

of the courts in Canada should be final, and removing doubts in that regard.

Bill reported, and read the third time and passed.

OXFORD JUNCTION AND NEW GLASGOW BRANCH INTERCOLONIAL RAILWAY.

Mr. POPE moved second reading of Bill (No. 77) respecting the Oxford Junction and New Glasgow Branch of the Intercolonial Railway.

Mr. JONES. When this subject was under discussion on a previous occasion, the hon. the Minister of Finance made an explanation with reference to the position the Government had assumed in this matter. He stated on 6th May the course which the Government intended to pursue and the position which the company occupied in the matter. Referring to the company who had undertaken the construction of this road, the hon. gentleman said:

"This company proposed to carry on a grand scheme of communication, intersecting Newfoundland. They had already made a contract for a line across that island, and this was a portion of the scheme for which they were prepared to make a contract. They did make a contract, and I must say, in justice to the company, that the mode in which they expended some \$20,000 or \$300,000 of their own money, shows that they did it in good faith, and that they intended to complete the line. The contract enabled them to draw a subsidy of \$3,200 per mile, on the completion of every ten miles, but they have never drawn a dollar on that subsidy, for, instead of building it in such a way as to be able to avail themselves of the subsidy, they expended between \$200,000 and \$300,000 of their own money—they say the larger sum—in such a way as not to entitle them to a dollar of the subsidy. They failed in carrying out that great enterprise in which they were engaged, they were unable to obtain the means of carrying it forward, and they stopped work, leaving some \$150,000 due to the sub-contractors, which they owed to the men who furnished the labor, the food and the materials which had gone into the line. Under these circumstances, the Government of Canada, feeling that this work must be completed at some time, as the Minister of Railways has said, that it was too important not to be carried out, if it could not be carried out by the company—and they were a long time in making the arrangements in France and England, endeavoring to negotiate the bonds, and professing that they would be able at an early date to carry to completion—my hon. friend the Minister of Railways felt that it was right, as no portion of the subsidy had been drawn, to ask the House to allow him to appropriate \$150,000 of the subsidy for the company to enable them to go on and pay the contractors and carry on the work to completion."

The hon. gentleman gave that as an explanation of the course adopted by the Government in paying the sub-contractors. But there are words used in this Bill which do not appear to be quite in accordance with the statement made by the hon. Minister of Finance. The Bill says:

"And whereas the company with whom an agreement was entered into, as aforesaid, for the construction of the said line of railway having represented that they had expended a considerable sum of money in prosecuting the said work prior to failure in carrying out the agreement, it is desirable that they should be reimbursed such sum, if any, as they shall establish in court that they are entitled to for work done, or such sum as may be awarded by arbitrators and approved by the Governor in Council, subject to the deduction hereinafter mentioned."

Now, that is an entire departure, as I read it, from the grounds taken by the hon. Minister of Finance in his explanations to the House on the occasion referred to. The hon. gentleman then stated that the Government had taken part of the subsidy to pay the contractors for the work done on the road, a very proper appropriation of that money, no doubt; but he did not say that in making this a Government work, they intended to ask Parliament for power to refund to the defunct company all the money they had expended in carrying out the contract. I do not wish to be understood as opposing the appropriation for this work. As I stated on a previous occasion, I am very glad the Government have decided to make that branch a portion of the Intercolonial Railway, and have no doubt that in time it will be as remunerative a portion of the Intercolonial Railway as any other. But the hon. gentleman in the Bill now asks this House for authority to pay the representatives of that company whatever money they may have expended on the road. That is a point which I wish to

Mr. THOMPSON.

bring to the notice of the House. If the Government propose to allow the company, who entered into an arrangement with them, and who failed to carry out their contract in good faith, to establish such a claim on the Government, it is entirely at variance—and I say it with all due respect—with the principles on which all business or public undertakings are carried on. When a company undertake a contract with the Government or with a private individual, and are not able to carry it out, the other party should not be called upon to compensate them for any losses they have incurred through an error of judgment or through not understanding their business. If these people had not sufficient knowledge to carry on the work or sufficient financial standing to negotiate their bonds or to procure money for the completion of the work, I do not think this House should step in and relieve them from a responsibility which they voluntarily assumed. It is not in any sense to threaten the passage of this Bill, but with the view of protecting the interests of this country against a foreign company that I have ventured to bring this matter to the notice of the House.

Sir CHARLES TUPPER. The hon. gentleman, I think, lost sight of the fact that certain expenditures having been made under a charter which was granted by Parliament, in order to acquire a right to take possession of this work and make it a public work—which I am glad the hon. gentleman entirely approves of—it is necessary to provide that there shall be no infringement on any private rights that exist. It is not admitted here that anything is due to the company. The hon. gentleman will find that the Bill provides that such sums, if any, as may be found by the House, or may be decided by arbitration, shall be paid to the company. Unless the company are able to point to a *bond fide* claim they cannot receive anything under this Act; but, if by a petition of right they are able to establish in the courts a just claim to any sum, larger or smaller, of course it is necessary to provide that there shall be means of meeting their claim. But the Bill does not admit anything.

Mr. DAVIES. If this Bill passes there can be no possible doubt that the company will be entitled to receive the payment of their claim. The preamble of the Bill expressly recites: that this company having represented that they have expended a considerable sum of money in prosecuting the said work prior to failure in carrying out the agreement, it is desirable that they should be reimbursed such sums.

Sir CHARLES TUPPER. Such sums, if any, as they shall establish in court that they are entitled to.

Mr. DAVIES. No one presumes that you are going to pay them more than what they are entitled to. But this point is beyond doubt, that no matter what they have expended, whether it is \$20,000 or \$120,000, you are bound to pay them. The principle that they are to be paid for the work done is adopted beyond peradventure by the Bill, and the amount that they are to be paid is afterwards to be assessed by arbitrators. What I understood the hon. member for Halifax (Mr. Jones) to say, was that the adoption of this principle to pay them money for a contract which they had failed to carry out was a principle at variance with the views the hon. Minister of Finance had laid down in his speech; and I think it is well for Parliament to understand that when they adopt the preamble of this Bill, they bind themselves to pay this company what they have expended. Whether this \$100,000, or \$200,000, or \$500,000—it does not matter what it is.

Mr. POPE. No.

Mr. DAVIES. It is perfectly plain it cannot be otherwise, because the preamble of the Bill recites, it is desirable to reimburse them whatever moneys they may have expended, and the enacting part of the Bill says, it shall be