

way to any person, whether approved of by parliament or not, I say we should not hesitate to do so.

Mr. FITZPATRICK. Why?

Mr. R. L. BORDEN. Because we do not give that power to railway corporations.

Mr. FITZPATRICK. Yes we do. Why, the greater part of the stock of the Canadian Pacific Railway is held by people abroad.

Mr. R. L. BORDEN. I was talking about the conveyance of a railway. The conveyance of the railway and the conveyance of the stock are two entirely different things. I am not aware that railway companies in this country have power to sell their railway without coming to parliament.

Mr. FITZPATRICK. They have power to sell their stock.

Mr. R. L. BORDEN. I have admitted that all along.

Mr. FITZPATRICK. That is what they are doing here.

Mr. R. L. BORDEN. Let me go back once more. The Minister of Finance says that the purpose of this Bill undoubtedly is to vest this railway in the Grand Trunk Railway Company, although for purposes of conveyance the corporate existence of the Canada Atlantic Company is kept up. I agree that that is undoubtedly the intent and effect of this Bill. I have said that if it was done in the ordinary way by a deed of conveyance the Grand Trunk could not ask parliament for power absolutely to dispose of that railway without coming back to parliament. When they carry out the projects not by the ordinary method to which I referred, but by an indirect method, it does not seem right to give to the Grand Trunk Railway by these comprehensive words, power to transfer this railway as they may see fit to any other person or corporation. That is the effect of my objection, and I think there is room in it for reflection.

Mr. FIELDING. If the Grand Trunk Company had proceeded in what may be regarded as the ordinary way, that is, if they had applied to parliament to allow the transfer, not of the stock but of the property itself to the Grand Trunk, then by acquiring so much additional property they would have to issue so much additional stock to represent that property, and that stock could be purchased by anybody in the world. Where is the difference. If this property were sold to anybody it could only be sold to some person who had power to receive it, and that person would have to be a corporation chartered by the laws of this country; nobody else could receive and operate a railway un-

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der the laws of Canada. Therefore, a sale to some person abroad would be an impossibility. No person abroad could take a transfer of that property and operate it as a railway. If it is to be a transfer of the property as distinct from the stock, then that transfer will have to be to a corporation authorized by the laws of Canada.

Mr. BARKER. It seems to me that the Grand Trunk might be enabled by this Bill to largely increase its obligations and then dispose of the proceeds of what it bought. There is a power here to guarantee £3,292,000 as bonds of the Canada Atlantic. You have added £3,292,000 to the obligations of the Grand Trunk in which this country is interested, and you may enable it as compensation for that obligation to acquire from some private persons, their stock; then you say to the Grand Trunk that, instead of holding the property thus acquired in return for that obligation, it may be sold.

Mr. FIELDING. The stock?

Mr. BARKER. The stock that may be received for a recompense for the guarantee of £3,292,000. They should hold that for the benefit of those who are interested in the Grand Trunk. You are enabling them here to get it with one hand and dispose of it with the other.

Mr. FIELDING. Is not that the company's own affair? Under the Act they may take and hold this. I think the theory of the Act is that they may take and hold it, but if they see fit to sell it for the operation of the Grand Trunk Company, is that not a matter between the directors and the company?

Mr. BARKER. Not entirely so.

Mr. FIELDING. As much so, I would think, as in the case of any other company.

Mr. BARKER. Parliament is always careful about the obligations it allows a railway to incur, for the reason that every dollar of debt it incurs means so much more to be taken out of the people in the shape of rates. For many years I have seen the members of different governments watching very closely additional obligations incurred by railway corporations. I know it was done in the time of Mr. Blake. I know great care has been taken over the obligations that railways were allowed to undertake. Now here you are allowing this company to incur an obligation by a guarantee of £3,292,000. It is clear, I think, that connected with that guarantee there is going to be an acquisition of stock from private people. That stock should be held by the company against this guarantee for the protection of those interested in the company; and instead of compelling them to hold that stock you are going to enable them to sell it at once.