

in the schedule hereto, together with such equipment, appurtenances and properties used in connection with such railways, as the Governor in Council may deem necessary for the operation thereof.

There are three railways mentioned in the schedule:

(a) The line of railway commonly known as the Quebec, Montmorency and Charlevoix railway, extending from St. Paul street in the city of Quebec to St. Joachim a distance of about 43½ miles;

(b) The Quebec and Saguenay railway, extending from its junction with the Quebec, Montmorency and Charlevoix railway at St. Joachim in the county of Montmorency to Nain Falls, in the county of Charlevoix a distance of about 62 8/10 miles; and

(c) The Lotbiniere and Megantic railway, extending from Lyster in the county of Megantic to St. Jean des Chaillons in the county of Lotbiniere, a distance of about thirty miles.

The second section provides as follows:

"The consideration to be paid for each of the said railways and for any equipment, appurtenances and properties that may be acquired as aforesaid shall be the value thereof as determined by the Exchequer Court of Canada; said value to be the actual cost of said railways, less subsidies and less depreciation, but not to exceed four million, three hundred and forty-nine thousand dollars, exclusive of outstanding bonded indebtedness which is to be assumed by the Government, but not to exceed in all two million, five hundred thousand dollars."

It is agreed by counsel for the railways and for the Crown, that the maximum consideration of \$4,349,000 and \$2,500,000 is the maximum price to be paid for the three railways. Pursuant to the statute, an agreement was entered into between the Crown and the Saguenay company, the Quebec Railway, Light and Power company, the Lotbiniere and Megantic railway company, and the Quebec Railway, Light, Heat and Power Company. The different railways are referred to throughout the agreement, one as the "Saguenay Company"—two, "the Quebec Railway Company"—three, the "Megantic Railway Company" and, four, "The Quebec Power Company."

The railway referred to as (a) in the schedule to the statute, and commonly known as the Quebec, Montmorency and Charlevoix railway, is what is referred to as "The Quebec Railway Company" in the agreement in question. The name was changed by statute.

You will see that these three separate railways were brought together by the agreement entered into between the respective companies. The agreement brought them all under one control and management and they were treated as one entity in the legislation passed a year ago. When the Government started out to purchase these railways they bought them as one whole and not as three portions. When the minister talks about separating them, saying that they are going to abandon two and purchase the third, I contend that they have no jurisdiction to do that. They may have jurisdiction under some other statute, under the statute of 1915, but they have no jurisdiction under the statute of 1916 to do

[Mr. Carvell.]

that, because they only have the right to buy the three railways at a valuation to be fixed by a judge of the Exchequer Court.

Mr. MORPHY: I think the words of the statute were that the Government "may" buy the three. If that is so it covers them all and they may buy one.

Mr. CARVELL: The word "may" is the term which is practically always used in the statute and it means "shall".

Mr. MORPHY: Not always.

Mr. CARVELL: In the codification of the Railway Act, which we put through the House during the present session, we adhered to the word "may" in all cases and it was intended that the word "may" should mean "shall". I am going to go on a little further, for while this may be uninteresting I think it is of very great importance to the public:

The agreement requires a separate valuation for each of these three lines of railway. By the agreement the Crown assumes bonds of \$2,500,000 secured by a trust mortgage. These bonds and the trust mortgage securing the same, in addition to being a charge on the Quebec railway, are also on other railways and properties not taken over by the Crown. By the terms of the agreement this bonded charge of \$2,500,000, while it is assumed by the Crown, forms part of the purchase money payable by the Crown under the statute. If the value placed by the court on the Quebec Railway Company, known as the Quebec, Montmorency and Charlevoix railway, exceeds the \$2,500,000 only the excess over the \$2,500,000 and the value so found is to be paid by the Crown, the \$2,500,000 being treated practically as a payment on account. If on the other hand the value placed upon the Quebec, Montmorency and Charlevoix railway is less than the \$2,500,000 then the difference between the value as ascertained and the \$2,500,000 is to be deducted from any sums that may be found due in respect of the other two railways.

The agreement refers to it in the following language:

"It is understood and agreed by and between all the parties hereto jointly and severally that in case the Exchequer Court of Canada fixes the value of the line of railway and other property set out in schedule C hereto at a sum less than \$2,500,000, the difference between the sums so fixed and the sum of \$2,500,000 shall be deducted from the aggregate amount of the purchase price to be paid for the lines of railway and other properties set out in schedule B and D hereto.

"The intention of this agreement being that in no event shall His Majesty be liable to pay for the said three lines of railway and other properties a greater amount than the value thereof as fixed by the Exchequer Court less the sum of \$2,500,000 the amount of the bonds to be assumed by His Majesty as aforesaid."

That makes it very clear that the judge of the Exchequer Court was to fix the total value of the railways and in doing that he