

mitted to the Government and, if I remember correctly, it was laid on the Table of the House at that time. In the next place, pursuing the policy which was laid down in 1914, we had the most capable man at our command for the purpose, Mr. Graham A. Bell, maintain a continuous audit of this road from 1914 to 1916. He is thoroughly familiar with all the affairs of the road, with its assets, with its liabilities, with every detail of its operation. In the next place, in 1916, when the very great burden of duties imposed upon Mr. Graham A. Bell rendered it impossible for him to continue that work, we took one of the most capable firm of auditors we could find in Canada, the firm of Marwick, Mitchell, Peat & Company, and directed them to continue the work which Mr. Bell had carried out from 1914 to 1916, and so from 1916, when that firm undertook the work, up to the present time, there has been a continuous audit of the affairs of the Canadian Northern Railway company by that firm and continuous reports from month to month by them to Mr. Bell. But that is not all. We then had the elaborate investigation made by the commission of which Mr. Smith of New York was chairman—the commission which was composed of Mr. Smith, Sir Henry Drayton and Mr. Acworth. Hon. gentlemen in this House know the vast amount of information with regard to this road contained in that report. We know that it embraced among other things, a physical valuation of the road made by one of the greatest experts in the world, probably the greatest expert for the purpose known on this continent; and then, in addition to that, there is available to the Government, if it should desire to use it, the elaborate investigation by New York experts, occupying months I believe, made by Mr. Loomis and Mr. Platten. Mr. Loomis is president of the Lehigh Valley Railway company, and Mr. Platten is president of one of the greatest trust companies in New York. So, taking all this together, is it reasonable or fair to say that the Government has not very full and complete information, not only as to the assets and liabilities of the company, but as to the most minute details of all its affairs?

A suggestion has been made outside of this House that the proper method of dealing with this road would be to put it into liquidation. There has not been any serious argument raised on either side of the House that would lead us to believe that that is a wise or reasonable course.

[Sir Robert Borden.]

Hon. gentlemen will remember that in 1916 we found this situation: There was the parent company, the Canadian Northern Railway company, and there were five subsidiary companies. There is also a subsidiary road in Nova Scotia. We brought them together, under the Act of 1914, with a view to making this one complete system and rendering its service more efficient than it otherwise would be. The portions of the physical property of the Canadian Northern Railway system which are owned by these different companies are situated in different provinces. These different roads have been separately financed; there are different mortgages, there are different trust deeds. Suppose this road should go into liquidation, what would be the situation? The result would be that we should undo all the work we accomplished in 1914, when we brought all these roads into one effective system. If these roads should go into liquidation, what kind of situation would arise? Some of these different concerns might be in liquidation, others might not. Assuming that you got them all into liquidation, what would be the result? You would have seven receiverships in the seven different provinces. You would have seven courts at work. You would have seven sets of lawyers. You would have conflicts as to earnings. You would have the road broken up into fragments. You would have it rendering an inefficient and practically useless service at a time when its service ought to be most effective and most efficient. You would have a paralysis of the service when it should be in its most vigorous operation. Conflicts as to the apportionment of earnings would arise. The rolling stock of the whole system is almost wholly owned by the parent company, whose road extends to only three of the provinces. The parent company owns property in only three provinces. If you finally succeeded in getting all these companies into liquidation, you might have two or three separate receivers in one province. What would it all amount to? What would be the result in the end? Could there be any good result? If the Government of Canada proposed, as I think we all do propose, to protect the securities of which it is guarantor, then, after all that confusion, after all that paralysis of the service, you would practically have to come back to the same proposal we have before Parliament to-day. That would be the net result.

But there is another difficulty that might arise. Suppose you succeeded in getting