

many years past been insufficient not only to pay interest on the debenture stock referred to in the trust company's letter, but even operating costs, and the Canadian National Railways, without any obligation on their part, have during the period advanced moneys to the electric railways company to enable it to pay the interest on the debenture stock.

The question I want to ask is this—

Mr. SANDERSON: What is the date of that letter?

Mr. PORTEOUS: It is dated October 21, 1931. My question is this: If the Canadian National Railways had no obligation in connection with these bonds, why did they pay interest on them during that period?

Mr. MANION: I do not know that I can give the reason for their having done so, but they did for some years. That, of course, is not a sufficient reason why they should do it forever. Possibly they thought that the road might be used again, that it might become a profitable investment. They have done many things with which I do not necessarily agree.

Mr. CAYLEY: Section 19 of the same act from which I have been reading provides, with respect to the power to abandon the line, as follows:

With the approval of the governor in council, and upon the recommendation of the Board of Railway Commissioners, the company may abandon the operation of any lines or parts of lines of railway and incidental works, the operation or continued maintenance whereof has, in the opinion of the Board of Railway Commissioners, become unnecessary or inexpedient through duplication, or other economical considerations; and with the consent of a majority in value of the registered security holders affected may dismantle or dispose of the lines of railway or works so abandoned.

Has the law been carried out in that regard? Has the approval of the governor in council and others concerned been obtained?

Mr. MANION: No, I do not think it has. What was done was simply this. The railroad was abandoned by the Canadian National Railways and the owners, that is to say the debenture holders, could operate it if they chose. I speak subject to correction, but I do not think we have ever passed an order in council or that it has been submitted to the Board of Railway Commissioners, though I cannot say positively.

Mr. CAYLEY: Would it not be necessary?

Mr. MANION: I think not, for the reason that the debenture holders could operate the road.

Mr. CAYLEY: You simply walked out and left the property.

Mr. EULER: Have foreclosure proceedings been taken?

Mr. MANION: I do not know. That would be done through the Canadian National Railways, but certainly it has not come back to me in that form.

Item agreed to.

Miscellaneous services: including salaries and expenses of experts employed temporarily (revote \$5,000), \$41,300.

Mr. REID: How is this item made up?

Mr. MANION: It is made up of a number of items. It is for salaries to provide for emergency assistance if required, the equivalent of five temporary clerks, \$5,400 less ten per cent; maintenance and operation of official cars; general expenses; travelling expenses; telegrams, telephones, express, printing, stationery and contingencies. It is really for emergency demands that may arise in the department during the year.

Item agreed to.

Railway employees' provident fund: to supplement pension allowances payable under the provisions of the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act so as to make the minimum payments during the period 1st January, 1932, to 31st March, 1933, the sum of \$30 per month instead of \$20, as fixed by the said act, \$29,000.

Sir EUGENE Fiset: Will the minister explain the purpose of this queer legislation. Will it be retroactive? Are old employees under that pension fund going to be treated like the new pensioners, or will their minimum continue at \$20? I see it applies only for one year. I suppose the purpose of this is to enable the railway to retire as many of the old employees of the Intercolonial as it can this year, but the minister must realize what a shock it will be to the old pensioners who are receiving a minimum of \$20 per month to-day to see new pensioners getting \$30, and this only for one year.

Mr. MANION: This is for the very purpose my hon. friend mentions; it is to supplement the pension allowances paid to employees on the Prince Edward Island Railway.

Sir EUGENE Fiset: Will it be retroactive?

Mr. MANION: This is a supplementary vote to give the employees the extra \$10 so that they will receive \$30.