

his heroics were mock heroics. It has been his policy and the policy of many others to compel the Government to resort to closure upon this Bill. That was well known in advance of our bringing down this legislation; and therefore, we need not pretend to ourselves that there is any earnestness on the part of my hon. friend in this matter. I beg to move:

That the further consideration of clause 2 be postponed and that clause 3 be now considered.

Motion carried on same division.

On section 3—After transfer Canadian Northern Railway company may be assisted:

Sir THOMAS WHITE: I gave notice of an amendment to this section, and I now beg to move:

That subclause 1 of clause 3 of the Bill be amended by striking out all the words in the said subclause after the word "Fund" in line 4, page 2, and substituting therefor the following: "Provided however that until authorized by Parliament, the total of such advances shall not exceed the sum of \$25,000,000; a statement of any such advances showing in detail the purposes for which they were applied shall be presented to Parliament by the Minister of Finance within 20 days after the opening of the next ensuing session thereof."

Mr. MURPHY: May I ask the minister if the terms of this amendment are similar to those of which he gave notice a short time ago?

Sir THOMAS WHITE: Precisely.

Mr. MACDONALD: It will be noticed that the effect of the amendment of the Minister of Finance is anticipatory of the expenditure which was found by the commission would be necessary within the next five years, this they estimated at \$70,000,000. My hon. friend is evidently taking an instalment of it. I think it is most desirable for the information of the House and of the country that we should know while we are considering this section exactly the indebtedness the country is assuming as a result of this measure. I have prepared a statement, which I think will be found accurate, based upon the financial statements brought before the House. The statement is as follows:

Amount of indebtedness placed on Canada by Government taking over Canadian Northern railway:

Bonded indebtedness	\$359,931,635 64
Equipment bonds	14,846,500 00
Income convertible debenture stock	25,000,000 00
Loans and liabilities	112,723,035 00
Equipment expenditures	40,000,000 00

[Sir Thomas White.]

Additions and betterments	\$30,000,000 00
Interest on equipment bonds	645,778 75
Arbitrators award	60,000,000 00
Cost of arbitrators	100,000 00
Payment by Government to re-coup banks	10,000,000 00

\$653,246,949 39

The loans and liabilities are indicated at page 8 of the financial statement. The \$40,000,000 and the \$30,000,000 are to be found at page 40 of the Drayton-Acworth report, and represent the necessary expenditure for putting the road in proper shape and maintaining it during the next five years. The item of interest on equipment bonds is not included on page 8 of the financial statement.

Then we come to what would be the estimated amount to be awarded by the arbitrators. My hon. friend the Minister of Finance, in the various discussions upon this question has made it clear that it is conceded by the Government that not merely the present but the prospective value of the road, to a certain extent, and what it would cost to reproduce it, must be taken into consideration by the arbitrators. The Minister of Finance has, in the course of the discussion, made a case that will give to the gentlemen who act as counsel for the present holders of the stock some very important items for their brief. I have no doubt that as a result of the indications that have been given by the hon. gentleman, and the estimates that have been made as to the amount that the arbitrators may award to the holders as being the market value of their stock, the award will amount to \$60,000,000. Then we have the cost of the arbitration which my hon. friends are providing for, is one which may be protracted in its nature, which will involve the employment of counsel of the very highest standing, to whom large fees will be paid, and the employment of experts from all over the country. I venture to suggest that Sir William Meredith will expect to be paid as much as he was in the Meredith-Duff commission and he was paid a very handsome sum for his work in that matter. The Government will have to pay the costs and expenses of this arbitration. Having regard to the amount involved and the extent of the legislation I think we are justified in placing the cost at not less than \$100,000. This item, as a consequence of this legislation, is a very serious one indeed. Then we have the payments that have been made by the banks for the June,