

the courts to get redress, to get a larger sum. The courts on two occasions have decided against them, and now the Government come in and say, in the resolution before the House, it is desirable they should be reimbursed that sum. That is directly at variance with the agreement and with the judgment of the court, and it appears to me to be opening up a wide field for those gentlemen who are, I have no doubt, prolific enough in resources where money is concerned to such an extent as this, and who could make their claim on the Government without such an additional insinuation as is contained in this Bill, that, if their claim is pressed against the Government, the Government have power to settle it by arbitration, if it is established in principle. I think it is a most pernicious principle to establish, and it is against the principle which was announced by the Minister of Finance. I have no doubt that it will lead to a large expenditure of money, because we know when a claim is put in by companies like this, they will not make it smaller because they are to submit it to arbitration.

Mr. TUPPER (Pictou). I want to explain more fully the position of the case in the court. There is not, as hon. gentlemen evidently have understood, a suit brought by the company against the Government to ascertain what amount is due them, nor is it brought by them on any obligation on the part of the Government, but, in connection with that mortgage which was ratified and made valid by the Nova Scotia Assembly, a sale was about to take place, and the company went into the Supreme Court of Nova Scotia to obtain an injunction. They obtained an interim injunction to prevent that sale. The sale was prevented, and that has been the sole question before the court up to date. The judge in equity dissolved this injunction, and an appeal was taken from that decision to the Supreme Court of Nova Scotia, and the Supreme Court dismissed the appeal, so that the company have failed to establish their right or to establish the invalidity of that legislation passed in connection with the mortgage. It is not clear that they would not be able to establish a claim in some form of proceeding for some money over and above \$150,000, and, as was stated by the hon. the Minister of Finance lately, they claim that they have spent a much larger amount of money on this road.

Mr. THOMPSON. The Government at present does not own a foot of this road. The mortgage is not to the Government but to trustees for the benefit of contractors to whom the company owed various debts. The Government have paid the debts of the company, taken an assignment of those debts, and now stand in the position of the creditors for whom the mortgage is taken. I understand that there is no difference on either side of the House as to the principle of the Bill, that it is desirable to build this road as a Government work and to pay the company for the present value of the work, less the amount we have already paid to its creditors; and, if the Bill is not sufficiently guarded in its terms to carry that out, that object can be perfectly attended to in committee.

Some hon. MEMBERS. Six o'clock.

Mr. POPE. Let us take the second reading before six, as there is no difference of opinion.

Sir RICHARD CARTWRIGHT. There is a great deal of difference of opinion, as under the Bill you propose to take power to pay all the money they have expended. There is a strong difference of opinion as to the preamble, which I have just been reading over.

Mr. POPE. There is no such intention as that, and, if there is any alteration to be made, we can make it in committee.

Mr. TUPPER (Pictou). We have been discussing it as if we were in committee.

Mr. TUPPER (Pictou).

Sir RICHARD CARTWRIGHT. No doubt we have, and it was desirable to do it. But that particular point is not answered by the Minister, as to the expenditure to which we may be committed in order to pay these people the moneys which they have expended.

Mr. POPE. If the intention is not clear enough, we can make it clear enough in committee. The intention is that, if the courts so decide, we may be able to pay for the present value what it may be worth to the Government, about \$150,000, and not more. If that is not clear enough, we can make it clear.

It being six o'clock, the Speaker left the Chair.

After Recess.

Mr. DAVIES. I think we are entitled to some further information before this motion is carried. This Bill contains several clauses, one of which authorises the Government to expend \$500,000 in constructing this branch of road as a Government work, and I understand that that clause is fairly based upon a resolution introduced by the hon. gentleman in committee. But the Bill goes further. How far I am unable to say; how far this House has not yet been informed. This Bill commits the House to an expenditure of an unknown and unascertained sum, in payment of certain works which it is alleged a company, which originally contracted to build the road, have spent upon it. Now, I would like to understand two things from the Minister: In the first place, whether the resolution on which this Bill is based, authorises the introduction of a Bill giving power to him to expend this sum of money at all; and, secondly, I see that the resolution on which the hon. gentleman based his Bill declared that it is right to expend \$500,000 for the construction of this road. So far the Bill is based properly upon the resolution, but I do not understand the resolution, on which the Bill is based, authorises the expenditure of an unknown sum to acquire certain works which it is alleged the original contracting company built, and which the Government are taking power to expropriate. Inasmuch as the Bill does not do that, it is out of order, of course. But even supposing that that point is got over, and that the Bill was in order, I think the very least the Minister could do would be to inform the House to what extent this country is to be committed by the passage of this clause.

Mr. POPE. We did that on the resolution.

Mr. DAVIES. The hon. gentleman did not do so. I have looked over the report, and I have not seen any statement from him whatever, or any approximation towards a statement. If I understood one of the hon. gentlemen who spoke behind him to-day, they doubt if there is any money due at all to this company—it may be a dollar, it may be \$500,000. The House is in perfect ignorance. I do not know, it is utterly impossible for me to say, in the absence of information, what the work is, whether it amounts to one dollar or \$500,000. I am sure there is not a member in the House that knows; and the House is assenting to the principle of a Bill which involves the expenditure of an unknown sum. The resolution upon which the Bill was introduced does not justify that clause being put in the Bill, and it has never yet been assented to by Parliament.

Mr. THOMPSON. The Bill, I take it, only authorises the expenditure of the money which was voted by the committee. There is already legislation provided in relation to the subsidy, and the expenditure that is contemplated by the first section of the Bill, is to be made by the vote of a subsidy. The third resolution, which proposes to carry on the work, authorised the expenditure of \$500,000.

Mr. DAVIES. I think the Minister of Railways ought to give us some information on this point. I do not think