

Mr. BUREAU: But a railway may be constructed where there was no justification for issuing securities to the extent of \$75,000 per mile. In the case of another road a larger amount might be necessary. You put a maximum here, but would it not be well in the case of each company to determine the amount per mile which it is to be authorized to issue. That provision must be in the general charter of each company.

Mr. MEIGHEN: The trust deed, of course, contains a provision to that effect. Each specific one will necessarily be limited when the security is authorized by the company and approved by the Governor in Council, but no matter what the value may be it never can exceed \$75,000. It is obviously impossible now to fix what it should be in relation to each issue.

Mr. BUREAU: When these charters were obtained, and before they were vested in the Canadian Government, the amount of the bond issue must have been limited. We always limit in the charter the amount of bonds to be issued per mile of railway constructed. This is virtually the wiping out of that limitation.

Mr. MEIGHEN: The limitations contained in the charter still would stand.

Mr. BUREAU: The roads which are to be constructed under this Bill must already have charters. If so the amount of the bond issue is limited. If there is no charter how is the construction going to be carried on.

Mr. MEIGHEN: This just applies to Canadian National Railway lines; that is to say, to lines the physical property of which is owned by the Canadian National Railway Company. It would apply, for example, to lines that become the property of the Canadian National Railway Company by virtue of amalgamation under clause 21; but without such amalgamation the original limitations apply.

Mr. BUREAU: I do not seem to be able to make my meaning understood. If you are going to build a line of railway, you can only do it by virtue of an Act of Parliament, whether local or Federal, which limits the bond issue per mile of railway constructed. Whether the railway is the property of the Canadian Government, or remains the property of a particular company, Parliament gives the necessary authority for the issue of the bonds. Such being the case, I want to know what the clause means?

Mr. MEIGHEN: The amalgamated company has the power conferred by its charter.  
[Mr. Meighen.]

ter, plus the power it secures by the amalgamation. The absorbing company can exercise either of these powers to the maximum prescribed.

Mr. BUREAU: Do I understand that an amalgamation takes place with the consent of the Governor in Council, and that the provisions of the general Railway Act—as to obtaining the consent of two-thirds of the stockholders, publication in the Official Gazette, and application for confirmation to the Board of Railway Commissioners—do not apply?

Mr. MEIGHEN: Yes.

Mr. BUREAU: And the Governor in Council will have the right to determine the amount of securities which is to be issued per mile?

Mr. MEIGHEN: Yes.

Mr. BUREAU: I do not think that power should be left to the Governor in Council. It ought to remain with Parliament, as in the case of other railway companies which are amalgamated. Would it not be better to state that in the case of an amalgamation the amount of bonds shall not exceed per mile constructed the amount authorized by the charter which created the absorbing company?

Mr. MEIGHEN: The power is being now exercised, under this clause. We are fixing the limit now, just as it is fixed in the terms of the charter of the individual company; but we provide the additional safeguard that each specific issue shall be limited also by the Governor in Council.

Mr. BUREAU: I am still afraid that my question has not been understood, but I must leave it at that.

Mr. POWER: Do I understand that this clause, read in connection with clauses 23 and 16, means that the company may at any time issue bonds, securities, or debentures, for the purpose of building a railroad without coming before Parliament? If so, I think it is rather broad in its nature, and at the time of an election, or something of that nature, debentures may be issued and works started on the construction of some of these forty-four railroads in some constituency.

Mr. MEIGHEN: The hon. gentleman has been brought up in the wrong school of politics. The fact is that this only authorizes a bond issue to provide money subject to the provisions and conditions therein stated. Before there could be any bond issue, there necessarily would have to be