Hon. Mr. DANDURAND: Or has been assumed.

Hon. W. B. ROSS: That is the same thing, as far as winding up is concerned.

Hon. Mr. BEAUBIEN: That means, I suppose, that pending this settlement the receivership could not be terminated, and now everything is adjusted?

Hon. Mr. GRAHAM: Every impediment is removed.

Hon. Mr. BEAUBIEN: Everything has been assumed, or will have been assumed.

Section 10 was agreed to.

Section 11 was agreed to.

On Schedule "A":

Hon. Mr. BEAUBIEN: Will the stock that will be redeemed by the drawing of lots in the first ten years, as mentioned in section 2 of the schedule, be paid for at 100 cents on the dollar?

Hon. Mr. McLENNAN: I would ask the honourable gentleman why there is a minimum of £60 in the redemption of stock on purchase by tender only? If a man tendered to sell his stock at £55, why should that price not be taken?

Hon. Mr. DANDURAND: I would ask Mr. Yates to come to the floor.

Hon. Mr. BEAUBIEN: In the purchase of stock by tender the minimum fixed is £60; but in regard to the drawing of lots the provision reads, "a sufficient amount of the stock to exhaust at par" the sinking fund moneys.

Hon. Mr. McLENNAN: That is a gamble.

Hon. Mr. BEAUBIEN: Perhaps my honourable friend (Hon. Mr. Dandurand) can give us some enlightenment on clause 2, in which it is stated that the tenders shall be made for "not less than £60 and not more than £100". Why limit the amount of the tender to not less than £60? If a man prefers to have his capital by tendering at £50, why should we prevent him from getting it? Many people might prefer to have their money in their own business rather than in this stock at 2 per cent. Then again, why put a limit at £100 when the Government has the right to redeem it at £100? Why say, "Don't send more than £100"? It seems futile to put that in.

Hon. Mr. DANDURAND: Of course that feature of it does no harm to anybody. It is quite clear.

Hon. Mr. BEAUBIEN: But the limit of £60 does harm. Why should we not have the right to repurchase if any of those holders want to sell for less than £60?

Hon. Mr. DANDURAND: That figure was struck after discussion between the two interests—the holders and the intending purchasers. This scheme is a bilateral one, and that form has been agreed upon. It would be impossible for me, unless I consulted the attorney who drafted it, and who met the parties, to say why those figures were fixed upon in the arrangement.

Hon. Mr. McLENNAN: Is it not extremely unusual? In ordinary companies, when issues of bonds are redeemable, tenders are put in without any minimum; but this scheme permanently pegs the lowest price of the stock at £60, instead of leaving it to the open market. It means that anyone holding this stock until the time comes for the first drawing is bound to get not less than £60. I cannot see any reason for that feature, or any advantage in it to the Government of Canada.

Hon. Mr. DANRURAND: Very likely it was arranged by figuring what the bonds would be worth. When one knows that a bond has 32 years to run, and the holder will receive only 2 per cent interest, one can easily ascertain what it will sell for; and probably one of the conditions may have been that if there is any call for the withdrawal of bonds the holders shall get at least £60. It will be for the company to decide when and to what extent they will pay for bonds before the expiry of the ten years, and the figure at which they will agree to purchase them.

Hon. Mr. McLENNAN: But for the first ten years they are bound to apply the sinking fund to the purchase of bonds.

Hon. Mr. DANDURAND: It would depend on the sinking fund.

Hon. Mr. McLENNAN: Yes; but ordinarily, where there is a sinking fund, tenders are put in without any limitation, without pegging the price at a certain figure, such as £60 in this case.

Hon. Mr. BEAUBIEN: It seems to me we are legislating now to limit the liberty of those who are to put in tenders.

Hon. Mr. McLENNAN: No, we are giving them an advantage.

Hon. Mr. BEAUBIEN: But we are preventing those people from sending in any tender lower than £60. We cannot accept any tender at less than £60; so if any holder sends in a tender for £50, that is too cheap, and we have to wait until he sends back a tender for £60 before we accept it. Why should we legislate to limit the liberty of those who offer these bonds?