

the system in the United States is concerned, I suppose we can get information from the Grand Trunk officials, but I have understood in reading the newspapers that the American Government, which is now operating the railroads in the United States, must put them in the same condition as they were when taken over, and at that time the Grand Trunk system there was in good condition. Therefore, knowing that the United States section must be put in good condition, and having the verbal opinions that I have mentioned from our own officials who have travelled over the road, and having travelled over it myself, I am quite satisfied that the Grand Trunk system is in at least fair condition. At all events, as I stated a few minutes ago, the condition of the Grand Trunk System is such that the Government are, in my opinion, perfectly safe in paying the interest on the guaranteed stock. I think if the honourable member consults railway experts they will express the same opinion.

Mr. J. H. SINCLAIR: In regard to the guaranteed stock, the Minister of Railways has several times repeated that the Government is safe in paying the interest on the guaranteed stock. I do not think he intentionally wishes to mislead the House, but the question is not confined to the guaranteed stock alone; it includes the debenture stock, which is much larger than the guaranteed stock. As I understand it, by the contract we are entering into we are pledging ourselves to pay interest on the guaranteed stock, which is £12,500,000, and on the debenture stock, which is £31,926,125, making altogether £44,426,125, or more than \$220,000,000. That is what we are taking over absolutely and agreeing to pay interest on at 4 per cent in some cases and at 5 per cent in other cases. So the minister must not run away with the idea that he is agreeing to pay interest only on the guaranteed stock, as he has said several times to the Committee. Now, is this what we are to understand, that the minister has undertaken to purchase this road and to be responsible for \$220,000,000 without having any written report from any engineer as to its physical condition?

Mr. J. D. REID: Perhaps I did not explain myself quite clearly when I mentioned the guaranteed stock. The interest on the debenture stock, \$7,000,000, and the \$2,500,000 interest on the guaranteed stock the Government have agreed to pay absolutely and in perpetuity. So far as that is concerned, I wish to say that I feel the Government are perfectly justified in as-

suming that responsibility, for the reasons I gave when I mentioned the guaranteed stock. As to the Government not having any reports, the honourable member knows that we have the Drayton-Acworth report, and even in that report all the Commissioners admit that if we were taking the system over at that time we should pay not only \$7,000,000 on the debenture stock, but also an amount not equal perhaps to the \$3,600,000 that had been the average amount paid for the previous ten years, but they certainly recommend—I have not the report before me, but if the honourable member will read on he will see that Sir Henry Drayton and Mr. Acworth recommended that if we took over the Grand Trunk we should pay them a portion at least of that \$3,600,000.

Mr. VIEN: That is what I read.

Mr. J. D. REID: We are guaranteeing only the \$7,000,000, and in addition a portion of the \$3,600,000, just as Sir Henry Drayton and Mr. Acworth recommended.

Mr. VIEN: It is a very big portion of the amount.

Mr. ROBB: A few days ago the Acting Prime Minister (Sir George Foster) made the statement to this House and the country that he expected we would have prorogation last week, and now in the last days of the session, after the country had been led to understand that no more legislation would be brought down, the Minister of Railways comes along with a proposition to take over a vast system of railways extending from Chicago, Illinois, through Canada to Portland, Maine. And yet the Minister of Railways, the guardian of the rights of the people so far as railways are concerned, coldly tells the House and the country this afternoon that all his information is based upon newspaper reports so far as the condition of the road in the United States is concerned. I submit that under these circumstances the Minister of Railways could very well lay this legislation over so as to give the House and the country an opportunity to look more carefully into the condition of the road, and in order that the minister himself might send out some of his experts so that next session he would be in a position to give us some better information than that which he now presents based on newspaper reports.

Mr. MEIGHEN: The hon. gentleman has quite mis-stated the minister's position. He did not base his information upon newspaper reports.