

as, for example, at North Bay and elsewhere, at low prices; but it is evident that if they had pursued such a policy without making an arrangement to issue the whole, or a large portion of the Company's Bonds, they would have been unable to complete the enterprise, and there would have been financial trouble, if not disaster. The financial advisers of the British Company claim, therefore, some consideration from the Government, on the ground that they have not involved the Government in such a difficulty. The relation of the Government and the Company on this matter was discussed in Committee on the 3rd February, 1913.

The following is an extract from the Debate :—

“ Mr. Oliver: Even if the positive condition is there, I do not think that Parliament should, as a matter of right, ignore the fact that the authority which it had given had been acted upon, and that third parties, that is parties other than the Government or the Company, bondholders drawn from the public, had been brought into the arrangement. If the Bonds are issued under the express authority of this Parliament, I submit that this Parliament at any future time could not ignore the liability.

“ Mr. Cochrane: You would not buy a Bond with that condition in the Act?

“ Mr. Oliver: I am sorry to say that I would not be buying any Bonds at all.

“ Mr. Cochrane: I am only putting it in that way.

“ Mr. Oliver: I do not think that is a proper way to put it. This Parliament should not authorize an Act that may be carried forward and become, as a matter of right, a liability which this Parliament, at some future time, under circumstances that we expect will take place, would have to assume. The supposition that nobody would buy the Bonds that we are authorizing in this case is not sound. We do not know what representations would be made to induce people to buy these Bonds, or at what price they might be sold. Bonds are sometimes sold very much below par. It is conceivable—I do not say it is going to be the case—that this Company may issue Bonds which this Parliament has authorized it to issue, and these Bonds having been issued if this Parliament or the Government of Canada should desire, at any future time, to enter upon the construction of that Canal, they would have to settle for those Bonds as a part of the claims of the Company. I would be perfectly satisfied if the Government would say here and now either that there is a responsibility which is covered by the addition of this bonding privilege, or that there is not such a responsibility. If the Government will say on its responsibility as a Government that the assent of the House to this amendment does not as a matter of fact affect the situation, I am satisfied. But I want that statement on the responsibility of the Government.

“ Mr. Borden: I have given the hon. gentlemen my view already. Supposing a hundred million dollars of Bonds were issued, my hon. friend apprehends that notwithstanding the provisions in the original Act, there might be some claim on the part of the bondholders.

“ Mr. Oliver: Yes.

“ Mr. Borden: It certainly would not be a legal claim; he is alluding to some moral claim that might be put forward and presented in this House on the ground that some injustice had been done to them.

“ Mr. Oliver: Yes.”