

I have a suggestion to make to the incorporators with respect to paragraph (c), which reads:

mortgage, hypothecate, charge or pledge all or any of the real and personal property, undertaking and rights of the Company...

I suggest that there be added the words "present or future". I think honourable senators who have been engaged in corporate financing are accustomed to using those words to make quite certain that the company can mortgage or pledge future assets if it wishes to.

I have a further reason for suggesting that. Bill S-5, which is also referred to this committee, respecting Great Northern Railway Company and Great Northern Pacific & Burlington Lines, Inc. contains in section 5, which deals with the borrowing powers, the words:

... mortgage, hypothecate, pledge and charge its railway and undertaking and all of its property, assets, rents and revenues, present or future...

I think we should adopt similar language in both cases.

There is, of course, the further consideration that if those words are used in one bill and not used in this then some ill-disposed person might say that we do not intend to give this company the power to mortgage future property.

Mr. EDISON: I am instructed that we shall be very happy to accept the suggestion.

Senator HAIG: I will move the addition of those words.

The CHAIRMAN: Then, Senator Haig moves that after the word "rights" in line 17 on page 3 there be added the words "present or future."

Senator HAIG: Yes.

Senator HAYDEN: May I ask Mr. Edison a question?

The CHAIRMAN: Just a moment, Senator. Are you speaking to the amendment?

Senator HAYDEN: No.

The CHAIRMAN: Is the committee in favour of the amendment?

Hon. Senators: Agreed.

Senator HAYDEN: I was wondering why it was necessary to state there shall be no limitation upon the principal amount borrowed since the section reads:

notwithstanding anything contained in the Railway Act or any other act...

Mr. EDISON: The answer, Senator Hayden, is that in the 1958 legislation the company placed a self-imposed limitation of \$11 million upon its borrowing, and the company wishes now to have that limitation removed. There were issued \$11 million in combined bonds and debentures as a result of the enabling legislation of 1958.

Senator HAYDEN: The alternative could have been to strike out that section in the 1958 legislation.

Mr. EDISON: Yes, except that those bonds are still outstanding, and they were created under those terms. This is only my opinion—and I defer to yours because you know a great deal more about this than I do—but I do not think it would be appropriate to repeal that particular provision. We thought that this was the best way of doing it.

Senator HAYDEN: By doing it in this fashion it is then clear beyond doubt, and you do run into difficulties when you ask people for an opinion.