

treasury, but in case it is thought wise that the treasury should be protected, do we have to look, in your view, past the Act of 1919 and find out what all the powers are under other Acts as well?—A. Yes, under the Railway Act, and we also have powers under the various other Acts. There is no doubt about that; each individual company has its own powers.

Q. It becomes necessary to review all that legislation.—A. Largely. Of course I have that all in my head.

Q. Yes, but unfortunately we have not always your head with us, and sometimes what your head is supposed to have said gets mixed when it reaches us.

Hon Mr. GRAHAM: That is not at all personal, I hope.

Sir HENRY DRAYTON: No, not at all. Mr. Ruel knows how he has been quoted in these cases. He knows very well the discussion we had in the House last year, and what was said as to legal opinions given.

The CHAIRMAN: You were not referring particularly to Mr Ruel?

Sir HENRY DRAYTON: To anybody. Mr. Ruel is fortunate in one thing, and that is that he is not in the Department of Trade and Commerce.

Q. Coming back to the question under discussion, take the question of the right of bond issue. We have the right of bond issue of \$75,000 per mile, under the legislation of 1919.—A. Yes.

Q. Over and above that we have the right of bond issue in all the subsidiary companies. It is your view that that \$75,000 per mile is over and above that given to the subsidiary companies?—A. No.

Q. In that particular instance you would make an exception to your general opinion?—A. There, of course, you see, you have to read this specific legislation, because the specific legislation refers to the individual lines. For instance, suppose I have the right to build a road from A to B under a certain charter of the Canadian Northern, for instance, and I do not amalgamate that company. The power to issue bonds is still a Canadian Northern power and governed by the Canadian Northern Acts. On the other hand, with the Canadian National Railway Company, it has the power of \$75,000 a mile in respect of all lines of railway which it controls or operates. In that case you have to look at the individual issues made prior by the Canadian National Railway Company, or its predecessors in title, and you have to take that and deduct it from the \$75,000 per mile.

Q. In other words, in the particular instance legislation taking the place of former legislation decreed that all that can be done, in your view, by the system is to bond to an extent not exceeding \$75,000 a mile irrespective of all powers contained in the original character?—A. Precisely, and in Mr. Fielding's Act of last year he laid down a further restriction.

Q. What he put in was simply that they could not be issued unless they first received the approval of the government. That is not very much of a protection.—A. No, not very much.

Q. Then you rely on the general wording of the Act in acquiring anything which is necessary for the Company's undertaking.—A. Yes.

Q. That is what you rely upon?—A. Yes. I have the wording of the Act here.

Q. You can give the section if you like; perhaps the committee would like to have it.—A. It is in the general powers of the companies coming under the Railway Act, contained in section 162, subsection 1 C of the Railway Act:

“(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;”