

and bought those bonds, paid to the railways 100 cents on the dollar. They loaned to those railways, \$2,000,000 or more. That was an honest debt incurred by the Toronto and Suburban Railway. That railway became the property of the Canadian National Railways, and my contention is that the Canadian National or the Canadian people, if you like, are now in exactly the same position so far as liability is concerned, as were the original Mackenzie and Mann owners of the road. I may say, by the way, that some years ago the city of Toronto passed a by-law providing for the purchase of the Toronto and Suburban railway. It was not carried out. If it had been accepted by the railways, these bondholders would have received 100 cents on the dollar. The contention is now made—I think it was made by the government—and I want to say I am not talking politics in this; just ordinary plain justice. The contention made that since the security has practically disappeared, because the line has been abandoned,—it is just a streak of rust now between Toronto and Guelph, and I see it every time as I pass along—that the liability has practically disappeared. I think the government or the railways have taken the attitude if the bondholders are not satisfied with that, they can take the road. Of course, that is absurd. There is practically no value from a salvage point of view in the road at all.

Hon. Mr. MANION: Will you permit me to clear up one point? Any statements made, so far as the government is concerned, are statements really of the management, because the Canadian National Railways have handled it entirely; it is not a government proposition.

Hon. Mr. EULER: I will put it right up to the management. My contention is, even if the security has disappeared, the obligation has not disappeared. If I get a man to loan me \$10,000 on a property, for which a mortgage is given, and if the value of the property sinks to \$5,000, it does not relieve me from my obligation of \$10,000. The debt was honestly incurred, and should be honestly paid. It seems to me that the railway board or the government or the people of Canada can ill afford to take advantage of the people who honestly put their money into the road, a hundred cents on the dollar, and then ask them to accept 25 cents on the dollar.

I am told that about half of those bonds were owned in England, and the other half in Canada, and that the English bondholders for years have been trying to get full payment of the bonds, but they finally agreed to accept 25 cents on the dollar. The Canadian bondholders are not satisfied with that. I have a great deal of sympathy with them, perhaps more because of the fact that in my own district, a great many people are holders of those bonds. I want to protest at the Canadian government or the Canadian National Railways taking advantage of the law—and I have my doubts about the legal end of the suit; I think Judge Fullerton is a much better judge of that than I am—and taking advantage of people who honestly put their money into it and accepted those bonds and now under necessity, being obliged to accept 25 cents on the dollar from the Canadian people. I say the Canadian people and the Canadian National Railways ought to recognize the full amount of the liabilities to those who advanced their money to them by way of loan, and for which they hold debentures.

Mr. GEARY: Grand Trunk Pacific stock too?

Hon. Mr. EULER: I am not speaking of stock.

Hon. Mr. MANION: Debenture stock.

Hon. Mr. EULER: Holders of stock have to take their chance, while bondholders are creditors. They loaned their money to the company. The man who buys stock is an owner of the company and has to take his loss when the assets disappear, but a man who advances his money on a bond is a creditor.