

because I think there is no nobler citizen in Canada to-day than yourself.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CLORAN: I beg your pardon for saying so, but I had better tell the truth before you die than after, and that is my opinion of you.

Hon. Mr. CROSBY: We will forgive you for everything now. Go on.

Hon. Mr. CLORAN: I know that charity covers a multitude of sins. George Stephen came to Ottawa; he was president of the Bank of Montreal at the time—and what I am going to recite was told me by Sir John Macdonald's best trusted friend, Sir Frank Smith in the Russell House three weeks before he died. Mr. Stephen interviewed Sir John Macdonald and said: "The Canadian Pacific railway is in difficulties, we need money"—just as is claimed in this Bill—"to pay interest on stock, to pay other disbursements and expenses." Sir John said to him: "Do you want to ruin the Government? We have given you abundantly out of the treasury already, and how can I face Parliament and ask them for a loan of \$30,000,000?" George Stephen said: "Well, if we don't get that money we will have to go into insolvency; you will have to appoint a receiver." Sir John said: "I would rather that the company had a receiver and went into bankruptcy than that my party and myself should be hurled from power," and he there declined the loan of \$30,000,000. What happened? That very evening George Stephen came down, disconsolate, broken-hearted, to Sir Frank Smith, who was a great friend of his. Sir Frank said: "George, don't be discouraged." Stephen said: "I am leaving here to-night by the next train, and I don't know if I will be alive to-morrow." Those were the solemn words uttered by George Stephen, and, as Sir Frank Smith told me: "The statement struck me as an awful one, and I thought, what did he mean by those words, that to-morrow there would be no more talk of George Stephen or of the \$30,000,000 loan? After a second or two I said to him: 'George, now you go straight to your room; I will take this grip from you,'" and he forced him to his room. The very next morning Sir Frank Smith, who was minister without portfolio in Sir John Macdonald's Government, went to the Premier and said: "Sir John, I know the financial conditions of this country probably better than you do, and if you refuse this loan to the Canadian Pacific railway,

Hon. Mr. CLORAN.

the banks and the financial institutions of the country will go to ruin and be wrecked within twenty-four hours." Sir Frank's statement to Sir John had its effect. Sir John said: "Sir Frank, do you mean to tell me that the situation is so serious as that?" Sir Frank, who was greatly interested in financial concerns, said: "Yes, Sir John, this money has got to be loaned." Sir John yielded; George Stephen left, and the Canadian Pacific railway was built, and afterwards paid back every cent of that money.

Hon. Mr. CROSBY: Hear, hear.

Hon. Mr. CLORAN: Did the Canadian Northern ever pay anything back?

Hon. Mr. CROSBY: Oh, they will pay it back.

Hon. Mr. CLORAN: Where will you be then?

Hon. Mr. CROSBY: I hope in heaven.

Hon. Mr. CLORAN: In limbo or somewhere else.

Hon. Mr. PLANTA: Will my honourable friend tell me who it was that said the Canadian Pacific railway would not pay for the axle grease after it was built? And yet they repaid the loan. Was it a Liberal or a Conservative who said that?

Hon. Mr. CLORAN: Certainly it was a Liberal.

Hon. Mr. PLANTA: Yet they repaid the loan.

Hon. Mr. CLORAN: Yes, but that was said ten years before the road was in operation, when Edward Blake said it was running through a sea of mountains, and he was perfectly correct, because it is nothing but a sea of mountains for 500 miles.

Hon. Mr. PLANTA: It is paying, is it not?

Hon. Mr. CLORAN: No, not paying anything.

Hon. Mr. POIRIER: What about the water stretches?

Hon. Mr. CLORAN: Well, some of the fish got out and they are here now. After Sir Frank Smith's interview with Sir John he went down to the Russell House and met his friend George Stephen, and said: "Stephen, everything is settled; you are going to have your loan of \$30,000,000." George Stephen became a new man. He went back to Montreal as a saved financier, as a man who was not obliged to bankrupt the Bank of Montreal. These are things