

fore became important to know whether that part of the agreement had been carried out, failing which the whole agreement became null and void and ceased to be in any way an objection against obtaining the powers which we sought by this Act. Proof was given that the agreement had not been carried out, and that therefore it was null and void and could not be invoked against our present application. It is necessary for me to point out that the proof was very complete. It consists in a certificate of the secretary treasurer of the Atlantic and Lake Superior Railway, a party to that agreement, and formulated in the present terms :

I hereby certify that the Atlantic and Lake Superior Railway Company did not within the delays mentioned in the agreement entered into with the Ottawa Valley Railway Company, on April 16, 1884, or at any time since making any payment or tender of payment on account of the purchase price mentioned in said agreement, either in cash, shares or bonds or otherwise, nor has the Atlantic and Lake Superior Railway Company ever claimed or had possession of said Ottawa Valley Railway or any part thereof.

Then there was a letter from the president of the Atlantic and Lake Superior Railway to the Hon. J. P. B. Casgrain, who is the attorney of the trustees and of the bondholders of the Atlantic and Lake Superior Railway. In a letter dated the 2nd of July instant, he writes as follows :

Dear Sir,—The question having arisen as to the title of the Ottawa Valley Railway, I am desirous of learning from you at the earliest possible moment whether the trustees which you represent intend to take any steps towards claiming possession of that line.

As you are aware, the line was purchased by this company in 1894, but the conditions of purchase were not carried out by this company and nothing has been paid to the Ottawa Valley Company. Our company has always wished to carry out its obligations but circumstances have prevented it from doing so. Possession has never been taken of the Ottawa Valley Line, and the principal holder of the bonds of the Atlantic and Lake Superior Company assures me that they have no intention of taking any steps towards claiming the property as he does not consider that under the circumstances such steps would in any way benefit the bondholders. If you do not intend to take immediate steps towards claiming possession, the company will do what is considered best in its interests by cancelling the agreement of purchase or as it may be advised. Yours truly,

J. R. THIBAudeau, President,  
Atlantic & Lake Superior Railway Co.

On behalf of the Hon. J. P. B. Casgrain, on the 2nd of July, to the Hon. Mr. Thibaudeau, the following letter was sent :

Dear Sir,—We are instructed by the attorney and representative of trustees for the bondholders of the Atlantic and Lake Superior Railway Company, to acknowledge receipt of your letter of this date, and to inform you that he has no instructions from the trustees to act in the matter of the Ottawa Valley Railway Company.

Yours faithfully,  
McGIBBON, CASGRAIN, RYAN &  
MITCHELL,

Acting for the trustees for the bondholders.

Mr. McMullen, I may mention, Mr. Speaker, is the president of the Ottawa Valley Railway Company, and on the 2nd of July instant, being in Montreal, he also wrote to the Hon. J. P. B. Casgrain, representative of the bondholders of the Atlantic and Lake Superior Railway Company. These letters were addressed to the Hon. Mr. Casgrain, because he is at present the only representative of the Atlantic and Lake Superior Railway Company, acting, as he does, for the bondholders. This letter says :

Dear Sir,—A statement having been made before the Railway Committee of the House of Commons that the Ottawa Valley Railway was the property of the Atlantic and Lake Superior Railway Company, under virtue of the deed of agreement between the two companies ratified by the parliament of Canada in 1894, I wish to call your attention to the last clause of that agreement, which provides that the agreement shall be null and void if the purchase price was not paid within sixty days of the ratification of the agreement. No payment of any kind in shares, bonds or cash was ever made and the agreement became null and void and no possession was ever claimed by the Atlantic and Lake Superior Company.

The Ottawa Valley Railway Company would be pleased to transfer its line even now if the Atlantic Company were prepared to pay for it, but without such preliminary action you can well understand that neither the Atlantic and Lake Superior Company or its bondholders will be allowed to take possession or be in any way recognized as having any rights whatever in connection with this railway.

Yours truly,

EDGAR McMULLEN,  
President, O. V. R. Co.

On the 2nd of July an answer was sent on behalf of the trustee for the bondholders in the following terms :

Montreal, July 2, 1903.

Edgar McMullen, Esq.,  
President Ottawa Valley Railway Company,  
Montreal.

Dear Sir,—We are instructed by the attorney and representative of the trustees for the bondholders of the Atlantic and Lake Superior Railway Company to acknowledge receipt of your letter of this date and to inform you that he has no instructions from the trustees to act in the matter of the Ottawa Valley Railway Company.

We remain, faithfully yours,

McGIBBON, CASGRAIN, RYAN & MITCHELL.

This was more than sufficient to establish that this agreement entered into in 1894 by the Ottawa Valley Railway Company, or this offer, because it was only an offer practically, to transfer these assets and this franchise to the Atlantic and Lake Superior Railway Company never had any force or effect. There could be no doubt about that anyway, because, upon the allegation made by us that the transfer was never carried into effect, that the cash was never paid, that the bonds or shares were never handed over it would have been the duty of the opponents of this measure to establish that the agreement invoked against us was in