bilities of the company—that they were simply becoming the shareholders, and that as shareholders in a company their responsibility ended with the loss of their interest in the company. But why is the Government resorting to the purchase of the shares of this company and the taking over of its administration, if not to preserve it from the receivership? If this is the end in view, and undoubtedly it is, what advantage would there be in proceeding in that way if it is the intention of the Government to refuse to pay certain debts of the corporation? The company will remain as it is, a separate entity. It will have debts secured and unsecured. Those unsecured debts can be sued for and the company can be brought into liquidation if it does not honour its signature and meet its liabilities. So I do not see the force of the argument of the Minister of Finance when he says that it is not true that the Government is assuming the whole of the liabilities of the Canadian Northern company. It is not legally doing so by buying shares in that company. But, when it has all the shares of the company, and when it declares its intention of not allowing the company to go into liquidation, to go into the hands of a receiver, does it not imply that the country will have to foot the bill? Otherwise the company will go into the hands of a receiver.

The honourable the Prime Minister said: "Shall we in this Parliament recognize the principle that we can confiscate a man's property without any indemnity?" No one will disagree with the Prime Minister when he makes such a general affirmation. But is that the case to-day? If the company is not in default—and the Prime Minister has declared that it is not—then we have only to stay our hand and it will be. As a matter of fact it is. The Government, I understand, has allowed certain financial institutions to advance money to the company to enable it to meet the interest on its debts. The Government advanced money to it last year. The company is not in default because the Government has not allowed it to be in default. But should we not treat the situation as though the company were in default? And if the company is in default, or, as the honourable the leader of the Government has said, is insolvent, then are we confiscating the property of our debtor if we simply apply to it the clauses of the pact which the company signed, by which foreclosure happens from the moment of the default.

Hon. Mr. TANNER: Do honourable gentlemen contend that if the automatic foreclosure provided for by section 24 went into operation, and the Government took possession of the physical assets, and if the company asserted an equity of redemption, that nevertheless this Parliament should refuse to recognize that claim?

Hon. Mr. DANDURAND: The company is debarred under that very agreement.

Hon. Mr. TANNER: If I borrow $1,000 from my honourable friend and give him an absolute deed of property, although it is an absolute deed there is nevertheless an equity of redemption.

Hon. Mr. DANDURAND: I draw the attention of the honourable gentleman to the fact that the Government is face to face with a report of its own commissioners, which goes into the operations of the company and shows that not only is there no equity, but that there are vast sums for the Government to pay in order to maintain the railway in operation, to meet yearly deficits and to complete the whole system. We are face to face with a company that is not only in default, but is notoriously insolvent; and under these circumstances, when we heard the Government in 1914 explaining that this property would become the property of the country, if there were default, it seems to me there is no ground for speaking of confiscation.

Hon. Mr. TANNER: My honourable friend has not answered my question. I should like to know whether, under the circumstances stated, if the company asserted that an equity did exist would my honourable friend refuse to consider that claim?

Hon. Mr. DANDURAND: If I have a document signed by that company stating that it will set up no such claim—

Hon. Mr. TANNER: You have not got that?

Hon. Mr. DANDURAND: I think the contract signed by the parties will show that there is an abandonment of any such claim.

Hon. Mr. TANNER: You had better read it.

Hon. Mr. DANDURAND: I cannot read the whole of the covenants signed by the parties; but those covenants must be taken in relation to the Act itself, section 24 of which gives an absolute right to enter upon the property and foreclose absolutely. The contractors themselves, Mackenzie and Mann, Limited, say in the covenant, page

Hon. Mr. TANNER: My honourable friend knows that every mortgage ever