

present, and should he question any of my statements I shall be glad to accept any explanation he may give. The Hydro debt is \$285,000,000. That is "some" debt. As the Ontario Government is responsible for it, it swells the provincial debt to \$572,000,000. That is "some" debt also. Let me remind honourable members that the Hydro-Electric Power Commission of Ontario has had no competition. At first it came in like a wolf in sheep's clothing: it wanted only a little power to operate the Toronto street railway. The Ontario Power Company was said to be charging too high rates for power. The Commission was not going to interfere with any of the private companies. Oh, no! But what happened? Is there one private power company in existence to-day in Ontario? Not one of any size. In the Niagara district there is a greater intensity of power distribution than in any similar district in the world. Of course, I am not speaking of great urban centres like New York, London, Chicago. Do honourable members know that right now in Toronto consumers of electric power are using \$2.50 worth as against \$1 worth in Quebec? I have proof of that statement. The consumption of electricity is two and a half times as much throughout the Niagara Peninsula as in any district in Quebec. It has us beaten to a frazzle. But the Niagara Peninsula is favoured. It is the garden of Canada, and there is no better section of country in the Dominion. It stands to reason that when the territory is not extensive the sale of electricity pays better, because the cost of distribution is less, and so on. Yet I am told that last year the Hydro-Electric Power Commission had a deficit of \$3,000,000.

When I entered this House there was no question of public ownership, and things were going on pretty well. Sir Clifford Sifton brought all sorts of people from south-eastern Europe to our Northwest and the shipping and railway companies were glad to have them as passengers. Those settlers were given free land, and then seed grain. Well, they thought, "This is a fine country; we get everything for nothing." Naturally, they kept on asking for more favours, and eventually they induced the provincial governments to give them railway facilities. To-day the province of Saskatchewan, with a population less than that of the city of Montreal, has one and a half times more railways than the whole province of Quebec. Who paid for them? Ontario and Quebec.

Hon. Mr. HORNER: Not at all.

Hon. Mr. CASGRAIN: Under the actual influence of the provinces of the West

and of Ontario, the Federal Government nationalized the railways built by Mackenzie & Mann. Last year that enterprise announced a deficit of more than \$64,000,000, and that without taking into account the sums lent by the Dominion Government. Had these loans been incorporated in the report, the total deficit would have exceeded \$100,000,000.

After this short account it must be admitted that nationalization or public ownership in Canada shows disastrous results.

Now let me deal with the operating of public utilities by private companies. Those companies have developed public utilities with capital provided by their shareholders, and without binding the Government to any future responsibility in connection with their undertakings. The capital was supplied because the shareholders had faith in the promoters and hoped to draw from their investments revenues sufficient to compensate them for the risks incurred. Many of those companies have disappeared, but not a penny has been lost by the Government.

Nationalization, or public ownership, retards human progress, suppressing individual initiative and destroying all hope of gain. The private company, on the contrary, has furthered, without respite, the intensification of personal energy, and, thanks to its system, it has accomplished the miracle of human progress in every field.

To nationalization—public ownership—failure is reserved because it is based on an absurdity; to the private company, success is bound to materialize because its system leans on a human sentiment, that is, the desire of gain. When there is no gain nobody is very much interested. Private companies must satisfy their consumers and their shareholders. Nationalization—public ownership—on the contrary, looks to the electors, and deficits are charged to the communities. Private companies pay municipal, provincial and federal taxes; nationalization—public ownership—pays nothing.

On motion of Hon. Mr. Casgrain, the debate was adjourned.

The Senate adjourned until to-morrow at 3 p.m.

## THE SENATE

Wednesday, January 23, 1935.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.