

authorized to create and issue; interest on the guaranteed securities to be at the rate of four per cent per annum payable half-yearly, the principal to be payable not later than a day in the year 1934.

There has been, during the discussion, some question as to the real position of the capital stock of the Canadian Northern under this agreement. We were told with great flare of trumpets in the preliminary notices given to the country that the capital stock of the Canadian Northern was \$100,000,000. That was, as a matter of fact, a misleading statement, because out of all the mass of documents that have been laid upon the table and out of all these interminable data which have been placed before us to digest so hurriedly, we have discovered that the authorized issue of stock of the Canadian Northern Railway Company is \$92,900,000, and that the total issue is only \$77,000,000. Therefore, we are not reducing the stock of the Canadian Northern railway to \$100,000,000, but are increasing it to nearly \$125,000,000. For, as was stated by the Minister of Finance last year, included in that \$77,000,000 of present stock was \$25,000,000 of common stock which was set aside to meet the request of the holders of the convertible stock if they desired to make the exchange. We are supplementing this capital issue of \$77,000,000 by \$48,000,000, and increasing the issued capital stock by that \$48,000,000. We are doing that by permitting an issue of stock in which Canada is to get \$40,000,000 while \$60,000,000 is left in the hands of Mackenzie and Mann, and we are creating an issue of \$25,000,000 more so as to have it available should the holders of the convertible stock come along and want the exchange made. That hon. gentlemen opposite, in dealing with this question, should deem it necessary, as they did in the first place, to intimate that a certain percentage of this stock was to be put into the hands of trustees in order that some independent party might maintain the control in the event of the public interest demanding it—that they would have promoted a semi-official statement to be circulated throughout the country as they did seems to me unworthy of men who are directing the financial affairs of this country on a great question. We are told that public opinion takes this or that view of this matter. But if public opinion is to have handed out to it semi-official statements which are absolutely untrue—

Mr. BORDEN: To what statement does the hon. gentleman refer?

[Mr. Macdonald.

Mr. MACDONALD: The statement that 15 per cent of the common stock of the Canadian Northern Railway Company was to be placed in the hands of trustees who were to exercise their rights as the interests of the country demanded.

Mr. BORDEN: Upon what authority does the hon. gentleman base the assertion that this statement was handed out by any member of the Government or—

Mr. MACDONALD: Well, now, Mr. Speaker, if it comes to—

Mr. BORDEN: That statement was made in the House and was contradicted. The hon. gentleman now repeats it. I desire to know on what authority he makes the assertion.

Mr. MACDONALD: I base my statement on the fact that the statement to which I have referred appears in newspaper organs in close touch with the Government.

Mr. BORDEN: What organs?

Mr. MACDONALD: The Ottawa Citizen, for one.

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: The Montreal Star, for another.

Mr. BORDEN: I desire to tell my hon. friend what I have already stated in this House, that the statement he has made as to that having been handed out by the Government, or on behalf of the Government is absolutely without foundation, and that he has absolutely no warrant for making that assertion.

Mr. MACDONALD: Then, it would be a most interesting thing to know what attachment the Prime Minister has provided for this Government which gives out to recognized organs of the party statements upon important matters of public policy which turn out to be in part correct and in other parts incorrect.

Mr. BORDEN: I wish to say that that statement also is without foundation.

Mr. MACDONALD: Does the right hon. gentleman mean to tell me that if I take up a copy of a Government organ and find there a statement with regard to a matter of Government policy, outlining certain schemes—and it is not only on this question but others—that I am to regard those statements as being without foundation and made out of whole cloth?