

I think the first official interview I had for the sale of this road with the present Government or any—because I had no interview with the other Government—was one time when Mr. Hays, Mr. Wainwright and I came to Ottawa, after the return of Mr. Blair from the coast. I conducted the negotiations for the leasing of this road with Mr. Blair alone. I did not discuss the terms of the matter with any other Minister of the Crown. It has been stated that Mr. Tarte had to do with it. He had nothing to do with it. No part in these negotiations were between Mr. Tarte and myself.

Mr. Greenshields, in his evidence before the committee, stated that he had contributed funds for the party, that he had advanced his cheque, that \$5,000 of it was given one day, and the other \$15,000 was given the next day. The Minister of Public Works also gave evidence before the committee, in which he said :

You say that Mr. Greenshields had a cheque in his hands, not that he gave you an accommodation cheque, but that he had a cheque in his hands, not of his own money, but of the money of the party?—A. My answer is that I did not think it proper to say everything in the House—

He was not making a breast of it in the House.

—then, because Parliament was just closing, and I knew right well that if I had said that Mr. Greenshields had given his own cheque, and it was paid the next day, that the Tory press would have lied just as much as they would have been able to. I said what was true, but I did not give out the whole thing. It is perfectly true that he loaned his cheque, that he paid that cheque, and that it was not his money.

Now, the Minister of Public Works is perfectly aware of the transactions between the Government and the Drummond County Railway Company. All the negotiations occurred in January, 1897, this cheque business occurred in February, and the deal was closed and the Order in Council was passed in the beginning of March, in the same year. It is a curious train of circumstances. The Minister of Public Works ought to have been very careful, even though Mr. Greenshields was his attorney. This Mr. Greenshields purchased the bonds of the company about this time, or before the arrangement was made by the Government. Mr. Greenshields' relations with the Government were notorious; the whole of the transactions in reference to that road prove the statement that I made in the House, namely, that, at least, this affair savoured of corruption. The road could have been bought, and built, and extended, for a much less sum than the Minister of Railways and Canals paid for it. He was so ashamed of his own transaction that he made in 1897, that he had to make a further agreement, which was better for this country to the extent of \$700,000. The facts prove it. The hon. gentleman made a quibble, and said: Oh, but the \$1,600,000 only represents \$40,000 a year. Yet the country knew that for \$64,000 a year for ninety-nine years they could get value in the

neighbourhood of \$2,100,000. We were buying it, we were paying the money, and we could have got it for that sum. Besides that, there is the \$123,000 of the subsidy which the hon. gentleman said that, under the first agreement, he could not control. They purchased the road altogether, as he says, for \$2,100,000. What is the argument worth, that he passed the Subsidy Act afterwards to give that \$100,000? The transaction, on the face of it, bears the mark of corruption. There are only two horns to the dilemma: either the set of men entering into this agreement for the purpose of constructing this road, or taking it over, were a set of fools, or they made it for a consideration.

The country may draw either inference it likes. I will deal with this subject perhaps a little further again, but first of all, I want to draw your attention to another subject which is possibly worse than the one to which I have drawn attention at the present moment. At the same time there was an agreement made with the Grand Trunk Railway for the purpose of getting a connection between Ste. Rosalie station over the Victoria bridge, and for obtaining the use of the terminals in the city of Montreal. Under the first arrangement the Government was to pay \$140,000 for that consideration. They were to pay for half of the improvements which were to be made. The Grand Trunk Railway Company had the right to receive from the Government the promise of that amount, plus 5 per cent per annum interest on it. Every one knows that the bond of this Government, bearing 5 per cent interest, would readily sell at a large premium in the money markets of the world. So they were not only to be paid for half of the improvements made, but they were to be paid in debentures or securities that bore 5 per cent interest. The arrangement was made then that we were to be half owners of the road from Ste. Rosalie to St. Lambert, thirty-two miles in length, and we were to have the use of the Victoria bridge, and, what the hon. gentleman (Mr. Blair) calls, the user of the terminals of the Grand Trunk Railway from the end of the bridge to Montreal. Now, what is the change that has been made in the agreement with the Grand Trunk Railway Company? We pay a certain sum per year for the use of the property which I described before. We are only to pay for the use of terminals in the city of Montreal, and the improvements that are made on those terminals on the basis of user or wheelage. We do not pay one-twentieth of the terminals of the Grand Trunk Railway; under the old arrangement we were to pay for one-half. We were to pay 5 per cent interest. Under the new arrangement we pay 4 per cent interest, and have no option for cash. The hon. gentleman (Mr. Blair), besides that, says that he has got an important addition, in