

purchase the Niagara, St. Catharines and Toronto road.

Sir WILFRID LAURIER: The stocks of all the companies which go into the system are pledged as security for this \$45,000,000, but the stock of the Niagara Company is not pledged. What is the reason? My hon. friend says he thinks that this stock is to go to the Canadian Northern Ontario, but I would point out that all the stock of the Canadian Northern Ontario goes to the Canadian Northern. Whether it goes to the Canadian Northern directly or indirectly, the stock of the Niagara Company ought to be pledged, and according to these resolutions it is not pledged.

Mr. MEIGHEN: If the right hon. gentleman will let the matter stand I will promise to answer him immediately after dinner. My right hon. friend inquired yesterday as to why a distinction was necessary between subsidiary and constituent companies. If my right hon. friend will look at section 18 of the resolution he will find that it runs this way:

That without limiting any power now possessed, it be enacted that any constituent company which is now or may hereafter be subject to the legislative authority of the Parliament of Canada, may, under the provisions of the Railway Act, amalgamate.

And so on. The right hon. gentleman will see at a glance that it would not do to have all the companies united, because then each of them would have power to amalgamate, and we do not want to give land companies and others, which, of necessity, should not be made part of a railway company, additional power to amalgamate under this Bill.

Mr. GERMAN: In the first part of the second schedule, the Canadian Northern Railway Company is put down as having an issue of stock of \$10,000,000 and that is all the stock which can be mortgaged under these resolutions. If the Niagara, St. Catharines and Toronto railway is absorbed in the Canadian Northern Ontario, that will increase the capital stock of the latter to the extent of the stock which is issued on the Niagara, St. Catharines and Toronto.

Mr. MEIGHEN: I will answer my hon. friend's question after lunch, and we can then discuss the matter.

Sir WILFRID LAURIER: I observe also that the Canadian Northern Transfer Company is in the same position; it is one of the companies which comes into the agree-

[Mr. Meighen.]

ment but the stock of which is not mortgaged.

Mr. MEIGHEN: The Canadian Northern Transfer Company is and has been for some time the property of the Canadian Northern Railway Express Company; consequently, its assets come in with the assets of the Canadian Northern Railway Express Company.

Mr. MACDONALD: I think that the Solicitor General will agree with me that this and the following clause should stand until we have more information regarding these companies, and that the clause relating to contractors should stand until he lays on the table a memorandum showing when and where this company was incorporated, its objects, the amount of its capitalization, the bonds and stocks, if any, of a preferential nature that have been issued by it and its assets and liabilities. I submit that the committee is entitled to know the whole history of the financial status of the contractors who are making these covenants with the Government.

Mr. MEIGHEN: I have no objection to the clause standing, pending the consideration of what my hon. friend asks, a great deal of which I see no objection to bringing down.

Clause stands.

'Minister' means the Minister of Railways and Canals.

Clause agreed to.

'Guaranteed securities' means the securities to be authorized to be guaranteed by the Act to be based upon these resolutions.

Mr. MACDONALD: In order that there may be some definiteness about that, would the Solicitor General, for convenience sake, point out any of the securities referred to here that are in existence.

Mr. MEIGHEN: I do not think I understood my hon. friend. This simply defines the security—

Mr. MACDONALD: The forty-five millions?

Mr. MEIGHEN: Yes.

Mr. MACDONALD: That is all right.

Clause agreed to.

'Mortgaged Premises' means the undertakings, properties and assets, rights, powers and franchises from time to time mortgaged or charged for the purpose of securing the payment of the guaranteed securities.