

Mr. PUGSLEY: I am not in favour of engaging in the enterprise at all while the war is on, or so long as present conditions continue. What I said was that if the road was to be acquired, it should be by expropriation, the country paying for the property what it is actually worth.

Sir THOMAS WHITE: My hon. friend put forward that argument last night, and I pointed out to him that if the Government expropriated this system, including all the physical assets of the several railway and other companies embraced in it, we should have to find a very large amount of money—my hon. friend said about \$300,000,000. I pointed out to him that, from the standpoint of financing in times like these, it was very much better to continue the companies as they are, permitting them to do their corporation financing, and assisting them only to the extent that was necessary, rather than to attempt to expropriate the physical properties of the whole system, and having to find some \$300,000,000 to do it with, because the indebtedness would have to be paid off. I pointed out further—and it has been pointed out frequently in connection with the Canadian Northern Railway system because the question has been before the House many times—that if the Government foreclosed and took possession, there would at once be liquidation proceedings in connection with all the companies included in the system.

My hon. friend has radically changed his mind on this question because in 1914, as was pointed out by the Prime Minister last night, he suggested that the stock should be acquired and that it should be valued by arbitration. More than that, he suggested that a maximum amount of \$30,000,000 should be fixed.

Mr. PUGSLEY: The minister is not stating the facts correctly. If he would read the resolution he would see that by the amended clause the company was to have control of the system, provided they made no default. If they made their interest payments promptly on the \$45,000,000 and on all the other securities, things were to be allowed to run as they were for five years, the Government having the option of taking the stock by arbitration in case the company pulled through and took care of its liabilities for that period. But in case of default, the Government would have the right to take possession of the railway.

Sir THOMAS WHITE: My hon. friend has taken two or three different views of  
[Sir Thomas White.]

this Canadian Northern Railway situation. He has a different solution every time the question comes up.

Mr. PUGSLEY: And if he has, he does not differ much from the Minister of Finance.

Sir THOMAS WHITE: We have had a consistent policy. In 1914 we took \$40,000,000 of their stock in return for our guarantee. That left only \$60,000,000 to acquire, and we are now proposing to acquire it. My hon. friend (Mr. Pugsley) has a different view every time this question comes up and he is always prepared to make his view fit in with what he thinks the political exigencies demand. In 1914 he was in favour of taking over the stock of this road at a maximum price of \$30,000,000. More than that, his leader—and I shall place this upon Hansard before this debate is closed—moved in 1914 that immediate steps be taken to acquire the stock of the Canadian Northern Railway Company at a price to be fixed by arbitration, but not to exceed a maximum of \$30,000,000. I shall be very much surprised if my hon. friend from St. John did not vote for that resolution.

Mr. PUGSLEY: I certainly did.

Sir THOMAS WHITE: He says he did, and now he wants us to expropriate. At a time when the financial conditions are as they are, he wants the Government to provide \$300,000,000 to expropriate the property. He goes back upon the view which he has expressed on more than one occasion, goes back upon the view which his leader expressed, and which he voted for in 1914.

Mr. PUGSLEY: Was it not then represented to the House that the total liabilities did not exceed \$300,000,000? To-day we find them put at \$400,000,000. We do not know just what they are.

Sir THOMAS WHITE: My hon. friend is pretty good at explaining, but I think it will tax even his powers to explain his change of view.

Mr. PUGSLEY: Last evening the Prime Minister, departing from that courtesy which is characteristic of him, said that I appeared to be talking with an entire want of common sense in the remarks which I had made, and he based that suggestion on the fact that he could not for the life of him understand why, as the proceeds of the bonds which had been sold, being secured by the lands, had gone into the