

specting the Brazilian Electro Steel and Smelting Company.

Hon. Mr. LOUGHEED—Before the motion is put, I am unaware whether my hon. friend could give any explanation of this Bill, and also of Bill (No. 15), but they seem to be very objectionable in their features, and it is a question as to whether the House should commit itself to the principle of the Bill upon the second reading. Hon. gentlemen will observe that there is no information given in the Bill itself as to what the objects of the promoters may be. We purport to give to a company that seemingly has been incorporated under the Companies' Act rather extraordinary powers in a foreign country. The Bill before us purports or proposes to give power to a company that has received letters patent under the Companies Act to carry out certain large undertakings in the Republic of Brazil. There is a similar Bill, No. 7 on the orders, Bill (No. 15), which proposes to carry out similar objects in the Republic of Mexico. Upon the face of the Bill there are no names and nothing to indicate the character or scope of the company. It seems to me that there is a vital principle involved in granting legislation of this kind. First, from a constitutional standpoint, as to whether the parliament of Canada has power under its extra territorial powers to give extraordinary powers to a company of this kind to carry out certain physical works in a foreign country. The Bill now before us proposes to give rights to this company to build railways and other public works in the Republic of Brazil. We graciously and courteously provide that it may be done subject to the laws in force in the Republic of Brazil; but, notwithstanding this, we empower the company to do these works. There is involved in this the further principle as to whether it is sound policy for the parliament of Canada to permit the diversion of funds or of money from within the boundaries of Canada into a foreign country for the purpose of carrying out such works as we greatly need within the Dominion of Canada. We are practically asked to place the imprimatur of the parliament of Canada upon an undertaking to be carried out in a foreign country with-

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out our having any information whatever. It seems to me that if Canadian capitalists are desirous of entering upon investments of this kind in a foreign country they should seek their legislation in that country, should take all the risks incident thereto, and should not hold out to the investing public within the Dominion this class of legislation which impliedly says it has been approved of by the parliament of Canada. I think the principle involved in this Bill is objectionable for that reason. While I do not object to the Bill going before the committee, yet I desire to take exception to the principle of the measure on the second reading.

Hon. Mr. SCOTT—I suppose I am the guilty party in this matter. Some four or five years ago, acting in my official capacity as Secretary of State, the first application came from a company in Halifax, of which Mr. Ross was the chief. They had entered upon a certain undertaking in Mexico, the development of electricity by water-power, which was there in abundance. There were railways in Mexico hauled by mules, and the company represented that if a charter were granted by Canada the Mexican government would be very glad to give them authority to act under it. They held in high esteem any Act of the parliament of Canada and any power given to Canadian Companies. It was rather a shock at first, particularly considering the large amount involved. The first company formed had a capital of \$17,000,000, Canadian money. The company were eminently successful and enlarged their capital. I think they came to the parliament of Canada for these powers. However, they were so successful that other companies were formed and carried on similar ventures there. I do not think it has in any way damaged the character of Canada. On the contrary, it has tended largely to increase its credit. The foundation of the money, of the capital, came from Canada. The company then issued bonds, which were cashed on the British market, and very large sums of money have been made, and Canada gets the benefit of the interest. They get a very much larger return in that way than they could get if the money were invested in Canada. All the returns come back to