

perstructure. They had expended in part payment for the work done \$914,862, out of the cash subsidies, thus having, to give the precise figures, \$9,491 in hand, plus, of course, the little capital if that existed. But they had not paid in full for all the work done; they were still, they say, in debt \$779,550, which included some bonds they had sold. They had sold bonds for \$472,000, and what do you suppose they got for them? This great company, engaged in constructing this great work, sold their bonds for \$283,279, just about sixty cents on the dollar; and their alleged paid up capital represented about 86 cents only for every \$100 that the work required. That was a most extraordinary position for such a company, and I have no doubt that these bonds were never sold for cash at all; they were probably given over to some contractor at 60 cents on the dollar on account of his work.

That, then, was the company's position and the government knew it, because they had the statements before them. They were in debt \$779,550 and they had assets, allowing the balance of the subsidies and the possibly paid up stock, of \$75,076, leaving their net debt, in October, 1903, \$704,473.30. That is, this bridge company was on the wrong side by over \$700,000, and had not one cent with which to proceed with the superstructure. They had to face a money market which was rapidly increasing in stringency, as the Finance Minister knew because he admitted it in his speeches upon the railway problem. The bridge, if they could build it at all, was likely to cost \$7,000,000, or \$8,000,000, and, having regard to the possibility of an accident, such as has occurred, might cost \$12,000,000. That was the position of this company when the government undertook to deal with it. The company was on the rocks, stranded, helpless, thoroughly bankrupt, and yet in that condition, and knowing well the importance of this great work, hon. gentlemen opposite undertook to guarantee the company for \$6,678,200.

One would have thought that would be the last thing that any sensible man would have imagined the government could have been asked to do. I venture to say that there is not one hon. gentleman sitting behind the government who, if he had been asked under those conditions to advise the guarantee of nearly seven millions of money for that company, would have listened to it for one moment. I do not believe there is one hon. gentleman, responsible to the people, who would have advised the giving of that guarantee, or who would have hesitated to take advantage of the condition into which the company at that time had fallen and assume the work and build it as a national work. What an opportunity that was for the government. They had launched out on a great railway undertaking which was to involve the country in some 150 millions of money. In the middle of

Mr. BARKER.

that work was a river requiring a great bridge. Here was an utterly bankrupt company, with only \$65,585 of capital, and even that apparently not in existence, and they allow that company to continue in control of work on which so much depended for the business interests of this country. They knew that they had only to say to Mr. Parent, the president of this Quebec Bridge Company, that he could go on with the work if he chose, but he could not get any more public money, and Mr. Parent would have come down and would have been glad to have the government take it off his hands. The people would willingly return to the company their \$65,000 threefold if they wanted it. It was a big question. The country would have been glad to get rid of the company almost on any terms; but Mr. Parent was a friend of the right hon. leader of the House, both a political and a personal friend, and he was able to come here to Ottawa and secure what I think he must have hardly expected. A very singular feature of the transaction occurred at that time. The House had been sitting for eight long months, from March until the end of October in that year 1903. On the 19th of October the government entered into a contract with the Bridge Company, which, with all the facts I have stated, is set forth in the statute to which I have referred. The contract was signed by the hon. Finance Minister on behalf of Canada and by Mr. Parent on behalf of the bridge company. In that contract it is recited that the estimated further cost of the bridge, including the debt owed by the company, was \$6,866,882. The government made one stipulation: they stipulated that the bridge company should issue \$200,000 more of stock, and have it paid up, so as to recoup to the company the discount on the bonds that they had issued; and on this bankrupt company agreeing to do that the government undertook to guarantee the securities of the company to the extent of \$6,678,200.

Mr. HAGGART. Did that include the bonds they had issued?

Mr. BARKER. That included their floating debt and the bonds. Their total debt including the bonds was \$779,550, but they were to make good to their own company the discount on the bonds by issuing \$200,000 of stock and getting it paid up. As I say, that contract was signed on the 19th of October by the hon. Finance Minister and by the right hon. leader's political and personal friend, Mr. Parent, a partner of one of the right hon. gentleman's colleagues in the government. We can understand how Mr. Parent was able to introduce himself to the Finance Minister. Within five days after that agreement was signed, the Act confirming it was rushed through both Houses of parliament.