

ity of the directors of that railway should be British subjects. My recollection is that I desired to go a little further than that; but after discussion it was decided that we should put in the General Railway Act the clause which is now there. If we are to abandon that principle with regard to this particular railway company, I should say wipe it out altogether. There can be no principle upon which it can be justified in regard to any company if it does not apply to this. One object I had in view was to bring within the control of this parliament every Canadian railway, if possible. I was prepared to concede what was urged upon the opposite side, that it was desirable to facilitate the expenditure of foreign capital in this country; but it was as a compromise thought that wherever the public money of Canada was expended in assisting in the construction of a railway, those who owned the railway should accept that assistance with the obligation that a majority of their directors should be British subjects. Now, I see nothing in what has been stated in regard to this particular railway company to interfere with that principle. I think it is of far more consequence at the present time, when we have the Board of Railway Commissioners, than it was before. It is almost impossible in the practical operation of railways to control them when the administrative officials are in a foreign land. All the officials engaged in the active management and operation of this railway, one-half of which is in the state of New York and one-half in Ontario, may live in the state of New York.

Every document, every book, every record relating to its transactions may be in the state of New York. Under these circumstances, it would be extremely difficult to have any effective control over such an administration. The only possible one that presents itself is to provide at least that some portion of the board which is responsible for the conduct of the affairs of the company shall be, if not Canadians, at any rate, British subjects. When the Bill was before the House, my own view was that they should be Canadians, but I yielded to the opinion of other gentlemen who were willing that they simply should be British subjects; but I do not believe in abandoning that one sheet anchor and in giving away the last shred of control that is possible to us. If the Board of Railway Commissioners should want to ascertain exactly what this company—half in the state of New York and half in Canada—is doing, where is there any person in this country superior to a station freight agent who can give us any information unless they can examine some British director whom we can get at? The administration may be in the state of New York and never appear here at all, but we can perhaps get hold of a director who will probably be a Canadian;

Mr. BARKER.

and however little utility that may be, I do not think we should give it up.

Mr. MONK. Even admitting the truth of all that has been said, I would submit to the Minister of Railways that my hon. friend who is promoting this Bill has shown that this company is placed in an exceptional position which would authorize the House in dealing with it in an exceptional way. Under section 109 of the Railway Act of 1903, that provision about the directors being British subjects was only to become applicable after the 1st January, 1905. I take it that my hon. friend is correct when he states that while this Bill was going through the House those who were going to take in hand this railway had decided on the investment, and they had come to that decision under a law which did not make it obligatory for railway companies to have a majority of their directors British subjects. They are thus placed in an exceptional position, and I think that, under the circumstances, we ought to be lenient. Even if we had made the date of coming into effect of the law the 1st of July, 1903, probably this Bill would not have been necessary, as all the arrangements were made and the investments decided upon at the time when it would not have been possible for this enactment to apply. However good a general rule may be, it ought not to be so rigid as to admit of no exception. My hon. friend who has just spoken (Mr. Barker) talks of the necessity of having the control of railways in Canada, as if the only control we could have was to have the railway directors, or a majority of them, British subjects. We have that control as it is by other means; and besides it is always easy to evade the law by creating directors who are British subjects and mere mandataries of those who actually control the railway. The ease with which that provision of the law is evaded is evident. If we had no other control upon railway companies which have foreign capital invested in them, we would be in a very bad position indeed; but we have absolute control over those companies by the fact that their works are here. The provision merely requires that the directors should be British subjects; and if they should reside in England, what control have we over them? We have none whatever. Our courts and Railway Commission have no jurisdiction whatever over their person. There are railways no doubt in Canada the majority of whose directors are British subjects, but no more under the control of our Railway Commission and other tribunals than would be directors residing in the United States. I do not think that the law in the United States is as exclusive as it is here. The railway laws of the United States are entirely different from our own; but I am not aware that they require the directors of railway companies,