

as a rental after the first seven years; the other part, west of Winnipeg, belongs to the Grand Trunk Pacific absolutely. The line from Superior Junction to Port Arthur was largely subsidized by the friends of the hon. gentleman from Hastings (Sir Mackenzie Bowell). They gave, if I remember correctly, some \$2,000 in money per mile, and 6,000 acres of land per mile, but if the land were to be taken along the route between Port Arthur and Superior Junction the land would not be worth very much.

Hon. Mr. ROSS (Middleton)—Has the Grand Trunk Pacific taken over the road from Superior Junction to Edmonton?

Hon. Mr. CASGRAIN—The hon. gentleman from Middleton (Hon. Mr. Ross) was not in the House when this matter was discussed. The Transcontinental ends at Winnipeg, therefore the Grand Trunk Pacific could not take over the road west of Winnipeg because it ends at that city. The line from Winnipeg to Prince Rupert has been built by the Grand Trunk Pacific themselves, and I may say, for the hon. gentleman's special information, that all through the Prairie section, a distance of 922 miles, the road has been built—and I challenge contradiction on that—without costing the taxpayers of this country one dollar in subsidy in money or one acre of land, barring the right of way.

Hon. Mr. LOUGHEED—Which road is that?

Hon. Mr. CASGRAIN—That is the Grand Trunk Pacific between Winnipeg and the Rocky mountains. It has not cost Canada one single dollar either in money or land.

Hon. Mr. LOUGHEED—The hon. gentleman has not been keeping track of the matter.

Hon. Mr. CASGRAIN—Yes.

Hon. Sir MACKENZIE BOWELL—Did Canada not guarantee the bonds? Of course, when a man endorses he does not necessarily have to pay the note.

Hon. Mr. LOUGHEED—According to the implementing clause we paid approximately ten millions in cash.

Hon. Mr. CASGRAIN—That implementing clause was caused by the judgment of the Supreme Court of Canada sustained by the decision of the Privy Council in England afterwards.

Hon. Mr. CASGRAIN.

Hon. Mr. LOUGHEED—Canada had to pay it.

Hon. Mr. CASGRAIN—No, I beg pardon. Not a dollar.

Hon. Mr. LOUGHEED—We have paid it.

Hon. Mr. CASGRAIN—As Canada was responsible, the Finance Minister thought it would be better for the Government themselves to speculate on those bonds, than to have them put out to the public.

Hon. Mr. LOUGHEED—My hon. friend is entirely mistaken. The judgment of the Privy Council held that the Dominion of Canada was liable for the difference between the market price of the bonds and par. Consequently, it was immaterial to Canada whether she took over the bonds or paid the amount. It cost the people of Canada ten million dollars.

Hon. Mr. CASGRAIN—Was it not a fact that the implementing clause was that over and above the \$13,000 originally guaranteed, seeing the proceeds of the bonds netted somewhere about \$11,500, there was a deficit of about \$1,500 for which additional bonds would have to be issued; is that not right?

Hon. Mr. LOUGHEED—No, that is not right.

Hon. Mr. CASGRAIN—That was my information.

Hon. Mr. LOUGHEED—No.

Hon. Mr. CASGRAIN—If the additional bonds were to be issued, and if those bonds were issued in the recent state of the market, they would not have brought very much, and still the Government would have been responsible.

Hon. Mr. LOUGHEED—No; that was the contention of the Government of Canada, but the Privy Council held that Canada was not entitled to advance that contention; that Canada had to make good the difference between the proceeds of the bond and par.

Hon. Mr. CASGRAIN—If I have been erring, I have been erring in good company—in the company of the Minister of Justice of this Government.

Hon. Mr. LOUGHEED—Oh, no.

Hon. Mr. CASGRAIN—You say that was the contention of Canada—the contention of Canada on a legal question must be the contention of the Minister of Justice.