

above, among the holders of the preference and common stock, upon the transfer to or vesting in the Government of such stock in proportions which shall be determined by the arbitrators.

You will see that the arbitrators would be called upon to value separately the four per cent guaranteed stock, and separately the first, second, and third preference and the common stock of the company. Then the value, as determined by the arbitrators, would be paid over by the Government to the holders of the four per cent guaranteed stock, and the value of the other stocks, as determined by the arbitrators, would be distributed in the proportions determined by the arbitrators. The arbitrators would not be called upon to disturb the rights of the holders of the four per cent guaranteed stock. They would continue to distribute the amounts of the other stocks as provided for in section 6. Apart from the fact to which I have called attention, this stock might be worth only forty cents or fifty cents on the dollar, as determined by the arbitrators, and it would not be fair to have the country pay one hundred cents on the dollar for a security worth only forty cents or fifty cents. I would call the attention of the Government to the fact that there is a suspicion in the public mind—I do not say that the suspicion is well founded, but there is a strong suspicion in the public mind that this Bill is opening the door to the making of \$25,000,000 or more by the holders of that stock to the detriment of the Dominion of Canada. I want to close the door to that, and I think the Government should be anxious to find a means of removing suspicion of that kind. The figures which the honourable leader of the Opposition has placed before the House show clearly that the holders of those stocks will be paid much more than the value of their stocks. The market value is a good criterion of the value of stocks. The holders have likely bought that stock at the market price, but, at any rate, we give them the advantage of the greater value. In order to enable the Government to better deal with them, add, if you like, a provision that the amount to be determined by the arbitrators shall not be less than fifty cents on the dollar. They might even fix it at ten cents or fifteen cents more than the market price of the stock at the date when the Bill was introduced. I would not object to a clause of that kind, because I want to give the Government the means of dealing with the holders of that stock on a fair basis; but I do not want to subject the country to pay-

ing \$20,000,000, \$25,000,000 or \$26,000,000 for the benefit of a few holders of those securities.

Hon. Mr. DANDURAND: We can perhaps call it six o'clock.

Hon. Sir JAMES LOUGHEED: We had better deal with this when it is fresh in our minds.

Hon. Mr. DANDURAND: I understood before we adjourned at one o'clock that the guaranteed stockholders would have their security tested by the arbitrators, and there was a certain satisfaction among honourable gentlemen, which would have permeated the whole public opinion of Canada, in putting that stock in the melting pot with the preferred stock and the common stock to see how it would work out. The stock was worth 45 or 46 a month ago, but speculators have jumped in and have been buying it, with the result that it has gone up to 70 or 75. I do not know at what point it is just now, but it will be a standing grievance of the electorate of Canada against this legislation if, through our action, speculators are able to run away with large sums of money. If the Government think that these speculators are drawing unduly on our treasury when it is at the lowest ebb, something should be done. I know that the leader of the Government would be most happy to find a way by which the value of that stock would be tested. It was with the appearance of the greatest happiness that he informed us this morning that the guaranteed stock would be arbitrated. This afternoon he sees one objection in the fact that the voting power of that guaranteed stock may be so entrenched that it will defeat this scheme when it comes before the special meeting of the shareholders of the Grand Trunk in London, if they do not gain their pound of flesh. I suggested a moment ago that we should call it six o'clock, because, if the amendment of the honourable member from De Salaberry (Hon. Mr. Béique) can satisfy my honourable friend that the objection which was in his way at three o'clock has been removed, I know he will be most happy to return to the frame of mind which he was in at one o'clock, and throw the guaranteed stock into the hands of the arbitrators in order to ascertain its value. If the arbitrators come to the conclusion that it is not worth \$5,000,000, that, taking into consideration the liabilities of the Grand Trunk in regard to the Grand Trunk Pacific, it is worth only \$1,000,000, their hands will