

Mr. ROWELL: I do not blame the Canadian Pacific Railway for being opposed to the proposition; they are within their rights in being opposed to it. But I do not agree with their opposition. The men interested in the Canadian Pacific railway know that public ownership of national railways in this country cannot be made a success unless we have the Grand Trunk associated with our Government system of railways to provide feeders in the east for it, and a national system—whether you call it public ownership or a Government investment in the railways—would not prove satisfactory without the addition of the Grand Trunk system. Naturally the Canadian Pacific Railway is opposed. I find no fault with their opposition, but it is no reason why the Government should not do what it believes to be in the interests of the country because one large corporation is opposed. There are others opposed to it because they are opposed to the principle of public ownership. The principle of public ownership does not necessarily enter into the consideration of this proposal.

Mr. VIEN: Not at all.

Mr. ROWELL: I believe that quite apart from the principle of public ownership it is in the national interest, if we are to make our present railway properties paying and satisfactory, that we should acquire the Grand Trunk railway. I do not think that those who are opposed to public ownership should let that opposition carry them to the extent of imperilling the country's existing railway investments. Personally, I believe in the public ownership of this great system of railways, and therefore I support it on that ground as well as on the ground that it is in the national interest to acquire the road. Others may support it solely on the ground that it is in the national interest that we should take over the road, but I support it on both grounds. This agreement is in the public interest and as far as I have been able to ascertain the trend of public opinion, the people of the country strongly and cordially support it. I know there are a group in Montreal who are opposed to it. There are interests there opposed to it, but I am quite sure that west of Ottawa river three-fourths of the people are in favour of it, and I imagine that if you got a little east of the city of Montreal you would find three-fourths of the people of the east in favour of it also.

[Mr. Tobin.]

Mr. VIEN: I might answer the Minister with his own words. He says that they did not want to protect certain shareholders by advancing the Grand Trunk Pacific further amounts of money. Why does he now propose to protect a class of shareholders? The question I put to the Government is this: Why is the Government not submitting to arbitration the valuation of the guaranteed stock as well as the valuation of the other stock? The minister did not answer that question.

Mr. ROWELL: I can only answer it in the way that my colleague has already answered it—because we could not get an agreement with the Grand Trunk to do so. The only way we could get an agreement was in this way. We believed that the road was well worth our paying that money. We had already made a cash offer in excess of that amount; therefore, we did not feel that we should block an arbitration, especially in view of the fact that we had already offered something in excess of the amount for the road.

Mr. CAHILL: Why not expropriate it?

Mr. ROWELL: We could not expropriate the Grand Trunk system. We cannot expropriate railways in the United States. We could not get control of that road except by negotiation. If ever a government has worked hard, if ever a Minister of Railways and those associated with him have worked hard to acquire this road on a basis that is fair to the people of Canada, the Government, the minister, and those associated with him, have done so in this case.

Mr. DEVLIN: I would like, before asking a question of the Minister of Railways, to refer my hon. friend the President of the Privy Council to a letter signed by Alfred Smithers, dated July 22, 1918, and following a letter written by the Minister of the Interior to the said Alfred Smithers, the first being the letter referred to by my hon. friend in connection with the offer made by the Government to purchase the Grand Trunk railway during negotiations carried on in London by the Minister of the Interior. Mr. Smithers writes to Sir Robert Borden in this way:

London, July 22, 1918.

Dear Sir Robert Borden,—

I received a letter from Mr. Meighen dated July 11, which was not, however, delivered here till July 15. I acknowledged the letter to Mr. Meighen immediately, and said I would submit it to my board for consideration. This I did at the meeting of the board on Friday, July 19.