

sought to prevent any increase in the Capital stock without the consent of Parliament. It involved the difference between increasing Capital stock by the comparatively secret process of Order-in-Council, and increasing it in the light of full publicity and under the safe-guards of Parliamentary sanction. The appeal to the Government was in vain. The amendment was defeated by the Government.

The fourth amendment was proposed by Mr. **Duncan Ross** on May 28th, in the following words: "that the consideration of said resolution be not further proceeded with until a committee of Parliament has fully examined into and reported upon the necessity for aid applied for by the Canadian Northern Railway, the extent to which such aid should be given to complete the system and the nature and value of security to be taken." This amendment put in concrete form the demand of the Liberals and the desire of the country at large for an adequate and reliable investigation into the complicated financing of Messrs. Mackenzie and Mann, before the country was committed to a further pledge of its credit to the amount of \$45,000,000 and to the assumption of liabilities already entered into amounting to \$312,000,000. This amendment was defeated by the Government.

On May 28th, **Hon. Dr. Pugsley** summed up the alternative Liberal proposal for aid in an amendment providing for a reduction of Canadian Northern capital stock by \$70,000,000, thus making it \$30,000,000 instead of \$100,000,000; for placing the entire stock in the hands of the Receiver General to be held in trust for the people of Canada for a period of five years, subject to purchase by the Government within that period for not more than \$30,000,000. The amendment involved a real unwatering of the Capital stock instead of increasing it as is done under the Government proposals by \$23,000,000. It meant, if adopted that dividend payments on Capital stock, if the road should ever be profitably operated, would be only on the \$30,000,000, and that freight rates would eventually be reduced to the extent of an interest payment of, say, six per cent per annum on \$70,000,000, a possible saving of \$4,200,000 per year to the people who use the C. N. R. lines. It meant a real control of the road by the people, instead of by Mackenzie and Mann, pending the proving of the ability of the enterprise to make good. It meant the avoidance of the dangers of the partnership plan. It provided a summary and effective way for the taking over of the whole system by the Government at any time during the next five years if such were found necessary or advisable. And it still left to Mackenzie and Mann as a reward for their labors, the sum of \$30,000,000, representing their equity in the Capital stock, instead of a reward of at least \$60,000,000 as provided under the Government proposals. That amendment was defeated by a vote of 89-45.

An amendment proposed by **Hon. Frank Oliver** on the same date provided for the equalization of freight rates on the Canadian Northern system as between its Eastern and Western lines, thus removing the present admitted discrimination against the western shippers. The amendment laid down the principle of equalization of freight rates for Eastern

and Western Canada and left the carrying out of this principle to the Board of Railway Commissioners within a period of two months from the passing of the act. This amendment was defeated by a vote of 82-42, with Mr. W. F. Maclean, Conservative for East York, joining with Messrs. Bennett and Nickle (also Conservatives) in voting with the Liberals.

On the third reading of the Bill in the Commons on June 2nd **Sir Wilfrid Laurier** made a last attempt to prevent the irrevocable commitment of the honor and credit of the country into the hands of Mackenzie and Mann and Company. He moved the following amendment: "That the said bill be not now read a third time, but that it be resolved that under existing circumstances no assistance should be given to the Canadian Northern Railway Company unless at the same time it is provided that the Government have power, within a reasonable time to acquire the ownership of the entire stock of the company at a price to be fixed by arbitration, but not to exceed thirty million dollars."

In moving the amendment, Sir Wilfrid declared: "If the choice we have to make is between pouring more money into the coffers of the Canadian Northern Railway Company and the Government getting control of the road, I would rather get the control of the road for the profit and benefit of the people of Canada." The situation was summed up by Hon. Dr. Pugsley in support of Sir Wilfrid Laurier's amendment in the following words: "My right honorable friend, as the leader of the Liberal party in this country, has no other course open to him but to move the amendment approving of Parliament granting this aid only on the condition that this mismanagement and reckless expenditure of money must cease so far as the Government of the country can make it cease, and that the Government in granting this aid shall control all the stock of the company; that the stock shall be reduced to the reasonable sum of \$30,000,000 and that the country shall have the opportunity if it is found necessary or advisable of taking the road over." Sir Wilfrid's amendment was defeated by 85-42.

Before the bill was then given its third reading, **Mr. Alphonse Verville** the labor member for *Maison-neuve*, attempted to make the granting of the aid to Messrs. Mackenzie and Mann conditional upon an amendment obliging Mackenzie and Mann to agree to the simple proposition of accepting the demand of the labor interests for a board under the Industrial Disputes' Investigation Act to inquire into, and if possible settle, the long standing dispute on *Vancouver Island* in connection with the coal mines controlled by Mackenzie and Mann. These disputes have now been in existence for nearly two years. The industrial loss to the country has been hundreds of thousands of dollars. The mine workers have asked for a board. The mine owners will not agree to the proposition. The Government at the instance of the Minister of Labour voted down Mr. Verville's amendment despite the fact that the Minister, Mr. Crothers and his fellow Conservatives have boasted that they insisted on the Grand Trunk Pacific settling disputes with its employes before granting aid to that Company.