

Whether the stock is valuable or not, I think it is of considerable value. The Government has obtained one-tenth of the stock.

Mr. WHITE: How much did it obtain ?

Mr. MACDONALD: My hon. friend got \$7,000,000.

Mr. WHITE: How much would that be ? What fraction ?

Mr. MACDONALD: One does not need to be a lawyer to make that proposition. My hon. friend knows very well, and he might as well be frank enough to the House to say so, because every line of his address last year left it quite certain, that he was leading the House to believe that the Canadian Northern had issued only \$70,000,000 worth of stock, and that the country was getting \$7,000,000 of that issue. I say that the individual members of this House were led to believe that by my hon. friend quite unconsciously, because the whole record here shows that my hon. friend was asking Parliament to ratify a bargain with the company in regard to the purchase of the stock, when he did not know in whose hands it was; how much was issued and how much was authorized. My hon. friend should be frank enough to say that this is the position he was in last year when he came to ask Parliament to ratify that bargain. It was not until the hon. member for Calgary (Mr. Bennett), in the Railway Committee this year elicited, by cross-examination of the solicitor for the Canadian Northern, the truth of this matter in regard to the stock issue, that we got the information that this additional \$7,000,000 worth of stock had been issued. Why did not my hon. friend last year, when he was asking Parliament to give this \$15,000,000, respond to the demand of the Opposition at that time that he should give Parliament the fullest information in regard to the status of the company ? In the expiring hours of the session, my hon. friend and his Government pushed that legislation through the House, although the Minister of Finance did not know what he was getting—did not know how much stock there was in the company with which he was negotiating, and did not give Parliament any information with regard to the subject.

Another matter which I mentioned this morning I will mention again while my hon. friend is here. I showed this morning that the statement had been given out to the country that this Government had accomplished the enormous feat of reducing the capitalization of the Canadian

Northern railway to \$100,000,000. Now, apart from a feature to which I propose to allude, a cursory glance at the agreement shows that the statement is absolutely incorrect—that the capitalization of the Canadian Northern railway under this agreement is \$125,000,000. Not only that, but though it has been stated that Mackenzie and Mann are permitted to have \$60,000,000 of stock against the Government's \$40,000,000, the fact of the \$25,000,000 outstanding was altogether suppressed, so far as the Government's organs were concerned. The authorized stock issue has been increased from \$92,500,000 to \$125,000,000; the issued stock has been increased from \$77,000,000 to \$125,000,000. And, in the next place, instead of Mackenzie and Mann being compelled to give up any stock they hold—they are stated to have in their possession \$70,000,000—the Finance Minister told the House last year unequivocally, as shown by the record, that there was issued out of that \$70,000,000 an amount of \$25,000,000 which they gave to redeem the perpetual debenture stock. So, instead of Mackenzie and Mann holding \$70,000,000, they only held \$45,000,000 of stock. The Minister of Finance will find his statement at page 11724 of last year's 'Hansard.'

Mr. MEIGHEN: Did not they hold what was set aside?

Mr. MACDONALD: I am speaking of the statement of the Minister of Finance. What they did or did not do makes no difference so far as this House is concerned. But as soon as we begin to discuss this matter, my hon. friend digs out of the back of his brain some piece of information of which he is the sole custodian—

Mr. MEIGHEN: That is the place to keep it.

Mr. MACDONALD: Oh, well, my hon. friend need not fancy that his head is going to be the repository of all the interests of this country.

Mr. MEIGHEN: The hon. gentleman evidently did not understand me. He thought I said 'know.' What I said was 'hold.' Did not they hold it?

Mr. MACDONALD: Here is what they held according to the statement of the Finance Minister:

I may say there is \$25,000,000 of common stock of the \$70,000,000 issued by the Canadian Northern railway that is held in trust to be availed of, if they so elect by the holders of the income charge convertible debenture stock outstanding.

[Mr. Macdonald.]