

paying the interest. The people then complained to us. It was brought up in the House at one time by Mr. Euler, and I believe, on one occasion, by the late Mr. Cayley and one or two others.

Mr. STEWART: Also Mr. Porteous.

Hon. Mr. MANION: Yes, that is right. Then the majority of those bondholders—they are not really bondholders, debenture stock  $4\frac{1}{2}$  per cent, if you like; they had a mortgage on this road—the railway offered to let them take over the road; but as it had no operating value they did not wish to do it. The Canadian National officials and a sufficient majority of those shareholders in England to make it legal, got together and an agreement was arrived at for accepting 25 cents on the dollar. That is the whole picture. The moral obligation, of course, is an argumentive thing. I am as concerned with the widows and orphans in our own country as I am with others, and I think they should be given a good deal of consideration. The government cannot be blamed for those debenture stocks, as they were not a guarantor, neither was the Canadian National Railways, according to my information.

Hon. Mr. EULER: They paid the interest.

Hon. Mr. MANION: They took it over from Mackenzie and Mann. I think it is a very argumentative point with all due respect, if in any shape, manner or form the Canadian government or the Canadian National Railways, for that matter, or the Canadian people, are in any way morally bound to pay more than what the satisfactory arrangement calls for. This amount was satisfactorily arrived at by arrangement with the debenture stock holders in England, and the management of the railway. I only say that because I do not think the definite statement should go out that in some way the people of Canada are morally obligated in this matter. I have looked into it very thoroughly, and I do not think they are morally obligated. If so they are morally obligated in a lot of other matters such as Mr. Geary mentioned a while ago. Some of the old Grand Trunk stockholders over in England think we are morally obligated to pay them.

Hon. Mr. EULER: There is a difference between stock and bonds.

Mr. GEARY: Most bonds have as security, the property.

Hon. Mr. EULER: That is only security. If the security disappears, the obligation does not disappear; that is my contention. And the fact the railways did not pay them, I do not think enters into the situation at all. If I am able to borrow \$25,000 from anybody, to go into business, and that business fails, and the money disappears, that does not discharge my obligation unless I go into bankruptcy.

Mr. POWER: May I ask you, Mr. Chairman, if the supplementary estimates passed in the House some days ago, in regard to the Moncton and Buctouche Railway, was the payment of some obligations in that connection?

Hon. Mr. MANION: No, not at all.

Mr. POWER: Before that?

Hon. Mr. MANION: In 1918, I was quite ready to explain that in the House, but nobody asked a question about it. As a matter of fact, everybody was so anxious to get the estimates through, nobody bothered about it.

Mr. HANBURY: Everybody is anxious to get through except the government.

Hon. Mr. MANION: I do not think you can say we are not anxious to get through. I am speaking from memory, but I think the Moncton and Buctouche Railway was bought in 1918 by the Canadian government for a fixed sum of money, plus 5 per cent interest, until the payment was made. Unfortunately the Moncton and Buctouche Railway could not give a clear title for the property until within the last few months, and according to the agreement, and supported