether or not the people who own this road are financially strong and responsible?

Hon. Mr. TARTE. My hon. friend can judge of their financial standing. They are the same people who came before the Railway Committee last year headed by Mr. Meyer. They failed in New York and they have failed here. These are the same group of men who are fighting to-day over the ownership of the South Shore Railway and the South-eastern Valley Railway. There are all kinds of complications into which I do not mean to enter at all.

THE MINISTER OF RAILWAYS AND CANALS. I am not sure, if the people who own the road were financially responsible and could be made to answer to any judicial tribunal in damages, whether or not, under the contract of subsidy, they could be held under an obligation to operate the road, or else have the road taken from them, and be made subject to damages besides. I am not sure as to that. But if they are not financially responsible, it is perfectly clear that there would be no remedy whatever in such a case as my hon. friend states.

Mr. W. F. MACLEAN (East York). Mr. Speaker, enough has come out of this debate to establish two things: that not only is there a responsibility on the government to try to compel the owners of this road to operate it and serve the public, but there is also a responsibility on the government to take steps that hereafter such things will not recur. I believe that a large part of the subsidies voted to railways in the past have not been applied to railways, but have been exploited by men who have become rich by those means. The whole tendency of legislation in this country is in that direction. We grant franchises, powers, subsidies of money and land, and we do not make provision for performance or against malversation of funds; and it is high time that he had in this country legislation of that kind. We have an ex-minister of the Crown saying now that our policy in the past has been wrong, and ought to be corrected. He is saying that to old friends of his; and that

Hon. Mr. TARTE.

being the case, I hope there will be an improvement this session; and if any money is granted, though I do not wish to see any granted, I hope steps will be taken to protect the public, and when franchises are given, we shall take some kind of contract for performance. We have given banks great powers and privileges, but have never taken the means to compel them to serve the public. Nor have we done so in the case of railway companies or telephone or telegraph companies. Until recently the banks did not think it was incumbent upon them to try and serve the public, and for many a day, when asked to establish agencies here and there, they said that they were not in that business and there was no way of compelling them to do so, so that many towns had to do without banking facilities. To-day, however, that trouble has disappeared because the banks happened to be competing for business. But what I contend for is this, that when we give these franchises, we should take some means of compelling these people to carry out their obligations and serve the public and not allow them to divert the funds supplied by the public into the hands of private parties.

Hon. Mr. TARTE. I am told that on those roads there are several dozen cars loaded with perishable freight. This is a very lamentable state of affairs.

THE PRIME MINISTER. No doubt a most lamentable condition of things exists in that section. The road has been closed for perhaps six weeks, but I will call the attention of my hon. friend from St. Mary's division (**Hon. Mr. Tarte**) to the fact that though it is a matter of notoriety that this road has been closed five or six weeks, this is the first information we have of the fact. The road traverses a very fertile section of country, quite capable of supporting a railway. No doubt the law is imperfect and should be amended in some way so that precautions may be taken, when we are giving assistance to railway construction, to obtain some assurance that not only the road will be constructed but that it will be operated.

Mr. RODOLPHE LEMIEUX (Gaspé). I am informed by a letter received from Quebec this morning, that the Quebec government has taken an action in this connection, and a petition is to be presented to-day or to-morrow to the Superior Court at Montreal, to have a sequestrator appointed.

Mr. A. W. PUTTEE (Winnipeg). This discussion, Mr. Speaker, affects much more than simply the road under consideration. Session after session we vote large subsidies to railways. Session after session we take money in this way out of the public treasury and put it into private hands. The ex-Minister of Public Works (**Hon. Mr. Tarte**) has told us that he knows, and all the members in the district in question know, that the subsidies have been diverted, misapplied and