

Mr. GERMAN: If we acquire the stock, whether we acquire it for something or for nothing, we have absolute control over the Canadian Northern railway.

Mr. BURNHAM: If its value is nothing or next to nothing we need only pay a dollar for the purpose of making the agreement legal. Is not that good business?

Mr. GERMAN: Yes, but the liabilities of the company have also to be taken into account.

Mr. MEIGHEN: The hon. gentleman says that we have to pay all the liabilities in any event.

Mr. GERMAN: Any legal and proper liabilities.

Mr. MEIGHEN: When we take the stock, we shall certainly not have to incur any liabilities that are not legal and proper.

Mr. GERMAN: I am not so sure. Arbitrators are to be appointed—

Mr. MEIGHEN: They do not decide the question of liability.

Mr. GERMAN: They decide the value of the stock, and that is the point to which I am directing my remarks at the present time. It is in respect of that, that I propose to take as strong exception as I can. My hon. friend from Peterborough says that if we get the stock for nothing or next to nothing, we shall be making a good bargain. Very well, but the reason I am objecting to the appointment of these arbitrators is that I fear they will make us pay \$15,000,000 or \$20,000,000 for stock that is worth nothing.

Sir ROBERT BORDEN: Why did my hon. friend vote for acquiring it by arbitration in 1914?

Mr. GERMAN: I am not so sure that I did, but at all events the hon. member for St. John has explained that very clearly and very successfully.

Mr. MEIGHEN: He did not touch it at all.

Mr. GERMAN: I am touching it now. Whatever I may have done in 1914, I know what I am going to do now. I know what the people of Canada expect us to do, and what they will approve of and disapprove of, and I am very certain they will disapprove of the appointment of arbitrators in the manner proposed, when they know all the circumstances connected with it.

The Minister of Finance said three years ago that the railway, with the \$45,000,000

advanced, would be practically on a sound financial basis, and would require no further assistance. That is one reason why we might have voted for acquiring the stock by arbitration at that time. Last year, when \$15,000,000 was advanced for the road, the Minister of Finance said: "We will not continue this yearly advancing of money, but will appoint a board of commissioners to ascertain and report upon the whole railway system of Canada, and when we have received their report we shall know what to do." The Government now have the report in their hands, and I ask them to carry out the recommendations that have been made, instead of doing what they now propose. The Minister of Finance says that in regard to arbitration, he is carrying out the recommendation of the commissioners, but I beg to differ with him. The report does not recommend that an arbitrator be appointed by the Government; there is no such suggestion in the whole report. The commissioners say on page 62, under the heading "Arbitration Recommended":

But under the scheme we propose, the trustees will operate the Canadian Northern lines as part of a combined system. . . . We suggest that if it is decided to permit the present shareholders to retain a portion of their holding—

They do not suggest that the shareholders be paid cash. To continue:

. . . if it is decided to permit the present shareholders to retain a portion of their holding, the Act of Parliament constituting the Board of Trustees shall contain a provision for arbitration between the trustees and the Canadian Northern Company, and establishing an arbitration board to act forthwith. The trustees should appoint one arbitrator—

Not the Government. It is the trustees who are to be appointed by the Government who are to appoint an arbitrator. The Canadian Northern shareholders appoint the other, and those two arbitrators agree on the appointment of an umpire, and failing agreement, he umpire is to be appointed by the Chief Justice of the Exchequer Court. I say that in that there lies a distinction as well as a difference.

Sir ROBERT BORDEN: Who was to appoint the arbitrator under the proposal of my hon. friend in 1914?

Mr. GERMAN: I do not remember, I am sure. I have not taken the trouble to look it up, and I really do not care at the present time.

Mr. MEIGHEN: Does not the hon. gentleman think that the Government, who he ad-