be tied, and they must give $2,500,000 because we have so fixed the price of the guaranteed stock.

The proposed amendment of Hon. Mr. Béique was negatived.

Section 6, as amended, was agreed to.

At 6 o'clock the committee took recess.

The Committee resumed at 8 o'clock.

Sections 3 and 4 were agreed to.

Section 5 was agreed to.

On section 7, sub-clause a—Committee of Management to be formed as soon as agreement is ratified to operate Grand Trunk system in harmony with Canadian National Railways:

Hon. Mr. FOSTER: Does that refer to all the stock in the latter part of a?

Hon. Sir JAMES LOUGHEED: That is for the purpose of retaining the property during arbitration, whether it is a year or a year and a half.

Sub-clause a was agreed to.

On sub-clause b—books, reports and records and railways and properties of companies in Grand Trunk System to be open to inspection and all proper aid to be rendered:

Hon. Mr. BEIQUE: If all the preference stock and the common stock have equal voting powers, what would happen?

Hon. Sir JAMES LOUGHEED: They have not equal voting powers. You will find on the last page of this blue-book, page 57, the voting power of each of the stocks.

Hon. Mr. BEIQUE: My recollection is that I found it very confusing. When the Government is providing for the majority of this stock, how is it done?

Hon. Sir JAMES LOUGHEED: We get all the voting power.

Hon. Mr. BEIQUE: Is the voting of the common stock equal, share for share, to the guaranteed stock?

Hon. Sir JAMES LOUGHEED: No, it is one in £100 for the common stock, and the guaranteed stock is four in £100. We take away the voting power of the guaranteed stock.

Hon. Mr. BEIQUE: For the purpose of ratifying we do not take the power away.

Hon. Sir JAMES LOUGHEED: As to the ordinary stock, there are 479,108 votes. It is not taken away until after ratification.

Hon. Mr. BOSTOCK: Do I understand the preference stock and the ordinary stocks, when they get into the hands of the Government, are going to be kept?

Hon. Sir JAMES LOUGHEED: Oh, they will be kept.

Hon. Mr. BOSTOCK: The Government will retain those stocks and the voting power in their own hands.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BOSTOCK: Is the Committee of Management for the purpose of the operation of the road, or for the purpose of just carrying out this arrangement?

Hon. Sir JAMES LOUGHEED: It is a mutual arrangement between the two parties pending the arbitration and the conclusion of the purchase, for the operation and administration of the road.

Sub-clause b was agreed to.

Section 7 was agreed to.

On section 8—agreement to provide for arbitrators, oaths, evidence and award:

Hon. Mr. DANDURAND: I would like to ask the leader of the Government how it is intended that the Grand Trunk corporation shall be maintained as an entity and administered by the Board of Directors? Will the Board be appointed by the shareholders called at a general annual meeting, or will it be merged into the National Railways organization, which will work under the Board of Management appointed by the Governor in Council?

Hon. Sir JAMES LOUGHEED: The legislation of last session provides for that.

Hon. Mr. DANDURAND: So that the administration of that railway system, as well as the other railways which we own, will apparently be in the hands of a company, but of a very flimsy and transparent character, the company being the representative of the Government of Canada.

Hon. Sir JAMES LOUGHEED: The stock could be vested in that company, or authority could be given to the company, entirely irrespective of the stock, under Order in Council, though it is a matter of domestic arrangement as to how it should be done. Of course, necessarily, the company must be appointed by the Government in the first place, and then the