

with it because they could get no better accommodation from Mackenzie and Mann. But when the Government owns the railway the people will want the very best of service. What will be the cost of improving the service, and what revenue will the country get for it?

I really believe that in order to assume all the known liabilities and requirements and in order to bring the system up to the standard, the public debt will be increased much more than \$600,000,000. That figure has been mentioned often in another place, and never has it been contradicted, by either the Minister of Railways or the Minister of Finance. I think this transaction is a calamity for Canada. It is a calamity from the financial point of view. It is a calamity also with respect to the service we shall get from it. We know very well what kind of service we are getting on the Intercolonial railway and what it is costing this country. Was the Intercolonial railway ever known to pay a cent of return on the cost of the road, or even a cent of return on all that is put into it from year to year? I am open to correction. I stand subject to correction by honourable gentlemen from the Maritime Provinces, but I have never heard that the Intercolonial under Government management ever paid anything on its cost. If it had any bonds it would have been bankrupt long ago. If it had any shareholders, they would have got nothing at all.

Then, all the construction to which the Canadian Northern has committed itself will have to be done by the Government. I do not care whether it is this Government or any other. There will be such pressure brought to bear upon them that they will have to give way; whereas the Canadian Northern under Mackenzie and Mann could resist the pressure and simply say: "We have not the money; Sir William Mackenzie is away in England; if he can raise the money there we will build the line; we expect him back in a short time." That used to be the excuse for years. Mr. Mackenzie was absent and it would be necessary to wait until he came back; or Mr. Mann was ill, having undergone an operation, and the matter would have to be deferred for another season. There was always some good reason given. But the Government cannot become ill, the Government cannot go to England, and the Government will have to do the work.

There is only one remedy for the situation, and that is the remedy which I indicated this afternoon—to refer this matter

to the Exchequer Court. All these questions would then be disposed of and there would be no more talk, but only the ruling of the court. There are securities which must be looked after during this coming year; and, after speaking of money at eight per cent, let me point out some of the securities for which this country will have to provide. I will give you the dates. The information is found in the company's own book. There is, first and foremost, the "Memorandum re Short Term Loans, Loans and Current Liabilities, June 15, 1916." The total is \$98,000,000. And that does come in immediately. Here are some of the items:

Canadian Northern railway 6% 1 and 2 year notes July 10, 1917, and July 10, 1918, \$6,000,000.

Now we do not even know whether this has been paid or not.

Canadian Northern railway 4% D.S. (Dom. Guat.) two year notes 1st September, 1917, \$11,500,000.

We do not know whether that has been paid or not. We do not know who is going to pay that whether the Canadian Northern or the taxpayers of this country; but it must be paid; someone must pay it, if the Government takes over the road, especially if it is taken over without having the matter referred to the Exchequer Court and having the company declared insolvent. If that were done we could pay when we liked.

Canadian Northern railway 5% one year notes, September 1st, 1917, \$1,750,000.

Canadian Northern railway 5% one and two year notes due 10th January, 1918 and 10th January, 1919, \$2,500,000.

The total is the neat little lump of \$21,750,000, and the treasurer of this country must go to New York or somewhere else to find the money in order to pay it. Why not let it become insolvent before we put our money into it. What is the use of sending good money after bad and impairing the credit of this country? Lower down on page 8 you will find:

Temporary loans and advances covering interest reconstruction betterments and equipment at 14th June, 1917....\$21,145,913

Less: Receivable from proceeds of securities, etc., applicable in reduction of the above certified to by Company's Official .. . . 1,260,898

\$19,885,015

Due to Construction Contractors at April 30, 1917.... 1,277,323

If you add those three items together you get a grand total of \$42,912,338, which is a