

That is the general power.

Q. And you think, under that power, we could buy, if the management wanted to, offices in China?—A. It says, "purchase, take and hold of and from any person." In the United States we have, I suppose, 500 leases of offices, all over the United States.

Q. If the Board so decided under that Act, your view would be that they could buy an office in China?—A. Quite.

Q. You do not think it is limited at all by the words that you there read as to the construction, maintenance and operation of the railway?—A. No, because who is to decide what is for the purposes of the undertaking? Obviously the Board of Directors of the Company, and if the shareholders are not satisfied with them, they chuck them out.

Q. What do you think of the "just and generous" provision? Perhaps you would give us a written opinion on that.—A. The provision of "just and generous" does not apply to countries at all.

Q. I am not applying it in that way; I am applying it to companies as such, and that is the exact reading of the statutory clause.—A. How would you apply the "just and generous" to this clause?

Q. The controlling words you read there.—A. I am afraid "just and generous" does not apply there.

Mr. KYTE: What doth it profit this committee to listen to these very learned gentlemen discussing obscure points of law?

The CHAIRMAN: I would suggest this, that the witness has given his opinion that the railway has the right to make extended investments.

Sir HENRY DRAYTON: The words I am referring to are "necessary for the construction, maintenance and operation."

THE WITNESS: Yes; this is operation. What else is it?

Mr. KYTE: Mr. Ruel is the paid solicitor of Sir Henry Thornton and the Board, and I think Sir Henry and the Board were justified in accepting his opinion, even though it differs from that of Sir Henry Drayton.

Sir HENRY DRAYTON: I do not know whether the House is going to feel comfortable if they know that this is going to enable the Board to purchase property anywhere they like. It may be that that is the view of the government, but we had better get a clear opinion.

THE CHAIRMAN: We have the clear opinion of Mr. Ruel. Many of us are not lawyers, but is this the understanding of the witness, that under the general Railway Act, railway companies have the power to make extended investments?

The WITNESS: Yes.

*By the Chairman:*

Q. Is there anything in the Act incorporating the Canadian National Railways that restricts its powers?—A. Except with respect to lines of railway; that is the only case.

Q. You cannot buy other lines of railway, but you can buy lands, buildings, and so on?—A. (Reads):

"(c) purchase, take and hold of and from any person, any lands or other property necessary for the construction, maintenance and operation of the railway, and also alienate, sell or dispose of, any lands or property of the company which for any reason have become not necessary for the purposes of the railway;"

Q. You cannot buy other lines?—A. No.

[Mr. Gérard Ruel.]