

picking out here and there from the best, which they buy at \$16 an acre, that the rest of the land is worth \$16 an acre. I can take the minister into sections of the Northwest, where he will find lands worth from \$15 to \$20 an acre, and even find some land worth perhaps \$40 an acre, depending upon the location. In the same township, he will find hundreds and thousands of acres of land which would not sell for \$5 per acre—land which no one wants, being either alkali or rough broken land, which is not saleable at all. The "American invasion" was beginning in 1902, when thousands of settlers from the United States came into this country. They went over those lands in Saskatchewan, Alberta and Manitoba which are comprised in the land grant of the Canadian Northern system, and they picked out the very best lands in those districts. We have no right to assume that the land which is left to-day is worth anything like the same price as the land which was then chosen by those settlers. I venture to say a great portion of the land bought by people from the United States was purchased at from \$2.50 an acre up to, perhaps, \$16 per acre. The minister says the proceeds of those land bonds went into the railway. If they did, does not the country pay the company for them? For the sake of argument let us say the railway is valued at \$100,000, and \$25,000 represent the proceeds of the sale of land debentures which went into the railway. Does not the country pay that \$25,000?

Sir THOMAS WHITE: In valuing the stock, does my hon. friend mean to say that he would only consider the amount spent on the road, and would not consider its liabilities?

Mr. PUGSLEY: In valuing the stock, you must consider all the liabilities. The trouble is when you propose to value the stock you start out with the idea that it has a market value. The commissioners whom you appointed to investigate the matter say it has no market value. Anybody who has given any thought to the subject will agree that in all human probability a judge of the Exchequer Court would not allow a valuation up to the amount of the securities. All I am arguing for is that this country shall simply pay what the property is worth, and let the proceeds of the sale be divided among those who are holders of the securities and who may be entitled to it. If under a valuation there is anything left after paying off the obligations, then of course the

[Mr. Pugsley.]

holders of the stock would be entitled to get their share of it.

My hon. friend has referred to what occurred in 1914, and spoke of the position I took at that time, and of the

4 p.m. amendment which was moved, but he has not stated all that took place. When it was proposed to lend the company a sum of \$45,000,000 it was represented to this House, which took the word of the Government, that with that \$45,000,000 the company would be able to pull through, and would not come back again to Parliament for more assistance. That was the assurance which was given to this House. We believed the statement of the Government, and we, on this side of the House, said that the company was coming in a bankrupt condition, admitting that unless it was aided to the extent of \$45,000,000 it could not pay its liabilities, and could not continue business, but must go to the wall. Our view was: "assuming what you say is true, and that this will enable the company to pull through, provide, as a condition to the company getting this \$45,000,000 aid, that it shall hand over to the Governor in Council all of its issued stock. Place that stock in the hands of the Government, so that if there should be any default, and if the company should not be able to pull through, then the country will have that stock without paying anything more, or giving any further assistance. Stipulate that it shall be held for five years, and if during those five years there is no default, then the Government will have the right—the railway having kept the road going, paid its liabilities, met its interest and demonstrated that it could carry its affairs along—if it should be the will of Parliament to take over the road, it shall be taken over at a valuation which shall not exceed \$30,000,000."

Is not that a different proposition from what is before us to-day? All the promises held out to the people of this country through this Parliament have proved to be false. The company was not able to carry on its business, and, apparently, was not able to provide the necessary rolling stock, or make the necessary betterment, if we are to believe the Finance Minister to-day, and give way to the arguments he puts forward in respect of this resolution.

To-day the liabilities are admitted to be upwards of \$400,000,000. In 1914 the Government led us to believe they were only \$300,000. Is the position very different by reason of the vast increase in liabilities beyond what we were told they were in