

the line from Lévis to Montreal represents to-day a capital expenditure of \$2,100,000 of the peoples' money. In addition to that, the government, for the purpose of dealing with the western traffic, which, it was said at that time, the Intercolonial Railway would control under this agreement with the Grand Trunk Railway, entered into an agreement with the Grand Trunk Railway Company by which it pays to that company, for the period of ninety-nine years, if I remember correctly, the sum of \$140,000 a year as rental for its terminals. So you have a capital expenditure of \$2,100,000 and a yearly rental of \$140,000 payable to the Grand Trunk Railway in respect of the terminals at Montreal. That policy of the government meant certainly this—that, under the agreement, the Grand Trunk Railway was to hand over to the Intercolonial Railway at Montreal its proportion of through-traffic to be carried by the Intercolonial Railway to St. John or Halifax for transport to the markets of Europe. Further than that, if that policy meant anything, its logical and necessary conclusion would be the extension of the Intercolonial Railway to the great lakes, so as to provide the traffic of the west with another outlet, and also to provide a line of railway from the great lakes to the Atlantic seaboard which could be used, if necessity arose, as a means of regulating railway rates in this country. Well, the project submitted by the government to-day does away with all that. It side-tracks the city of Montreal, it renders vain the expenditure of \$2,100,000, it renders excessive and absurd the payment of \$140,000 per year to the Grand Trunk Railway for the terminals at Montreal. Therefore, the government, by the proposal which it has brought down to the House to-day, as is its custom in many cases, absolutely reverses the very policy which it brought down to the country only four or five years ago.

Then, Mr. Speaker, there is another criticism upon this proposal, namely, that like the fast Atlantic service, which the government have lately asked tenders for, it is of a hybrid character. The government now owns and operates in Canada about 1,300 miles of railway. It now proposes to build and own, but not to operate, 1,800 miles of railway. For what reason or on what ground will a distinction be made? When the government acquired the Drummond County Railway from the city of Lévis to the city of Montreal, it did not propose to hand that over to the Grand Trunk or to any other railway; it stood then upon the policy of the operation by the government of any railway which it owns. Now, we have the spectacle of the government coming down and building some 1,800 miles more of railway, not having the courage to undertake its operation itself, but handing it over at a more or less nominal rental to the Grand Trunk Company, in order that

they may run this line in connection with their own. Now, I say that the government should adopt either one policy or the other. Either the policy of the operation by the government of the lines which it owns is a good one or it is not a good one. I do not see that you can make any distinction in that regard between the line from Moncton to Winnipeg and the line from Montreal to Halifax and to St. John. The right hon. gentleman, in the speech which he delivered to-day, did not point out any such distinction; and if it be a good thing to have government operation of roads owned by the state, then I say the government has not acted wisely in handing over to the Grand Trunk Railway Company 1,700 or 1,800 miles of line from Moncton to Winnipeg. If, on the other hand, the government has arrived at the conclusion that it is impossible successfully to operate railways owned by the state, then the government certainly should not bring down the policy it has brought down to-day, but it should propose some comprehensive scheme by which all the railways, including the Winnipeg-Moncton line should be operated on some other basis and under some other management than those under which they are operated to-day.

My right hon. friend told us of an interview which he had with Mr. Booth in connection with the terminal of the Canada Atlantic Railway. It seems that the right hon. gentleman experienced almost a vision, a sudden thought flashed upon his mind, and he saw at once that it would be of no use for the government to attempt ownership of railways in the west. And what were the reasons the right hon. gentleman assigned? Why, he said, if you built a railway owned by the state in the western part of Canada, you would have to build elevators and wharfs, and you would have to send out agents looking for freight. Well, does not the right hon. gentleman send agents all over the country, all over the United States and all over Europe, looking for immigrants, and would there be any great distinction between that and sending agents to look after freight? The right hon. gentleman does not seem to realize that only three years ago his government spent hundreds of thousands of dollars in building elevators and wharfs at St. John. Yet the inexpediency of building elevators and wharfs is about the only reason that I have heard in the right hon. gentleman's speech for refraining from government ownership of railways in the west.

Now, my right hon. friend attached great importance to the idea that this project of his ensures the transportation of Canadian goods through Canadian routes. In the first place, the proposed contract which has been placed before the House gives the Grand Trunk Railway Company absolute control of the line from Moncton to Winnipeg. That company is to own the whole of