

Mackenzie and Mann came to this House and asked the government of the day to loan them \$15,000,000. My right hon. friend supported that request and the money was handed over. At that time Mackenzie and Mann, or the Canadian Northern Railway Company, assured the House that with this money all their obligations would be attended to and they would not come back for any further loans. But they came back next year for \$45,000,000, and my right hon. friend was the gentleman who piloted the Bill for that loan through Parliament. On our side of the House at that time we moved the six months' hoist to that proposal and took direct issue with him and his associates. We have no responsibility whatever for the giving of that money. Let me remind the House, Mr. Speaker, that it was upon that occasion that the gentleman whom my right hon. friend took into his Cabinet as Minister of Justice just before the election—I refer to Hon. R. B. Bennett—told the House of Commons that the right hon. gentleman was nothing but the "megaphone of Mackenzie and Man." That was in 1914. Mark you, assurance was given to the House at that time that security for the loan had been given; that a mortgage would be taken; and that upon default, foreclosure would not be necessary, as it would in any other case—the whole property would revert to the people of Canada.

But that is not the whole of the story. My right hon. friend came to the House of Commons in 1917 and introduced legislation to take over the Canadian Northern Railway, which he put through under closure. A certain hon. gentleman who went to the Senate this session and who came here from the West to join the Union Government, save the country and win the war, might give us some of the reasons which contributed to that legislation. I know this: certain provinces of this Dominion were relieved of \$110,000,000 of obligations which they had incurred for local railways, including the province of British Columbia, and that amount was made part of the debt of the country and charged against the Canadian Northern Railway. My right hon. friend went further and provided that there should be a reference to arbitration for the purpose of ascertaining how much Mackenzie and Mann were entitled to for the equity of redemption. The award was \$10,000,000, and I will show you, as having a bearing on the present financial position of the

[Mr. Macdonald.]

country, that that was simply \$10,000,000 thrown away.

Now, what is the situation to-day? A reference to the railway blue book which has been laid on the Table of the House shows that the mortgage and bonded indebtedness of the Canadian Northern Railway is \$626,000,000, in round figures, and that the estimated value of the road-bed, tracks and terminals is only \$632,000,000, a margin simply of \$6,000,000. That is a pure question of bookkeeping. In order to get at the real position in regard to the matter, an actual valuation would be necessary, made by proper valuers, and that valuation would disclose whether or not the Canadian Northern is mortgaged for more than it is actually worth.

This, then, is what my right hon. friend did. And he has the audacity to come to this House and say that these conditions were created by his opponents, although all along he was the chief actor in the drama. Now, what did he do further? He was not content with taking over the railways mentioned, but in 1919 he asked the House to authorize his Government to make an agreement for the acquisition of the Grand Trunk. That agreement was made and the road was taken over. Then there were arbitrations as to values, all the dealings with complicated stock, and so on. He it was who took over the Grand Trunk. These are the railways which belong to the Canadian people and which this Government has to deal with. Would it, then, not be a most desirable thing, before we embark upon any enterprise of Government operation involving the expenditure of large sums of money, to inquire fully into the matter as suggested in the Speech from the Throne? The member for South York (Mr. Maclean) has been talking public ownership in this House for a great many years, but able as he is I would not say that he is an expert on railway transportation. Nor would I say that the former mayor of Toronto, who represents North Toronto (Mr. Church) and who spoke yesterday very lengthily and very glibly about "co-operation" and "co-ordination," is an expert on transportation, even though he did say that he could effect this co-ordination in twenty-four hours. The transportation question involves the most important considerations in the life of a country; men are trained from boyhood in its technicalities, in its details, in matters connected with administration. Would it not therefore, be prudent to seek the advice of those