

view it is wise to do so. Again, I am not in favour of retaliation, upon commercial principles. I am in favour of protection because it is an expedient proposition. But in a larger sense I am opposed to those restrictions, because we want to get capital to come here. In this case when these gentlemen own it, where they are subject to our laws, and if we want their railroad we can expropriate it by Act of parliament, I see no reason why we should place any other restriction upon them. I am opposed to narrow restrictions that will prevent a man coming into this country and investing his capital. No independent Canadian would go into a country and invest his capital if he could not control it afterwards. I think it is a narrow view, one that will not benefit us in the end. What we want first of all is capital; and if we want it should we not be willing to give it a fair show with ourselves? I shall have great pleasure in voting for this Bill.

Mr. PRINGLE. Some hon. gentlemen, judging from their remarks, seem to be alarmed simply because the word American has been used. One hon. gentleman says that when this clause was added to the Railway Act it was understood that there would be no exception to that law. I would like to point out to that hon. gentleman that last year he sat in this House and acquiesced in some ten Bills that went through making exceptions to the general law of this country. Last session alone we put through ten Bills which were exceptions to the general law of this country. Now, if there ever was a case made out justifying an exception it is this case. In 1897 some Americans came into this country under a law that then existed, passed in 1888. They expended \$750,000 in building that railroad from the river St. Lawrence to the city of Ottawa. As I said before, unfortunately it has not been a profitable venture. They had vested rights. This parliament in 1903, did what is very unusual, they passed retroactive legislation which seriously affects those vested rights. Now I say we have made out a strong case why there should be an exception to that general law. It is not as if Americans were coming in here to-day and asking for a charter to build a road; then of course they would have to come under the law passed in 1903. But we find them here with the end of their system, 56 miles long, which is of no use to any other railroad corporation in this country, but which is connected with their road on the American side by the bridge which crosses the river St. Lawrence at Cornwall. It is the only company that can really make that road profitable, which can make it a road that will serve the people of the counties of Stormont and Russell through which it passes, and it is now a road that is doing good to the city of Ottawa. They are in a position, having the road on the American side, having control of the bridge which crosses the river, to

take this road and make it one of the best short systems in the Dominion of Canada. Now what is their position? The New York Central is no small corporation, it is an enormous corporation having railroads all through the state of New York, and simply because they want to come into this country and operate that 56 miles of railroad, the hon. member for York is afraid they are going to run away with the country. They have got to come in here and operate under the provisions of the Railway Act. They come under section 23 to section 25 and they come under the control of the Railway Commission. What great harm is going to be done if they come in here and expend half a million dollars improving that railway, assisting the town of Cornwall and giving to the people of the county through which that road runs a first-class railway service? I cannot see where the harm is, and I think it would be most unreasonable to ask that company to make a majority of their directors British subjects. This is an international road. Do the United States make the Canadian Pacific Railway, running through the state of Maine, change their board of directors and make a majority of their board American citizens? No. The directors are Canadians, they are British subjects and they operate through the State of Maine. I submit we have made out a strong case why there should be an exception to the general law in this instance.

Mr. EMMERSON. It is sought to be shown that this is an exceptional case. In 1903 and in 1904 there was very strong opinion expressed on all sides that it should be the policy of Canada to exclude other than British subjects from the boards of control of our railways in Canada. We enacted certain legislation both in 1903 and 1904, but we were careful as respects the conditions which then prevailed, and we added a clause giving to those companies which had aliens on their boards time to remedy the difficulty. We fixed a time limit and we made that time limit the 31st January, 1905. This corporation was in existence at that time. We passed this legislation with the full knowledge of this corporation as it was then constituted. We recognized the conditions which prevailed and that corporation at that time was just as much American as it is to-day. The only difference there is between that corporation at that moment and the same corporation at this moment is that there is a difference in the personnel of the shareholders. Why should the present shareholders have any rights which you would not grant to the shareholders of that day? On the contrary the shareholders of the present day became such with the full knowledge of the Canadian statute. We must presume that. They purchased this road with the knowledge that it was part of the Canadian law that only British subjects should sit upon their directorate board. Certainly this is not an exceptional case. In-