

ber of this Parliament finds something suspicious he has a right to speak of it without being accused of casting slurs on anybody.

Mr. MEIGHEN: In using the word "slur" I used a word that was not quite equal to the occasion. The offence of the hon. member was much worse than I denominated it. I told this House this afternoon the reason, and the only reason, why in the arrangement that has been come to we undertook to pay the interest on the guaranteed stock, and all I can do now is to repeat that reason. The Government offered to value, by arbitration, all the five stocks. That is what the Government was anxious to do, but we could make no progress whatever. In the meantime we were being called on to assume obligations, and the situation was getting more and more difficult. We then offered, in July, 1918, to treat the next stock in order, namely, the guaranteed stock, as an obligation. Had the arbitration been on the basis of the whole five stocks the award would have been applied on the guaranteed stock first, because it had prior claim—prior claim in respect of dividends, prior claim in respect of its capital, and prior claim in the event of liquidation. So in order to meet the company, and in the hope that we could make some progress, we offered to take the first call standing next to the debentures as a liability. That offer stood from the eleventh day of July, 1918, until the tenth day of October, 1919, without acceptance. It stood without much show of acceptance until about the 1st of October, 1919, or at all events until the month of September, 1919, without progress being made. Now the company has come to our terms. That is the reason and the only reason for our action. We would have preferred the other way, to arbitrate all the stocks, but we were not able to get that. But because we were not able to get that, and because we were anxious to make some progress in this matter, for it is of great importance, is surely no reason why an hon. member who knows nothing about it, and who has not the faintest reason in the world to back up his slur or allegation, should stand up here and tell us we are endeavouring to make money for the friends of the Government. I say again, if he has in the back of his head the thought of any friend of this Government or any body else that we are trying to make money for, now is the time to produce the evidence, and we will give him a chance to do it every day until this discussion closes. If he fails to pro-

duce the evidence before the end of this discussion, I hope he will arrive at the same opinion of his conduct as the rest of the House now has

Mr. VIEN: It is for my electors and the public to judge, in view of the action of the Government in refusing to answer the question that we put this afternoon. The minister has made a subtle distinction. He has taken the sidetracks, probably some of those belonging to the Minister of Railways, and has not answered the question why this guaranteed stock has been treated differently from the preference stocks. He has stated that he could not obtain better terms. That is no reason. If in the opinion of the Government the Grand Trunk officials were not reasonable, the Government could call them to account for their liabilities in respect to the Grand Trunk Pacific. But there is nothing to show that the Government called the Grand Trunk to account for their liabilities in respect of the Grand Trunk Pacific. There is nothing to show that the Government tried to compel them in any way. The answer of the minister amounts to this: We had to put it that way because the shareholders of the company would not agree to anything else; we have thrown ourselves into the hands of the shareholders. That is the only reason the minister gave, and I do not think it is satisfactory.

Mr. ROWELL: My hon. friend (Mr. Vien) has not put the case as the Minister of the Interior put it. My hon. friend wholly ignores the statement made this afternoon both by the Minister of Railways and the Minister of the Interior. My hon. friend knows that the Government made a cash offer in the proposal of July, 1918, to pay \$2,500,000 for the first three years, \$3,000,000 for the succeeding five years, and \$2,600,000 annually thereafter. Now the offer of \$2,500,000 was the minimum sum which the Government believed the system was worth to the people of Canada. It was the minimum amount which they were prepared to pay to start with, and they were prepared to increase the amount in succeeding years to the figures I have mentioned. The Government would have liked the Grand Trunk to accept the proposal. We would have preferred the cash offer to arbitration. But what does that \$2,500,000 mean? It is just the amount of the interest on the guaranteed stock. By guaranteeing the interest on the stock we are not adding one dollar to the amount the Government was prepared to pay in cash as the minimum amount.