

I point out to him that where the Intercolonial Railway is running over that leased line, it is not subject to the jurisdiction of the Railway Commission, and therefore the analogy which he seeks to establish does not seem to hold good. I still do not understand how the Railway Commission is to exercise jurisdiction over the through rates from Parry Sound to Halifax or St. John, and yet have jurisdiction, according to the hon. gentleman's statement, only over that portion of the line from Parry Sound to Montreal. My hon. friend says that the reason why the government proposes to make this leased line—because it is in effect a leased line from Montreal to Parry Sound—subject to the jurisdiction of the Railway Commission, so far as it is operated by the Intercolonial Railway, is because there is competition over the same line by a private company, a railway company which owns that line. I pointed out to him, and I do not think he has answered it, that the question of competition does not depend upon running over the same line of rails. There is as much competition, and as strong competition, perhaps, if you have the competing line operating over different rails; so there does not seem to be any good reason, on that ground for adopting the course which he says the government is about to pursue. I must confess that it seems to me that the government proposals at the present time are in an exceedingly crude condition, or else my hon. friend has not taken the trouble to explain them very carefully to the committee.

Mr. EMMERSON. It may be my fault or it may be the hon. gentleman's fault if there is a misunderstanding. The position of the line from Ste. Rosalie junction to Montreal is very different from the one now proposed; there it is fixed in advance. The rates are apportioned under an agreement, the running of trains is all fixed, and all these things are arranged in a more definite way than could be done if it were left to the future. There is a certain fixed rental paid. The proposal with respect to the line from Montreal to Georgian bay is very different. There the two lines will come in competition, and the question of running on the tracks will be determined by the commission. That is already determined with respect to the Grand Trunk from Montreal to Ste. Rosalie. The rates should be uniform, they should be apportioned uniformly, and the Intercolonial can fix its proportion between Montreal and the sea-board without regard to the commission, and in that way it seems to me that a greater protection is given to the export trade of Canada than would be given if you left it in the other way. The object is to secure traffic for the Canadian seaport. We try to get a portion of it at least, and that can only be accomplished satisfactorily, in my judgment, by the course proposed.

Mr. R. L. BORDEN.

Mr. R. L. BORDEN. Will the Railway Commission, or the government, fix the through rate from Parry Sound to St. John?

Mr. EMMERSON. That is fixed by the Railway Commission, that is uniform over all lines connecting with our Canadian sea-board. It is only with respect to the apportionment that would go to the Grand Trunk, in so far as it went over the rails of the Grand Trunk between Parry Sound and Montreal, that the commission will deal. Beyond that it is the subject matter for determination by the government which operates the Intercolonial.

Mr. R. L. BORDEN. Do I understand then that the Grand Trunk Railway is to be paid by the government for the operation of the line from Parry Sound to Montreal, by an apportionment of the rates?

Mr. EMMERSON. That is to be determined by the Railway Commission; it may be in one form or another. But my hon. friend must have realized that there is always a difficulty between railways as respects apportionments, and in order to have this uniform between Montreal and the lake ports it is necessary to place all railways connecting those two points under the control of the Railway Commission. Beyond that it is a matter which it seems to me should be left to the determination of the government itself, because the two will only be operated together in order to protect the tariff rates as between the sea-board and the lake ports.

Mr. STOCKTON. I understand the minister to say that by this legislation he is taking running rights over the irons of the Grand Trunk Railway from Parry Sound to Montreal. I also understood the minister to say that the through rate from Parry Sound to the Atlantic ports would be fixed by the Railway Commission. I understood the minister to say previously to that, that the freight rate from Parry Sound to Montreal would be fixed by the Railway Commission. Now would the minister tell us which is the correct statement? If it is to be fixed by the Railway Commission from Parry Sound to Montreal, then the government must adjust its charges from Montreal to the Atlantic sea-board according to the adjustment of the Railway Commission from Parry Sound to Montreal.

Mr. EMMERSON. Both statements made by me were correct, and they are not inconsistent. The object of this legislation is to secure this traffic for the maritime seaports and for the St. Lawrence in summer. Now in order to do that it is necessary to have some uniformity with respect to rates between Parry Sound and the St. Lawrence; beyond that the government has complete control and can regulate the rates and regulate the apportionment. If we were to