

Contractors', sub-contractors' estimates, material accounts, etc.	5,912,497	
Sundry accounts, pay rolls, audited vouchers, etc.	\$ 4,902,432	
Capital account, deferred payments on terminals, land, etc.	4,493,567	
Coupon warrants, accrued interest, etc..	4,601,339	
	<u>\$13,997,338</u>	
Cash on hand, accounts receivable, materials, supplies, etc.	10,780,389	3,216,940
		<u>\$92,450,883</u>

Of that \$92,000,000 hon. gentlemen will observe that a certain amount of security is pledged for the payment of the amount, and there are certain of those liabilities which can be renewed and carried on for some considerable time, thus relieving the company of that immediate pressure which would force them into liquidation, but requiring at the same time twenty odd million dollars to relieve that pressure. Of that amount we are advancing them \$15,000,000. I was about to say that it is obligatory on the Government to make this advance for the purpose of tiding them over the crisis which they are now facing. If the Government did not do this, we would be called upon at once to consider taking such action as might be necessary, looking to the protection of our securities and the possible liquidation of the company. There are three alternatives which face the Government at the present time with respect to the Canadian Northern railway. One is to allow the company to go into liquidation and make good their guarantee; another is to take over the system and operate it by commission or otherwise; the third is to extend such temporary aid as might be necessary until an investigation can be made of the whole situation by experts appointed for the purpose. The third or last course is the one which has been adopted by the Government, and I have no doubt at this peculiarly critical time that this Chamber will approve the course which the Government is following. It is proposed almost immediately or as soon as the Government can take action in the matter, after Parliament prorogues, to appoint a commission of railway and financial experts to go into the whole situation in a businesslike manner, and advise the Government as to what should be done. It

Hon. Mr. LOUGHEED.

is needless to say that this report will in due time be submitted to Parliament and doubtless action taken thereupon. It is not necessary for me at the moment to discuss what the eventuality may be of the Government having to take over this system. It is too late to discuss the nationalization of Canadian railways, or the policy that should be pursued by the Government, inasmuch as we are in the dying hours of the session, and the discussion of so large a subject at the moment would scarcely be possible. Then, turning for a moment to the Grand Trunk Pacific, it is necessary, as I pointed out in presenting the Supply Bill, to make a loan to this company to the amount of \$8,000,000 to meet its immediate pressing obligations. It is proposed to advance to this company \$8,000,000 payable on demand with interest half yearly at the rate of 6 per cent per annum. It is to be used for the purpose of meeting indebtedness incurred in paying interest upon securities of the Grand Trunk Pacific railway to meet a deficit in operation for the purchase of rolling stock. The loan is to be secured upon the undertaking of the Grand Trunk Pacific Railway Company. Our relation to this company, of course, is of rather a serious character. It has issued securities guaranteed by this Government to the amount of \$78,000,000. We have made loans to the company amounting to \$25,000,000. There have been securities guaranteed by the provinces of Saskatchewan and Alberta amounting in all to \$13,000,000, and securities guaranteed by the Grand Trunk Railway Company amounting to \$97,000,000. This, of course, is a serious situation for the Government of Canada, not only in regard to the securities which it has guaranteed directly, but also taking into consideration the securities guaranteed by those two western provinces, Saskatchewan and Alberta, which provinces have no assets other than the subsidies which from time to time are given them by the Federal Parliament, and the right which they have to impose direct taxation upon their respective people. The Government of Canada has to take into consideration not only the maintenance of its own credit, but the maintenance of the credit of the different provinces of Canada, and more particularly those western provinces that are not possessed of their own natural resources, but have to rely for the meeting of their financial obligations to a very large extent upon this Government,