

at any rate, in all the states, to be American citizens. American railways are organized with our legislative enactment. They are private companies strictly. They receive no bonus whatever from the state, and I think those companies are absolutely independent as regards the nationality of their directors. Opinions may differ as to the wisdom of this section 109 of our law; but it seems to me that my hon. friend who is promoting this Bill has demonstrated that the organization of this company was made at a time when we should be indulgent and consider it an exceptional case.

Mr. LENNOX. We had this matter before us in 1903, and I recollect a good deal of the discussion then as to this section 109 of the General Railway Act. It provides that all shareholders in a company, whether British subjects or aliens, or residents in Canada or elsewhere, shall have equal rights to hold stock in the company and to vote on the same, and shall be eligible to office in the company. It was intimated then that later on—perhaps in that, or, at all events, the succeeding session—we would make provision in the line indicated by my hon. friend from Hamilton (Mr. Barker). Accordingly, in 1904, after much consideration, parliament in its wisdom thought fit to amend the Railway Act by introducing section 5, that is section 5 of chapter 32 of 4 Edward VII. That section provided that the majority of the directors of any company which has heretofore received or shall hereafter receive from the government of Canada aid towards the construction of its railways or undertakings or any part thereof, shall be British subjects, provided that this Act shall not, until the 31st January, 1905, apply to any company, the majority of whose directors are not British subjects when this Act comes into force. It has been said that the hon. gentleman who is promoting this Bill has made out an exceptional case. But at the time we introduced this legislation, a year ago, we decided that there would be no exception. We decided that all railway companies which had received money from the public funds of Canada should be treated upon the same basis. These railway companies are not compelled to receive aid. They can stand by the provisions of section 109 if they so desire. If they will bring foreign money into the country and construct their railway as an independent enterprise, they are still at liberty to do it under that section; but if they have come or are coming to parliament for public money, that money can only be granted them on the basis that the enterprise is peculiarly in the interests of Canada, and they must have on their directorate a majority of British subjects at least. I am inclined to think that if we have erred at all, we have erred in not going far enough. There may be a good deal in what has been suggested to the effect that we have not the desired control, even where

a majority of the directors are British subjects; but if we make an amendment at all, I submit it should be rather in the direction of providing that they should be either Canadians or residents of Canada, rather than in the opposite direction, and that we shall not sweep away the only safeguard for effective control which we now have in the case of difficulties in connection with railway enterprises.

Any one who watches the trend of railway legislation and of railway action must be convinced that the difficulties are not getting less, but are increasing from year to year and will become greater still as time goes on unless we are very careful. This is a railway which has received aid and if these gentlemen wish to get over the difficulty it is a very easy thing, I suppose, for them to come to parliament and say that they will put themselves upon the basis of section 109 and repay to parliament the aid that has been given. This railway, by the way, has had the attention of the public particularly directed to it in the matter of this same Cornwall bridge. It was pointed out, I think by Mr. Pettipiece, that a peculiar condition of affairs exists in reference to the bridge, that is to say that the portion of the bridge which is in Canadian territory received aid to a very large amount from the Dominion government, but the other end on the American side received no aid and—although it may not be pertinent to this particular argument—when you travel on the Canadian end you pay 3 cents a mile, but on the American end you pay only 2 cents. It is not immediately relevant to the discussion and I do not want to arouse prejudice against the company, but I want to say that it would be very unwise to open the door to difficulties which might arise with other Canadian railways carrying on much vaster operations than this; railways which controlling much greater capital and representing larger interests might bring to bear on this parliament a degree of influence that this railway cannot bring to bear. We may find ourselves in the position of being unable to control the situation, if we open the door now. I have no prejudice against this railway company; I know nothing to their disadvantage, but we are trustees of the public in this matter and I feel that in indulgence to railways the people of Canada, through their representatives in the House of Commons, have gone as far as they ought—sometimes farther—in deference to the wishes of the railway promoters, and we should be careful, this matter having been partially discussed in 1903, and carefully considered in 1904, that on this first occasion when we are asked to go back on our deliberate action of 1904, we should not do so unless a much stronger case is made out we should refuse to make this innovation on the general law of the country.