

down, the hon. members on the other side of the House know very well that the people who pay, who earn their living by the sweat of their brow, blame the transaction now under review, and I am sure that at the proper time the Government will notice that the present transaction is denied by the whole country, but it will be too late.

With your consent, Sir, I shall refer to section 24 I have just mentioned which provides that in case the company should not meet its engagements the Government reserve to themselves the right of securing the remaining stock which did not belong to them. I shall read the controverted section:

If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding.

Now, Mr. Chairman, has the Canadian Northern really defaulted? I say yes and our friends on the other side are also of that opinion since they present this Bill in order to seek authority from Parliament to secure the balance of the stock. As to that there is no disagreement between us; the difference of opinion consists in their maintaining that the Government must pay an optional amount for the balance of that stock, while we assert that they are bound and entitled to get hold of it without any outlay, even if it be in the hand of Mackenzie and Mann.

When we passed the agreement of 1914, we thought the Government was in earnest; we allowed it to pass believing that in case the Canadian Northern should default the road would come under section 24 of the Act and the Government would take hold of the balance of the stock which is ours by that very Act and for which Mackenzie and Mann are not entitled to receive a single cent.

Now, Mr. Chairman, I shall ask the hon. members of the Government and their supporters whether or not they have pondered over their present attitude; I could also ask them whether or not they really believe they are serving the interests of their constituents by voting for such an iniquitous measure as the one we are now considering,

that is, by taking the people's money, which is not theirs any more than it is ours, and handing it over to Mackenzie and Mann. It might not be out of place to recall here the answer given for the Government by the hon. Solicitor General when we were discussing the legislation of 1914. Here is what I find among other things at page 3858 of the Hansard of that year:

The railway policy of the right hon. leader of the Opposition has another characteristic feature. Under the present Bill we have a summary method of taking over the road, a summary method which in effect gives us as security the other sixty per cent of stock.

We know we have the ordinary right which any mortgagee has, and the right which any guarantor of a mortgage has, the right by subrogation of getting into the shoes of the lender and in the event of default exercising the rights of a mortgagee and taking possession of the road as a receiver; we know we have that right, but we have the additional summary remedy of proceeding by mere Act of Parliament to take over the road as the property of the people of this country and eliminate once and for all, all other parties interested in that railway. And we have not only so arranged it that the interests of the Canadian Northern and all other persons whatsoever in the Canadian Northern system shall be eliminated, and that in the event of default all shall be the property of the Canadian people, but furthermore, the ten million dollars of stock in the townsites and the ten million dollars bonds are put into hotch-potch, although they are the property of Mackenzie and Mann, and although Mackenzie and Mann alone made investment in them, and in the event of our foreclosing and taking over the enterprise we ourselves get the whole benefit of the townsites. That summary method is given us.

Now, Mr. Chairman, here we have the Solicitor General (Mr. Meighen), one of the most distinguished lawyers of this country, who states clearly and formally that in case of default by the company, the Government have the right of a mortgagee, that they have the right to provide all the necessary safeguards for taking over all the property of Mackenzie and Mann or of the Canadian Northern Railway company, and not only that property, but it says moreover that in spite of all the cautions we have taken in connection with various railway companies, we shall take possession of \$10,000,000 worth of property belonging to Mackenzie and Mann, townsites, etc., etc.

To-day by this Bill we are asked to acquire from Mackenzie and Mann the balance of the \$100,000,000 of stock and the Government says: "We will appoint a board of arbitration and we will abide by their decision." But, Mr. Chairman, if the arbitrators that are to be chosen decide that the value of the stock is the same as it was in 1914, and if we are compelled to pay on the same basis as when we had to lend