

of the people of Canada, and in such a case I am perfectly sure that we have the right to have a say in the question of whether the directors shall be British subjects or foreigners.

Mr. PRINGLE. Does the hon. gentleman understand that clause has been struck out of the Bill? It reads now that a majority of the directors shall be British subjects, and it simply gives these directors the power to operate this small line of railway by three delegates who must be three directors. I have accepted that amendment.

Mr. LENNOX. I was not aware until this moment that a change had been made, but the position I take is that we do not want special legislation for individual companies; what we want is the same legislation for all companies and this company like all other companies should be made to conform with the general law we enacted a year ago. I have not had an opportunity of examining the proposed amendment to this Bill, but I assume it does not conform with the general railway law, and if it does not it ought not be allowed to pass. We have invested a very large amount of money in this railway. I cannot perhaps do better than read a few lines from an article on Canadian railway taxation in the 'Canadian Magazine' a year or two ago by Mr. Pettypiece. He says:

At Cornwall, a bridge across the St. Lawrence, connecting the Ontario and New York sections of the New York and Ottawa Railway, furnishes another example. The New York end of the bridge is assessed at \$40,000, and pays taxes on that amount; the Ontario end is neither assessed nor taxed. On the New York portion of the road the fare is two cents per mile; on the Ontario portion three cents. The New York end of the bridge received no government aid; the Ontario end received \$125,000 from the Dominion and provincial parliaments.

All that I mean is expressed in the statement which I have already made that what I want to govern this railway is the General Railway Act.

Mr. PRINGLE. I feel that the request of the owners of this railway is a very reasonable one, in view of the fact that the money which built the Ottawa and New York Railway was invested at a time when the law was on an entirely different footing from what it is to-day. However, I have accepted the suggestion of the hon. Minister of Railways and Canals and have consented to the elimination of section 1 from the Bill. The reason for asking for this substituted clause is simply this. The original Act incorporating this company requires a board of directors of nine. As I stated the other evening, this is a very short line of railway, extending from the town of Cornwall to the city of Ottawa. It was a line of little or no use to

Mr. LENNOX.

either of the great railway corporations running through the province of Ontario, the Grand Trunk and the Canadian Pacific Railway. It is of use only to the New York Central Company, who have acquired the system to the south of the River St. Lawrence, and who have acquired it as a result of its sale by the bondholders. Now, they are about to expend some \$400,000, I am instructed, in putting this road in first-class condition. It seems to be the desire of some hon. gentlemen here to get the matter into such shape that it will be absolutely impossible for the New York Central to carry on business in this country. That is not the feeling which I have in regard to capital coming in from the United States of America. We have seen some splendid results from American capital coming into this country. You have only to look at the city of Hamilton to see the enormous works which have been constructed there by American capital; and it is much the same in other cities throughout our Dominion. So far as I am personally concerned, while protecting the rights of our own people, I would like to see encouragement given to the Americans to come in here and invest their money, which is absolutely subject to and under the control of our laws. Some hon. gentlemen seem to be very much alarmed that if the New York Central comes in and runs this fifty-six miles of railway, and expends some \$400,000 in improving it, it is going to do a great injury to the Dominion of Canada. All I have to say is that we are pretty well safeguarded by the Railway Act of 1903, from clauses 23 to 25, which give the Railway Commission large powers over every railway corporation doing business in this country. I have accepted this amendment with the greatest reluctance, because I felt that we had made out a very strong case in favour of exemption under the general law. However, as there seemed to be objections to that, we have accepted this amendment, which simply gives this board of directors power to appoint three directors for the purpose of carrying on and managing this road. I think it is important in the interest of this country, that the New York Central should be put in a position to carry on and manage this road by this board of three directors. We do not in any way amend the general law.

Mr. FOSTER. When this Bill was in the Railway Committee, without the amendment which has been moved at the present time, I was opposed to it, because it was cutting out the general law in the special instance. I thought then and I still think that it is a good thing sentimentally, and it may be a good thing practically, to have a majority of the directors of a road which is being operated in Canada, British subjects. That is maintained by the excision of the first clause, and at the same time a *modus vivendi* is prepared, by which this road can be managed practically by an executive; but it