

road, the Government should take over the road and not the liability which existed against the unsold lands. Now to me there is nothing unreasonable in that. If it is in the public interest that this railway system be acquired, I do not see why the Government should not take proceedings simply to acquire the property which the country wants, and leave the land just as it is to-day, the title being in the Empire Trust Company as security for the bondholders. Those who put their money into the land grant bonds had no interest in the question, and no right to determine the question, as to what would be done with the money. We have no evidence that they knew, and I presume they never inquired whether any portion of the money went into the road or into tramways, coal mines, and the hundred and one other enterprises in which Mackenzie and Mann are engaged. To-day we are in this position: There is a railway and rolling stock—a very large railway system—which the Government says it is in the interest of the country to acquire. There is a land grant in respect of which 800,000 acres remain unsold. There are also some sales agreements, and there is also some money in the National Trust company. Now the country does not need these lands. Everybody will admit that they form no part of the railway system. Why should the Government, in taking what it requires as regards the railway system itself, be compelled to take lands which it does not need, which form no part of the railway system, and against which there is an enormous debenture liability, which this Government has to assume if it acquires the stock as is now proposed? The argument which I was making was, that the Government should expropriate the railway system, leave the Canadian Northern Railway Company as a company, leave the Canadian Northern stock as stock, and leave the lands, and the debentures against the lands, just as they are to-day.

Suppose a man owns two properties, upon one of which he has erected a building. Then he wants to put a building on another property, and he borrows money upon the security of property on which he has already put up a building. The Government comes along and says "we want one of those properties on which to build a railway station." Would it not have the right to take it? Could he say "you cannot take one property unless you take both, because I have actually borrowed

money on one of those properties with which to erect a building upon the other. If you take one you must take the other?" Would not such a contention be treated as entirely absurd? Yet the Prime Minister is not able to see—perhaps I am doing him an injustice, and that I should say that he professes not to be able to see how the Government can expropriate a railway system without taking a lot of other property, simply because some money may have been raised on other property for the purpose of assisting in the construction of the railway. If the Government takes the railway, the company gets the benefit of the money which was put into it as a portion of or as the whole proceeds of the land which was sold. The Government pays for that. It has added that much to the value of the railway, which the Government pays for when it expropriates the title of the company. I think one has only to state the proposition in order to show the grave injustice it is proposed to perpetrate against the people of this country by compelling them under the arrangement which this Government brings forward to force the people of this country to become liable for the enormous sum of \$21,000,000, and simply have those lands as security, the cream of which has, I believe, been sold years ago, and which lands, in all human probability, would not realize more than one-third or one-half of the obligations which this Government is going to make the country assume with respect to those land debentures. Yet the minister asks us to go into this thing blindly.

Sir THOMAS WHITE: Why does my hon. friend use the words: "the Government is going to assume in respect of the lands?" The proceeds of the debentures went into the construction of the road, and the lands will be collateral for the debentures, and are the equity which remains the property of the Canadian Northern Railway Company. I may say to my hon. friend that I have before me the official report of the Canadian Northern Railway Company for last year, which shows that during the year 19,443 acres of the system's lands were sold, at an average price of \$16.37 per acre, an aggregate of \$318,248. As I understand my hon. friend he wants us to get rid of those lands, which sell at \$16 an acre.

Mr. PUGSLEY: The minister is not so much of a child as he would try to make himself appear. He assumes that because settlers, or land purchasers from the States, come in and go all over a tract of land,