

country puts himself into the hands of the mortgagee, when, after having secured from the mortgagee everything that he can possibly get, the amount sometimes exceeding the whole value of his property, he finally comes for another amount and agrees with the mortgagee that, if he cannot pay interest at the end of twelve months, the mortgagee has nothing other to do than to take over the property and administer it as his own. That is the position in which the Solicitor General placed the Canadian Northern Railway Company in 1914, so far as the Parliament and people of Canada were concerned. I need not repeat the clause of the statute, which clause is very clear and which has been alluded to by the commissioners who have reported on the railway situation in this country. The Drayton-Acworth report at page 44 says:

Conclusion As to Canadian Northern.

We conclude, therefore, that the shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern. If, then, the people of Canada have already found, or assumed responsibility for, the bulk of the capital; if they must needs find that further capital is required; and if they must make up for some years to come considerable deficits in net earnings, it seems logically to follow that the people of Canada should assume control of the property.

The royal commissioners appointed to inform the people of Canada of the exact condition of the Canadian Northern railway and other railways of Canada declared that the company having made default, the property is in the hands of the Government of the country, and all that the Government has to do is to take over the road and administer it in the best interests of the country. I cannot, therefore, understand why we should be asked to vote such an amount of money as a board of arbitrators may determine is the value of the Canadian Northern railway stock. That may be a small amount, but the Government themselves have stated that it may reach possibly \$60,000,000, thus giving ample scope to the arbitrators in their findings as to what, in their opinion, may be the value of that stock. The royal commission, which was appointed by the present Government and which was composed of gentlemen of the highest experience and reputation, found that that stock is worth nothing. Nevertheless, the Government appoints a board of arbitrators and gives it *carte blanche* to go as high as \$60,000,000, and, therefore, the people of Canada will be bound to pay that amount, if the arbitrators

should so determine, and we may take it for granted that if we do not have to pay \$60,000,000, we shall have to pay very nearly that amount.

The people of this country are not in a position to make gifts to any company at the present time. I have nothing against Mackenzie and Mann personally. I have never met them, and I do not know them, and I can only judge of them by the knowledge which has been imparted to me by hon. members on the other side of the House, and more particularly by the hon. member for Calgary. If I am to judge of Mackenzie and Mann by what the hon. member for Calgary has told us, I should certainly advise every man in this country not to support the appointment of a commission which might involve us in a grant of another \$50,000,000 or \$60,000,000 to Mackenzie and Mann.

I look at this measure from the standpoint of the financial position of the country to-day. We are not in a position to make presents to any one, no matter how great the services they may have rendered to the country. Mackenzie and Mann have no doubt done great things in the operating of railroads, but they have been well repaid for their services. We have to-day the Intercolonial and the Transcontinental under Government control and operation, and there has been a shortage of equipment on these roads for many years. It is easy for the Minister of Railways to assign the war as an excuse, but equipment was badly needed on these roads before the war. When further equipment was purchased a few years ago, it had to be divided between the Intercolonial and the Transcontinental, and neither road is sufficiently equipped to-day. If the Transcontinental had been properly equipped and properly administered since this Government came into power it would have been of great service to the people of this country. But if we are not in a position to properly equip these two roads, how can we expect to take over the Canadian Northern and operate it successfully.

The hon. member for Moosejaw a moment ago said that the economic conditions of the country to-day were chiefly due to the defeat of the reciprocity agreement in 1911. I believe many Canadians are sore in their hearts that that measure was defeated. It has been a blow to the farmers of the West, and to the country generally. Through the defeat of the Liberal Government in 1911 we have not reaped the benefit of the Naval Service Act, which, if it had been put into