ment's guarantee upon it will add a little to its value in the market, and to that extent the holders will be advantaged if they choose to sell. But in practical negotiations there is no way by which that can be avoided. It is impracticable for a government to go into the market, however careful or adroitly it may do so, and seek to get hold of this stock. Even if there is a small depreciation of value, in lieu of that we get the surrender of the voting power and thereby the absolute control of the whole proposition.

Mr. FIELDING: The small increase my hon. friend speaks of is surely a mistake. Stock that has not paid any dividend for two years and which has nominally a guarantee, not of the Government but of the Grand Trunk company, is weak stock and of very small value; and when you convert that into stock guaranteed by the Government of Canada at four per cent you are raising it from its present value, whatever it may be, to something equivalent to par. It may be unavoidable. I am not criticising the machinery, but I point out the fact that the value of the stock at least is largely enhanced by the effect of this arrangement.

Mr. McMASTER: Would it not be possible to treat the four per cent guaranteed stock in the same way as the preference stocks are treated—to arbitrate its value, as well as the value of the preference stock, and then to issue new stock to take its place?

Mr. MEIGHEN: I should say the Government would rather have preferred that, and that was the original offer in the message of March 5 from the Prime Minister for Mr. Smithers' information across the seas. But in order that we might go one step to meet them, in the letter of July 11, we offered to treat the guaranteed stock as an obligation, and we are living up to that. It was not accepted even then; it was considered anything at all but a concession and consequently we did not succeed in getting anywhere. But now they have come to our terms in that regard and we are living up to the proposal we made.

Mr. DENIS: Are the three preferred voting stocks together with common stock?

Mr. MEIGHEN: Yes, they are all voting stocks, but I think the preferred have an advantage over any others in their voting power.

Mr. DENIS: The minister has said that the dividends have been paid on the

guaranteed stock except for the last two years. Have the dividends been paid on the first, second and third preferred stock, and also on the common stock? I should like to have some detailed information, too, about the payment or non-payment of dividends on all these stocks for the last ten years, say.

Mr. MEIGHEN: That is all found on page 56 of the statement given to the House yesterday. They paid dividends for most of the years; first preference for all but two up to 1917; second preference the same; third preference the same, but the third preference never paid over 3 per cent and one year the second preference paid only 2½ per cent.

Mr. J. D. REID: And there have never been any dividends paid on the common stock.

Mr. DENIS: It is well known that a company which does not pay dividends on its preferred stock that bears four or five per cent interest is liable for the payment of arrear dividends. I am subject to correction, but I believe that is the fact.

Mr. MEIGHEN: I do not think it is cumulative, but even if it were that would be an obligation of the company's. It would go a long way towards robbing other stocks of any value, but I do not think the dividends are cumulative.

Mr. DENIS: I do not see any difference between a company and the Government in a matter of this kind. The Government acquires common stock and first, second, and third preferred stocks. It buys voting stock and says: "The company owes the interest; it has its responsibilities and liabilities but we are not a company." I heard that argument advanced by the minister with regard to the passing of the road through the United States. As I view the matter, when a person owns the whole of the voting stock in a company that person is virtually the company; consequently in this connection the liabilities of the company would be the liabilities of the Government. For this reason I think we are interested to know what will be the responsibilities of the Government in regard to the back dividends.

Mr. MEIGHEN: I do not think there are any responsibilities at all as to unpaid dividends, but I will let the hon. member know definitely either to-day or to-morrow.