

Mr. GERMAN: Does not the Solicitor General intend to include in this mortgage the \$60,000,000 of stock that Mackenzie, Mann and Company have in the Canadian Northern railway. It seems to me important that this matter should be fully considered before the matter is disposed of. I can see no reason why the stock of Mackenzie, Mann and Company should not be included under the mortgage as well as other things. The Solicitor General may say all the assets of the Canadian Northern railway enterprise are mortgaged and that, in case of default, these would be taken over and the stock wiped out. That may be; but that would not prevent Mackenzie, Mann and Company from dealing in these stocks meantime, selling them on the New York market or anywhere else. In this way American speculators might get control of the whole system.

Mr. MEIGHEN: The hon. member for Welland made the same proposal in the course of the discussion of the motion to go into committee. But the Government did not consider that there was any object to be served in forcing under the mortgage the \$60,000,000 of stock held by Mackenzie, Mann & Company. If the hon. member will follow me, I think he will agree that there can be no possible object in this even from his own point of view. I have already argued that we have taken security on all the assets of the company, that we have fixed our mortgages on everything that the company possesses and much that they do not possess; and the hon. member has been free to admit that we have taken a mortgage on all their assets that we could get. That being the case, our mortgage, the hon. gentleman will agree, is ahead of the stock. Now, if our mortgage is illusory or insufficient, the stock would be no good, for our mortgage is ahead of the stock. If that mortgage is not illusory and insufficient, then what is the good of a mortgage on the stock? So, he will see that no purpose is to be served from that point of view. But he has a second viewpoint and contends that this mortgage should be taken if only for the purpose of preventing the parties realizing on the stock and getting the stock into the hands of the public. There is a lot that might be done in the way of tying people up hand and foot. But I do not see what object is to be served by that. This stock is already affected by the pro-

visions of the mortgage bond, by these resolutions and the Bill to be founded upon them. The facts are being heralded all over Canada and all over the world by this debate, and any man purchasing this stock purchases it with as complete notice as was ever given. No right will accrue to the purchasers that does not accrue to the present holders. They cannot come to Parliament and say they have a higher status than Mackenzie and Mann. Therefore, if we adopted the hon. gentleman's suggestion we should be preventing these men from realizing on what is left of their property without any object.

Mr. GERMAN: Does not the same contention apply to the stock of the subsidiary companies?

Mr. MEIGHEN: Certainly not. The other stock is the property of the Canadian Northern railway, it is not the stock in the enterprise itself. Being the property of the Canadian Northern railway, it is bonded just like the rest of their property—just like the actual rails of the Canadian Northern railway itself. Consequently, we come down on that stock.

Mr. GERMAN: But this \$60,000,000 is an asset of Mackenzie, Mann and Company, and it seems to be the purpose of the Government to leave them free of personal liability. I say they should be brought in.

Mr. CARROLL: The fear the Solicitor General has about taking a mortgage on this stock is that the holders of this stock would be prevented from realizing upon it. But would it not be well to keep Mackenzie, Mann and Company from handing over control to outside parties without the Government being aware? If the Government took some control of the \$60,000,000 and Mackenzie, Mann and Company wanted to sell to some interest that would not be acceptable to the Dominion Government, the Government could protect itself, but if they were selling out to further the interests of the road, the Government could give a release of as much of the stock as might be necessary in order to help them out.

Mr. MEIGHEN: As I understand the hon. gentleman's point it is that if we place this \$60,000,000 under the mortgage it would prevent the holders from selling out and so prevent the road from coming under the control of outside parties and away from Mackenzie and Mann. If I have caught the spirit of the opposition to the resolution so far, that is exactly what would suit these