

as efficient in every respect as it can possibly be. I want to emphasize once more my belief that it would be absolutely absurd, and wholly impossible, for any department of the Government to undertake the administration of a great railway system such as we are now acquiring. That proposal is not feasible at all. I admit that at once, and it will be for the Parliament that is to be summoned in the early future to solve that problem by the best methods that the wisdom of Parliament can devise. In speaking of the problem I have said—and I desire to repeat it to-night—that I am convinced it will be necessary for the railway companies and the Government to get together in the immediate future, and establish a system of co-operative management of all the railways in Canada. We have well up to 40,000 miles of railway in this country. I do not pretend that we have too many miles of railway, but I claim that perhaps they are not properly distributed. Less transcontinental lines and more branches in some of the provinces would, I believe, give better service to the people than is afforded by the policy which has been pursued. Without some system of co-operative management, we are simply going to continue the system that has been carried out in the past. That means that there will be unnecessary and even absurd duplication of lines. The importance of that consideration was very fully borne in upon me when I was studying the problem which has resulted in the Bill now before Parliament. I venture to repeat what I said before, that it came to my knowledge that the acquisition of the Canadian Northern railway by the Canadian Pacific railway would result in a saving to the Canadian Pacific railway of nearly \$100,000,000 in new construction. What does that mean? It simply means that there are facilities which could be used by the Canadian Pacific railway, but, because those facilities are in the ownership of another company, they cannot be fully used for the purpose for which in the interest of the people of this country, they were constructed and might well be employed. A great railway corporation, because it can not use the Canadian Northern railway lines under some reasonable arrangement, is obliged to expend \$100,000,000 in new construction. How is the interest on that \$100,000,000 to be paid, and by whom is it to be paid? It is to be paid out of rates, and by the people of this country. There is absolutely no answer to that. If the Canadian Pacific railway, by acquiring

[Sir Robert Borden.]

the Canadian Northern railway, can save itself \$100,000,000 in construction, that, to my mind, clearly indicates that there are facilities upon the lines of the Canadian Northern which are not fully employed, and which might be employed, and used by the Canadian Pacific railway, under some system of co-operative management, so as to save that expenditure to the people of this country.

I am perfectly conscious of the fact that railway men, perhaps not so insistently now as heretofore, tell you that it is quite impossible to carry out any such system of co-operative management, because the road that has control of the operation will not give the other road fair play.

I have gone into that question, as far as my limited knowledge would permit, with some of the heads of great railway systems in Canada, and I think they are coming to the conclusion that some such system of co-operative management as I have mentioned might well be carried out. It may also indicate the best method by which this road in the ownership of the people of Canada can be operated in an effective and reasonable way without party or political interference. That is what we must aim at; that is what we must attain, if state ownership is to continue in Canada; if the beginning now made is to be carried out to a larger future. Hon. gentlemen who are interested in the welfare of this country and who realize, as we all do, how greatly the future of Canada depends upon the reasonable and wise solution of this question, will, I am sure, give their minds to the consideration which I have put forward. I put it forward, of course, without any expert knowledge as to railway operation; but what has been accomplished in Great Britain during the past year or two may well give us a lead. There has been effective and efficient co-operative management of railways in England; we can surely carry out something of the same kind in this country. If that co-operative management could be carried out by the best railway organization this country is capable of producing—a railway organization which will give fair play to all interests—two important results would follow. One result would be that we should save enormous sums in capital expenditure in the next ten years—hundreds of millions of dollars, no doubt. But there is something more than that. The Canadian Northern and the Grand Trunk Pacific are unable to meet their fixed charges. For that reason we are assisting the Grand Trunk Pacific at