

penditure of a huge sum for these terminals, in addition to these enormous obligations of \$227,000,000 to which I have referred. It should be further borne in mind when we are considering this matter that a terminal of this character produces very little revenue in itself. Undoubtedly it contributes to facilitating the despatch of business, but the passenger end of it unquestionably will be a total loss, or at least a charge against the freight revenues of the railway system, because the passenger revenue I do not think at the present time any more than about breaks even. So the freight revenues of the Canadian National Railways will have to bear the fixed charges of these enormously expensive terminals. Therefore no plan should be adopted without the most careful scrutiny and study.

Mr. DUNNING: Hear, hear.

Mr. STEVENS: There does arise in my mind a question whether this year we should actually authorize and proceed with the expenditure of money on that terminal, or whether it should not be studied for a further period of a year. The minister will be able to state—if he will just give ear to this as I pass along—whether I am right or wrong, but my information is that the railway traffic engineers and the railway construction engineers made certain plans, and that these plans have been modified or changed by Mr. Palmer. I will not say against their wishes, but leave it at that—they have been changed by him. I would be inclined to trust pretty well the opinion of Canadian engineers who have lived and grown up with Canadian railway traffic rather than that of an outside expert, unless that expert can be shown to have had wider experience in traffic similar to that which would occur in a Canadian terminal.

Mr. DUNNING: I may dispose of that if my hon. friend will permit me. I share with him in appreciation of the qualities of the engineering assistance which the Canadian National system has been able to assemble, and I can say on behalf of those engineers that all of the suggestions which Mr. Palmer made are not only accepted by them, but are enthusiastically supported. Mr. Palmer testifies to the ability which has been displayed in the drafting of these plans. In fact he said to Sir Henry Thornton and myself: "Naturally as a matter of vanity I should like to have evolved a plan which would be described as the 'Palmer plan' but after carefully going into it I am in a position to say that your engineers have taken into

[Mr. Stevens.]

account every possible factor. I have only this and that suggestion to make with respect to the detailed working out of the major plan as affecting the Canadian National."

Mr. STEVENS: I am glad to hear that. But let me again emphasize the necessity for great care, because once a plan is adopted, property acquired, and progress in construction made, it will be exceedingly costly and difficult to change or modify such a plan.

Mr. DUNNING: I agree.

Mr. STEVENS: I have already intimated that a terminal of this character is not usually a revenue producing unit; almost invariably it is a load upon the freight revenues of the system. But in a city such as Montreal I believe it would be possible to adopt a plan in the development of which revenues might be produced in the improving of properties and the establishing of business contiguous to the terminal.

Mr. DUNNING: Hear, hear.

Mr. STEVENS: I submit again that the committee of parliament having this in hand should take great care that a survey of that feature be exhausted before any plan is finally adopted.

Mr. DUNNING: Hear, hear.

Mr. STEVENS: It is not my intention to delay the minister or to offer criticism of his predecessor, but merely to present these enormous commitments—which as I have indicated, amount for the railway in the next twelve months to the huge sum of \$227,000,000—and to ask parliament, and particularly the committee which from now on will have these various matters before them, to scrutinize with the utmost care the proposals that are made and to see that nothing is passed or adopted that is in any sense unnecessary or may well be put off. Furthermore, parliament and the country should be impressed with the magnitude of this undertaking, which calls for the expenditure of this huge sum, a portion of which of course is for renewals. I had intended to say that, in respect to some of these renewals, securities which at present are unguaranteed will become Canadian government guaranteed securities. For instance, the Prince Albert one; and I am not sure whether this \$18,000,000 is at present guaranteed.

Mr. DUNNING: Yes.

Mr. STEVENS: It is guaranteed. And then we have the Manitoba one. It is not guaranteed by the Dominion but it is guaranteed by the Manitoba government, and it