

if the operation of this road, notwithstanding its having been built by the Ontario government, should not be successful, if it should have been a failure, the central government would undoubtedly have come to the assistance of the province, as it has on other occasions, and have assisted in the building of this road to the extent of the subsidy now asked for. Because the province has made a success, I do not say a financial success—I am unaware as to whether the road is really a profitable one.

Mr. WATSON—Yes, paying 100 per cent.

Hon. Mr. LOUGHEED—I know my hon. friend has made that statement, but I understand that is not the case at all. It is an economically administered road, owing to the development of the gold and silver mines in that northern country. It has been able to do a very large volume of business, and therefore, for a colonization road, is undoubtedly in a successful position. But that should not be urged as a reason why the province of Ontario should not be placed in the same position as other railway corporations, or individuals, who, under the conditions mentioned by me, would have received assistance for the building of this particular road. There is another reason, and that is, it is a link, and a very important link, of the National Transcontinental railway. If it were not for the Temiskaming road and for the running agreement which has recently been entered into between the government and the Grand Trunk railway, it would be impossible, without the construction of another road, to reach the main line of the National Transcontinental railway. If it were not for the existence of this particular road, a road would have to be projected from the system of the Grand Trunk at North Bay to the main line of the National Transcontinental, and, this being the case, this government if asked by the Grand Trunk Pacific to grant a subsidy for the building of such a link would undoubtedly grant that subsidy. This government has already granted a subsidy for a similar purpose to the Grand Trunk Pacific. Therefore, I say, that as it is a necessary link in the opera-

tion of the National Transcontinental railway, bringing it into touch with the settled portions of Ontario, that alone should be a ground for the assistance which is now provided for in this Bill. Let us assume for a moment that this road was not built, and that it was simply a road projected for the purpose of developing the resources of that northern country, as it has already done, the settlement of the clay belt, and of the mineral resources in that northern country, and the promoters of such a road would make application to this government, would this government hesitate to place it on an equality with the other roads which have received similar assistance? Not for a moment—this government, and the late government, would have assisted. There is another consideration in addition to those which I have mentioned, and which will possibly appeal to my right hon. friend more strongly than any of the others, and that is that in the distribution of the railway subsidies the province of Ontario should not be overlooked. This is a subsidy looking particularly to the development of a railway enterprise which, possibly, may yet be in its infancy. The Temiskaming and Northern Ontario is but a small factor of the road which it will become eventually. It will eventually probably reach the shores of the Hudson bay and open up that northern country to an extent almost unlooked for. But there is no reason why the province of Ontario should not be placed in the same position in the distribution of railway subsidies as the other provinces of the Dominion, notwithstanding the fact that the government has built this road and has been operating it successfully.

Hon. Mr. BELCOURT—Will the subsidy apply to the new parts of the railway or to the old?

Hon. Mr. LOUGHEED—It applies to the old and to the branches. The branches are mentioned on the back of the Bill.

Hon. Mr. TALBOT—If we grant this subsidy to this Ontario road, will that place the road under the Railway Act, and under the control of the Railway Commission as to rates? The argument that I have used all through the western part of the coun-