

Q. These are the two words?—A. Yes. That is all that has been entrusted to us.

Q. That is a legal point I would like to know. Under the "management and operation" would you include the purchase of a hotel like this?—A. No. This only relates to the Intercolonial. The officers cannot acquire anything under the Crown nor can we construct anything for the Crown.

*By Hon. Mr. Graham:*

Q. That would refer to the Transcontinental Government Railways?—A. It only refers to Government railways.

*By Mr. Mackinnon:*

Q. Management and operation of Government railways?—A. Yes.

Q. What clause applies to the management of Government railways?—A. That comes in under Clause 11 of the previous Railway Act, except wherein certain provisions shall apply to the company in its undertakings.

Q. When you speak of having the same powers as the Canadian Northern and the Grand Trunk, is that vested in His Majesty or is it vested in the Canadian National Railway?—A. In so far as the Canadian National Railway Company is concerned, it is vested in the Canadian National Railway Company. The scheme in the Act is this: The title to the Intercolonial and the Transcontinental and all the Government railways is vested in the Crown. We do not want to give these properties to the Canadian National, so we only give them the powers of operation and management. We left the title where it stood. The Canadian National actually owns the old Grand Trunk because it has been amalgamated with it. All the properties of the old Grand Trunk are vested in the Canadian National by amalgamation. The Government Railways was not so. They are based in the grant, and all we do is to act as agents for them.

*By the Chairman:*

Q. That includes the old C.N.R.?—A. No, the old C.N.R. runs on its own basis.

*By Mr. Mackinnon:*

Q. Under that interpretation you cannot buy, say, on the Intercolonial, an hotel?—A. Not unless we got the power from them.

Q. So this old Government railway was under a different management?—A. They are under our control for operation and management because we are acting as general managers, as it were, of this railway. We cannot sell anything or buy anything for them or make a capital expenditure for them. That is controlled by the Minister of Railways under the Department of Railways and Canals Act.

Q. But, as the Canadian National organization, you have to pay no capital?—A. No.

Q. You are simply acting as trustee?—A. Yes.

Q. Then you may have the legal right, by the assignment of this power of the C.N.R. or the Grand Trunk, to buy a hotel or acquire property, but is that not limited by the power whereby you are trustees only; you are holding it in trust for the Government?—A. No. You must distinguish there between the Canadian Government Railways and the property invested in the company itself. As to the property invested in the company itself, the Canadian National, or the old Grand Trunk, have full powers of a company.

Q. By assignment to you?—A. No.

Q. It comes to you by statute?—A. Yes.

Q. All the powers are assigned to you?—A. Allocated.

Q. You have that, as a Canadian National organization?—A. Yes.