

We have to take our choice in regard to this matter. There are two ways of dealing with it. We on this side of the House propose that we should assume control of the Canadian Northern railway system under the legislation of 1914. The proposal of the Government practically admits that there is value in this stock. They do not say how much that value is, but by the proposal they are making to the House and the country they admit there is some value. The owners of the stock claim it is worth \$60,000,000, and by passing this legislation we run the risk that the arbitrators may decide that it is worth \$60,000,000. If they do, the people of this country will have to pay for it. The legislation of 1914 was carefully explained by ministers and by hon. gentlemen opposite at the time it was going through the House. We were told that if the Canadian Northern Railway company, or Mackenzie and Mann, made default in the future, after having received this large advance of \$45,000,000, we had machinery in this statute to take possession of the road without foreclosure and without any legal proceedings. Why not do it? We were asked in 1914 to advance this \$45,000,000, and we were told that that was the last time we should be asked to advance money to that railway, that the Canadian Northern people were not to come back to us, and if they did we should be in a position to deal with them. It is now proposed to hand out a large additional sum to these people. The statute of 1914 is clear. No one pretends to dispute the fact that it contains provision for taking over the road. The Prime Minister said so; the Minister of Finance said so, and the Solicitor General, who drew the Act, so explained it. Hon. gentlemen on the other side of the House made speeches on that occasion which form part of the history of this affair, and they all told us in the plainest language that if default was made this Act of 1914 would be resorted to, and that it would be effective. The Minister of Finance was satisfied. He used this language:

I take off my hat to the Solicitor General for the way in which he has performed the legal work in connection with this transaction. I was dealing with the question of remedy upon default—

Well, that is the question we are dealing with.

—and was pointing out that we have a much better control than would be afforded by the security of a majority or all the stock of the Canadian Northern.

[Mr. Sinclair.]

That is to say that, under the Act of 1914, we were in a better position than we shall be in now by taking over the stock of the company. Will he not admit the principle that it is his duty to do the best he can for the country as the Minister of Finance and as the trustee for the people? He made the positive statement that this Act of 1914 put us in a better position than if we owned all the stock of the railway system. He now proposes to take the stock of the railway system and he refuses to resort to the remedy that he provided in 1914. There is no good reason for it. The Prime Minister put himself on record in the plainest language to the effect that we had under this Act of 1914 a perfect remedy, and that if the circumstances arose which have arisen it would be effective. This is what he said:

It is also provided by clause 24 that if authorized by the Parliament of Canada, the Governor in Council may in case of default declare that the interest of Mackenzie and Mann in the Canadian Northern railway is absolutely barred and foreclosed and that all the property and assets thereof subject to any outstanding obligations shall thereupon vest in the Crown in the right of the people of Canada.

There is no suggestion of arbitration there. He simply says in the plainest and most forcible way that if default is made this property will pass to the Crown for the right of the people of Canada without paying Mackenzie and Mann any additional money therefor. The Prime Minister further said:

The enterprise must proceed. If the expectation of those who believe the enterprise can be carried to a successful conclusion are disappointed, then a summary method has been provided by which the road can be taken over, the system reorganized and either be transferred to another corporation constituted for the purpose or pass into the ownership of the people.

There is no suggestion of arbitration there and there is no talk of confiscation. Hon. gentlemen have been telling us that it would be confiscation to take this road under the Act that is provided, the Act of 1914. I submit it is not confiscation. We are not taking anything from these people. In the first place they did not put a dollar into this stock. We know how this stock was constituted; we made it here. We did the whole thing ourselves. It is absurd to talk about confiscation; we know that there is not a dollar of money in it. We know that any right they may have had, has been forfeited by the default they have made.

The CHAIRMAN: Will the hon. gentleman be kind enough to bring his remarks to a conclusion?