

report upon which it is more especially my province to speak. You know, gentlemen, as well as I do, the circumstances under which the Act of last session was sought for and obtained. The Canadian Board and the London Board, acting in due concert and upon mature reflection, considered that in certain points the Act of 1875 might with advantage be modified. It was clearly probable that the capital required by the Company would be obtained more readily and cheaply upon a security of the very first rank, than upon one which, like the preference stock under the Act of 1875, stood only third or fourth in order. It was under these circumstances that legislation was applied for. The new enactment is set out in the report which has been read to us, and most of its provisions have been fully dealt with. But there are one or two points in that enactment to which I wish to ask your attention. In the first place, a clause has been inserted providing that in future the private shareholders of the Company shall elect from themselves a special representative of the share capital. When that proposal was first laid before us, I felt it to be my duty, as representing the bondholders, strongly to oppose it. I should be sorry that my reasons for doing so should be misunderstood. I wish it to be clearly known that the bondholders were far indeed from wishing that the shareholders should not have that form of representation which to themselves seemed most satisfactory and most desirable. It was not at all upon that account that they entered a protest against the clause proposed. It was not a factious opposition. It was based upon two simple grounds. The bondholders considered, in the first place, that it was no very long time ago since the relations between the bonds and the stock were deliberately adjusted, and it seemed to them that under existing circumstances there was no good and sufficient reason why that adjustment should be upset. They were also afraid—but I hope it will not be imagined for a moment that they fancied such an idea or such an intention to exist in the mind of any one shareholder of the Company—that the introduction of such a clause into the proposed Bill might give rise out of doors to an impression, alike erroneous and injurious, that the Canadian Board of the Company was in future to be divided into two hostile camps; that somehow or other the interests of the bondholders and of the shareholders had come to be in conflict, instead of being, as they are and always must be, though separate, yet in effect one and the same. But, gentlemen, it was urged upon the bondholders that this change was earnestly desired by the shareholders in their own best interests, and to wishes thus strongly expressed it was felt by my colleagues and myself that we had no alternative but to yield. Gentlemen, the issue that is authorized under the Act just passed is somewhat large; it is rather larger, I believe, than was originally contemplated, but it does not seem to me to be large