

As representatives of the people we should set an example to them of economy, but we are not doing that by any means in the votes that we are putting through. I hope the minister will apply his business sense and his good judgment to this matter and that he will agree not to press this vote. I move that the item be struck out.

Mr. PROULX: How much more does the Government intend to pay than the amount fixed by the Exchequer Court?

Mr. REID: The intention of the Government is to take only the Quebec and Saguenay road. There is no intention of taking the other two.

Mr. McKENZIE: How can the minister say that, with the statute of last year confronting him?

Mr. REID: The intention of the Bill passed last year was to take over the three roads. The judge of Exchequer Court, however, has refused to accept two items of \$500,000 and \$700,000 odd, claimed in respect of the Quebec and Montmorency. That is the road which is completed. But the owners of the road do not want to accept the judgment.

Mr. McKENZIE: This will go through, or it will all fall through.

Mr. REID: We would not go on only on the understanding that we would take the Quebec and Saguenay alone. The reason why the amount has been fixed, as I understand it, as to the value of the Quebec and Saguenay—I think the hon. member stated the judgment of the Exchequer Court was that the Quebec and Saguenay was valued at a certain amount.

Mr. McKENZIE: It did not fix anything.

Mr. LEMIEUX: The judgment deducted large amounts, but did not fix any value.

Mr. REID: As I understand it, if we wanted to take the Quebec and Saguenay alone, we could not do it under that Act, because the Bill provided for the taking of the three, and the Government will not take the three, but only the Quebec and Saguenay.

Mr. NESBITT: What authority have they for that?

Mr. REID: We are leaving it in the same position; we are leaving it to the new Parliament to decide. We cannot take any action under this Act because it provides for acquiring the three roads.

Mr. McKENZIE: Then, this item should not be before the Committee.

[Mr. Nesbitt.]

Mr. REID: Yes, it should, and I will tell you why. When this Act was passed, there was an agreement made to take it over in accordance with the Act. Then the Government went on to complete the road and get it ready for operation, and \$332,000 has been expended on it. I do not think there is any other way that it can be done except to leave the amount as it is.

Mr. CARVELL: I think the statement of the minister brings this matter up in such a way that I could not allow it to go by unchallenged, although up to the present time I had not intended speaking upon it. I was not in the House to any extent last year when this matter went through, as I was engaged elsewhere, and I have never given the matter any personal consideration. I have always made it a point not to discuss questions of this kind unless I have had an opportunity of studying them pretty carefully. During the last half hour I have gone over the statute, and over the judgment of Mr. Justice Cassels, and I do not see how in the world the minister can pretend to take over one portion of the railway, and not take them all.

Mr. REID: That is what I said, I think.

Mr. CARVELL: Then, surely the item should be dropped. Let me point out the statute under which the minister is acting. I will not go into the reasons which actuated the Government. I do not believe sufficient reasons were given for the passing of the statute. Although I was not here, I have a general knowledge of what was going on, and it certainly is something that does not reflect credit upon the business judgment of the Government, and I know it does not appeal to the business judgment of the Minister of Railways. I am like my friend beside me (Mr. Lemieux)—and I am not saying this to throw bouquets at the Minister of Railways—but I do consider he is a good, straight business man.

Mr. LEMIEUX: Hear, hear.

Mr. CARVELL: And I know he must abhor any such conduct as has been carried on. However, we have to take the matter as it is. The statute provides:

1. The Governor in Council may authorize and empower the Minister of Railways and Canals to acquire, under the provisions of an Act to amend the Government Railways Act, and to authorize the purchase of certain railways, chapter 16 of the Statutes of 1915, and upon such terms and conditions as the Governor in Council may approve, the railways described in the schedule hereto, together with such equipment, appurtenances, and properties used in connection with such railways as