

order to prevent its defeat brought them all into line with the exception of Messrs. Bennett and Nickle.

Public Interest Neglected.

The lobbying put up by the Canadian Northern interests was the most open and persistent in the history of Parliament. Mr. R. B. Bennett, referring to it in the Commons, said that the whole history of Mackenzie and Mann operations showed "nothing but a long train of Parliamentary corruption, of lobbying, of degradation of parliamentary institutions, of the lowering of the whole morale of public life and the degrading of those standards by which public life should be truly measured."

In support of the agreement the Government brought down various statements prepared by Mackenzie and Mann in regard to the financial condition of the company, the application of the public aid already received, and the destination of the monies still to be received from the public treasury. It was stated that Mackenzie and Mann Company, Limited, in their capacity as contractors for the Canadian Northern Railway had handled no less than \$244,000,000 of funds in addition to their connection with the sale of bonds and other securities of many subsidiary companies. The three Government auditors taken from the Departmental service to investigate the data presented by the company spent only a few days in Toronto going over the books of the company with a view of verifying the statements made. They returned stating that they had verified all these statements and had accomplished within a week or so a task which would tax the energies and experience of a firm of expert accountants for at least a year.

The debate in the House showed that the Government's statement was inadequate, misleading and in some instances absolutely inaccurate. But the whole brief for further assistance as prepared by the applicants was accepted at its face value by the Government and its followers. Every amendment asking for a further investigation, for further security or for other safeguards of the public interest was voted down by the Government and its obedient majority. That majority was in two or three instances actually rounded up by Sir William Mackenzie and his agents in person, who hovered in the corridors and kept the lobbying going until the last vote was taken.

This in a general way outlines the attitude of the Government and its followers towards the proposition which adds at once over \$360,000,000 to the national liabilities either directly or indirectly, which commits the country to a direct and permanent junior partnership with an insolvent transcontinental railway company, controlled, owned and operated by two men who as far as has been shown have not put a single dollar of their own money into the enterprise.

It is probably the first time in the history of legislation under responsible Government that a Government has blindly gone into partnership with a great private concern without insisting that under that partnership the people shall have the controlling voice, and without knowing what has been done with the money already advanced, what is the probability of the profitable operation, what is the intrinsic value of the assets and what is the present or future extent of the liabilities.

THE LIBERALS AND THE C. N. R.

THE attitude of the Liberals in Parliament towards the Canadian Northern aid proposals has been one of consistent and stubborn opposition from the very first to the conditions on which aid was granted, rather than to the general principle of assisting the legitimate and economic construction of the system itself. During the first session of the present Parliament, Liberals refused to encourage the undertaking of the British Columbia section, from the construction of which has sprung the financial chaos which has led to the agreement of the present session. In the second session of the present Parliament, Liberals firmly opposed the first step towards partnership with Mackenzie and Mann and then demanded a thorough investigation of the whole situation, a demand which has been so abundantly justified by the disclosures of the present session. To the culminating step in that partnership taken this session there has been the same consistent and vigorous opposition. The bargain as brought down by the Government at the end of April was fought at every stage in Parliament in a debate which lasted almost continuously for four weeks.

Eight amendments, each one of a vital character were proposed and each one was voted down by the Government, despite warning, entreaty and argument.

Opposition to the principle and conditions of the whole agreement was expressed in the **amendment proposed by Mr. E. M. Macdonald** on May 19th, in moving the resolution for the **six months hoist**. The moving of this amendment did not necessarily mean six months delay in dealing with the whole situation, but it was the technical and only Parliamentary method under the rules of the House of expressing an absolute negative to the whole proposition.

The general lines of amendment to the agreement which the Liberals desired were made clear in the debate on Mr. Macdonald's amendment. They were expressed by Sir Wilfrid Laurier, Hon. G. P. Graham and other Liberal speakers in demanding, as the first three essentials, more adequate investigation of the financial affairs and physical character of the road itself, provision for absolute Government control of the system pending its completion through the granting of additional public funds and the requiring of further security in return for the bond guarantee by compelling Messrs. Mackenzie, Mann and Lash to pledge their own personal fortunes in support of the enterprise.

When the general amendment was defeated, the only recourse left the Liberals was to propose amendments to the details of the agreement with a view of safe-guarding the public interest as far as possible.

The second **amendment moved by Mr. Frank Carvell** May 19th, provided that **Sir William Mackenzie and Sir Donald Mann should be named in the agreement** and thereby made responsible for the carrying out of all the conditions imposed under the agreement. That proposition was promptly turned down by the Government majority.

On May 27th, **Hon. Dr. Pugsley** moved an **amendment** to Clause 14 of the agreement which stated that any increase in the Capital stock of the subsidiary companies should be issued only with the consent of Governor-in-Council. Dr. Pugsley's amendment