principle, we should do so with caution, and consider the case. The hon. member for Victoria mentioned the year in which this power was conferred on railways, and it occurred to me, when he mentioned the year 1878, it flashed across my mind that there was a reason for it, because it was at that time when negotiations were commenced by the Grand Trunk for the acquisition of the Chicago connection. Papers brought down this Session show that this work was prosecuted to completion in 1879-80, largely by the acquisition of stocks and bonds in other intervening lines. It was made up of lines partly purchased and by the foreclosure of railways, and partly by what may be called controlling interests in other sections of lines. It was ultimately completed in that way, and I dare say it may have been in regard to that specific intention of theirs that this general power was conferred. I have this observation to make: I do not think that it would be consistent with the general spirit in which Parliament has acted as to the withdrawal of granted powers to act, without giving notice to the corporation, and to give it an opportunity of pointing out how its interests would be affected with reference to transactions partly completed, completed to a certain extent, and perhaps pending. Take a case in which a company may have the power to acquire the stocks and bonds of a road, to purchase a certain number of stocks and bonds, and perhaps a controlling amount. It would never have entered into the transaction, if it had not relied on legislative authority to complete the transaction as opportunity might serve to work the thing out from time to time as it might acquire the right to stocks and bonds. In what sort of a situation might be placed a corporation if intervening in the very middle of a transaction, commenced by virtue of an Act of Parliament, to get so many hundreds of thousands of dollars' worth of stocks and bonds, this check came? I do not say that we have not the power to do, or that we should not exercise this power; but certainly we should not do so unless some great over-ruling public interest required it, and this with a due regard to the interests of the corporation as far as is consistent with the interests of the public. Therefore I submit to my hon. friend, whether it would be proper at this stage of the Session, and of this measure, practically to repeal a clause which may affect numerous interests. We have the North Shore case before us. I do not know whether the Grand Trunk has purchased all the interest in the North Shore or not, but it has, at all events, a controlling interest; and we have heard of it purchasing the Hamilton and North-Western and several others. I do not think that we should summarily cut off without investigation or enquiry their opportunity for stating their case as to the exercise of this power. By the way, I do not at all pronounce against the abolition of this provision; that, at the proper time and with proper precautions, I would add, does not seem to make much difference. It is pretty plain that other great rival corporations have not got the power of purchasing stocks and bonds too; and for that reason my hon. friends from North Simcoe and North York had good grounds for suggesting this clause, notwithstanding the suggestion of the hon. member for Victoria. These are things which are done, though there is no legal authority to do so; and if they are to be stopped, we must provide some short, sharp penalty, and point out the risks to those who do them. There is remaining the capacity on the part of the stockholding interest—if it is a very wealthy and a great railway corporation—to purchase in that capacity with their funds the shares of a rival company and afterwards work it in harmony, assuming the proprietary, in fact becoming the owners of both lines. For that reason the general funds of the corporation itself may be devoted to this purpose, as they are devoted to this purpose without the authority of law, and which accomplish objects which the Legislature does not desire to sanction. It seems to me reasonable that a clause in some shape or other should be inserted to enforce the law in this regard.

Mr. MULOCK. With regard to the observations of the hon. Minister of Railways so far as concerns sub-section *b*, it is probably sufficient to allow leasing and purchasing to be conducted under the special provisions of special Acts authorizing such purchases or leases. With regard to the criticism of the hon. member for North Simcoe on sub-sections *b* and *c*, I understand his suggestions to be—first, he proposes to restrict their application in the relation to railways generally. When I draughted these clauses it occurred to me that it would not be proper without notice to withdraw power from any company if such power had been acted upon; for that reason, I put in that exception to the general application of the section. It was an unfortunate circumstance, I think, that this House ever granted such a power, and I am glad that, at this late date, the hon. member for North Simcoe, remembering that during all these years he has been in the House when this legislation now complained of was passed, now wishes to rescind what he sees was an oversight in that respect; but I do not think it would be a fair thing for us to withdraw power that may have been acted upon by any corporation. Again he proposes to extend the penalties of fining, as the case may be, to more than the directorate. I think that this is a move in the right direction; I agree with that portion of his suggestion. There is a precedent for it. I refer to the penalty provided under the General Insurance Act, which extends the penalties to the directors and to all agents—that is, in the case of an insurance company not entitled to carry on business by reason of its license having been withdrawn, and the agents carry on its business. In that Act, I think, the provision is made for a penalty, and in default of the payment of the penalty, for imprisonment. I do not agree with the third suggestion of the hon. gentleman, that the penalty should be criminal rather than pecuniary. His suggestion is that the directorate and their servants and employés should not be fined in their estates, but be punished in their persons. There is, then, the question as to what is the best remedy. We appear to be all agreed that a penalty is necessary, but we may differ as to what is the best remedy. My own notion is that if we follow the precedent provided in the General Insurance Act of 1875, we will provide a sufficient penalty to begin with. If the informer is to obtain half the penalty when recovered, I think there is sufficient reason to suppose that where large sums are to be recovered, informers will be forthcoming, and the directors, managers, and servants will hesitate to commit a breach of the law, when they know that their assets will be liable, and that people are ready to call them to account. As to the other suggestion, that the difference should be simply a misdemeanor, we know that the courts have discretion as to what punishment they will award in cases of misdemeanor. The punishment may be trivial, and we know that excuses may be advanced appealing to the clemency of the court. Therefore, I think the consequences of a breach of the law should not be left so uncertain, or to the discretion of the court. The hon. gentleman may, perhaps, accomplish his object by adopting in its entirety the penalty provided in the Insurance Act, which is to the effect that if the fines are not paid, the party liable shall be subject to imprisonment. When I drafted the clause in question, I left out the imprisonment provision, thinking the penalty too severe, and in calling the attention of the Minister of Railways to the Insurance Act from which I took the idea, I understood that he agreed that it was sufficient to limit the penalty to pecuniary liability.

Mr. CAMERON (Victoria). I think perhaps we might get over the difficulty by combining the two punishments