

March was that the interest on the Grand Trunk Pacific bonds was not paid. Did the minister make that statement?

Mr. REID: At the time of the receivership last session, when the Bill was passed, the Grand Trunk Railway Company served notice on the Government that they could not meet the interest that fell due, I think, on February 1, and they not being able to meet the interest as it fell due, the road would of course have gone into the hands of a receiver. An Order in Council was passed putting the road under a receivership.

Mr. VIEN: Even that is not the question. The minister made a statement a minute ago, if I understood him correctly, to the effect that at the time of the receivership the Grand Trunk Railway was in default with respect to the interest upon the bonds of the Grand Trunk Pacific.

Mr. REID: No, I did not say they were in default. I said they notified us that they could not pay and that they could not continue to operate the Grand Trunk Pacific road. They were not in default at that particular time, but they would have defaulted a few days later if we had not appointed a receiver.

Mr. VIEN: If the minister corrects his statement I am willing to accept it.

Mr. CAMPBELL: Are the roads at present owned by the Government now under the jurisdiction of the Railway Commission?

Mr. REID: Yes; I think they are.

Mr. CAMPBELL: All of them?

Mr. REID: They are in this way: The Canadian Northern was always under the jurisdiction of the Board of Railway Commissioners and we passed an Order in Council placing the Intercolonial in the same position as the Canadian Northern. Therefore, they are all under the Board of Railway Commissioners.

Mr. VIEN: Would the minister allow me a further question? The minister knows that quite an extensive mileage of the Grand Trunk system is in United States territory. Has the Canadian Government taken any steps to ascertain what the action of the United States Government would be if the Canadian Government became the owner of these lines on American territory? I think it would be an unprecedented thing if a government would allow a foreign government to own railway systems on its territory.

Mr. REID: That is a legal question. Perhaps my hon. friend the Minister of the Interior (Mr. Meighen) would answer it.

Mr. MEIGHEN: I think the hon. member (Mr. Vien) knows the answer himself. We are not taking the road. We are at the present time one hundred per cent stockholders of another system that owns and operates roads in the United States. This is simply a repetition of what we have done before, and the American Government presumably would have no more objection to the one course than to the other.

Mr. VIEN: Does the minister say that the Canadian Government is not taking over the Grand Trunk Railway system? Is it not, in effect, state ownership of the Grand Trunk Railway system and will the Canadian Government not in the future be the owner of the Grand Trunk Railway system and its connections on American territory?

Mr. MEIGHEN: What I said is precisely right; the hon. member can state it in any way he likes. We are the owners of the stock of the system which owns these roads and controls others through one connection or another just as in the case of the Canadian Northern system we are the owners of the stock of the system which owned and controlled roads in the United States. There is nothing in this case in principle that is not present in the other case, and presumably the American Government would have no more objection to one course than to the other.

Mr. VIEN: Of course, the American Government at the present time is managing all these roads under the Railway Board of the United States. I do not put the question as a catch, but simply to obtain information as to what will be the position of Canada when it becomes the

4 p.m. owner of the railway and when the American Government decides to hand over the railway systems of the United States to their former owners. Has the Canadian Government inquired and ascertained whether the American Government will allow the American connections of the Grand Trunk Railway system, or of the Canadian Northern system, to revert to their owners, if the owners are the Canadian Government?

Mr. MEIGHEN: The hon. gentleman did not listen to my reply.

Mr. VIEN: I did.