

and so big that I cannot discuss them in the ten minutes I have left. There is, however, one point about which I wish to speak, and that is if there is compensation to be paid, and I have not for a moment said that compensation should not be paid—I have quarrelled only with the system of dealing with compensation—if there is to be compensation paid we should have further knowledge of the particulars. I might say a great deal with regard to the details, but time does not permit. I do contend, however, that we should have more knowledge of the pledgees of this stock. I think it was the hon. member for Calgary (Mr. R. B. Bennett) who stated that we should have nothing to do with the pledgees. I do not entirely agree with that in any sense. We should have more knowledge of these pledgees. The companies of Mackenzie and Mann are so interlocked that it is quite possible that many of the shares of this company were pledged to the bank, together with the shares of some of their subsidiary companies. There is a lumber company known as, I think, the Big River Lumber Company, which is owned by Mackenzie and Mann. Three years ago it had over \$1,000,000 credit in the Bank of Commerce. I do not know why the bank would lend a million dollars to that not very well-known lumber company. We should know what that stock is pledged for, and whether it is interlocked with some other stock as collateral, or pledged absolutely and entirely as an isolated pledge identified and ear-marked by itself as collateral or security. When the arbitrators come to ascertain what is the value of this stock, that question will be immediately presented to them. The minister will understand, with regard to the lumber companies, for example,—I forget their names, but there are many of them in British Columbia—that when the arbitrators come to ascertain the value of this \$60,000,000 stock, the argument will no doubt be made to them along the line that the stock has an especial value to Mackenzie and Mann, because it gave them control of the railway, and the control of the railway helped the subsidiary lumber companies, and the other companies they owned. I hope the minister catches my point. I do not think he is paying very much attention.

Sir THOMAS WHITE: I am listening to my hon. friend.

Mr. KNOWLES: My hon. friend then is like Cæsar; he can do several things at

the same time. I was going to say there is every possibility that Mackenzie and Mann will go before the board of arbitration and say "this stock we are possessed of has an especial and enhanced value to us, because it gives us control of the Canadian Northern Railway Company, and the control of that company makes our lumber companies and our saw-mills very, very valuable," and they will want compensation because of the loss caused to them by the taking away of that stock. The minister will agree that it is a well-known principle of arbitration law that the board of arbitration must ascertain the compensation to be paid to the claimant on the basis of the loss to him, but the minister should safeguard it here that it should be absolutely the market value—the earning value—that there should be eliminated from this any special value they might claim because of the fact that the control of the railway would operate for the benefit of the other subsidiary companies or industries of which they were the owners. That should be made clear to the arbitrators, so as to get rid of the evil results of these underlying securities or interests. I have only one word more to say to the minister, and I hope he will listen with an open mind. He is a young man yet, and I wish he would reform his methods with regard to making railways pay. I will tell the minister how to make railways pay.

Sir THOMAS WHITE: I will listen now.

Mr. KNOWLES: I may be wrong, but I will give it for what it is worth. My idea with regard to a railway is that it has something to sell, that is, transportation. The way to make a railway pay is to get a lot of things for it to transport. Railways are not an end in themselves, they are a means to an end. When you build a railway, you have not reached your goal. Your goal is to carry goods. If a man builds a boot factory, his goal is not only to make boots, but to get the boots sold. The way to make your railway pay is to have your transportation in demand, so that people will buy it. How will you do that in Canada, when you are prohibiting it, and strangling it, as you strangled it in 1911 by discouraging the production of wheat in our western country? The way in which you could make these three railways pay, would be to make an agricultural proposition in Canada for the production of wheat in those great zones of prairie land, and produce wheat in such quantities that the railways would have lots