

railway man from Montreal, Sir Thomas Tait, to effect the nationalization of the Australian railways, and he has made a great success of the nationalization of the railways in that country. My first objection, therefore, is that I think it is a mistake to attempt to nationalize only one railway. My second objection is to a statement of the Finance Minister when he says:

The question of purchasing the \$60,000,000 stock owned by the majority shareholders is really a secondary and subsidiary question.

A secondary question, a mere bagatelle, a small affair, and the minister does not seem to care. He proceeds to say:

We must acquire the \$60,000,000 par value of the Canadian Northern stock, in order to get control of the system.

I differ from the Minister of Finance. He knows perfectly well that it is not necessary, under the circumstances, to buy \$60,000,000 stock of the company in order to get control. He has been connected with many companies where there must have been disagreements among shareholders, and in which somehow or other one party of shareholders got control of the majority of the stock. I think the Finance Minister is wrong in arranging to buy \$60,000,000 of stock of the company. Immediately before the words "\$60,000,000" in the Bill we find the words "par value" in brackets, par value would mean \$100 a share, and this might be taken as a suggestion to the arbitrator that that figure might be fixed at par value. I differ with the hon. minister because I believe that no practical man would make such an arrangement as is set out in this Bill. I would advise the minister, in the circumstances, to expropriate from Mackenzie and Mann, who have in round figures \$58,000,000, the amount of such stock which would be sufficient to give the Government control of the railway. The Minister of Finance holds, in trust for His Majesty, \$40,000,000 stock in the railway. That represents 400,000 shares. A practical man would say that, as the Government has already 400,000 shares, they would simply acquire sufficient additional stock to give them control of the road. Why should the Bill not read in this way:

His Majesty will acquire 100,000 shares and one share more.

One hundred thousand shares would mean \$10,000,000, and one additional share, \$100, would give the Government control. The hon. minister understands that calculation very well, because he knows that one share additional will carry control. The hon. minister proceeds with this Bill and pays

no attention to the argument of my hon. friend from Calgary (Mr. R. B. Bennett) about the pledgees. Hon. members heard the great opposition that he made to the word "pledgee." What does that mean? Did the hon. member for Calgary know that Mackenzie and Mann held \$58,000,000 of the stock, and that the Government required \$51,000,000 to get control; that, besides, there was \$2,000,000 held in hand for certain officers or employees, that there was \$1,600,000 deposited in the province of British Columbia, and \$4,014,000 held by Mackenzie and Mann, Limited, pending uncompleted financial arrangements for distribution? What does this \$4,014,000 mean? It would not harm Mackenzie and Mann if the Government had said: "We will take this \$4,014,000 of stock." It would have left only \$7,000,000 to be expropriated. I do not concede there is any value to that stock. But we have never heard that Mackenzie and Mann put any money in that enterprise. The stock came to them in the ordinary way as promoters, I suppose. They first allotted to themselves \$10,000 worth of shares each; \$10,000 to Mr. D. B. Hanna, and \$10,000 to Mr. E. R. Wood. Mr. R. J. Mackenzie has \$10,000 worth of stock and Mr. Z. A. Lash, whose name has often been mentioned here, has only \$2,000 worth, and several others have also \$2,000 each.

You will not, by expropriating 100,001 shares, put these men into bankruptcy. They will hold the balance of their shares just the same, but we may punish Mackenzie and Mann who are both guilty in this affair. We shall take away from them in round figures \$10,000,000 worth of stock, and they will not lose one cent by the transaction.

I call attention to these remarkable words of the Minister of Finance in one of his speeches:

This transaction, although it is a large one, is a comparatively simple transaction.

In the first place he said that it was a large one. Yesterday he said that it was a secondary affair, a mere bagatelle. Yes, a very simple transaction to put on to the shoulders of the taxpayers of this country a burden of millions of dollars when he had this opportunity, as he himself explained in the same speech:

The Dominion Government is already—and this fact, I am afraid, is lost sight of in this House—the owner of \$40,000,000 stock of the Canadian Northern Railway Company; that is to say, we are a minority stockholder in that company. There are \$60,000,000 par value of shares still outstanding. Instead of con-