

the Governor in Council may deem necessary for the operation thereof.

Not to buy one railway, but to buy all the railways mentioned in the schedule, which provides for the purchase of the three lines. Section 2 says:

2. The consideration to be paid for each of the said railways, and for any equipment, appurtenances and properties that may be acquired as aforesaid, shall be the value thereof as determined by the Exchequer Court of Canada; said value to be the actual cost of said railways, less subsidies and less depreciation, but not to exceed four million three hundred and forty-nine thousand dollars, exclusive of outstanding bonded indebtedness, which is to be assumed by the Government, but not to exceed in all two million five hundred thousand dollars.

They were treated there as one entity, and I see from the judgment of Mr. Justice Cassels that there was an agreement prior to that by which these three railways were brought under one railway company, and we know that to be true. I think that company was called the Quebec Railway Company. The stock was listed upon the market.

Mr. REID: It is the Quebec Light, Heat and Power Company.

Mr. CARVELL: It is referred to in the newspapers and on the stock market as the Quebec railway. We know the stock was selling as low as 10, or 11, or 12, or 13, and the moment this legislation was passed it commenced to soar, and went up to 40 or 45, I think.

Mr. REID: I do not think it ever went as high as that.

Mr. CARVELL: It went up somewhere in the thirties, in any event. After the judgment of Mr. Justice Cassels, it started to come down again. Considering the financial condition as pointed out so forcibly by my hon. friend from Kingston (Mr. Nickle), it seems to me, before we pass this item we ought to have a pretty thorough discussion of the facts as they are. Notwithstanding the very late hour, I am going to take the responsibility of placing on Hansard a portion of the judgment of Mr. Justice Cassels. I admit that I did not read it myself until this evening, and I doubt very much if many of the members of the House have read it. It does not require a lawyer to appreciate this judgment. A perusal of it must lead an ordinary man to the conclusion that the Govern-

ment is not justified in forcing this thing through unless they are going to start out on an entirely new proposition—disregard the legislation of 1916; disregard the investigation which has been made into the cost of the road; disregard the judgment of Mr. Justice Cassels; disregard everything they have done, and say: In the face of all these things we are going to come to the rescue of our political friend, Sir Rodolphe Forget, and are going to give him three or four million dollars simply as a present. I appreciate the necessity of railway communication on the north shore of the St. Lawrence just as well as any member in this House does, and I agree with my hon. friend from Kingston that were it under conditions other than those existing at the present time it might be considered. We must remember that after this Act was passed by which the railway was to be paid for according to the actual cost as found by the Exchequer Court, a long and expensive investigation was held, at which a large amount of evidence was taken. I have not read the evidence, but it is referred to in the judgment. Upon that evidence, Mr. Justice Cassels delivered a judgment on January 24 last. If the committee will pardon me I will read a portion of this judgment, in order that it may appear in Hansard, because I think the people of Canada should have an opportunity of reading it for themselves and forming their own conclusions as to whether or not this Government is justified in the course they are attempting to pursue. The judgment says:

Since the conclusion of the hearing of these cases, I have carefully perused the evidence and exhibits produced before me, and have also considered the questions to be determined. I think as the questions to be determined depend to such an extent upon the construction to be placed upon the statute as to the method by which the amounts payable are to be ascertained, and as the differences are so large between the method of valuation claimed by the railway companies and the views I entertain, it may be better before any further evidence is taken, that an appeal, if such is proposed (assuming the right of appeal exists), should be taken to the Supreme Court, in order that I may be set right, if I have taken an erroneous view.

I may say that I have given the matter a great deal of thought, and I must express my thanks to the counsel for all parties for the great assistance they have afforded me. The statute pursuant to which the matters come before the Exchequer Court of Canada, is Cap. 22, 6-7 Geo. V, assented to on the 18th May, 1916. This statute provides that the Governor in Council may authorize and empower the Minister of Railways and Canals to acquire upon such terms and conditions as the Governor in Council may approve, the railways described