

If my hon. friend will find the person who started the rumor, he can give him that answer.

NEGOTIATIONS WITH THE GRAND TRUNK.

We brought down last year a contract dealing with this matter, which was carefully drawn, and as we think guarded the public interest very well. What happened at that time? Hon. gentlemen opposite declared that it was a contract entirely in the interests of the Grand Trunk Railway. They declared that the people who negotiated that contract on the side of the government were either grossly incapable or grossly dishonest. They said that the Grand Trunk Railway had its own way in everything, that the contract was one which was only of value to the Grand Trunk Railway, and that we were giving that company a tremendous gift at the expense of this country. Now, we knew when we made that contract that we were dealing with men of eminence in the railway world, but we knew that we were not dealing technically with the Grand Trunk Railway itself. We had a contract signed by the leading men of the Grand Trunk Railway, the president, several of the directors, and the general manager; and while we were convinced that these men were acting in good faith, we were quite aware of the fact that they were not authorized by any vote of the shareholders of the Grand Trunk Railway to enter into any engagement. Therefore, as some portions of that contract contemplated the doing of certain things by the Grand Trunk Railway itself, it became necessary before any further progress could be made, that the shareholders of the Grand Trunk Railway should approve of it.

When we came to deal with the Grand Trunk Railway itself, we discovered that the company were not prepared to go on with the undertaking. This was not through any lack of good faith on the part of the gentlemen who made the contract. They had acted in good faith, and they believed, and had a right to believe, no doubt, that the contract which they had assented to in Ottawa would receive the assent of the shareholders of the company. And I suppose they had the more right to believe so in view of the representations made by hon. gentlemen opposite that this was such a profitable and valuable contract to the Grand Trunk Railway Company. These hon. gentlemen had spoken of this contract as being all one-sided, declaring that we were making a great gift to the Grand Trunk Company.

HAD NO FAITH IN THE OPPOSITION.

And yet when the Grand Trunk Company came to consider the matter by its board of directors and subsequently by its body of shareholders in London, we found that the company had so little faith in the statement of the hon. gentlemen opposite that they refused to accept as a free gift this contract which hon. gentlemen opposite said was full of profit for them. The Grand Trunk Company, no doubt, had followed closely the discussions in this House; they had heard our side of the case—and we made the best argument we could in favour of what we believed to be a good contract. And the Grand Trunk people, no doubt, had followed the speeches of the hon. gentlemen on the other side. If they had accepted the statement of these hon. gentlemen that this contract was one-sided and all for the benefit of the Grand Trunk Company and to the injury of the Dominion surely the directors of the Grand Trunk Company would have been delighted to accept it, and the shareholders would have been only too happy to endorse their action. The Conservatives of Canada who were educated by hon. gentlemen opposite to believe that this was such a profitable thing for the Grand Trunk, and to believe that they were giving the company such a generous present in the form of this contract, must have been astonished when they discovered that the Grand Trunk did not regard it in that light, but, on the contrary, believed that the obligations under that contract were such as would bring disaster to the Grand Trunk itself. When you compare the attitude of hon. gentlemen opposite on that subject with the attitude of the Grand Trunk Company by its directors and shareholders, I think you must come to the conclusion that these careful, sagacious financial men in London did not put much faith in the views advanced by hon. gentlemen opposite as to the great profit the Grand Trunk would make out of it.