

which have been suggested, one by the hon. member for North York (Mr. Mulock) and the other by the hon. member for North Simcoe (Mr. McCarthy). We might provide both for misdemeanor and a pecuniary penalty. The other difference of opinion between these two gentlemen is on a more important point, namely, as to whether the words "unless specially authorized so to do" shall be omitted or not. The hon. member for North Simcoe proposes to omit these words. The effect of putting them in is simply this, that the company to which we have thought fit in our wisdom to give power to apply their money in that way can go on doing so while other companies are to be prohibited.

Mr. BLAKE. They are now.

Mr. CAMERON (Victoria). I do not know whether they are. Of course the Grand Trunk Railway is authorized to do so. Now, if it is the right thing to enact that money should not be applied by other companies in this way, it should be the right thing to repeal the clause which the Grand Trunk Company have in their Act of 1878. It would never do. It would be contrary to all propriety to repeal it in such a way as to affect inchoate transactions—transactions which are commenced or partially completed but—we should make a provision that, in future, that power should be withdrawn and should not be exercised by the Grand Trunk any more than by any other company. That power was given in 1878. At the time that they obtained that legislation it was stated that it was necessary, in order that they might acquire lines in the United States, to make Chicago connection. They put in two clauses in the Bill—clauses five and six—one authorizing them to deal with companies in the United States, the other authorizing them to deal with companies in any part of Ontario, a limitation being inserted when the Bill was before the Railway Committee—at the suggestion of the then Minister of Public Works—that these provisions should not apply to any lines running in the same direction as, or competing with the Grand Trunk, with certain exceptions. That clause virtually allows them to use the bonds and securities of any company in the United States or Canada, except those of a few roads which are mentioned in the proviso of the fifth clause. Now, they did not require that power for the purpose of getting Chicago connection, so far as their lines in Canada are concerned. I think they have exercised their power just as far as the public interest requires that they should, and perhaps a good deal further. I think the hon. member for West Durham admitted on a recent occasion that in his opinion this power has been perhaps not improperly but incautiously given by Parliament; and I think that, at the present time, while we should be careful not to interfere with or prevent anything being done which was authorized to be done by that Act, we should practically repeal that clause for the future, and I believe that in doing so we will be legislating for the public good. But the difficulty remains that, however astute we may be in trying to prevent this evil, the system of the organization of joint stock companies almost renders us powerless to prevent it, and I think that we should at least place the Grand Trunk Company on a level with other railroads in that respect.

Mr. BLAKE. The hon. gentleman seems to think that by the proposed clause as it now stands, we are depriving some companies of the powers they now have.

Mr. CAMERON (Victoria). No, no.

Mr. BLAKE. Any company now authorized to buy the stocks or bonds of another company remains authorized, but any company not authorized can complain, because we ascribe a penalty to their doing that which they are not authorized to do. The hon. gentleman says that a company which is not authorized to buy these securities is buying

Mr. CAMERON (Victoria).

them; but they are buying them in contravention of their powers, because there is no particular penalty to frighten them. We want to be able to say to such a company: Gentlemen, you must keep within your charter, and if you do not, then these sharp penalties shall be imposed.

Mr. McCARTHY. I think there is a great deal in what the hon. member for West Durham (Mr. Blake) has said; and I think it would be a pity if we were to allow this great company for another twelve months to go on acquiring other roads in this indirect manner, for then I dare say it would be too late to preserve a road which I am particularly desirous to preserve. Perhaps the hon. Minister of Railways, who is willing to accept the proposition, would frame a clause by which schemes which are inaugurated or incomplete might be carried out, but providing that, in future, it would be unlawful for the Grand Trunk Railway or any other road—for the Grand Trunk Railway has similar power—to invest in stocks belonging to other roads. In that way I think the views which have been so generally expressed on both sides of the House would be carried into effect. If that cannot be done I dare say the word of the hon. Minister that, if not this Session then next Session, a general law of the kind would be introduced, would be regarded as a promise of a step in the right direction.

Sir CHARLES TUPPER. We all seem to be agreed that we may amend this clause by striking out sub-section *b*; but I think we shall have to leave sub-sections *c* and *d* substantially as they are. Not but that I agree entirely with all that has been said as to the inadvisability of allowing the funds of a company to be used in that way; but I think that Parliament, having empowered certain railway companies to do certain things, could not suddenly impose such a penalty as proposed, without giving due notice. At all events, before making such a change, I would like to allow the party to whom that power has been given, to come to Parliament and state their case; and I think the suggestion just made by my hon. friend from North Simcoe will meet the case, and I am quite prepared to adopt it.

On section 11,

Mr. McCARTHY. This is the proper place to move the amendment of which I have given notice. It is an equality clause and is intended only to make what I propose to be the intention of Parliament quite clear and explicit. It imposes on railway companies the duty of carrying goods or persons under the same circumstances for and at the same rate, and I do not think any person can object to that. It does not prevent a railway company from carrying a longer distance for less than a short distance. It simply deals with the case of carrying for different parties from the same point to the same point, under the same circumstances, and requires that the same rate shall be charged in both cases. I think it is a provision so just that I have very little doubt the hon. Minister of Railways will accept it and substitute it for sub-section 6 of clause 17 of the Railway Act as it stands.

Sir CHARLES TUPPER. We will accept this clause, only adding the words "under the same circumstances," after the word "times."

Mr. BLAKE. I notice the eleventh sub-section is changed a good deal from the former one. The words "undue" and "unreasonable" are inserted, which do not exist in the former. Is that borrowed from the English Act? It is certainly very much more elastic than the clause as it existed in our Act. Our Act said: "any preference or advantage;" this says: "any undue or unreasonable preference or advantage."

Sir CHARLES TUPPER. Any advantage would be unreasonable and undue.

Mr. BLAKE. Why then put these words in? When we take a clause out of an Act and substitute another for it, the