

reason I cannot understand, refused to make it one of the conditions of the bargain that the Grand Trunk Railway shall be liable for the covenants of the Grand Trunk Pacific Railway. One would think that if the government expect the Grand Trunk Pacific Railway to carry out its agreement, they would certainly make the Grand Trunk Railway bind itself as surety, in every way responsible for the carrying out of the contract. But the government took the position that there was no necessity to do this, because, by the very nature of this transaction, the Grand Trunk Pacific Railway would not fail to carry it out. I do not think that that will be satisfactory to the people. If the government are so certain that the Grand Trunk Pacific Railway will carry out its contract, and if the Grand Trunk Railway and the Grand Trunk Pacific Railway are acting in good faith, none of the parties should object to such a provision, and I cannot understand why it was not agreed to. However, all the amendments we proposed to section 7 have been voted down, and consequently there is in that section no protection for the public at all. The Grand Trunk Railway may acquire the stock of the Grand Trunk Pacific Railway for nothing, and in such an event the Grand Trunk Pacific Railway would not have the means to carry out its obligations. The only thing left is to insist that the Grand Trunk Pacific Railway shall not give away its stock for nothing—that so long as the Grand Trunk Pacific Railway has not fulfilled all its obligations to the government it shall not be allowed to make a present of its stock to the Grand Trunk Railway. By such a provision we will be, placing the Grand Trunk Pacific Railway in a solvent position. We will put it in such a position that it will be more likely to carry out its contract with the government, and make that profit out of the venture which it must reasonably expect. The only thing, therefore, that is left apparently for us to do is to move that the Grand Trunk Pacific Railway shall not be allowed to make any disposition of its stock to the Grand Trunk Railway without getting cash for it at par value in return, so long as its agreement with the government remains unfulfilled. Otherwise we might be met some day with this plea from the Grand Trunk Pacific Railway. That company might say to us: We cannot do what we agreed, because we have not the means. The Grand Trunk Railway refuses to do what it was called upon to perform under our contract, and as it was not compelled to pay cash for the stock it got, we are without any means to go on with the undertaking. I would beg to move, therefore:

That all the words after the word 'that' to the end of the question be left out and the following substituted therefor, 'the Bill be referred back to a Committee of the Whole House with power to amend the same by adding to section 7 the following subsection:—

Notwithstanding anything in the Act incorporating the Grand Trunk Pacific Railway Company the said company shall not, until it shall have paid and satisfied all bonds and debentures guaranteed by the Dominion of Canada and performed all the covenants and conditions of the lease in the schedule of this Act referred to, issue any common or preferred stock of the said company otherwise than subject to the payment in cash of the full amount of the stock so subscribed.

My amendment amounts to this, that the Grand Trunk Pacific Railway should not be allowed to beggar itself for the benefit of the Grand Trunk Railway. It is the Grand Trunk Pacific that is responsible to us, and this company should not be allowed to make itself insolvent before it has satisfied its obligations to the people of Canada. I can not, for the life of me, see what objection there can be to this amendment. It is not as if I were opposing the scheme. It is true that, if I were free to have my own way, I would not have the country become a party to this bargain. At the same time, I recognize the fact that the government, in insisting upon putting the scheme through, accepts the responsibility for it. I am trying now, without prejudice, to make the scheme as little unworkable and as little unfair to the people as I can. There is only one company that is under obligation to the Dominion of Canada for the carrying out of this contract and it is our duty to safeguard the assets of that company and keep it as solvent as possible, so that it may be able to carry out its contract with us. After the Grand Trunk Pacific has done all it has contracted with the government, representing the people, to do, it can give away its stock if it chooses—that is its own business perhaps. But it surely is our business to provide that these assets shall not be given away so long as obligations to the people on the part of this company are unfulfilled. We must not leave this company in the position to say: We are honest and desire to carry out our obligations, but the Grand Trunk Company have our assets and we are financially unable to do what we agreed to do. The other amendments to section 7, though, I submit they were proper amendments, have been voted down by this House, and the section stands as it did. But, in respect to the matter I have been dealing with, it seems to me quite clear that that section is imperfect, and that it would be improved by amending it as I propose. This company, the Grand Trunk Pacific, make a contract with the people of Canada, and they make a contract also with the Grand Trunk, which is a sort of side partner. Surely it is open to us, and not only open to us but our bounden duty to see to it that the Grand Trunk Pacific—being the only company responsible, for the government refuse to make the Grand Trunk responsible—shall keep itself solvent and shall not make presents of its stock until it has fulfilled its obligations to the people. The people should not be