

be taken as the cost of the road. The judge, however, says that he cannot accept that view. He says that it strikes him as utterly absurd that a road like that could have cost in the vicinity of \$90,000 per mile, which this \$2,000,000 would represent. He declines to accept that view, and concludes that a large portion of the alleged \$2,000,000 never went into the road, that the road never cost anything like that money, and that hundreds and thousands of dollars which it was claimed had gone into the road in the opinion of the judge, had not gone into it. The judge leaves that and a number of other questions entirely unsettled and suggests that there should be an appeal, if anybody thinks he is wronged, to the Supreme Court of Canada in order to set him right if he is wrong. How did the minister come to put in the \$4,000,000 last year?

Mr. REID: That was all explained last year at the time the Bill went through.

Mr. PUGSLEY: The difficulty is that in these times the people are apt to forget the explanation. I notice a determined effort on the part of the Government now in its legislation to try to induce the people to forget all these things—to forget the Quebec and Saguenay, to forget the Canadian Northern railway, to forget a great many of the evil matters which this Government has perpetrated upon the people of this country; and it is well that their memory should be refreshed in reference to this Quebec and Saguenay deal. I do not think it out of place to ask how the minister arrived at \$4,000,000. The Minister of Customs has such an imagination that I am rather afraid to let him explain.

Mr. COCHRANE: He put it through last year and explained it then.

Mr. PUGSLEY: If he will really keep down to facts and not draw too much on his imagination—

Mr. REID: I put this matter through the House last year, as the minister was ill and I was acting for him. At that time I gave a statement showing the estimated cost of the three different railways, first the Quebec and Montmorency, on which it was stated there were two and one-half million bonds, then the Megantic and Lotbinière, which I think it was stated, cost \$332,000—I am trusting to my memory, in regard to these figures. I have not the figures of the Quebec and Saguenay, but there was a very large amount spent on that road, and bonds were issued to a large

amount; I cannot recall the figures. But this company stated that they were willing to take, I think fifty cents on the dollar for the amount invested. At all events the whole three amounts were added together, and it was estimated the amount would be about \$4,000,000, and in addition there were the \$2,500,000 of bonds. It was provided that if it found that the Quebec and Montmorency did not cost the amount stated, the difference was to be taken out of the purchase price; and if the Megantic and Lotbinière road, or the Quebec and Saguenay, did not cost the amount stated, the amounts to be allowed would be reduced accordingly. The whole matter was left entirely to the judge of the Exchequer Court. It has been before the judge, and on his judgment the Government must settle this matter. The judge, as I understand it has not come to a final decision; that is, the parties do not agree that his judgment is sufficient.

Mr. PUGSLEY: Has there been an appeal by either side?

Mr. REID: No, but the matter is still before the judge. In the meantime, after this Bill had been passed, the Government started to finish the construction, and it was necessary to do so, because the work already done was fast deteriorating. The valuation, of course, as explained last year, was on the basis of what it was before the work was stopped, and any deterioration and any subsidies were to be deducted. The work was started. Contractors were put to work to complete the road, and three hundred and some odd thousand dollars have already been expended in building bridges and making grades and getting the road ready for the laying of rails. I understand that if the rails could be procured they would have that road in operation to Murray Bay this fall, but the difficulty has been to get new rails. That is the position, and all we are asking now is to have the matter in the Exchequer Court, where it now is, and leave the vote as it is, so that after the judge of the Exchequer Court gives his decision we may be in a position, with the amount voted last year and now revoked, to settle the transaction. If they do not come to any conclusion, the matter remains as it was, with this exception, that the road will be completed and in operation. Until the judge gives that decision, and the owners give the title, of course no payments can be made on the capital of the road. But the Government can use the small portion of this road, and put it in operation and let