

of Canada for years. Such bonds have been banished; and I am personally aware that people have been arrested for selling them in Canada. One case, I understand, created quite an impression in the West last year, and is, I think, still pending before the Court of Appeal. Yet the city of Paris did nothing worse than Canada is going to do now. They said: "We want to borrow a large amount of money. We are going to pay 5 per cent on that amount. Three per cent will be paid regularly on the bond, and 2 per cent will be set aside to create a fund, and every year that fund will be exhausted by the drawing of lots. Any man drawing a good number gets his bond redeemed in full—100 cents on the dollar." Because that feature was attached to those Paris bonds, they were frowned down upon, and were prohibited from entering Canada. Now, is not this exactly the same method as has been used in France with Panama and city of Paris bonds? If there is a distinction I would like to know it, because then I would vote for a measure like this with a great deal of contrition.

Hon. W. B. ROSS: That is the way the twelfth apostle was chosen.

The motion was agreed to, and the Bill was read the second time.

#### CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on the Bill.

Hon. Mr. Robinson in the Chair.

Section 1 was agreed to.

On section 2—scheme of arrangement with holders of four per cent Debenture Stock of Grand Trunk Pacific Railway Company, confirmed:

Hon. Mr. BEAUBIEN: Mr. Chairman, there are no copies of the Bill available. The honourable leader of the House has been good enough to put this draft in my hand at this moment. Should we not await the coming up of the Bill?

Hon. Mr. DANDURAND: The Senate has met at this stage to sanction this arrangement, and the Deputy Governor General will come and give the Royal Assent. It is a money Bill, which we cannot amend, and I would suggest that we pass it. We could have given it the third reading without going into Committee.

Hon. Mr. BEAUBIEN: May I ask my honourable friend whether he is quite sure that we could not amend it?

Hon. Mr. DANDURAND: No, we could not.

Hon. Mr. BEAUBIEN: I remember one measure like that which had a very short shrift. The C.N.R. branch lines involved a very large amount, which we cut down very promptly and very properly.

Hon. Mr. DANDURAND: But the Bill is based upon an arrangement. It is an enabling Bill, to enable the Government to ratify a contract. We are now practically declaring that we adhere to the proposed scheme of arrangement, by which debenture stock issued under certain conditions is being withdrawn, and replaced by the stock that we have described. Either we agree with the principle or we do not. I think we agree with it, because we have passed the second reading. Then this consideration in Committee is simply for the purpose of adopting enabling clauses which will authorize the Government to sign that contract.

Hon. Mr. BEAUBIEN: Well, we are certainly placed in a very strange position. I am not going to take upon myself the responsibility of blocking this measure. I know there are very serious reasons for it, but I think the truth might just as well be told. The serious reason is that the interest upon those bonds has not been paid regularly, and there has been a very insidious campaign conducted all through the British Isles against Canada. We want now to silence those people who have slandered Canada, and we are going to pay them \$35,000,000 to cease slandering Canada. That is the position, as I see it very clearly. They have no right to claim that from Canada, and it is a very large amount to pay, and it would be a very bad example to give that money to people who hold securities upon which they have absolutely no right to make a claim. But they slander Canada, they blackmail Canada, with the result that we cough up to the extent of \$35,000,000. That is the position. Now, have we, or have we not, power to deal with this measure? Can we, or can we not, say that we are not going to pay \$35,000,000 to prevent those people from slandering Canada? If we have the right to do that, and I think we have, we should have the right to vote against this measure, and say we will not pay it.

Hon. Mr. DANDURAND: But will my honourable friend allow me? I do not admit his premise at all; his premise is false; it is not the primary reason, nor even the secondary or the third reason why the Government of Canada is justified in entering into this contract. My honourable friend has seen a campaign carried on in the London papers, but I may tell him that the men most closely