

debtedness. Speaking subject to correction, because I have not the figures before me, I think it is a compromise of about 50 cents on the dollar. It was deemed advisable in the interest of the Trust itself, and in the interest of the revenue of the country, that this compromise should be made, and that we should receive the amount that is provided for in this bill in liquidation of the full indebtedness of the company.

Hon. Mr. SCOTT—Will they pay the government in cash, or will they give new bonds?

Hon. Sir MACKENZIE BOWELL—We are to release the bonds we now held, and they are to issue new bonds bearing a certain rate of interest in lieu of the other.

Hon. Mr. SCOTT—Will they sell the bonds, or hand them over and agree to pay the interest?

Hon. Sir MACKENZIE BOWELL—I cannot say. I think it would be an exchange of bonds. If the hon. gentleman thinks that an important point, I will ascertain it for him before the third reading.

Hon. Mr. SCOTT—I am not interested in it specially. I heard the story thirty years ago.

Hon. Sir MACKENZIE BOWELL—Yes, I have no doubt the hon. gentleman had it brought to his notice some years ago. I think the bill is in the interest of this company as well as the country.

The motion was agreed to and the bill was read the second and third times and passed under a suspension of the rules.

OCEAN STEAMSHIP SUBSIDIES BILL.

FIRST, SECOND AND THIRD READINGS.

A message was received from the House of Commons with Bill (106) "An Act further to amend the Act relating to Ocean Steamship Subsidies."

The bill was read the first time.

Hon. Sir MACKENZIE BOWELL moved the second reading of the bill.

Hon. Mr. SCOTT—This is a very short bill and very easily understood. In refer-

ence to the first proposal to pay \$750,000, that is practically disposed of and has been for some years, and I do not propose to enter into a discussion of it. The subject has been discussed before in this House. The only alteration in that proposal has reference to the fast line calling at a French port. That is the only change created in that subsidy, and, therefore, it will have in reality a very much better opportunity of proving itself to be a fast line than if the steamers had to stop either at a French or Belgian port, and as the British Government are now taking some interest in it, no doubt it will prove a reality, and I hope it will be a success. I presume the initiatory step is to be taken by the government of Canada, and that they will call for tenders. The British Government, I think, have thrown the responsibility on the Canadian government of calling for tenders, and I do not know that we have been officially informed as to the amount the British Government propose to advance, but I presume it will be such a sum as will make the fast line a success. If we are to enter upon it at all, it is to be hoped it will attract a considerable portion of the travel between this continent and Europe. The next paragraph of the bill deals with a subject which also has been partially discussed before, but which has not previously been reduced to a material shape; that is the subsidy growing out of the treaty we made with France. It is said, I believe on good authority, that the ratification of that treaty has stimulated very considerably some of the exports of this country, more particularly our wood, and it is to be hoped that it will also lead to the exportation of some of our dairy products, cheese and butter, and inasmuch as the lowering of the tariff between France and Canada has increased the traffic between the two countries, it ought to be an indication to us that if we were to reduce our tariff between Canada and other countries the effect would be the same. The result of lowering a tariff necessarily leads to increased traffic, and our treaty with France has amply proved that. I am very glad to hear it and am quite prepared to give my support to a subsidy to a fast line of steamers.

Hon. Sir MACKENZIE BOWELL—The remarks made by the hon. leader opposite are nearly a full explanation of the provisions