

to be a Board of Directors for the different lines, but each, so far as what he said goes, was to be a separate line run by itself.

Now, who to-day is in charge of the Grand Trunk system—and when I speak of the Grand Trunk system I am referring to old Grand Trunk. Am I right that Mr. Howard Kelley is the president and general manager? Yes. Is Mr. Kelley the friend of private ownership or the friend of national railways? I think I can demonstrate to the House that Mr. Kelley by his actions wanted no Government intervention with the Grand Trunk; wanted no consolidating of that line with the other lines. Mr. Kelley knew the attitude of the late Government. It had been announced in Parliament when it had been the subject of legislation, and Mr. Kelley and those associated with him knew that it was the policy of the late Government to combine the Grand Trunk railway and the Canadian National railway in a system of national railways. The present Government continues Mr. Kelley in his position as president-manager when it is aware by official correspondence that Mr. Kelley is not, at least in my humble opinion, fit for the position he occupies. My honourable friend who leads the House (Hon. Mr. Dandurand) has certainly read the report of the arbitrators in the Grand Trunk arbitration. He must have read it. If he has not done so, and in case any members of the House have not done so, I will read part of it. In a letter published in the Toronto Mail and Empire, a gentleman named Mr. Ferguson, Oriental Club, Hanover Square, London, states his views. I have never heard it stated that this gentleman had any authority as a stockholder of the Grand Trunk Railway Company. He says that he has had the advantage of reading the report of the arbitration, and he makes the following comment:

I quite agree that the report shows facts which are certainly new and very surprising and disgusting to the shareholders, but that they at all warrant the decision come to by the majority of the arbitrators I most emphatically deny.

There can be no possible excuse for the manipulation of the accounts by the board of directors. This juggling with the accounts by the board was apparently carried through with the purpose of deceiving the Canadian Government and inducing them to act in a certain way, but as a matter of fact, failed in their object, in any case they admit of no defence.

Now, I ask my honourable friend who leads the House, was not Mr. Howard Kelley one of the Board of Directors and the presi-

dent of the Grand Trunk Railway? Of course he was. And he is one of the gentlemen who stand charged by Judge Cassels with what? With attempting to deceive the Canadian Government and inducing them to act in a certain way. But, he says, as a matter of fact, they failed in their object in manipulating the accounts. I ask the honourable gentleman who leads the House, does not Mr. Howard Kelley receive \$60,000 per annum from the people of Canada in his capacity in connection with the Grand Trunk?

Hon. Mr. DANDURAND: I do not believe it.

Hon. Mr. BENNETT: Well, I will ask the honourable leader of the House to announce some day whether or not it is the fact that Mr. Kelley as president of the Grand Trunk Pacific receives \$10,000 per year and as president of the Grand Trunk proper receives \$50,000 a year. And here is this Government continuing him in office after the finding of one of the highest courts in the country that this Board of Directors has been guilty of fraud. This is a state of affairs with which the people of Canada should be made conversant.

Hon. Mr. WATSON: What is the date of the report the honourable gentleman is referring to?

Hon. Mr. BENNETT: The letter is dated December 11.

Hon. Mr. CASGRAIN: What is the date of Judge Cassel's judgment that you are citing?

Hon. Mr. BENNETT: It was published as a bluebook. Perhaps some of the ministers can tell. I had a copy of that report. I think it is a parliamentary publication. This matter was discussed in the newspapers, and in this letter to the Mail and Empire the writer quotes in extenso the findings of the other arbitrators with reference to certain matters. He is, of course, in accord with the finding of Hon. Mr. Taft as to the £37,000,000 of ordinary and preferential stock being worth at least £40,000,000.

Now, I ask this House, if in the face of the finding of Hon. Mr. Justice Cassels, who stands high, and deservedly so, in this country, a finding made after the hearing of witnesses under oath and the examination of documents presented to him, that there has been a manipulation of the accounts and juggling of the figures, why this Government should keep Mr. Kelley in