naudière (Hon. Mr. Casgrain), suggested that there was another scheme which should have been adopted and which would find favour with Parliament. It is that of putting this company into the hands of the Exchequer Court, which would act as a receiver and would see to its reorganization. Yesterday it was shown clearly that if this company was given in charge of a receiver, under the provisions contained in the Exchequer Court Act for the liquidation of railway companies, the whole concern would remain intact and would continue to be operated, and schemes of reorganization and rehabilitation could be proposed and worked out. I was at first somewhat doubtful about the wisdom of placing such a large system in the hands of a receiver appointed under and governed by the Exchequer Court Act but I now realize that when we are facing such a formidable problem as the administration of that company in its complexity, with the untold and unknown liabilities involving 26 companies, the Exchequer Court would surely see to the protection of the various interests that would be affected. The bondholders would retain their rights under the guarantee of the Government; the ordinary creditors of the company who have not the government guarantee, and who obtained the bonds, notes and other securities of the company at a large discount, would probably be very happy to receive the cash which they put into the concern; the rehabilitation of the company would take place; millions would be unloaded which otherwise, if the Government assumes the load, would be paid to people who would receive more than the cash which they invested in the company. We all realize that the total debt of the company is such as to hamper the successful carrying on of its operations. Of course, if the Government takes hold, it will be assuming a dead loss to the country; but, through a scheme of reorganization carried on under the supervision of the Exchequer Court, I am convinced that every one would get his due; and, if the Government were generously disposed, it might even advance money to meet liabilities that are unsecured; but even then it would save millions by allowing no profit to such creditors.

It was yesterday represented to us, with a considerable degree of authority, that millions of the company's stock do not represent cash that went into the treasury; and this is the main reason which leads me to suggest that a receivership would have been a still better way of proceeding. The Prime Minister and the Minister of Finance advanced reasons why, in their opinion, it would be dangerous to proceed in that way, and those reasons were repeated on the floor of this House—that the bonds guaranteed by the provinces and by the Federal Government were placed at a low rate and in considerable amount, and under a liquidation by a receiver, money would have to be found to pay those bonds, inasmuch as they would become payable by the fact of the failure of the company. It seems to me that this objection could easily be met by the Government declaring that those bonds should continue in existence. The bondholders would not suffer by such a proceeding, so long as the interest was paid and the guarantee was unimpaired.

I recognize that the Government and Parliament dismissed the idea of allowing the road to go into the hands of a receiver, the reason given in 1914, at the time of the company's application for help, and repeated on the floor of the House of Commons during the debate last week, being that the financial situation of the Dominion and of the provinces would be very likely affected in the outside world. But are not the present financial conditions abnormal? When we decided in 1914 that we should advance $45,000,000 to the Canadian Northern Company to complete its system, there was the conviction in the minds of the members of Parliament that the amount would probably be sufficient to place the company permanently on its feet; and those were pre-war times. To-day we realize that our expectations have not been fulfilled, and that we are carrying a formidable load through the exigencies of war. The money market of Great Britain is closed to us; we know what rate of interest we are paying in the American market; therefore would we not be justified in applying in this instance the method which has prevailed in the United States, of agreeing to rehabilitate that whole system by putting it in the hands of a receiver?

Should we, when the war is on, and when we do not know how long it will last, or what obligations we shall have to assume from month to month, decide to assume a further liability of about $600,000,000? Should we not, on the contrary, postpone our decision for a year, or as long as the war lasts, with the expectation that it will not last a year, or at all events will not go beyond that? Should we not, in preference to the scheme which is offered to us,