

of the Government, which goes up to \$5,000,000; yet the reason he has given for going up to \$5,000,000 is that it was contained in the explanation of the honourable Minister of Labour, who was given by the Grand Trunk Company a statement showing that there were reserves in the subsidiary companies that would perhaps justify the arbitrators in going up to \$5,000,000.

Hon. Sir JAMES LOUGHEED: No; \$5,600,000. We rejected the proposal or request of the Grand Trunk. The \$600,000, they claimed, represented the additional earnings of the companies to which he referred. Suppose we divide the sum in two, making \$2,500,000. That amount would represent only the dividends or interest which during a long period of years had been paid upon the issues of preference stock.

Hon. Mr. DANDURAND: I stated that the Government had offered \$3,600,000 to be paid over in eight years to the shareholders. Now my honourable friend says that the Grand Trunk last evening suggested that the maximum should be \$5,600,000. I think it is just the amount—

Hon. Sir JAMES LOUGHEED: Which they originally asked.

Hon. Mr. DANDURAND: Which they originally asked as their minimum figure from the Government, without arbitration.

Hon. Sir JAMES LOUGHEED: Yes, plus one per cent on the common stock.

Hon. Mr. DANDURAND: The amount is £1,663,000, which, I think, is equivalent to about \$5,600,000. Now, the Government has said: "We will make it \$5,000,000; we will give a few hundred thousand more than the member for Hamilton suggests, because of the reason given by the Grand Trunk itself, that there are assets which have not been computed, which have been earned, and which show that those companies can earn in the future." They must not be surprised if the member for Hamilton comes back to them and says: "If that is true, I will consent to increase the amount to \$5,000,000, but it must be true." I do not see why the honourable leader of the Government would not accept the test which is contained in the sub-amendment of the honourable gentleman from Hamilton.

Hon. Sir JAMES LOUGHEED: Does not my honourable friend think it will be the duty of the arbitrators to determine that? The arbitrators must make an examination into that question.

Hon. Mr. DANDURAND: That would never have occurred to me as a sufficient reason for increasing the maximum from \$4,500,000 to \$5,000,000, because, as I stated at the outset of this debate this afternoon, the arbitrators will have a wide scope and they may reach \$5,000,000 or \$6,000,000, if they please, by considering the prospective value of the stock or by estimating the present value of the terminals of the Grand Trunk in towns and cities. I would not have given that as a reason for increasing the amount to \$5,000,000; but it has been given by the Government, and the honourable senator from Hamilton says: "Well, if that is your reason for raising my maximum, then let us test that reason to see whether it will prove to be true." That may be a consideration for increasing the maximum to \$5,000,000.

Hon. Mr. McLENNAN: I do not wish to weary the House nor to bring down upon myself the indignation of its leader—

Hon. Sir JAMES LOUGHEED: Do not put it that way.

Hon. Mr. McLENNAN: But I do feel that the matter which I brought up before, namely, that for the Parliament of Canada to interfere in the division of the money that is to be paid to the Grand Trunk is a serious mistake.

Hon. Mr. CROSBY: Let them correct it.

Hon. Mr. McLENNAN: I beg that the Government will take into consideration the question whether we ought to fix a certain amount that we will pay, and let the Grand Trunk attend to their own affairs.

Hon. Mr. DANDURAND: But the amendments before us do not settle that question.

Hon. Mr. McLENNAN: I may be wrong, but, as I have said, the amendment of the honourable leader of the Government, which I shall be glad to support, so far as the amendment goes, seemed to me to indicate that the four per cent preference, the £12,500,000, was to continue getting its whole dividend as before. That means that the people who bought it at the current market price, or at the price prevailing, say, two or three months ago, get eight or nine per cent on their investment, and that the people owning other debenture stock will get much less. That, it seems to me, is a matter for the Grand Trunk shareholders to settle among themselves. To me it does not look well for the Parliament of Canada to single out one of the eight or nine different kinds of stock of the Grand Trunk