

us that the men could be appointed temporarily. Under the law, who makes these temporary appointments, in the case, for example, of a vacancy in the Government's shipping industry.

Mr. A. K. MACLEAN: The departmental representative in the district. For instance, if a ship in the marine service to-day at the port of Halifax required a new captain and had no opportunity of getting a permanent officer for the ship, the man in charge of the marine department at Halifax would be instructed to get the very best man he could.

Mr. J. H. SINCLAIR: Can a captain make temporary appointments?

Mr. A. K. MACLEAN: Yes, the Act permits that.

Mr. J. H. SINCLAIR: What part of the Act?

Mr. A. K. MACLEAN: It is in the old Act, and on page 2 of this Bill.

On the motion of the Hon. Mr. MacLean the Committee rose, reported progress, and was granted leave to sit again this day.

#### THE GRAND TRUNK RAILWAY.

Sir GEORGE FOSTER (Acting Prime Minister): When we reassemble at eight o'clock a statement will be made on behalf of the Government and papers will be laid before the House with reference to the proposed legislation regarding the Grand Trunk railway. This will be done in order that the information may appear in Hansard and be available to hon. members between this and the time of reassembling on Tuesday. The leader of the Opposition has been consulted by me and thoroughly agrees, and I am sure the whole Committee will be favourable to this being done.

Mr. D. D. McKENZIE: Would the minister also be in a position to put on Hansard a copy of the Bill, if drafted?

Sir GEORGE FOSTER: I think that can be done.

At six o'clock the House took recess.

#### After Recess.

The House resumed at eight o'clock.

#### GRAND TRUNK RAILWAY SYSTEM.

STATEMENT BY HON. MR. MEIGHEN AS TO ACQUISITION OF THE SYSTEM BY GOVERNMENT—THE PROPOSED BILL.

Hon. ARTHUR MEIGHEN (Minister of the Interior): Mr. Speaker, the House was

promised at six o'clock a statement, to be made at the present hour, embodying in brief the result of the negotiations with the Grand Trunk Railway company, as to the acquirement of their system of railways by the Government. The reason for this statement being made now is that otherwise the notice of the resolution which must precede the Bill which is intended to enable the Government to conclude the arrangement cannot appear, owing to the intervening holidays, until next Tuesday. It was felt that in the meantime, as newspaper notice has been given and as the House was informed that a Bill was intended, it were well that the House should be fully informed as to the fundamental provisions of the arrangement. What I shall say shall of course be in no sense argumentative but wholly explanatory.

The negotiations that have now been brought to fruition are by no means of recent origin. They date back to the month of February, 1918, when by reason of certain requests made of the Government on behalf of the Grand Trunk Railway company and by reason of other considerations, communication was commenced by cable; at all events, requests were made by cable as to the proposals or intentions of the Grand Trunk in regard to this matter. I need not read the cables themselves for the reason that if my memory is correct they have already been produced and are embalmed in Hansard; but further for the reason that they are embodied in the letter dated 11th July, 1918, addressed by myself to Sir Alfred Smithers, president of the Grand Trunk Railway company. This letter was written after thorough consideration and review on the part of the ministers then overseas, and after full conference with members of the Government at home. That the record may be properly based, I shall read that letter which is as follows:

11th July, 1918.

Dear Mr. Smithers,—Some time ago the Government of Canada was informed on behalf of the Board of Directors of the Grand Trunk Railway Company that this Company would not be able, without Government assistance, to meet certain maturities falling due on the 1st and 15th of the present month.

It was thought of advantage that representatives of the Government should, on the occasion of their visit to England to attend the Imperial War Conference, take the opportunity of conferring with yourself and your directorate on the general subject of Grand Trunk obligations and finance. Accordingly, the Hon. Mr. Calder and myself have had four conferences with you, at two of which you were accompanied by certain associates on the Board.

At the last conference you suggested that I should lay before you in writing the position