

is any syndicate bound to take it over or not. If there is we do not know who compose the syndicate.

Now, what is the position? We have \$2,000,000 of capital expenditure invested in a Paris hotel, not only against the intent but against the plainest wording of an act of parliament, an act as plain as this or any other parliament ever enacted—money taken from the purposes to which it was applied by a statute of parliament, misappropriated from these purposes and invested in a Paris hotel: Or; without the knowledge of the government we have money loaned on the credit of a syndicate we do not know, money of the Canadian people loaned to a syndicate whose names we are denied. Which is the better of the two horns of the dilemma? This thing is a scandal, this is an outrage, and when this became known to the minister Sir Henry Thornton should have been called to book at once. When the minister comes to this House and says that the thing is all right because the property is bought in the name of Aronovici instead of in the name of the Canadian National Railways I do not think he does justice to himself. I venture to say, because I have a profound respect for the Minister of Railways, that when Sir Henry Thornton first disclosed to him what he had done his language to that gentleman was not like what it has been in this House. But he had not the courage to do to Sir Henry Thornton what he should have done, and to reprimand his conduct now before this House. What right, I want to know, has he to put his hand into the treasury of Canada and apply \$2,000,000 to get the National Railways "on the main street" of Paris? No one can argue for a moment that it is in accordance with the intent of that act. It is diametrically opposed to the law, and everybody knows it, to invest capital money without the consent of the government and without previous appropriation by this House. But first, had we not better get on the main street of Canada before we get on the main street of Paris? Where are we to-day? We have the property. We have it in our own name in this shape: Mr. Aronovici has the title and has mortgaged the property to us. As everybody knows, this course is merely a substitute for having it in the name of the Canadian National Railways. We hold the property to-day, a property that is a capital investment in Paris; and all we have is a hope, annexed to which there is not a line, so far as this House has been informed, that some time some people over in New York will take it off our hands. Who the people in New York are we do not know, and I think the

[Mr. Meighen.]

minister said last night he did not know himself. That is the position Canada is in. And the minister thinks it is all right.

Is Sir Henry Thornton to have power to repeat this performance? If he has power to go into the treasury to the extent of \$2,000,000, he has power to go into the treasury to the extent of \$20,000,000. He can pledge this country in Paris, Berlin, South America, or anywhere he pleases, for the whole of the moneys at the disposal of the Canadian National Railways in capital account, as long as he does it by the circuitous sinuosity he adopted in this case, and the minister will think it is all right. The minister should have denounced it and he should have dealt with Sir Henry Thornton on the spot. No board of directors, no matter who they are, has power to do any such thing, nor should be given such power, nor should be condoned for doing it. The country has not very much confidence in the board of directors, if they have any. The proportion of them who should have been appointed is small. The country has welcomed and has given a fair opportunity to Sir Henry Thornton. But the confidence of the country in Sir Henry Thornton will not last much longer after they know of this transaction; and furthermore the country's confidence in the minister will be seriously shattered when it finds he condoned a transaction of this kind on the floor of this House.

Mr. GRAHAM: I do not know that I can add anything to what I have said. I think I said last night that if I had been doing it, probably I would not have done it that way. However, the question turns largely on the legality of the transaction, and I gave as an authority the adviser of the president, Mr. Ruel. We all have a high opinion of him. And his reply to me, when asked if this was a legal transaction, was that it certainly was. As to the advisability of it, I said before that I would not have done it that way. But I am convinced that the necessity of getting headquarters in Paris is very essential, in order that we may get our share of the traffic. My right hon. friend (Mr. Meighen) says we are not on the main street in Canada. Well, there was quite a criticism because we insisted on staying on the main street in Toronto. But the way to get on the main street in Canada is not altogether through our own people or their products. One way is to get more people, and the other way is to get the traffic of other lines as much as possible. My own view is, disregarding for the moment the discussion of how this property was obtained, that it is absolutely essential that, in the