

newspapers of the rivalry for the purchase of the Hamilton and North-Western stocks, and of trouble between the Grand Trunk Railway and the Canadian Pacific Railway as to which should get the control of the Northern and North-Western, and as far as we can learn the city of Hamilton held the balance of power in this struggle. I do not remember any clause in the charter of the Canadian Pacific Railway which authorizes it to invest in these stocks; but no doubt it did invest in them. Nor have I heard of any clause authorizing them to invest in St. Lawrence and Ottawa stocks, but undoubtedly it did. I, therefore, can understand the propriety of a clause which emphasizes the penal consequences to a company acting beyond its powers, meddling with others and bringing up stocks and bonds, when it is not authorized to do so. But first of all it must be an independent claim, and secondly, we must learn distinctly whether it is the intention of the Government to withdraw existing powers to buy stocks and bonds, or whether it is intended to deal only with those cases of the purchase of stocks and bonds contrary to the law. I think the clause rather means the latter, because there is a provision in which it is specially authorized to do so, and I presume an authority given by Act of Parliament, though a general authority, would be called a special authority. I could wish that the hon. gentleman had struck out "special" and said "unless authorized to do so no railway company shall," &c.

Sir CHARLES TUPPER. The hon. leader of the Opposition probably recollects that this was a Bill introduced by the hon. member for North York (Mr. Mulock).

Mr. BLAKE. Only the first part.

Sir CHARLES TUPPER. That hon. gentleman, having given his attention to the subject, drafted these clauses and submitted them for my consideration; and having given them the best consideration I could, I have embodied them in the Bill; but they were prepared by the hon. member for North York. Now, I propose to make an amendment to sub-section *b*, by adding these words to the end: "but if such lease or purchase has been authorized as required by the special Act, and after notice as required by law to the shareholders, no notice for such application shall be required." That is to say, that where the shareholders have specially authorized it by law, this notice shall not be required.

Mr. BLAKE. Why, then, make it subject to the approval of the Governor in Council at all?

Sir CHARLES TUPPER. For the purpose, as stated by the hon. member for North York, of serving as an additional check to unrestrained action in such cases. Then it provides for a very careful arrangement for the approval to be given, the notice having been published in the *Gazette*, &c., but that having been done, it does not seem necessary that they should be required to do it all over again.

Mr. BLAKE. There is the danger that the purchase or lease by one railway or another may be against some public interest, and that is why it is proposed to put in this additional check of the Governor in Council. It is not an arbitrary discretion we have exercised. They are not to have power to check this if the law has authorized it; they are not to have power to give it if the Act has authorized it, and if the Act has authorized it, the question of policy would be deemed to be settled. We have refused, Session after Session, to give any railway company power to purchase or to lease in this general way; we have said: State the lines you want the power to purchase or lease, and if we think it right, we will give you authority. Now, why, when Parliament has declared, in reference to these cases, that it is not contrary to public policy, by giving special authority in the Act to purchase or lease railway A or railway B, why are you going now to say this should be subject to the ap-

proval of the Governor in Council? Parliament itself has said that the public interest will not suffer by those particular cases.

Mr. CAMERON (Victoria). I agree with the observations of the hon. member for West Durham. It seems to me that *b* and *c*, are really unnecessary, because without special legislative authority a railway company cannot purchase or lease another railway, nor can it apply any of its funds to the acquisition of any share or securities of any other company. Those are matters which it can only do in the exercise of special legislative authority. If it has received in the past that special legislative authority, we ought not now to interfere with it. If it has not received that authority, it must come here to get it. Then it will be in the power of Parliament to impose such conditions as it pleases. It therefore seems to me that *b* and *c* are unnecessary, and they are certainly inappropriate in the position in which they are placed in the Bill. As to clause *d*, it is a pioneer clause, but I do not know that it is necessary. But it certainly should not be there, and it should be a separate clause which should simply provide that if a director of a railway was guilty of any act or any misappropriation of the funds of the company, he should be liable to that penalty. If Parliament thinks fit to make a general provision of that kind, well and good, but it should not come in in this place if it comes in at all.

Mr. McCARTHY. I agree with both my hon. friends that clause *b* should be expunged. With regard to clause *a*, I think it is a very necessary clause, but it does not go far enough. I think there ought to be a declaration that the agreement referred to in section sixty of the Act should not be ratified unless it was in the public interest; in other words, it is an attempt to incorporate in this law the powers which the Railway Commission in England has, but the powers are to be exercised here by the Railway Committee of the Privy Council, and I would invite the attention of the hon. Minister of Railways to the clauses in the Railway Act of England by which that power is conferred. Clauses *c* and *d* are enactments which I am very glad to see in the Bill, but which I also think do not go sufficiently far. Now, Sir, if I can engage the attention of the Committee for a moment I would endeavor to draw notice to the importance of this amendment. We have, as the hon. gentleman from West Durham has told us, repeatedly refused amalgamative and leasing powers; we never did so unless we were satisfied that the amalgamation was in the public interest. But our laws are frequently evaded by the railway managers buying up stock of other companies and practically amalgamating without the consent of Parliament. I submit that that ought to be stopped, and now is the time to do it. We can put an end to that by a legislative declaration that it shall be unlawful for any railway company—I do not care what their power may be—to invest in the bonds or stock or securities of other companies whereby they may obtain control either of that or any other company. We have examples of that all around us. We know perfectly well that the St. Lawrence and Ottawa Railway coming to this city was made part of the Canadian Pacific Railway, not by amalgamation, not by applying to Parliament, not by any power of leasing, but by acquiring a controlling interest in the stock, and, therefore, although still the St. Lawrence and Ottawa Railway, it is part of the Canadian Pacific Railway; and so with the Great Western Railway. An attempt was made by two great corporations to secure the Hamilton and North-Western. They dare not come to Parliament to ask for power to amalgamate, for no Parliament would give them that power, but they purchased the stock, and one of these great railway companies has recently done so openly, by advertising a meeting for the purpose of confirming an arrangement made.

Mr. BLAKE. They have the power.