

makes any difference whether a majority of the directors are British subjects or Americans inasmuch as the railway comes under the provisions of the Railway Act, 1903, and would be under the control of the Railway Commission. Section 87, of the Railway Act 1888, which was in force at the time this railroad was constructed, reads :

The shareholders in a company, whether British subjects or aliens or resident in Canada or elsewhere, shall have equal rights to hold stock in a company and to vote on the same and shall be eligible to office in the company.

That section of the Act of 1888 is re-enacted in identically the same words in section 109 of the Railway Act, 1903. I mention this to show that these people really have vested rights. They invested and expended their money in the construction of the road under the provisions of the Railway Act 1888, so that the legislation of 1904 is retroactive and would inflict an injustice on those who put their money into this enterprise.

Mr. W. F. MACLEAN. The argument presented by the hon. gentleman (Mr. Pringle) does not justify the passage of this Bill. For good and sufficient reasons we passed a general law that any railway in this country that had received or would receive government aid should have a majority of British subjects on its directorate. That enactment was passed by us for national reasons, and that being so, the law ought to be maintained in its letter and spirit. In view of the fact that all the stock of all the great railway companies is on the market to-day, what Canadians fear is that they may wake up some morning to find that our great railways have passed into the control of American railroad kings.

For instance, we do not know what day the Canadian Pacific Railway, which has been bonused so extensively by this Dominion, may be owned by Mr. Morgan, Mr. Vanderbilt, Mr. Gould, Mr. Rockefeller or their associates in the United States; and the same thing is true of the Grand Trunk Pacific, so far as the control of the stock is concerned. If we are liable to that, we have a national reason why the majority of the board of directors should be Canadians. Mr. Vanderbilt and his associates who control the New York Central know what the Canadian law is, and if they want to purchase a Canadian railway, they must purchase it subject to Canadian conditions and Canadian laws. The Canadian end of the road would have to have a Canadian directorate, as is the case with the Canadian portion of the Michigan Central Railway. If the New York Central interest can come into this country and have the law changed with regard to this Ottawa and Cornwall road, they will be able to do the same thing with regard to the Canadian Pacific or the Grand Trunk Pacific whenever they

purchase either of these roads if they desire to do so, and they will use this Bill as a precedent. While I would like to see this connection made between Ottawa and New York, and while I have not the slightest objection to the Vanderbilt interest making it, still from the national point of view we ought to maintain the law which is intended to protect our national interests. Once you establish this precedent, there will hereafter be any number of applications for similar changes in the law. For these reasons, and not from any hostility to the project, for I want to see this line improved, and I have no objection to the Vanderbilt money coming into this country to improve it, I do not think the law ought to be changed a single jot.

Mr. EMMERSON. This Bill as introduced contained one clause. The Railway Committee added a second clause permitting the directors to appoint a managing committee of three. The Bill as introduced exempted this company from the provisions of section 5 of chapter 32 of the statutes of 1904. At that time it was the settled policy of parliament that all companies receiving state aid in Canada should have only British subjects as the majority of boards of directors; and there was considerable feeling expressed by members on both sides of politics that Canada could not permit aliens to have control of any of her railways. It was further alleged that our neighbours to the south had adopted a similar policy, because no railway corporation in the United States can have on its board of directors any man who is not an American citizen. This being the policy of this country, it seems to me that it would be unwise to make any exception. If we establish a precedent by permitting this company to depart from the law, there is no doubt that parliament will be assailed day after day on behalf of other railway companies to grant them a special provision of a like character. When this first clause is reached, unless it is withdrawn by those who are promoting the Bill, it will be my duty to move that it be stricken out. There can be no objection, however, to the second clause. I need not enter into a discussion as to the wisdom of this policy; it is the policy of this country, and we must observe it. It would be a very dangerous thing for us to have on the statutes of Canada a provision such as is contained in the Act of 1904, and in subsequent enactments grant exemptions. I think the good sense of the House will concur in deciding that this Bill should not be permitted to pass containing the first clause.

Mr. BARKER. When the General Railway Bill of 1903 was before the House. I advocated, I am not sure that I did not propose, a clause providing that wherever this Dominion granted public money towards the construction of a railway in Canada a major-