

that contract they secured from the railway corporation a mortgage as complete as any mortgage could possibly be made as security for the contract into which we then entered. I should like to quote to the House a clause of the Manitoba statute which was confirmed by the parliament of Canada in respect to this matter. Section 6 of the Manitoba Act provides:

In case the Canadian Northern Railway Company, its successors and assigns, makes default in abiding by or carrying out any of the terms of the said indenture set out in the schedule to this act, or any of the terms of the said indenture of lease, or of the mortgage referred to in clause five of said indenture, the Court of King's Bench for Manitoba shall have and is hereby vested with full power and jurisdiction, at the instance of the Attorney General of the province on behalf of the government, to decree specific performance and observance of the said terms and every of them and to enforce said decree.

That clause in the act passed by Manitoba was confirmed by the parliament of Canada. Now let me quote from the act passed by the parliament of Canada with respect to the provisions of the mortgage to which I have just referred. I would like the House to take note of this particular clause in the Dominion Act which provides:

That wherever in this indenture the government or the company is mentioned or referred to, such mention or reference shall extend to, include and be binding upon the successors and assigns of the government or the company as the case may be.

Here is a clause that binds the successors of the Canadian Northern railway; it makes clear that the National railways, to the extent that the company is named, are responsible for the fulfilment of that mortgage. That clause is still in force and effect.

Now further on in this act it is made clear that:

In consideration of the guarantee of the said bonds and the assignment of said lease and option, the company hereby agrees that up to the 30th day of June, A.D. 1930, the Lieutenant Governor in Council shall from time to time fix the rates to be charged or demanded by the company for the carriage of all freight from all points on the company's lines in Manitoba to Port Arthur, and from Port Arthur to all points on the company's lines in Manitoba, and from all points on the company's lines in Manitoba to all other points on said lines in Manitoba. Provided always that before any rates are so fixed, the company shall be heard and their interests taken into consideration.

Clause 9 reads:

The company hereby consents to the passing of such legislation by the legislature of Manitoba as may be necessary to confer upon the Court of King's Bench for Manitoba full jurisdiction at the instance of the Attorney General of the province on behalf of the government, to decree specific performance and observance by the company of each and every of the terms of this agreement and of the said lease and option, and the company hereby consents to and submits to the jurisdiction of the said court in that behalf.

[Mr. Rogers.]

That clause is full and complete. I hold in my hand a copy of the mortgage as held by the province of Manitoba. It was made on the 30th September, 1901, signed by the Canadian Northern Railway Company, the Canadian National Trust Company, and the Manitoba government. The names which appear on this mortgage are:

Frederick Nicholls, President; J. M. Smith, Secretary; R. P. Roblin, Railway Commissioner; National Trust Company, Limited; E. R. Wood, Vice-President, and W. T. White, Manager.

I will read the clauses that are of interest to this House and to the country. First, clause 22:

The terms of the several mortgages and the agreement below mentioned are hereby made subject to the terms of this mortgage and of said indenture of 11th February, 1901, with respect to the rights and positions of the government and the company as between each other, and wherever inconsistent the terms of this mortgage and of said indenture shall as between the government and the company prevail; but wherever not inconsistent the terms of said mortgages and agreement and the rights and positions of the government and the company thereunder shall continue in force.

Paragraph (g) of clause 21 reads as follows:

The government shall be entitled to take proceedings by way of injunction to prevent the infringement of any of the terms or provisions of this mortgage and in the event of the company failing to fully and completely perform all such terms and provisions, the government shall be entitled to enforce such performance.

Then we have another important provision, clause 28 of the mortgage, which reads:

In consideration of the guarantee of the said bonds and the assignment of said lease and option the company hereby agrees that up to the thirtieth day of June, A.D. 1930, the Lieutenant Governor in Council shall from time to time fix the rates to be charged or demanded by the company for the carriage of all freight from all points on the company's lines in Manitoba to Port Arthur and from Port Arthur to all points on the company's lines in Manitoba, and from all points on the company's lines in Manitoba to all other points on said lines in Manitoba. Provided always that before any rates are so fixed the company shall be heard and their interests taken into consideration. The company agrees that it will not at any time after the said rates have been so fixed charge or demand for the carriage of freight between the points aforesaid greater rates than those so fixed by the Lieutenant Governor in Council. And the said company covenants to carry the freight at rates not higher than those so fixed and not to dispute the rates when so fixed, and it is agreed that no appeal or application for leave to appeal shall be made or permitted from any decision of the Court of King's Bench for Manitoba upon any question howsoever arising in any action or proceeding brought by the Attorney General of the province on behalf of the government for the performance, observance or enforcement of the company's covenants in this paragraph contained either to the King in Council or to the Supreme Court of Canada or to any other court outside of Manitoba and that any application for leave to appeal or any proceeding in appeal contrary to the provisions of this clause shall be deemed to be made or taken against good faith.