

Hon. Mr. REID: I did not say it could be built at \$28,000 a mile.

Hon. Mr. CASGRAIN: They say that is only half the cost.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I think we may deal with the subject, now that it has reached this stage without entering into the details of the merits of each particular branch, inasmuch as they have been withheld from Parliament up to the present moment. I cannot too strongly express myself as to the failure of the Government to furnish this Chamber with the information necessary for the intelligent consideration of this very important subject. There is no information whatever before this Chamber as to the necessity for building those branches. But entirely apart from that, I desire to direct the attention of the House to this more important consideration, that in view of the position of Canada at the present time, we are not warranted in entering upon an undertaking involving the expenditure of \$100,000,000 for the building of branch railways without having ample evidence of their necessity and full information as to the financial results. The Government of Canada assumed the biggest responsibility that it has ever undertaken when, during the war, it took over 22,000 miles of railway. In taking over those railways it never contemplated that extensions of the substantial character now proposed would be made until by wise administration and proper consolidation satisfactory results should be obtained. When the Government of Canada took over the railways the intention was to re-organize and consolidate them, and to obtain the fullest possible information as to whether or not they could be wisely and advantageously operated. But has that been done? The late Government during the short time it was engaged in the responsible task of administering the Railways, exercised caution, prudence and fair economy, but never did it dream of entering upon an undertaking such as is involved in this Bill. If the Government wishes to destroy the possibility of the National Railways being operated successfully as a public utility, all that it has to do is to proceed as is proposed in this measure, weighing down the country with a load of debt which must necessarily prove disastrous, not only to the railways, but also to Canada itself.

We have before us an expenditure of half a billion dollars for the present fiscal year. The Supply Bills which have been presented to Parliament, and which will doubtless reach this Chamber within a day or two, represent

Hon. Mr. DANDURAND.

a proposed expenditure of no less than half a billion of dollars, and the Finance Minister in his Budget Speech declared that the revenue of Canada for the fiscal year would be \$372,000,000. And now, honourable gentlemen, it is proposed to add to that enormous expenditure to which I have just alluded. I ask, how is the deficit to be met?

Hon. Mr. FOWLER: Borrow the money.

Hon. Sir JAMES LOUGHEED: That is precisely the design which has been worked out in this Bill, and in the working out of that design lies, in my judgment, the condemnation of the Bill. It is proposed to evade the responsibility of appealing to Parliament for the moneys necessary to build branches and to operate the Canadian National System. It is proposed in this Bill that Parliament shall practically hand over to the Canadian National Board, for no less a period than three years, the authority to issue all the necessary securities, the Governor in Council carrying out the behests of the Board, entirely irrespective of any limitation of expenditure. The limitation placed in this Bill is only an estimate. It is only necessary to point to the cost of building a thousand miles of railway to convince honourable gentlemen that the expenditure will easily reach \$100,000,000.

Besides the Bill now before us, there is one regarding which my honourable friend has said nothing. The Government has introduced into the House of Commons a measure known as Bill 244, by which authority is given to the Government in the following terms:

The said securities so approved may be guaranteed by His Majesty and any such guarantee may be in such form and on such terms and conditions as the Governor in Council may determine, and may be signed by the Minister or Acting Minister of Finance on behalf of His Majesty.

Thus it is proposed to supersede Parliament entirely.

Hon. Mr. BELCOURT: To what guarantees does that refer?

Hon. Sir JAMES LOUGHEED: This has reference to this same transaction on the Canadian National Railways. The Bill has not yet come up from the Commons, but it has been introduced there and has, I understand, received its second reading.

In all our railway operations the Government of the day never resorted to this method of financing its undertakings. As I said a few moments ago, from Confederation down to the present time all appropriations for railways, whether by guarantees or by payments in cash, appeared in the Estimates and from year to year lapsed, Parliament being thus given