

Mr. PUGSLEY: The hon. gentleman then suggests that the Government bought the stock at \$20 a share.

Mr. WHITE: No, I did not suggest that. He explained at the time the subsidies were being put through that the Government had demanded that 70,000 shares of the par value of \$7,000,000, of the stock of the Canadian Northern railway, be issued to them, under the terms of the statute to which I have referred, as part consideration for the aid then received. I want to say this to my hon. friend from Pictou, because I do not believe he would charge anybody with wilfully attempting to mislead the House. There is a very great difference between misleading the House—

Mr. PUGSLEY: We do not want to mislead the people outside.

Mr. WHITE: When I am outside I usually get along better with my hon. friend than I do in this House.

Mr. GEO. E. FOSTER: Both of you are afraid.

Mr. WHITE: There is a very great difference between misleading the House and making an erroneous statement in the course of one's remarks as to the authorized capital of a company. I think it is entirely unnecessary that I should say anything more on that point.

Mr. McKENZIE: The hon. member for Pictou did not say 'intentionally.'

Mr. WHITE: If he did not mean intentionally, probably some of my remarks will not be relevant. I did not have the opportunity of being present when my hon. friend from Pictou was speaking. I was not referring so much to the fact that I had made the remarks to the House, because they are explained by Hansard'; but I do not believe that my hon. friend from Pictou or my hon. friend from St. John wants to do any injustice to a third party who at all events did not mislead the House. The Canadian Northern Railway Company did not mislead the Government or the House as to the stock that was to be issued in part consideration of the subsidy. The Canadian Northern Railway Company acted under the authority of this legislation representing the will of Parliament, and issued its stock certificates for value received, in the express terms and under the authority of the statute.

My hon. friend from St. John has referred to fully paid-up stock. That will be dealt

[Mr. W. T. White.]

with, I think, by the hon. Solicitor General, because he has had more particular charge of that matter than I have. But my hon. friend from St. John would scarcely put forward the view in connection with the general Companies Act that the Government of Canada is absolutely responsible to all purchasers of stock that \$100 in actual cash has been received for every share. If my hon. friend will turn up the leading cases on the subject, he will find that shares can be fully paid up by other consideration as well as by cash, and that once shares are issued as fully paid up, in consideration of property or service or otherwise, apart from fraud, they will not be declared by the court to be not fully paid up, even at the instance of a liquidator.

Mr. MACDONALD: If I were to drop into poetry, as my hon. friend does sometimes, and improvise a little, I might be tempted to say that I think the Minister of Finance doth protest too much. I regret that he was not here this morning when I emphasized what I said the other night in his presence. The statement which I made the other night I made this morning, and I make it again. I submit that my hon. friend, instead of making any explanation that will satisfy the House in regard to his statement of last year when this question was last before us, has only shown that he has got himself into the mire deeper than he was before.

This was the situation last year: My hon. friend is the watchdog of the treasury of this country, metaphorically speaking. He was instructed by this Government to purchase from the Canadian Northern railway \$7,000,000 worth of stock, and to give to the Canadian Northern railway, in consideration therefor, \$15,000,000. The Minister of Finance, in the course of carrying out those negotiations, never took the trouble to find out what the authorized capital stock or the issued capital stock of the Canadian Northern Railway Company was. My hon. friend came before Parliament and submitted this governmental measure to the House in certain terms; and when he explained the meaning of that measure he led the House to believe that what he was purchasing from the Canadian Northern Railway Company was one-tenth of \$70,000,000 worth of their stock, although he did not know whether it was the issued or the authorized stock.