

his place, drawing the munificent salary of \$60,000 per year.

Hon. Mr. McCOIG: How long has Mr. Kelley retained that position?

Hon. Mr. BENNETT: Since he has been general manager of the Grand Trunk. I do not know when he started as general manager, but my complaint is that he still retains that position after that report was made.

Hon. Mr. DANDURAND: When was the report made?

Hon. Mr. BENNETT: I have told my honourable friend that this is the official report.

Hon. Mr. CASGRAIN: What is the date of Mr. Justice Cassels' judgment?

Hon. Mr. BENNETT: This gentleman says: "It was published in September and it is only this month that I have succeeded in obtaining a copy of the same."

Hon. Mr. CASGRAIN: Is it not true that it was made at the beginning of last year?

Hon. Mr. WATSON: The late Government retained Mr. Howard Kelley after the report was made.

Hon. Mr. BENNETT: That is quite true, but it must be remembered that if that report was made in the month of September it was just after that that the general election came on and that other matters had to be considered. The late Government had not an opportunity, perhaps, of looking into the matter and dealing with it at that time. The fact of the matter is, this Mr. Howard Kelley has been the friend and confidant of honourable gentlemen opposite; that is the reason why he is retained in his position to-day, and that is the reason why the public to-day believe that the Grand Trunk will be a separate system and that that system will be managed by Mr. Howard Kelley. Mr. Kelley has some gentlemen under obligation.

Now, let us go a step further in the management of this railway. I cannot give the exact date of the crisis in the affairs of the old Grand Trunk railway, but it is within the recollection of honourable gentlemen. It was when Parliament was sitting in the Museum building; and, if one was ever struck with the pathetic pilgrimages of two gentlemen, it was when they saw Mr. Smithers and Mr. Howard Kelley daily promenading the corridors of Parliament. What happened? The Government

Hon. Mr. BENNETT,

of Canada had to go to their rescue; the Government of Canada advanced them \$10,000,000 to tide over their affairs. But when that money was given there were conditions attached to the giving. What was the first condition? It was that the Government should have the privilege of forming a committee of five who should have the control of that railway. The Canadian Northern railway and the Grand Trunk Pacific railway, being owned by the Government, were entrusted to a Board of Management which had at its head Sir Joseph Flavelle, a gentleman who has the confidence of every one who knows him, and of the bulk of the people of this country. Nothing more complimentary could have been said of Sir Joseph Flavelle than what was said by the late Senator Edwards in his place in this House last year—that he was well satisfied that the Government of Canada had placed the railroads under the charge of Sir Joseph Flavelle, knowing that that was a guarantee that they would be well handled.

The Board went on with their duties. They did as well as they could. I have heard many complaints as to the administration of the \$10,000,000; but this much is certain, that Sir Joseph Flavelle had to entrust to Mr. Kelley and those under him the administration of the money. What happened in the latter part of last year? Sir Joseph Flavelle, who as Chairman of that Board was responsible to the people of this country for what was going on, had doubtless with business intuition examined into the accounts of the Grand Trunk Railway Company and the manner in which its affairs were being conducted. He not living in the city of Montreal, where the meetings, I understand, were from time to time called, there was necessity for a considerable amount of correspondence.

Now, let the House be seized of the conditions and of the positions these gentlemen occupied. Sir Joseph Flavelle was appointed chairman of that committee by the Government of Canada. We agree on that. Mr. Kelley was the second member. I think Mr. Bell, of the Department of Railways and Canals, was the third. A gentleman named Dupuis, I think, was a fourth member, and a merchant in Montreal whose name has slipped my memory was the fifth member.

Hon. Mr. DANDURAND: Mr. Mitchell.

Hon. Mr. BENNETT: Oh, yes, Mr. Mitchell, the accountant of the Grand Trunk.