

to deal with, there would not be such a strong argument for delay; but you have still the great railway problem of Canada staring you in the face. If you take over the Canadian Northern, have you settled the railway question? No, we have the Grand Trunk Pacific, we have the National Transcontinental and we have the Intercolonial.

Mr. LEMIEUX: And the branch lines.

Mr. CARVELL: We have the branch lines—branch lines all over Canada. Why, if the government of this country talk about taking over the Canadian Northern because they cannot run, how in the world are they going to avoid taking over branch lines all over the country which cannot run for lack of finances? The Minister of Marine (Mr. Hazen) knows that in his own constituency there is a branch line which practically is being closed down because they cannot get finances to run it. I realize that it is a small enterprise compared with the Canadian Northern, but it is as important to the people in that constituency as the Canadian Northern is to the people in any other part of Canada. How will the Government justify taking over the Canadian Northern and leaving other systems in Canada, small though they may be, that are unable to run because of lack of funds? Every branch line of the Intercolonial—and I refer to the Intercolonial because I presume there are very few branch lines elsewhere that do not belong to the big systems—has just as much right to come to the Finance Minister and say: We cannot go on without financial assistance, and to claim financial assistance, as the Canadian Northern. And my hon. friend is establishing a principle which he cannot get away from. He is establishing a principle which must be followed out in every portion of Canada.

So, Sir, for these reasons, I can only say that I hope the Government will stop to consider and see if they cannot withdraw from the position they have taken; put up just the least possible amount of money in order to keep this enterprise going for a year or two; and then you will have the whole railway situation—or whatever government may be here at the time, because I think it is very doubtful if my hon. friend will be the gentleman who will have to work it out, but somebody will.

Mr. GRAHAM: For this and other reasons.

Mr. CARVELL: The Government will have the whole problem of the railways

of Canada to face at that time, and it is much better to face these questions after the war is over, when we know what our liabilities are, how much money we are going to raise, and where we are going to raise it. We will start out with a knowledge of the actual condition of affairs, which is better than starting out now on an expenditure of \$100,000,000 to \$150,000,000 but I do not believe that the Finance Minister knows where he is going to look around and get the money.

Mr. A. K. MACLEAN: What are the maturities of the Canadian Northern within the next fifteen months that the Government would be obliged to extend, and what, in the judgment of the Finance Minister, is the least amount that should be advanced in the next fifteen months for equipment? I understood the hon. gentleman to say the net earnings could take care of the interest account, providing it is not expended upon equipment, extensions and betterments.

Sir THOMAS WHITE: The financial position of the Canadian Northern is substantially this. Assuming net earnings of \$11,000,000, the Canadian Northern have to apply that, as I pointed out the other day, for betterments and improvements, and for instalment payments upon equipment—principal payments on equipment. Having regard to the situation that exists at the present time—the liability incurred for interest, the payment on underlying securities, and the situation so far as concerns the next twelve months we will say—the rough estimate that I made after discussing the matter with the officials was that from \$20,000,000 to \$25,000,000 would be required. In other words, if we took the course we adopted last year, and made a round vote to the Canadian Northern of the sum required to meet liabilities and payments to be made in respect of interest upon securities in priority to the \$45,000,000 mortgage of the Government, for betterments and for instalments upon rolling stock, about \$20,000,000 to \$25,000,000 would be required. With regard to short-term maturities which fall due over the next couple of years, I hope that the Canadian Northern officials will be able to renew those with the Government, the sole owner of the stock, just as they would expect to renew them if sixty per cent of the stock remained in the hands of private owners. I do not agree with the hon. member from Carleton (Mr. Carvell), and I will tell him why. After all, if money is seeking invest-