

Mr. MACDONALD: In respect to what company was that done?

Mr. BORDEN: In respect to all the companies—the Canadian Northern Ontario, for example.

Mr. PUGSLEY: The hon. gentleman did not answer the question I asked him. I asked him if Parliament has ever authorized a company to issue this vast quantity of stock as fully paid up. We know that Parliament will fix the capital stock of a railway company at so much per mile but that does not mean that there will be no consideration for the stock when it is issued. Is it not usually provided that there must be a deposit made at the start in a bank of so much cash before the company can begin its operations? Does it not mean that the stock must be paid up either by cash or property? In that case, of course, it does not make much difference whether it is \$10,000 a mile or \$50,000 a mile so long as you get the stock bona fide paid up. But, in this particular case which we have under consideration now, there has been nothing paid for the stock, as far as I understand. The stock was water stock pure and simple. This road has been built out of the proceeds of bonds and subsidies which have been granted by provincial and Dominion parliaments. Not one single dollar of cash has been paid upon this stock and yet Parliament is declaring it to be worth \$100,000,000 and to be fully paid up. That is a false statement which Parliament is making, it is a statement which, if it were an ordinary railway company that was coming before this Parliament, would not be made and one which, I think, every member of this House would say that Parliament would not countenance for a single moment. Yet, in the case of this company, because, I suppose, of the magnitude of its liabilities, Parliament, or at least a majority of Parliament is prepared to state, and to state it by Act of Parliament, that this hundred million is fully paid up when Parliament knows, as every member of this House knows, that not one single dollar has been paid upon this stock.

Mr. MACDONALD: I suppose the Solicitor General would tell us when the limitation was placed by Parliament upon the capital stock of the Canadian Northern railway. When was the capital of the one company fixed?

Mr. MEIGHEN: The authorized capital of the Canadian Northern railway itself is

\$92,900,000. I cannot give the year when that was authorized, but I am pretty sure it was since 1896; in fact, I know it was. I shall undertake to say now that the greater part of the authorization, I think all of it, was made by hon. gentlemen opposite.

Sir WILFRID LAURIER: Without a word of dissent from anybody, so far as I remember.

Mr. MEIGHEN: We all join in regretting that the hon. member for St. John was not then in the House.

Sir WILFRID LAURIER: But unfortunately we have now to pay because he was not here.

Mr. PUGSLEY: Would the Solicitor General point out any words in the statute which authorize the issue of that as fully paid-up stock without any capital being put in?

Mr. MEIGHEN: I do not for a moment think it was authorized to be issued without anything being put in. If the hon. member had been here last night he would have heard that explained. The authority to issue it as paid up was given to them by hon. gentlemen opposite. If the company did not act in pursuance of that authority their action was illegal, but their action was never challenged.

Mr. PUGSLEY: What statute gives that authority?

Mr. MEIGHEN: The statute that created the Canadian Northern railway and authorized the issue.

Mr. MACDONALD: What amendments were made since 1911?

Mr. MEIGHEN: To the authority for that issue? There was \$7,000,000 authorized to be issued as paid up in 1913. More than that, I do not think the capital stock has been affected at all by any legislation since 1911, and that \$7,000,000, of course, had been previously authorized by hon. gentlemen opposite themselves.

Mr. MACDONALD: Perhaps it would be as well for the minister to give us a list of the statutes affecting the Canadian Northern railway.

Mr. BORDEN: You will get that.

Mr. PUGSLEY: Prior to the legislation of last session which was initiated by this Government, is there any statute which authorizes the Canadian Northern railway