

ized capital stock for issued debentures would make that stock fully paid up because the company would have received \$100 for each share. Let me put it in a simpler way. Supposing the Canadian Northern Railway Company sold \$25,000,000 of stock at par and put that \$25,000,000 into its treasury. The stock would then be outstanding as fully paid up. Supposing, then, it took this \$25,000,000 and bought in the \$25,000,000 of debentures. It would then be extinguishing its debt to the extent of \$25,000,000. My hon. friend is a good lawyer and I am sure I have cleared up that point.

Mr. PUGSLEY: Will the hon. gentleman allow me to ask him a question?

Mr. WHITE: Certainly; but I was going to anticipate. Probably the hon. gentleman has read Dickens, and he remembers Sairey Gamp's admonition: 'Don't anticipate.'

Mr. PUGSLEY: Never mind about Sairey Gamp.

Some hon. MEMBERS: Oh, oh.

Mr. PUGSLEY: I would like to ask the minister whether he was mistaken when he said that the issued stock of the Canadian Northern Railway Company was \$70,000,000. Is it not true that the way in which Mackenzie and Mann got that stock issued as fully paid up was that by giving contracts for construction in the name of Mackenzie, Mann and Company, Limited, they took the subsidies and proceeds of debentures and stocks in payment, and in that way the stock was issued as fully paid up. They issued this \$70,000,000 of stock as fully paid up in connection with these various contracts for construction and then they utilized the printing press and issued to the Government this extra \$7,000,000. Does my hon. friend recognize that that was not paid up stock at all except as this Parliament declared it to be such?

Mr. WHITE: I must first of all put myself right with my hon. friend by disavowing any intention of comparing him with Sairey Gamp. When the hon. gentleman stated that the minister told the House that we got one-tenth of the issued stock he was in error, because I did not tell the House that.

Mr. MACDONALD: \$7,000,000 is one-tenth of \$70,000,000.

Mr. WHITE: I do not know whether the hon. member for Pictou (Mr. Macdonald) is as good a lawyer as the hon. member

for St. John (Mr. Pugsley), but I do not think so. His triumphs, I imagine, have been in his own native county. I would not like to get into a discussion with the hon. member for Pictou about law, although I believe I might be able to hold my own.

Mr. MACDONALD: There is no question about that.

Mr. WHITE: My hon. friend came up preceded by a great reputation as a lawyer, but I must say that he has not as yet disclosed it in this House. There is a difference between authorized capital and issued capital. The hon. member for Pictou evidently is of the opinion that there is no difference between authorized and issued capital. I will refer my hon. friend to Palmer on Company law or any elementary book on corporations. My hon. friend has been a number of years in this House and he apparently does not know the difference between authorized and issued capital. A company may have an authorized capital of \$100,000, and an issued capital of \$5,000.

Mr. MACDONALD: We know all about that; do not bother about the A·B·C of it.

Mr. WHITE: The hon. member said that I had stated that we were to get one-tenth of the issued capital. What I said was this—

Mr. MACDONALD: You said one-tenth of \$70,000,000.

Mr. WHITE: If my hon. friend will turn to 'Hansard' of last year, page 11725, he will see that I said:

The \$70,000,000 is the authorized stock of the parent company under legislation of this Parliament, one-tenth of which the Government acquires in consideration of a subsidy which is above the ordinary, but which, I believe, is justifiable.

The statement I made was that we would get one-tenth of the authorized capital.

Mr. GERMAN: But at that time they had an authorized capital of \$92,000,000.

Mr. WHITE: I entirely agree with the hon. gentleman, and I will come to that. What my hon. friend was referring to was issued capital, and what I was referring to was authorized capital. When I said \$70,000,000 of authorized capital I was in error as to the amount. I was not referring to issued capital. Then, I find on the same page of 'Hansard' of last year:

Mr. German: Has the balance of the \$70,000,000 been issued?

Mr. White: I am unable to say, but I believe