

factory in every respect; but this Bill is of such vast importance, so many millions are involved in it, that unless some explanation has been given the House since the meeting of the committee, beyond what took place in that committee, I do not think we should pass this Bill as it is. I do not mean to say that there is anything wrong in it; but in a matter involving so many millions, and especially as we are not going to close this session for a week or two, it would be well, unless the right hon. gentleman has satisfied himself on those points, not to pass this Bill too hurriedly.

Mr. L. G. McCARTHY. The question raised by my hon. friend from Hamilton (Mr. Barker) was in a measure discussed in the committee on Monday last and was answered by the Minister of Finance, who quoted from a printed report of Mr. Shepley, who acted on behalf of the government in the preparation of these documents. Mr. Shepley did not pass this over in general terms at all as the hon. gentleman suggests, but devoted a large portion of his report at page 4 to the subject of these interim bonds. He said:

(a) The guarantee of interim bonds during the period of construction to be compulsorily convertible into the guaranteed permanent bonds on the completion of the work of construction, which was the scheme for interim aid contemplated by the agreement of 1903. During the negotiations it was found impracticable to devise a workable scheme on the precise lines of the agreement, and there were found to be formidable market objections to bonds issued on the terms contemplated. The method adopted in the mortgage submitted is to provide for the immediate issue of permanent bonds, adding to the fifty-year period of currency of such permanent bonds, which period was under the agreement to begin on the completion of the division, the seven years limited by the agreement of 1904 for such completion, making the bonds at once fifty-seven year bonds. The mortgage provides that the proceeds of these bonds as they are marketed from time to time are to be placed at the credit of the Minister of Finance and Receiver General in approved banks, and paid out from time to time with certain safeguards, as they are earned by construction work.

So the hon. gentleman will see that Mr. Shepley did discuss these bonds—I refer him now particularly to page 15 of the Bill, articles 3 and 4, which I think must have escaped the hon. gentleman in considering this question, because he will there find it is provided that these bonds are to be sold but are not to be handed over to the purchasers until it is certified that they have paid to the credit of the Minister of Finance and the Receiver General the full amount of these bonds to be held by him in trust and to be paid out only on the certificate of the chief engineer that the money has been properly earned. That apparently is what Mr. Shepley referred to in the words I have just read, namely, that the mortgage proceeds, as they are marketed from time to time, are

to be placed at the credit of the Minister of Finance and Receiver General in approved banks and paid out from time to time with certain safeguards, as they are earned by construction work. The safeguards are provided in articles three and four of the mortgage, whereby the engineer is protected and so is the government. The schedule goes on:

During the period of construction the interest paid upon these bonds is added to and forms part of the cost of construction. During such period of construction, therefore, being presumably the seven years limited by the agreement of 1904, the permanent bonds now provided for perform the identical functions which the interim bonds would have performed under the original scheme.

When the work of construction is completed, these bonds inherently ripen into the fifty year permanent bonds contemplated by the agreement of 1903, and from that date all the provisions of the two agreements relating to permanent bonds begin to operate upon them. The difference is in my opinion merely formal, and does not in any degree alter the substance of the rights and obligations of the parties.

Consequently, I think that the objection which the hon. gentleman makes is met by Mr. Shepley's report and is met by the articles that I have referred to on page 15 of the Bill. This question was discussed in Committee of the Whole and answered partially in the way which I have answered it. What took place before the committee, I am sorry to say, I do not know as I was not present, but if this is the only objection I would ask that the Bill be allowed to pass to-night. It was held up on Monday night simply for the purpose of allowing the hon. gentleman to discuss this point, and I am not complaining at all, but I am informed by the railway company that they are very anxious to get their Bill through owing to the necessity of completing the financial arrangements which are in contemplation.

Mr. BARKER. I certainly would be very glad to facilitate the passage of the Bill. I have no desire to obstruct it in any way whatever.

Mr. L. G. McCARTHY. I do not mean to suggest that the hon. gentleman desires to obstruct the Bill.

Mr. BARKER. I do not think the hon. gentleman imputes that. I repeat I would be very glad to facilitate the passing of the Bill, but there is not a word in this report and there is not a statement of the hon. gentleman who has just spoken that adds anything whatever to what appeared at the Railway Committee. This report of Mr. Shepley had been in the hands of the Minister of Justice. It had also been in the hands of Mr. Chrysler before the meeting of the Railway Committee, but neither the Minister of Justice nor Mr. Chrysler was able to give an answer to the question I put, Mr. Chrysler admitted frankly and very properly that there was nothing in