

simply a creature of the Government; he sits on the board as a member of the political machine, and the road will be run as the greatest political machine Canada has ever known. Think of the Minister of Railways running hotels, telegraphs, telephones, townsites, express—

Mr. GRAHAM: Steamboats.

Mr. CARVELL: —and all those things under a great government system. I know I shall certainly not get much credit in certain portions of Ontario for these statements of mine, but they are my views and I want to put them on Hansard. I am satisfied it will not be many years before the people of Canada come to my way of thinking. All they have to do is to have a few years of public ownership or public operation of this great railway system, which will inevitably involve the Grand Trunk Pacific, and they will all accept my view as correct, namely, that the sooner they get rid of this thing, the better.

I realize that it will not do to allow the Canadian Northern securities to go into default. If these were ordinary conditions, if the Government of this country were not straining every nerve to borrow money which must be borrowed regardless of what goes down, then one might say: Well, if this has been an improvident transaction—and I am afraid in many cases it has been improvident—let the concern go into the hands of the receivers; if people have put money into an enterprise which is not profitable, that is their misfortune, and the Government cannot stand by every person who makes an investment in a Canadian security. But these are not normal times, and if you allow railway securities of the magnitude of these, running into the hundreds of millions of dollars, to default, you will create a financial panic that this country cannot afford to have created. Therefore, somebody must come to the rescue of the Canadian Northern Railway company, and the only body in Canada I know of having that power is the Government. So the Government is justified in taking whatever steps may be necessary to ensure that there is no default on the interest on bonds or other interest bearing securities. The Minister of Finance says that he understands it will take somewhere around \$20,000,000 to meet the pressing liabilities at the present time. I cannot understand why the Government does not ask Parliament to grant them \$20,000,000, or whatever the amount may be, and let the Government see to it that this money is not handed over to the Canadian Northern, but that the Gov-

[Mr. Carvell.]

ernment pays the money out after they have received undoubted evidence that the amounts are proper, real liabilities of the company, and liabilities which must be met, and see that they have proper evidences and proper receipts. I cannot understand why they want to go further than that. In that case, the Government ought to take over a large part of the remaining stock in order to secure the advances they have made.

My hon. friend speaks about inconsistency on this side of the House. He referred to the resolution moved by the leader of the Opposition in 1914, in which my right hon. friend laid down the principle that we should take over the whole of the stock, but that it should not exceed \$30,000,000.

We have paid since then \$45,000,000, and \$15,000,000, and now we are going to vote \$20,000,000; that is \$80,000,000 altogether. If there is any inconsistency I do not think it lies in the mouth of the Solicitor General to charge us on this side of the House with it. He was the gentleman who piloted the Bill through the House in 1914, and while I have not his words here, he said in substance that this \$45,000,000 would get the Canadian Northern out of the woods financially, put them on their feet, and enable them to complete the enterprise. My recollection is that there was something like \$58,000,000 of available assets on hand at the time; it is three years ago, but I remember the figures pretty well. It turns out now that the \$45,000,000 did not complete the enterprise. Then we advanced them \$15,000,000 more, but that did not complete the enterprise. And I do not think that \$20,000,000 more will complete it. I contend that the Government should take over a large portion of the stock as security for the money we are compelled to loan them in order to tide them over.

Mr. MIDDLEBRO: Would not that make us practically owners of the road, which is what my hon. friend objects to?

Mr. CARVELL: We are that now. The moment we took over 40 per cent of the stock of the Canadian Northern in 1914, we became, not legally, but as a matter of practical business, the owners of the road and became bound to see the thing through no matter what happened.

Sir THOMAS WHITE: My hon. friend is making a very fair argument, and I do not like to interrupt him. As I understand it, he has suggested that we should make an advance of \$20,000,000 and that we take a certain amount of stock as secur-