full authority, that authority would vest in the Government and be transferred from the Government to the National Railway Company. Some of those companies retain their directorates and simply give us running rights, as I understand. Of course, those directorates would continue to administer the companies as heretofore. It depends entirely upon the agreements existing at the present time between the Grand Trunk and the companies.

Hon. Mr. DANDURAND: Of course, in the case of many of those companies the Grand Trunk appoints the Board of Directors. Is it the intention of the Government to appoint those Boards directly, or to have them appointed by the Board of Management which is to administer the National railways?

Hon. Sir JAMES LOUGHEED: That would be a matter of policy to be hereafter determined. No policy has been promulgated or determined upon with regard to that. It depends upon the local conditions. I can very readily imagine conditions existing, particularly in the United States, in which it might be desirable that the old directorate should continue, even assuming that we had the right to appoint directors. Many considerations must enter into the decision as to what step shall be taken.

Hon. Mr. BELCOURT: What I wanted to inquire from my honourable friend (Hon. Sir James Lougheed) was, why it is that the Government have deferred the redemption of this stock for five years. Why is it that the Government do not acquire this stock now? Why must they wait for five years? I would like to have an answer.

Hon. Mr. POPE: Just wait a moment, honourable gentlemen. The honourable member for Ottawa (Hon. Mr. Belcourt) has called into question the accuracy of the statement I made when I interrupted him, and my knowledge with regard to this matter. Evidently the honourable gentleman is speaking superficially, as many of you honourable gentlemen opposite do. In Hungary, in 1906, the total mileage owned and operated by the state was 10,000 miles and the mileage privately owned and operated was 2,000 miles. The cost was $64,842 per mile. Some of these railways were owned by private corporations and operated by the government.

Hon. Mr. BELCOURT: Where—in England?

Hon. Mr. POPE: In Hungary.

Hon. Mr. McSWEENEY: Roumania, probably.

Hon. Sir JAMES LOUGHEED: May I say further to my honourable friend (Hon. Mr. Belcourt) that the five-year clause is not inconsistent with what it is intended to do, namely, to take away the voting power of that stock.

Hon. Mr. BELCOURT: I understand that.

Hon. Sir JAMES LOUGHEED: In the meantime, the holders will probably continue to hold that stock until money becomes cheaper.

Hon. Mr. BELCOURT: I quite understand that; but what I would like to know is what determined the policy of the Government in putting off until the expiration of five years the redemption of this stock. Why is this stock not acquired now?

Hon. Sir JAMES LOUGHEED: That has been determined largely by the rate of interest at which money is obtainable to-day. Money is not obtainable at less than five and a half per cent. It is to be hoped that in five years it will be very much less. In fact, it was proposed originally that the term should be very much longer than five years.

Hon. Mr BELCOURT: Thirty years?

Hon. Mr. BEIQUE: Honourable gentlemen, a question of importance has been raised, whether this property shall be liable to taxation or not, and I must say that for my part, while I do not want to express a positive opinion, I am not inclined to the view that has been expressed by some honourable gentlemen. As I understand the situation, it is this. The Grand Trunk Railway under the statute is a corporate entity. It is represented by stock issued in the company, but that is merely accidental. A corporation may be represented by stock, as commercial corporations are, but a number of corporations exist that are not so represented. It seems to me that the present position of the property, as regards taxation, is not changed because of the powers taken over by the Government under this Bill. There will still be stock in the Grand Trunk Company. True, after the five per cent guaranteed stock has been acquired there will remain only the stock which will be issued by virtue of this Bill and which will carry no voting power, but there will again be stock in the company; so it will continue