

it came into power has deliberately and continually violated this contract, and therefore it finds itself to-day not in a position to compel the company to carry out its part of the bargain. If the Government had carried out its part of the bargain and this lease was presented to the Grand Trunk Pacific for execution and that company refused to execute that lease, any court in this country having proper territorial jurisdiction could be applied to for a mandatory injunction, which it would readily issue against the company, compelling it to enter upon the operation of the road, and in that respect to carry out the agreement which it had made.

Mr. MEIGHEN: Of what value would that be?

Mr. PUGSLEY: This Government is in no position to do that, because it has violated the contract so far as it is concerned. My hon. friend says: Oh, that cannot be so, because Mr. Gordon Grant, the chief engineer, has said that the road is completed. Mr. Gordon Grant has done nothing of the kind. My hon. friend, in his letter of March 6, is careful to let Mr. Gordon Grant know that if he can give a certificate which in some measure would satisfy, not the Grand Trunk Pacific Railway Company but the people of this country, that if the company did not enter upon the operation of the road they would be in fault and so in some way throw blame and responsibility upon the late Government, the Government would be much obliged to him for such a certificate. See how ingeniously my hon. friend writes:

I have always understood, both from yourself and from the commission—

Impressing upon Mr. Grant what he had given him to understand.

—that although there are such portions that are still under construction—

In other words: Although the road is not completed—because, of course, a road that is under construction cannot be said to be completed.

—the same are not essential for the immediate operation of the entire line, and consequently that it would not be reasonable to wait for their completion until the said section 20 was acted upon. Would you be good enough, therefore, to state that in your opinion the eastern division was, on 31st December, 1914, completed, so far as essential for the efficient operation of the entire line at that time and now?

Not that you will state that the road is completed according to the specifications; not that you will state that the contract

[Mr. Pugsley.]

has been fulfilled by the Government by carrying out the agreement they made; but: that at the present time, having in view the possible traffic, the road can be efficiently operated.

Mr. MEIGHEN: The hon. gentleman is assuming that I did not ask Mr. Grant to state that the road was completed within the meaning of the contract, but that it was completed ready for operation.

Mr. PUGSLEY: Quite so.

Mr. MEIGHEN: What becomes of the hon. gentleman's argument when he learns that in the letter which Mr. Grant wrote in reply to me, he did state that the road was completed and ready for operation within the meaning and intent of section 20 of the agreement? That must have been more or less voluntary, was it not?

Mr. PUGSLEY: The Solicitor General must not forget that he had conveyed it to Mr. Grant in the strongest way possible that the Government would be delighted to have from him some certificate which would show that the road was ready for efficient operation. But Mr. Grant knew, and my hon. friend knew, and so did the Government, that the road was not completed according to the specifications, and the contract had not been carried out.

My hon. friend says that Mr. Grant had given a certificate before that. But, as the hon. member for South Renfrew (Mr. Graham) has said, the copy of that letter

given to him does not profess 9 p.m. to be signed by Mr. Grant. I have a copy, and there is no signature. Let us see what he says as to justification for his signing that certificate. I would direct your attention and that of the committee to the letter of February 2 to Mr. Woods:

February 2, 1915.

A. H. Woods, Esq.,  
Chief Engineer, or Acting Engineer,  
Grand Trunk Pacific Railway,  
Winnipeg, Main.

Dear sir,—Under section 7, of the schedule of the National Transcontinental Railway Act, 1903—

Which is the section my hon. friend from South Renfrew referred to.

—it was stipulated that the work to be done on the eastern division of the National Transcontinental railway shall be subject to the joint supervision, inspection and acceptance of the chief engineer appointed by the Government and the chief engineer of the Grand Trunk Pacific Railway Company.

Now, mark well what follows:

The Government is of the opinion that this provision has been complied with in every way,