

Q. As the Canadian National, you paid nothing for it?—A. Oh, no—

Q. The Canadian National has paid nothing?—A. The company did not. The company has the operating end of it, under its powers.

Q. It pays for this power—it has a charter?—A. The powers are granted to it by Parliament.

Q. In relation to a matter of this kind you act as if you were a corporation, with shareholders, and with your shares paid up, as a distinct railway corporation?—A. Which we are, yes.

Q. And you claim to be that?—A. Yes, except as to the Government railway.

Q. There are two managements now?—A. Yes, two kinds of management; one is our company management—

Q. I thought you were simply trustee for the Government, and would go into no large capital expenditure without the authority of the Government?—

A. There is no such distinction.

Q. You are simply trustees, not the owners?—A. We are a legal entity for the purposes of management.

Q. And the trust is acquired—A. It is always the shareholders, in this case the Government.

Mr. GAUVREAU: This is all very interesting—

The WITNESS: This is a legal fight we are having.

Mr. MACKINNON: Would you like me to quit?

Mr. GAUVREAU: Oh, no.

The CHAIRMAN: Are there any further questions on the Paris property?

Mr. GAUVREAU: It seems to me we should get some facts.

Mr. MACKINNON: I thought I was getting facts. These are legal facts. That is what we are here for.

The CHAIRMAN: Well, we want to make progress—

Mr. MACKINNON: I thought I was making progress. I understand that very differently. If I ask the Minister of Railways for a branch of railway for the Maritime Provinces, I see, by his interpretation, I would not get it.

The WITNESS: I would have to build a Canadian National branch.

Mr. MACKINNON: You could build branches for the Canadian National—

The WITNESS: Yes.

Mr. MACKINNON: That should not be. There should be no distinction.

The WITNESS: It is a question of detail.

Mr. KYTE: Just one question, Mr. Chairman.

By Mr. Kyte:

Q. Referring to the selling of lots at Prince Rupert, owned by the Canadian National. Did they sell a large block of lots, numbering upward of 1,000, about a year ago, and if so, how many?—A. I don't know how many. I know they disposed of a number of lots in Prince Rupert.

Q. Was the price \$7 per lot, or if not, what was the price?—A. I don't know what the price was, but the situation was this: The property in Prince Rupert was assessed at a very large assessment. We appealed against the assessment for a number of years with the intention of getting it reduced, but were unsuccessful. We did not consider the property of much greater value—rather a lesser value than the actual taxation—less than the assessment against it. We tried to give that property to the city, to have them take the property in discharge of the taxes. They said no, they would not do that; the taxes