

Montarville, that by reason of fraud the contract of sale should be set aside, then the position of the Federal Government would be this, they would have paid one and a quarter million for the debentures and by the judgment of the court it would be adjudged the railway should go back to the province of Quebec, so that the Government would lose any right of property in the railway, and would have no means of recovering the money paid for those debentures which would represent the profit of the syndicate who had acquired the railway from the province of Quebec and re-sold it to the Grand Trunk Railway Company at one million and a quarter profit.

HON. MR. SCOTT—Perhaps my hon. friend would give, in general terms, the amount which those debentures are pledged for; it would simplify the matter. Are they pledged to the extent of 50 cents on the dollar?

HON. SIR ALEX. CAMPBELL—I would not like to state. The Government will have, or may have, the opportunity of acquiring those debentures at what they are worth in the market, and not at their face value. I cannot go any closer than that. I said with reference to the rest of it that we have to proceed carefully and get a good title, and with the knowledge that there is a commission inquiring into the legality of its present position, we will have to go very carefully. As to the second part of the objection raised, the Government have secured the right to acquire those debentures at their actual value.

HON. MR. DEBOUCHERVILLE—The Grand Trunk Railway Company would not lose anything if the result of the inquiry that is being made by the Quebec Government was to annul the same; because the Grand Trunk Railway has merely promised to guarantee the interest on those debentures. It has not taken the debentures; it has been guaranteed by the law. Then, if that sale was declared null and void, the Grand Trunk Railway would not be obliged to pay the interest. The danger would be for the Government to put itself in this position: that people acting in England would take those debentures.

HON. SIR ALEX. CAMPBELL—We guard against that; there are none of them in England.

The clause was adopted.

HON. MR. READ, from the committee, reported the Bill without amendment.

HON. SIR ALEX. CAMPBELL, moved the third reading of the Bill.

HON. MR. POWER moved, in amendment—

That the said Bill be not now read a third time, but that it be amended as follows:—

To strike out the words from "*via*," in the 36th line, to "Salisbury," in the 38th line, and insert instead the following: "Salisbury, Fredericton and such points between Fredericton and Montreal as may be determined by Parliament after surveys sufficient to indicate with certainty the shortest and best practicable route for the said line of railway."

He said: The effect of that would be simply to allow the Government an opportunity, if, upon making surveys, they find the route indicated in this Bill is not the best one, to select a better one.

HON. MR. KAULBACH—It seems to me that it is voting money for a new object. It is asking that the money be devoted to a different purpose from that contemplated in the Bill. Otherwise, I am in favor of the amendment. I did not speak on the second reading of this Bill, because I thought some of my remarks on a Bill which had come up previous to that were still fresh in the minds of hon. gentlemen. Therefore, I abstained from speaking on the Bill, and even now I shall not dwell upon it to any extent. I am opposed to that line of railway, because when you go southwards 30 miles to Sherbrooke, you actually go south for 30 miles, as far as Nova Scotia is concerned, you have to go nearly 50 miles north again—that is, 80 miles at least added to that line. Then, the line is zigzag. Some one said this line must be shorter than any other because it is the base of a triangle, and any two sides of a triangle are greater than the third side. Although such a proposition is an axiom which is never disputed, it is incorrect in this instance, because the base