

position: If the government claims that the covenant of the Grand Trunk Pacific Railway Company is really a valid financial obligation, and one upon which the people can rely then the Grand Trunk Railway Company is not assuming any risk whatever in guaranteeing 25 per cent of the obligation necessary to construct this road. If we look at the position of the Grand Trunk Railway Company we find that that company, by the Act being enforced to accept practically the whole of the stock, we have the Grand Trunk Railway Company controlling the Grand Trunk Pacific Railway Company without any obligation whatsoever. It seems to me that if we could throw on the canvas a picture of the interest that the government and the Grand Trunk Pacific Railway Company and the Grand Trunk Railway Company really have in this particular contract, and if the picture could be drawn according to mathematical scale, showing the true interests of all these parties, it would be found that the interest of the Grand Trunk Railway Company looms up very large indeed, while, on the other hand, if we could have thrown on the canvas a picture of the obligations assumed by the Grand Trunk Pacific Railway Company and the Grand Trunk Railway Company, it would be found that the obligation assumed by the Grand Trunk Railway Company is in reality very trifling. If the government should vote down this amendment, it must be on the ground that the covenant of the Grand Trunk Pacific Railway Company is a good covenant, but if so, it is perfectly evident that the Grand Trunk Railway Company is assuming no liability whatever practically in guaranteeing the amount of the bonds it undertakes to guarantee. Therefore, as to this subclause (a), I think we are justified in assuming, that, as the Grand Trunk Pacific Railway Company, which after all is as clay in the hands of the potter as between itself and the Grand Trunk Railway Company, the Grand Trunk Railway Company should covenant that it, itself, will see that the child of its creation shall carry out the contract which has been entered into. Another feature of the contract is as to the carrying of trade through Canadian channels and through Canadian ports. I will not occupy the time of the House in reading clauses 42 and 43 of the contract, which provides that the Grand Trunk Pacific Railway Company shall see that freight is routed through Canadian channels and through Canadian ports. Subclause (b) of the amendment which I moved provides that the Grand Trunk Railway Company shall do in fact itself what the Grand Trunk Pacific Railway Company is bound by the contract already made with the government to do. It also provides that the Grand Trunk Railway Company, itself, shall not in any roundabout way defeat the true intent of the agreement by itself doing what the Grand Trunk Pacific Railway

Company would be liable under its covenant for doing. Therefore, without occupying the time of the House further, I submit this amendment which is in effect to secure to the people of Canada the covenant of the Grand Trunk Railway Company that in these two respects the Grand Trunk Pacific Railway Company shall carry out the contracts, covenants and agreements which it has made with the people of this country. While under ordinary circumstances it might not seem reasonable or fair to exact such a covenant from a third party, the Grand Trunk Railway Company, I submit, that as under the terms of this particular contract it is provided that the Grand Trunk Railway shall hold the stock and shall in effect be the Grand Trunk Pacific Railway Company in every sense, except liability, the amendment is not unreasonable.

Amendment (Mr. Northrup) negated on the same division.

On motion of Mr. Lancaster, the debate was adjourned.

ADJOURNMENT—COASTING PRIVILEGES.

The PRIME MINISTER. I beg to move the adjournment of the House. In reference to a certain point, as to which my hon. friend from Leeds (Mr. Taylor) and myself do not agree, let me quote the following from an Act of the congress of United States, of February, 1898.

Be it enacted by the Senate and House of Representatives of the United States of America in congress assembled, that no merchandise shall be transported by water under a penalty of forfeiture thereof from one port of the United States to another port of the United States, either directly or via a foreign port, or for any part of the voyage, in any other vessel than a vessel of the United States.

Mr. TAYLOR. That is quite correct with regard to coasting, but carrying from an American port to a Canadian port is a different story.

Mr. SPROULE. What business will be taken up to-morrow?

The PRIME MINISTER. We will continue this Bill and after that we will take up some other Bills and then go into supply.

Motion agreed to, and House adjourned at 11.25 p.m.

HOUSE OF COMMONS.

WEDNESDAY, September 30, 1903.

The SPEAKER took the Chair at Eleven o'clock.

RECEPTIONS OF PETITIONS.

Certain petitions praying that Bill (No. 235) to provide for the construction of a