

the expectation and understanding of Parliament when the increase was granted.

Having demonstrated that the Canadian Pacific should not under any circumstances be allowed an increase in freight and passenger rates, I went on to deal this afternoon with the case of the nationally-owned railways. I think it is absolutely absurd and highly improper for Mr. Hanna, the president of the nationally-owned system, to take the position he is taking before the public, of advocating that an increase be granted. I have always had, and still have, a very high regard for Mr. Hanna's integrity and ability as a railway operator, but I question his ethics and wisdom in following the course he is pursuing. The question I dealt with this afternoon was this: The Canadian National system of railways is the result of the most colossal folly and series of blunders ever perpetrated in any country by its public men. I am not going to place blame particularly here or there, but I did single out one Government this afternoon for special mention. We have the National Transcontinental railway, which is a piece of the greatest folly ever carried out in any country. I have given the matter considerable study, and it was my conclusion that the Transcontinental from Moncton to Winnipeg should be abandoned. The argument was presented to me that vested interests have been created, that a large population has gone in there, and perhaps it would be a hardship to these people if that portion of the road was abandoned. We may take it that that country will develop as the years go by, and it might be better under all the circumstances of the case that the road should be operated in the best possible manner and maintained in some reasonable degree of efficiency. The people of this country will understand that, inasmuch as the road was the result of the folly of public men, endorsed by the people itself, and inasmuch as it has been unloaded on the country and is now under the public ownership system, it ought not to be expected that rates should be charged upon it sufficient to pay operating expenses and interest on capital.

In addition to the Transcontinental and the Grand Trunk Pacific, the uneconomic portion of which extends from Edmonton to the Pacific coast, you have the British Columbia end of the Canadian Northern and you also have a considerable mileage in Ontario belonging to the Canadian Northern. All these uneconomic thousands of miles of road are included with the whole in our public ownership system. The eco-

[Mr. Richardson.]

conomic end would be the old Grand Trunk, a portion of the Grand Trunk Pacific, and a portion of the Canadian Northern which runs through very good territory, and perhaps a portion of the Intercolonial.

In my judgment, this great system should be divided into the economic and uneconomic portions and separate accounts should be kept. It seems to me utter folly that an increase in rates should be granted in order to make up the deficit on the uneconomic portions. These uneconomic portions constitute a vast mileage. They are the inheritance of this country from the folly of those public men, endorsed by the country itself. That being so, let the country take its medicine, let the uneconomic portion be separated from the economic portion, and whatever the loss is let it be written off against profit and loss. That we should be asked at this stage to increase the freight and passenger rates on our railway system in order to pay operating expenses and interest on cost is, in my judgment, a proposition that should not for a minute be listened to.

I said this afternoon, and I repeat, that we have embarked upon the public ownership of railways. The idea of public ownership is all right in itself if we have the right kind of public ownership. If the people of Canada had built a smaller mileage than that which we now have—some 22,000 miles—and this system had been built upon economic lines, taking in those portions of the country where there was a reasonable expectation of revenue and accommodating large settlements, we would have had the right kind of public ownership. But almost half—at least one-third of our system is uneconomic and it is well that this country and Parliament, when we are starting out with this system, should know the conditions under which we are embarking. We may expect in two or three years the people to hold up their hands in horror and say: "Public ownership is a vast failure; we never should have embarked upon it."

It should be remembered that we have not embarked upon this system, but that public ownership has been forced upon by the folly of our public men and the folly of the people at large. Let us divide the economic from the uneconomic portions and let the country suffer the loss whatever the loss might be of the uneconomic system. Why should the people, living by the tens of thousands along the lines served by the economic system, be taxed to pay the deficit of the uneconomic system? The pro-