

shall be permitted to retain a moderate proportion of the \$60,000,000 shares which they now hold; that the precise proportion, if any, and the relation of that proportion to their share of any future profits of the Dominion Railway Company be fixed by arbitration.

Messrs. Drayton and Acworth, then, favour arbitration. The only difference that I see between their proposal and that of the Government is this: the commissioners favour arbitration in respect of what proportion of the \$60,000,000 of stock Mackenzie and Mann should hold and what they should get in the way of future profits of the road. The Government proposes arbitration in respect of the equity of Mackenzie and Mann in the railway company and how much should be paid for the \$60,000,000 of stock. I repeat that I have faith in the honesty of arbitrators appointed in cases of this kind; I feel that they will do justice to the country. If it can be clearly shown that Mackenzie and Mann have equity in the road and should be paid something for it, I do not know that anybody would be very much opposed to their receiving an amount in respect of that equity. Personally, I think it would be money well spent if a few million dollars would get rid of Mackenzie and Mann for good; if it would separate them from Canadian railways and Canadian matters generally. They have been no credit to Canada, except that they have built a big road upon the credit of other people.

The Government is adopting the principle of Government ownership of railways. Once they take over this road, the Government cannot stand still. We shall be taking over the operation of 9,000 miles of railroad in addition to the 1,400 miles of the Intercolonial, to say nothing of the Transcontinental. That means that we have to go further. Without saying anything about the method that the Government is adopting, I believe that the taking over of this road by the Government meets with the approval of the people generally. It is better to take this step than to continue to pour millions of dollars into the Mackenzie and Mann sieve. I have never favoured Government ownership of railways, but I see now that we have to take action; we have to adopt the principle of Government ownership. It is the best way out. The people whom I represent would rather have the road taken over and operated by the Government than allow it to go into receivership or continue to pour millions into it without undertaking Government ownership or control.

Mr. MICHAUD: I object most emphatically to the measure introduced by the [Mr. Turriff.]

Government in respect to the Canadian Northern Railway. New Brunswick is under no obligation to the Canadian Northern, or to the Government, in connection with this transaction. The people of that province have kept away from this railway corporation, but I am sorry to say that they will have to assume part of the obligation involved in paying a certain amount of money to this company. I have received a resolution passed by the town of Edmundston, in my county, protesting against the purchase of this railroad. I desire to put it on record so that my electors will know that I have taken their request into consideration. The resolution reads:

Whereas the Canadian Northern Railway has been almost entirely built and financed by public money, in the shape of bonuses, grants and loans, including the loans made by the Dominion Government;

And whereas the Dominion Government are now proposing to take over the road, and to assume the liabilities thereof, amounting to some \$350,000,000, and to pay Messrs. Mackenzie and Mann for the capital stock still held by them;

And whereas the Dominion Government has already loaned this company \$45,000,000, taking as collateral security the assignment of 45 per cent of this stock, although the stock represents no capital investment and will have no value until the railway shall have become a financial success, which it is not.

Resolved that we, the undersigned, most emphatically protest against the purchase of a bankrupt railway at the price of a solvent concern or any payment being made for the common stock of the company; and insist that if the Government, which is now a creditor to the extent of many millions of dollars, finds it necessary to make further advances in order to protect its claims against the company, it shall safeguard the interest of the general public, whose agents, it is, by taking over the assets of the company without further payment to the promoters, who, as is well known, have already made enormous profits out of the promoting and building of the road with public money and have amply recouped themselves for any investment of their own capital and time.

The resolution is certified by Thomas Guerette, town clerk.

It was alleged yesterday by the member for Vancouver (Mr. Stevens) that members of the Opposition were influenced in some way in their attitude towards this measure. The people of New Brunswick have no influence behind them; they are not interested in this company directly or indirectly, but they will be called upon in the near future, when this measure goes through, to become responsible for a part of the \$40,000,000 or the \$60,000,000 that will be paid to Mackenzie and Mann. Some provinces are anxious that the Government shall take over this railroad. No doubt those provinces are