

may be supposed to have been of service to the railway. One hon. gentleman suggests that we should leave all this to the government. I do not think a government should assume such a responsibility, even if this House allowed them to do so. The fact that under the law stock can be issued without a dollar being paid upon it, makes it of imperative necessity that this parliament should take extreme care that no more stock should be allowed to be issued than is necessary for the work.

**THE MINISTER OF RAILWAYS AND CANALS.** The hon. gentleman has called attention to a clause in the Railway Commission Bill, as originally introduced; but he must have forgotten that I stated to the committee that that had been taken just as it was from the existing law, that I was not satisfied with it, and that I proposed to make material changes in it; and if he will turn to the new Bill of the Grand Trunk Pacific Railway Company, section 11, he will find those changes embodied in that section. The first question to be asked in considering a section of this kind is this: Is it reasonable or proper that any stock should be given for property which is bona fide of value? I think the general run of opinion is that that is a power which might properly be exercised. It could be done in an indirect way by a nominal exchange of money and the taking of stock; and it is really better to authorize the thing with the proper safeguards. This is the clause which it seems to me contains the proper safeguard:

The directors of the company elected by the shareholders may make and issue as paid-up stock, shares in the company, whether subscribed for or not, and may allot and hand over in payment for plant, rolling stock, docks, elevators, wharfs, warehouses, vessels, or materials of any kind, or as consideration for rights, powers and privileges acquired and also for the bona fide claims of contractors and engineers, such an amount of such stock as shall be a fair and bona fide value for the property purchased, or for the rights, powers and privileges acquired, or services rendered, as aforesaid, other than promotion services, due regard being had to the then market value of the stock, and such issue and allotment of stock shall be binding on the company, and such stock shall not be assessable for calls.

That clause is the one which I would propose to insert in the Railway Commission Bill; and when this Grand Trunk Bill was before the Railway Committee, I had the committee substitute that for the ordinary clause which is to be found in the Railway Act. Before I sit down, I would like to say a word in answer to my hon. friend from Selkirk (Mr. McCreary) and also in answer to my hon. friend from Labelle (Mr. Bourassa). My hon. friend from Selkirk says that in his experience he never knew such a proposition being made to parliament as that which I made a moment ago, to this effect, that if the government decided that it would in any form aid the

Grand Trunk Pacific enterprise, it could, in presenting to parliament a Bill authorizing the granting of such aid, make such amendments in regard to route and other conditions as it deemed advisable and as commended themselves to the approval of parliament and the country. My hon. friend has not known of a case of that kind ever being proposed to parliament. Well, we are all familiar with that case of the Canadian Pacific Railway. In the Bill which was introduced to parliament for the purpose of authorizing the construction of that road, by the Canadian Pacific Railway Company so-called, the company itself was created by that Bill, and all the conditions as contained in the contract between the government and the company were incorporated in it. That is precisely what will be done in the case of the Grand Trunk Pacific if the government decides to render it assistance, and a very proper and effective method it would be of doing it. I cannot see the slightest objection to that; and in deciding on the route by which the railway must be constructed, and on the terms and conditions generally, if the company is to receive that aid, the government would be exercising a very wise power. My hon. friend from Labelle says that would be handing everything over to the government. He is quite mistaken in that. Every proceeding involving the expenditure of money or the granting of aid must be initiated by the government. They must take the responsibility of presenting it to parliament, and it is for parliament to say whether it will give its approval or not. It is for the government to initiate and for parliament to approve or to withhold its approval. So that there is nothing whatever in the suggestion which ought to disentitle it to the assent of this committee. I entirely agree with my hon. colleague the Minister of Finance in that contention. It does not appear to me that the company could carry this enterprise through unless it receives government assistance, and it will be for the government to say on what terms such aid, if any, should be granted.

**THE PRIME MINISTER.** The policy usually followed in matters of this kind is to adopt the report of the committee to which the Bill has been referred. The committee is the proper place in which to investigate all questions in connection with such a Bill, and we are informed that special attention was there given to it, more in fact than to any other which has come before parliament for several years. Therefore, unless a very strong and substantial reason is given why we should depart from the usual course, we ought to follow the safe rule and abide by the report of the committee. The only point made against that report is that the road has been over capitalized, and that if such a large capitalization were allowed, we could not possibly afterwards control the rates. I would put this question to my hon.