

by the Justice Department, which I had with me in the House, the other day, until the physical payment was made, the government was responsible for the 5 per cent interest under that agreement of 1918. That only happened because they were not able to give a clear discharge to the property. That is the whole story.

Mr. POWER: I have some recollection to the effect that they were bonds of that railway, and the bondholders did not receive any money. Ten years ago, someone came to my office with these bonds of the Moncton and Buctouche Railway and said he had never been paid anything on them.

Hon. Mr. MANION: That is true. They were not paid anything on the agreement at all until they were taken over and having consented to that plan, the Moncton and Buctouche people could not give a clear title, and until they could, no payment could be made.

Hon. Mr. EULER: I should like to ask the management of the C.N.R. if they would not give consideration to this. After all, they are completing the deal, and I should like to ask them if they would not reconsider the whole situation both from the point of view of the legal situation and the moral responsibility to those people who have been offered 25 cents on the dollar.

Mr. LABELLE: As far as the legal situation is concerned, I understand the legal department of the railways and the trustees approached the committee representing the bondholders, and a settlement was made on the basis that has been indicated here. At that time, the bonds were selling to the public at around \$50 to \$60.

Hon. Mr. MANION: They were down to \$36 even when they were paying interest.

Hon. Mr. EULER: This is not a sort of compassionate allowance not justified by conditions?

Mr. LABELLE: No.

Mr. GEARY: Having regard to the assets, I am not adverse to a compassionate allowance being paid to these people or any others. I have no doubt there be many in my constituency also who are affected, but I do not happen to know that.

Hon. Mr. MANION: I have had letters from your constituents.

Mr. GEARY: It is a question of whether we should do it, and what precedent we are establishing. All of us are quite ready to make a compassionate allowance to anybody to whom we can justly do it.

Hon. Mr. EULER: I would object to calling it a compassionate allowance.

Mr. GEARY: It is either that or a legal claim.

Mr. HANBURY: Mr. Chairman, as it is getting close to one o'clock, and in view of the fact that this committee may be making a report very soon, possibly to-day, I wish to give notice to the committee of some recommendations that I wish it to consider. In forming its report, I should like the committee to incorporate the following motions:

This committee recommends:—

(1) Against unification of the Canadian Pacific Railway and the Canadian National Railways, as the interests of the Canadian people will be served best by competition.

(2) Notwithstanding any recommendation to the contrary that may be contained in the report of the Duff Commission, that it is in the public interest to have the accounts and estimates of the C.N.R. and the C.G.M.M. submitted to a committee of the House for revision annually.

(3) That until the government is relieved of all liability under the guarantee given, the accounts and estimates of the Canadian Pacific