

the dividends on the common stock of the Quebec Railway, Light, Heat and Power Company, the holding company, were passed, and that stock, which had been sold at from fifty to sixty in the French market, and absorbed to the amount of a few millions, went down to a few cents. At the same time, when things start going wrong they seem to follow down grade. The member for Charlevoix took it into his head to found a French bank with French money in Montreal, La Banque Internationale. The fact of his failure staring him in the face led him into questionable financing, La Banque Internationale, on the pretext of paying a commission for the organization of the bank, advanced \$200,000, and this broke the back of the bank as far as the confidence of the French shareholders went, and hon. gentlemen know the result. La Banque Internationale had to sell out. After these very distressful operations on the French market, it is useless to say that those who desired that the fair name of Canada should be protected outside, and more especially in London and Paris, felt that this enterprise had really been disastrously steered. As I have said, if I allowed my resentment at such questionable operations to influence my judgment, I would be disposed to vote the six months' hoist proposed by the hon. gentleman from Kamloops. If I had the responsibility of proposing the legislation which is before us, I would suggest another course, but it is put before us by the Government, which is responsible for the administration of the affairs of Canada, and more especially the finances of Canada, and we have the affirmation that the millions invested in that road will gradually disappear if we allow the present condition of things to continue, as the roadbed is frittering away with nothing to protect it. Now what is the proposal of the Government? That it might assume the bonds of the Quebec and Montmorency railway for \$2,500,000 if the company establishes that it expended that amount. The company claims that the money spent on the Quebec and Montmorency is \$2,992,209. The Government engineer who was sent to make an investigation claims that the road, with terminals, could be duplicated at this moment for \$1,115,000. He fixed the cost of the terminals at Quebec at \$68,000. I have no special knowledge of the value of those terminals, but it is alleged by the company that any one who knows those terminals would admit that it is a much too low valuation. Yet the Government says that

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if the company establishes before the Exchequer Court that the expenditure of \$2,500,000 has been made, we will assume the bonds of that institution. As to the Quebec and Saguenay, 62 and 8-10 miles from St. Joachim to Nairn Falls—

Hon. Mr. LOUGHEED—I do not wish to interrupt my hon. friend, but we have drawn no distinction as between the three sections.

Hon. Mr. DANDURAND—I know.

Hon. Mr. LOUGHEED—Consequently there is no assignment in the Bill of an application of the proceeds of the bonds toward any particular section of the road.

Hon. Mr. DANDURAND—I know that, but the Acting Minister of Railways, and the Solicitor General I think as well, have said that it is those bonds of the Quebec and Montmorency which they would retain, inasmuch as they are long-term bonds at a low rate. The Quebec and Saguenay situation is the following: Bonds have been issued upon them for \$4,684,400; they have realized \$3,822,315. The company claim to have expended besides \$1,050,000 plus the sum of \$461,000 which is unpaid for right of way and other liabilities, making a total expenditure of \$5,333,315. I stand to be corrected, but I hurriedly looked at the documents which my hon. friend has brought down since we adjourned this afternoon, and I find that the engineer values the reproduction of the works, which apparently, according to the affirmation of the the company cost \$5,333,315, at \$3,202,000.

Hon. Mr. LOUGHEED—That is the work which has been done.

Hon. Mr. DANDURAND—The work which has been done exclusive of depreciation. Now I am not speaking of the Lotbinière and Megantic railway, which is valued at \$330,000. I simply mention it for the purpose of deducting the sum of \$330,000 with the \$2,500,000, which would represent the extreme sum which the Government would pay for the Quebec and Montmorency, and find that the sum which would remain if the judge of the Exchequer Court gave the maximum amount which is mentioned in the Bill for the securing of the Quebec and Saguenay, would be \$4,135,000. Well, I will bring this \$4,135,000 by the side of what the company claims it has expended, \$5,333,315, and it would show that if those figures are right the company will be short by some \$1,200,000, but would be long if I brought this \$4,333,000 as against