

with whether or not the \$45,000,000 which is now proposed to be granted will complete the road. The Prime Minister has just said that he is not at all sure that \$45,000,000 will complete the road; that it is very uncertain. I think, therefore, that a fair and logical conclusion to draw from his remarks is that the arguments of the Opposition have been amply borne out. That is to say, that nobody knows whether \$45,000,000 will complete the road; that in all probability it will not nearly complete the road, and that, consequently, we ought to have further and better statements and an investigation into the matter until such time as we will know whether or not we are simply putting this \$45,000,000 into the same old sink-hole, without the absolute assurance that, even if the Canadian Northern is completed with that amount, it will be worth possessing. When you take into account the floating indebtedness and outstanding liabilities that will have to be paid immediately, I think I am safe in saying that the \$45,000,000 will simply be absorbed at once, and that we will have the Canadian Northern on our hands again in practically the same condition as now. I think that this is the crucial clause in the whole agreement, and I submit that the hon. member for Pictou has made the proper argument that before this step is taken there should be the most full and complete disclosure, and the most ample examination into the books of Mackenzie and Mann by competent auditors. The only statements we have now are from the auditors of Mackenzie and Mann alone. There is only one firm of auditors on the North American continent competent to examine such books as those of Mackenzie, Mann and Company, Limited; and until such a man as Price Waterhouse is turned loose on the books of Mackenzie and Mann to disclose the exact condition of the Canadian Northern railway and of Mackenzie, Mann and Company, Limited, this Parliament has no right to vote the sum of money it is being asked to do, to-day.

Mr. BORDEN: I think my hon. friend is going a little beyond the course usually adopted in this House when he endeavours to cast discredit upon the competency of the civil servants who undertook the task of making an examination into this road. I have had some acquaintance with those men and some opportunity to judge of their work, and I take direct issue with my hon. friend. I do not think it would be possible to find

three more competent men, either in the Civil Service of Canada or in the service of any corporation, or of any firm of accountants in this country than the three men who were selected. We selected them simply for the reason that they were the best men we knew in the service. I do not know much about their political antecedents except in the case of Mr. Shannon, who has been in the service of the Government for a long time and who, I do know, comes from a good Conservative family in the county of Halifax. Any one who knows Mr. Shannon and the other two gentlemen knows that every one of them is actuated by a keen sense of duty, and not for any consideration would any one of them, according to my firm belief, depart in the slightest degree from their duty of making a truthful statement of what they found in the books of the company. And when my hon. friend speaks of the unreliability of estimates what has he to say of those gentlemen he supported in 1904 who told us that the cost of the eastern division of the Transcontinental, if built up to the highest standard, would not exceed \$62,000,000, and who then went on and built the road at an expenditure of over \$180,000,000? Hon. gentlemen opposite are very critical, but if they would direct their attention upon the results of some of their own enterprises they might be inclined to give more consideration to the suggestions which I made a little time ago. Undoubtedly, this road has cost more than the persons associated with it imagined four or five years ago, and I believe it has cost more than was anticipated by my hon. friends on the other side of the House when they had to deal with this road year after year; but as I have said before that is not an unusual experience, and the increased cost in respect to this road is infinitely less than that which hon. gentlemen opposite demonstrated in their own experience in regard to the National Transcontinental.

Sir WILFRID LAURIER: All the more reason to be cautious now.

Mr. PARDEE: I had no intention of casting any aspersions on the three gentlemen. I simply said that their business did not carry them far enough to undertake such a large work as examining the books of Mackenzie, Mann and Company, Limited, and that they were not competent to do that.

At one o'clock the Committee took recess.