

Supply—Canals

Canada is concerned, I do not think that it ever will be paid. Not a cent of it ever has been paid, and I am sure that not a cent of it ever will be paid.

Mr. VENIOT: I do not think that it ever was intended that one cent should be paid. That is all right, but why should it be heralded all over the country, especially when addressing such an important association as the Transportation Club.

Mr. MANION: My hon. friend has asked me a straight question and I will give him a straight answer. The reason it must be told is this, that the Canadian National Railways were being run too extravagantly and they had to be brought to task accordingly. The reasons there were for bringing them to task must be told the people or we would be accused of crucifying the Canadian National Railways. That is the answer to my hon. friend's question.

Mr. COWAN (Long Lake): Lots of red blood in that.

Item agreed to.

Miscellaneous—Board of Railway Commissioners for Canada: maintenance and operation, \$288,780.45.

Mr. ROGERS: What does this amount cover?

Mr. MANION: It covers all the expenses of the Board of Railway Commissioners, the salaries of the staff, travelling expenses and all that sort of thing.

Mr. ROGERS: It looks a very big sum.

Mr. MANION: It is less by \$32,000 than last year.

Mr. ROGERS: That may be, but I notice that there is another item for the salaries of the railway commissioners. This seems a very big sum.

Mr. MANION: The salaries for the commissioners are statutory. The item before us covers such things as the salaries of the staff, \$219,866.81; official reporting, because most of the evidence is taken down in shorthand, \$11,800; official car, \$3,000; printing, \$6,000; stationery, \$4,000; telegraph and telephone, \$1,500; travelling expenses for the board and staff, \$20,000; contingencies, \$22,613.64. It is a big item, but it is less than last year by \$32,000. Mr. Justice Fullerton has given me a very fine impression. He is a man who I believe is efficient, able and just, and I believe that he will do a great deal of good to the whole board.

[Mr. Manion.]

Mr. CAYLEY: Just what progress has been made with regard to the Toronto Suburban Railway?

Mr. MANION: None. The interest has not been paid. We have received recently from some shareholders in England who hold some of the 4½ per cent debentures a claim sent by their legal representatives, but nothing further has been done. The property has been turned over to the bondholders and they are at liberty to do as they wish with it. The service was discontinued and the road abandoned so far as the Canadian National Railway is concerned.

Mr. CAYLEY: That would mean that the Canadian National Railway from now on has no further interest in the road and admits no further responsibility as to the payment of interest and principal to the bondholders?

Mr. MANION: That is the attitude they take, yes.

Mr. CAYLEY: Then it is finally closed up so far as the government's interest in the road is concerned.

Mr. MANION: The government never had any interest in it. The road was a subsidiary of the Canadian National, but it was never guaranteed by the government or by the Canadian National. The government had no direct interest in it at all. The government has finished with it unless these people who are making claims can show that they have legal rights to claim something that they have not obtained.

Mr. CAYLEY: It is a mystery to me how the Canadian National assumed the ownership of the road without assuming responsibility to the bondholders.

Mr. MANION: They simply took over the railway and paid the interest on the bonds, but the bonds were never guaranteed by the government or by the railway in any shape or form. The Canadian National operated the road.

Mr. NEILL: On a lease?

Mr. MANION: They operated the road through ownership of the common stock, and they paid interest on the bonds. For some years they have been paying the interest at a loss. They are not only losing the interest they paid which had not been earned, but they had to pay for repairs and so forth.

Mr. CAYLEY: Did the road ever earn interest?