

the said contract as so varied as aforesaid shall not be open to question on any ground whatever in any court" (9 Edw. VII, ch. 19, sec. 4), and by section 8 which provides: "Every action which has been heretofore brought and is now pending wherein the validity of the said contract or any by-law passed or purporting to have been passed authorizing the execution thereof . . . is attacked . . . shall be and the same is hereby forever stayed."

These direct and indirect attacks on private property and municipal rights may be regarded by you as matters of policy with which you would be reluctant to interfere. This may not be affected by the fact that the unsettling of confidence in Britain through this attack brought the Electrical Development Company face to face with a default from which it was saved by the surrender of half the common stock to Mr. William Mackenzie, whose money saved the situation and the credit of the Company.

But there is a broader issue involved than that of Provincial policy, even when the sacredness of private property is disregarded. The right of Federal veto was incorporated in our constitution as a safeguard for private property, and it may serve at the same time to save the credit of the Dominion in the financial centre of the world. The wealth of this country must be developed and our great transportation and other enterprises must be financed by British and foreign capital. This is absolutely essential. And it will be absolutely impossible if there is as much as a suspicion that our Governments will break faith with investors.

During the past year British investors took Canadian bonds, Government, municipal and corporation, to the surprising aggregate of \$196,357,400. Of these, Government issues alone aggregated \$77,598,000. Your own Government appealed for funds three times during the year and made sales aggregating \$67,000,000. The municipal issues made a total of \$17,435,911, and although Western development is attracting most attention and is certain to increase, more than half this borrowing was by Eastern municipalities. Of corporation issues aggregating \$1,325,000, steam railways secured \$50,485,000 and tramway, light and power companies \$11,905,000. The balance was made up of issues \$17,650,000 by industrial and navigation companies. If issues of \$17,650,000 by Canadian companies operating abroad is included it makes a grand total of \$241,007,411 borrowed on the good faith of this Dominion.

This line of investment must be continued if our natural wealth and attendant transportation and other enterprises are to be developed. And I need not tell you that absolute and full faith must be kept or the necessary confidence of British investors will be lost.