the issue provided for in the measure to which he had alluded. The holders of these bonds were not bond-holders in the ordinary sense of the word; they were not men who had speculated their money in the railway; but they were forced to receive these bonds in payment of claims for cordwood, ties, and other supplies furnished the company in order to complete the road and keep it running, at a period of its history when, if these supplies had not been forthcoming, the line would have come to a standstill. He held that the company were in honour bound to wipe off these small obligations—small when compared with the other class of liabilities proposed to be dealt with—and, if they were small, so much the greater reason, to his mind, was it that they should be paid promptly and in full. He might add that many of the parties who had taken these bonds—or rather who had literally been forced to take them—were at present in financial straits themselves—possibly in as great financial embarrassment as this company which now asked relief—and this company, coming forward before this House and seeking to obtain privileges which, probably, would be granted, or partially so at all events, were it running the road through the very best part of the country, and having facilities given which were not possessed by any other road in the country, should not be placed in the same position as the Grand Trunk Railway; that is, this House ought to secure in some way, if only for the benefit of the few creditors in whose behalf he spoke, any special funds accruing to the company. As many members of this Committee of the Whole House, who were members of the Railway Committee and of the sub-Committee would remember, he had proposed that a clause similar to that in the Grand Trunk Act of 1862, which provided that all moneys received for postal and military services should be held to pay off all floating debts, should be inserted in this Bill, and, at the time his resolution was offered, it was not objected to. If the Grand Trunk Company were compelled to set apart—and they did set apart—in order to carry their floating debt, the money accruing to them from postal services, military and other services, he could not understand why the Canada Southern should not do likewise. This, it was true, had not been included in the first Bill; but, in a later Bill, it was made obligatory; so with the Bill now before the House. The second clause, after a good deal of controversy, had been amended; so that, in the Bill which was now before the House, it was provided that all those debts which were defined as "working expenses," and which had not been settled for by bonds, should be settled in cash from the first money realized from the sale of the proposed new issue of bonds. It was but fair and honest that those who had been compelled to take these bonds in payment of their claims against the company, should be placed in the same position as those parties included in the second section to which he had referred, and which had been so reluctantly inserted by the projectors of the Bill. He therefore moved:

That the Bill be recommitted in order to amend the third clause by adding the following words: "Provided that any party who, for the purpose of settling his claims against said company for 'working expenses,' has received bond or bonds of said company, and is still the owner of such bond or bonds, shall be considered and treated in the same manner as if the company had not settled such claim by the issue of such bonds, and the amount of such bond or bonds shall be considered and treated as a debt incurred and held by the said company on the 12th day of March, 1878, as provided by said section."

MR. MACKENZIE: Do I understand the hon. gentleman to say that the principle of his amendment is that people who had taken bonds in settlement of their claims shall be entitled to have these bonds cashed in full at their par value?

MR. STEPHENSON: These parties who now hold in their possession bonds given in payment of supplies rendered to the company, and which are now classed as "working expenses," should certainly be placed in the same position as those creditors included in the second clause, who are to be paid in full. His wish and intention was, by his resolution, that this class of creditors should be placed back in the same position as though they had never received the