receive over $20,000,000 above their face value.

Hon. Sir JAMES LOUGHEED: They will get the face value, that is all.

Hon. Mr. BEIQUE: Exactly.

Hon. Sir JAMES LOUGHEED: But my honourable friend stated they would get $20,000,000 more than the face value.

Hon. Mr. BEIQUE: I say that if the face value is $69,000,000 they will ultimately get the $69,000,000.

Hon. Mr. EDWARDS: Not necessarily.

Hon. Mr. BEIQUE: Actually those securities are worth, I should say, from the different figures that are given here, about 70 per cent. Therefore, they will get a sum of $21,000,000 above the market value of the securities.

Hon. Sir JAMES LOUGHEED: They will not get anything beyond what their legal rights are. Whatever their legal rights are will determine what they shall receive.

Hon. Mr. CHOQUETTE: Where do you find that in the Bill?

Hon. Mr. BEIQUE: I will comment on that point in a moment, but I propose to finish this statement. There is another sheet, "Statement of fixed charges and interest on loans," giving the total interest payable by the company for the year 1916 as $15,335,189.56. Then there is an estimate of the requirements for the year 1918, totaling $25,000,000.

Now, I have only two remarks to make with reference to this statement. First, it seems to me that a door is opened to the formation of syndicates for the purpose of purchasing these securities at their market value, with a view to obtaining the par value of the securities at a future date. This should not take place, and it seems to me that when the Government decided upon the course on which they have entered, they should not have limited themselves to having the value of the Canadian Northern stock ascertained by arbitration, but should also have arranged to escertain the market values of the securities for the purpose of paying a fair price to the holders, and in order not to permit of large profits to individuals, which no doubt will be made.

There is another danger or drawback which occurs to my mind in connection with this Bill, namely, that when the Government paid this $69,000,000—

Hon. Sir JAMES LOUGHEED: Sixty-seven millions. The short-term loans amount to $67,000,000; the collateral securities to $69,000,000.

Hon. Mr. BEIQUE: There are two loans. There is a loan amounting to $33,000,000, on short-term notes. There are besides loans amounting to $69,000,000 which are stated to be covered by collateral.

Hon. Sir JAMES LOUGHEED: No; the collateral securities amount to $69,000,000, and the short loans amount to $67,000,000

Hon. Mr. BEIQUE: The honourable gentleman is quite right. There are loans covered by five per cent and six per cent notes—almost all demand notes—amounting to $33,000,000, besides the short term loans amounting to $67,360,000. There are collateral securities pledged for the payment of those loans, amounting to $69,446,000. When the Governement comes to pay these notes, amounting to $33,000,000 and $67,000,000, it will be, it seems to me, the duty of the Government to be subrogated to the rights of the creditors. These securities of the Canadian Northern, in many cases, I am sure, have been pledged with the bankers by persons who are primarily liable for the debt, and there are a number of cases, I am quite sure, where there are other securities. It seems to me that it would be the duty of the Government towards the country, in discharging that indebtedness, to take the place of the creditors in order that the Government may in the interest of the country exercise such recourse as may be fairly exercised against all parties primarily liable for those debts.

Hon. Mr. CHOQUETTE: I just wish to remark that, in listening to the long, sad enumeration of liabilities and provincial guarantees, all fair-minded men must conclude that this transaction is still more deplorable, if not more scandalous, than we ever thought it was. I cannot but recall with regret that when, some three years ago, Mackenzie and Mann were asking for an advance of $45,000,000, the Senate did not accept the motion which I made, asking for a straight and square inventory or statement of the liabilities of the Canadian Northern company before granting the $ 45,000,000. If at the time such a statement had been prepared by experienced men, I think the country would have been saved at least that $45,000,000, which must have gone into somebody's pockets. Moreover, we should have known how the sum of about $300,000,000, guar-