

Mr. EMMERSON. The through rates will not be subject to the Railway Commission but be regulated as the rates on the Intercolonial Railway are at present. The Railway Commission will only have control over the rates from Parry Sound to Montreal. We give the Railway Commission control over that portion because it comes into competition with other lines running over the same system.

Mr. R. L. BORDEN. Of course, I suppose there is competition from Montreal to Halifax and St. John at the present time between the Intercolonial Railway and the Canadian Pacific Railway.

Mr. EMMERSON. Not over the same track.

Mr. R. L. BORDEN. Between the same termini; and I do not see that their using the same track really affects the principle.

Mr. EMMERSON. I think it does.

Mr. R. L. BORDEN. Perhaps the hon. gentleman can make that clear to us, but for the moment I cannot understand it. If you have one route from Montreal which reaches St. John by the Intercolonial Railway and another route which reaches from St. John to Montreal by the Canadian Pacific Railway, and they are competing; and if it is a good principle where there is competition with the government road that the Railway Commission should have jurisdiction, I would think that it would logically follow, necessarily follow, that the Railway Commission should have jurisdiction over the Intercolonial Railway. I should think that would be an exact deduction from the hon. gentleman's premises, not only a logical deduction, but a necessary deduction. That is a matter for some discussion perhaps. What I do not understand in the hon. gentleman's statement is this: How can we operate from Parry Sound to Halifax or St. John as a through line—and apparently it is only with through traffic we are dealing; the hon. gentleman has not explained that we are to do local business on the line between Montreal and Parry Sound—I am dealing now only with through rates, and I do not yet understand, notwithstanding the hon. gentleman's explanation, how it is that for a portion of that through route the Railway Commission, under the Railway Act, shall have jurisdiction and over the rest of the line it shall not have jurisdiction. Of course, I quite understand that so far as the operation of trains is concerned, there might be jurisdiction of the Railway Commission over one part and not over another part, but it is not over trains and over the operation of the road alone that the Railway Commission exercises its jurisdiction. It also exercises jurisdiction as to rates and as to a great many other matters. What I am trying to ascertain from my hon. friend is how the Railway Commission is to act in the fixing of a through rate from Parry

Sound to Halifax or St. John, when it has jurisdiction only over a part of the line. The hon. gentleman will, of course, remember that the Railway Commission has not only the right to fix a maximum rate, but has a right also to fix a minimum rate. The hon. gentleman says that the government will fix the rate. Well, if the government fixes the rate the Railway Commission cannot. There would be two inconsistent jurisdictions. Suppose, for example, the Railway Commission fixes a minimum rate from Parry Sound to Halifax or St. John over some other route, or from some point on the Georgian bay, which may be fairly compared with Parry Sound, to Halifax or St. John. How is the Railway Commission to deal with the situation if it has jurisdiction, so far as the Intercolonial is concerned, only from Parry Sound to Montreal?

Mr. EMMERSON. It would be a very anomalous position to have two railways running over the same track, one subject to the Railway Commission as to rates and the other not so subject. The through rate is now regulated to the sea-board by the Railway Commission and it is proportionate, in accordance with the mileage. It will be safe, and I think in all interests, to have the road as between the Georgian bay and Montreal regulated by the commission in the same way as other railways are regulated. The government, which controls the railway from Montreal to Halifax, St. John and maritime points, always has had in its own hands the regulation of that rate, so that the other railways in seeking the sea-board could not take any advantage; and there would seem, to me at least, to be no good reason why we should depart from the principle which has heretofore been followed with respect to the Intercolonial Railway, that is, leaving that matter to the control of the government.

Mr. R. L. BORDEN. I must confess that my hon. friend has not yet made himself very clear. The Intercolonial Railway for a part of the distance between Montreal and Halifax already runs over a leased line; it is true it is only a few miles—thirty-five or forty—over the Grand Trunk Railway.

Mr. EMMERSON. That is subject to an agreement.

Mr. R. L. BORDEN. That is under a lease.

Mr. EMMERSON. I say that is subject to a certain agreement.

Mr. R. L. BORDEN. I know.

Mr. EMMERSON. This is on a different basis.

Mr. R. L. BORDEN. This will be subject to a certain agreement also, which is to be made between the government and the Canada Atlantic Railway. My hon. friend seeks to differentiate the case on this new ground.