

Mr. R. L. BORDEN. Does the board ever meet?

Mr. GRAHAM. I think it has regular meetings.

Mr. R. L. BORDEN. Where?

Mr. GRAHAM. I think it meets in Montreal.

Mr. URIAH WILSON. Does this representative of the government ever make a special report to the government as to what is going on in that board?

Mr. GRAHAM. I could not say that he makes any special report. He consults with the government on various questions arising in which the government is interested. Of course, the general report of the board of directors is public property.

Mr. URIAH WILSON. He ought to be instructed by the government as to what course he should pursue on certain matters and he ought to report to the government as to the course pursued.

Mr. GRAHAM. I imagine that he would not make a separate report as a director; but he consults the government as to the position to be taken on any matter in which the government is interested that comes before the board; but he does not make a separate report to the government.

Mr. R. L. BORDEN. I thought that was the purpose of his appointment to the board. He is not there to represent the shareholders of the company. He is there for the sole and express purpose of protecting the interests of the country, and therefore I should think that it would be not only proper but necessary that he should make reports to the government, as suggested by the hon. member for Lennox. I would like to know whether he does make any report or do anything at all? How many meetings of the board has he attended the past year? When did he attend a meeting last?

Mr. GRAHAM. We know that he does attend the board meetings and confers with the department on matters which come up before the board. The deputy informs me that he confers with him on matters before the board concerning the country's interests. He has never made any special report, and perhaps it might be wise for him to make a report from time to time.

Mr. R. L. BORDEN. I think it would. Could the minister give the committee information of any valuable advice he has given the government since he was appointed director.

Mr. L. G. McCARTHY. At the time the Act was going through it was pointed out that, in the event of a deadlock or any difficulty between the government and the company, we could get inside information by

Mr. GRAHAM.

having a representative of the board. It was rather to act in that capacity that he was appointed than to report from time to time what the board was doing. That is my recollection.

Mr. LENNOX. Well, we have a deadlock on now. This gentleman was appointed to represent the interests of Canada and to report how things were going on. There appears to have been a considerable deadlock between the Railway Commission and the Grand Trunk Pacific as regards classification. Perhaps the minister would inform the House what report this director made on that matter.

Mr. GRAHAM. That matter of classification is not in dispute between the board of directors of the Grand Trunk Pacific and the Railway Commissioners. That is a matter of engineering, for the settlement of which the Act distinctly provides. The Act provides that the Chief Justice of Canada shall appoint a third man, should the engineer of the Grand Trunk Pacific and the engineer of the Transcontinental fail to agree, and the third man shall decide the difference. It is not a matter which the board of directors shall decide. And if any acute difference should arise between the Railway Commission and the board of directors as to the interpretation of a contract or the classification, that might be reported to the department, but the director has not reported that any such thing exists.

Mr. LENNOX. Just that difficulty has arisen—a difference of interpretation of a contract and specification. It is idle for the minister to say that it is a difficulty confined to the engineers on the one side and the other. The engineer of the Railway Commission report to that commission, and the engineers of the Grand Trunk Pacific report to that company, and the railway commissioners and the company's directors are the parties who see to the adjustment of that difficulty. That difficulty exists and probably many more. The minister intimates that our director has not called the attention of the department to this question at all. But he certainly should have called the attention of the minister to this difficulty. Yet the minister cannot recall that our director has done anything. He does not even know that there has been any board meetings or that our director has attended any. He cannot tell us anything that has actually occurred, and so we do not really know what we are getting in return for this \$2,000, if we are getting anything. One hundred dollars a day would not be a bad compensation for a director to sit on a railway board, and there is nothing to indicate that there were even ten meetings of the board. The minister cannot tell us. It is high time we should know what this gentleman is doing and have a report from him so as to judge