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## The Canadian Northern Bill

WE live in times when there are so many big events, so many transactions running into many millions, that some things attract comparatively little notice which not long ago would have been deemed startling in their character. A case in point is the bill now before the Dominion Parliament respecting the taking over by the Government of the Canadian Northern Railway Company's enterprise.

The Government are gravely proposing to refer to arbitration—a very friendly arbitration the proceedings indicate—the claim of Messrs. Mackenzie and Mann and their associates for at least sixty million dollars, as compensation for the portion of the company's stock that is not already held by the Government. A Commission of railway experts appointed by the Government recently made a report which declares that this sixty million dollars of Canadian Northern stock has no real value. The holders of it never paid a cent for it. Not a dollar from it entered the company's treasury. It is what in the promotion world is known as "water." It is only where an enterprise has been very successful, clearly earning more than enough to pay all its charges and interest on all its securities, that water of this kind is converted into the wine of value. That, unfortunately, has not been the case with the Canadian Northern. The stock has never earned a dividend. The earnings of the railway are admitted to be less than enough to pay the interest accruing on the bonds and debentures which stand ahead of the stock. It is not surprising, therefore, that the Commission, of which Sir Henry Drayton was chairman, found that this Canadian Northern stock was of no value. Yet the Government are asking Parliament to agree to an arbitration as to the value in the face of the claim publicly made by Sir William Mackenzie that the stock is worth par at least. Everything about the affair justifies a belief that if the bill be carried through Parliament, the country will be called upon to pay many millions of dollars for that which the Government's own experts have said has no value.

When the company received its last help from the Government, an agreement was reached that in event of the company again falling into financial difficulty the Government could take over the company's outstanding stock. Again the company are in distress. When the Government are told that they should exercise the power which they thus possess under their own law, the Minister of Finance, Sir Thomas White, and the Solicitor General, Mr. Meighen, pathetically plead that the country should not "confiscate" Messrs. Mackenzie and Mann's property. Such a plea puts the case on a ground that is entirely unwarranted and misleading.

Nobody is proposing to confiscate anybody's property. The Dominion is not expropriating the Canadian Northern. It is not acquiring the railway under any methods of pressure. It does not want the railway at all. There are many people in Canada who favor what is called nationalizing the railways, but even they have not contemplated such a transaction as is now proposed. If Messrs. Mackenzie and Mann and their associates can keep the property and fulfil the engagements attached to it, nobody will desire to interfere with their liberty to do so. But that is not the situation. After many difficulties, and after being generously helped by the Government, the promoters of the Canadian Northern confess that they have reached the end of their tether, and that they cannot meet their obligations. The enterprise unfortunately has become bankrupt. It is admitted that about twenty-five million dollars are required now to pay interest and short term obligations that cannot be renewed, not to speak of other large sums that will be needed later to carry out the programme of the enterprise. The extraordinary part of the situation is that the Government are proposing to assume all the company's obligations of the past, provide all this money for the present and future purposes of the enterprise, and to pay Messrs. Mackenzie and Mann, through the convenient process of an arbitration, an unknown number of millions for the privilege of doing so!

Messrs. Mackenzie and Mann played for a big stake. They were liberally helped by the Dominion and several of the Provinces. If all had gone well they would have won many millions of dollars. If the game has gone against them, is it reasonable that they shall ask that the people of Canada, who have already done so much to help the concern, shall come to the rescue and not only assume the obligations and pay many millions for further expenditure on the road, but also pay many millions (as is almost certain under the bill) not to go into the road, but to go into the pockets of the unsuccessful promoters? What is at the moment a great failure for them is by a kindly Government and Parliament to be suddenly converted into a tremendous success—at the expense of the taxpayers of Canada. In all their past bargains Messrs. Mackenzie and Mann have been able to plead that the money which they sought to raise was for the construction of their various lines of railway. Here is a new bargain in which they are to raise a huge sum—not in the money markets of the world, but from the people's treasury, not for the railway, but for themselves personally! And all the present indications point to their success.

Messrs. Mackenzie, Mann & Co. were contractors as well as promoters of the company. It is a fair assumption that in their capacity as contractors they have made the ordinary