

railway and to say that it shall get what is, according to British standards, an exorbitant return, to the advantage of the people who bought it within the last year, and that the other people shall get less than half. I would earnestly ask the Government to take that into consideration.

Hon. Sir JAMES LOUGHEED: We cannot avoid it, though.

Hon Mr. ROSS: As a matter of fact, you could avoid it.

Hon. Mr. McLENNAN: You could avoid it.

Hon. Mr. ROSS: By putting the present guaranteed stock into the arbitration with the preferred and common, giving them a round sum, and letting the English company call a meeting of the shareholders and divide that among themselves.

Hon. Mr. McLENNAN: Hear, hear.

Hon. Mr. ROSS: Instead of allowing them to do that, we are joining hands with the present guaranteed stockholders and enabling them to choke off everybody else in the company while they get good value for their own stock.

Hon. Mr. DANDURAND: Honourable gentlemen, I apologize for rising for the third time; but I feel that if these amendments, that moved by the honourable leader of the Government and the sub-amendment of the honourable senator from Hamilton, are passed, we close the door to the possibility of testing the Senate regarding its desire to have the guaranteed stock valued. We should know what we are doing.

Hon. Mr. BEIQUE: After we have disposed of the present amendment and sub-amendment, I propose to move another amendment to clause 6, to bring before the arbitrators the four per cent guaranteed stock as well as the others.

Hon. Mr. DANDURAND: If my honourable friend thinks that we are not prejudging the question of submitting to the arbitrators for valuation the guaranteed stock, then I do not insist; but I supposed that, taking clause 6 as it is and adding the amendment, we were accepting, at all events by inference, the principle of guaranteeing absolutely the guaranteed stock and arbitrating only the preference and the common stock.

Hon. Mr. BELCOURT: I am inclined to vote for the sub-amendment; but before the question is put I would call my hon-

Hon. Mr. McLENNAN.

ourable friend's (Hon. Mr. Lynch-Staunton's) attention to something which is rather vague, rather ambiguous, to my understanding. He says:

Should, however, it appear to the satisfaction of the arbitrators that the cash reserves of subsidiary companies of the Grand Trunk as claimed to exist were actually available for dividends.

What troubles me is that there is no point of time fixed. I think my honourable friend should fix a time when this state of affairs was supposed to exist. Apart from that, I am disposed to vote for the sub-amendment.

Hon. Mr. LYNCH-STAUNTON: It should read, "during the said period."

Hon. Mr. DANDURAND: What is the amendment?

The Hon. the CHAIRMAN: I will read it.

The value, if any, so determined shall in any event be limited to an amount on which the annual dividend at four per cent per annum shall not exceed \$4,372,262, being the average dividend paid by the Grand Trunk during the ten years prior to 1914.

Should, however, it appear to the satisfaction of the arbitrators that the cash reserves of subsidiary companies of the Grand Trunk as claimed to exist during the said period were actually available for dividends and were not offset by unpaid liabilities in other subsidiary companies, the limit above mentioned may by the arbitrators be raised to \$5,000,000.

The amendment of Hon. Mr. Lynch-Staunton was negatived.

The amendment of Hon. Sir James Lougheed was agreed to.

Hon. Mr. BEIQUE: I move that clause 6 be further amended so as to read as follows:

The value, if any, of (1) the four per cent guaranteed stock and (2) the first, second and third preference stocks and the common or ordinary stock of the Grand Trunk now issued and outstanding to the face values above mentioned (hereinafter together called the "preference and common stock") shall be determined separately by a board of three arbitrators, one to be appointed by the Government, one by the Grand Trunk, and the third shall be Sir Walter Cassels, Judge of the Exchequer Court of Canada. Should Sir Walter Cassels die or be unable to act, the said parties shall agree upon another third arbitrator who shall be either the then Judge of the Exchequer Court of Canada or one of the judges of the Supreme Court of Canada. New guaranteed stock, to an amount not exceeding the value, if any, so determined, carrying a dividend as hereinbefore authorized, shall be distributed among the holders of the four per cent guaranteed stock to the extent or value thereof, determined as above, upon the transfer to or vesting in the Government of such guaranteed stock, and to the extent or value thereof, determined as