

man were to return to this troubled world. The divine faith which the honourable leader of the House has in the future of our National Railways is wonderful indeed, when we stop to consider last year's balance sheet and the evidence in the files of your committee. The tenderness with which he just touched that perilous thing, enforced co-operation, conveyed to me the impression that he fully appreciated the dangers that lurked behind its active application. Of course, enforced or compulsory co-operation never will be put into effect.

I may be short-sighted, but on careful examination I cannot see anything in the committee's report which is now before you. It promises nothing. If this honourable House accepts it, you may be assured that nothing will happen to disturb the present situation for another year at least. It is difficult to vote "content" for nothing; so I shall vote "non-content" when the committee's report comes up for approval.

Honourable senators may well ask me, after the remarks I have made so far, what I think will be the final solution of our railway problem. I am sometimes accused of taking too long-range a view of matters. I hope I am wrong in this instance, for I frankly say to you that, in my opinion, when the time comes that our railway situation forces the Canadian people to act, it will end—like it or not—in government ownership of railways. If that is to be avoided, public opinion will have to undergo a great change. It behooves those who are opposed to government ownership to lose no opportunity of placing their facts before the country in a way that will carry conviction. However, it is my considered opinion that government ownership of all our railways is inevitable. My conclusion as to government ownership is arrived at, principally, by recognition of two facts. The first is the fear of monopoly in the present proposal for unification. This I have already dealt with. The outstanding fact, however, is that private capital is no longer available for railway requirements. He would be a very foolish man who would invest his money in any steam-railway securities to-day. Any money required by our railways in the future, and it will be many millions of dollars, must come from the Federal Government. I do not believe the country will ever be prepared to advance such funds to a company which is half privately-owned. And I may say that if you have unification next year you can expect the unified companies to be at the door of Parliament asking for funds by way of guaranteed bonds or some-

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thing of that sort. In any event they will have to have money to carry on with, and Canada will have to provide it.

Hon. Mr. DANDURAND: And many millions would be needed to bring about unification.

Hon. Mr. McRAE: Many millions. The present enforced economies in our railways cannot continue indefinitely. New capital will be necessary soon, if it is not now, unless we are content to permit our railways to drift farther behind the times. The funds to meet these requirements can come from only one source, and that is the federal treasury. The sums required during the next ten years to rejuvenate our railways and bring them up to date will be very large indeed, more particularly if a really constructive consolidation is put into effect, one which would be in keeping with the times, and I fear that only dire necessity will bring the public to that frame of mind which will make possible the savings in operations we have been discussing.

To-day our citizens are generally for economy as long as it does not disturb their particular locality—as long as their ox is not gored. This position of our citizens throughout the country must change. They must be prepared to accept such inconvenience as the best interests of the country as a whole demand, provided they are not deprived of reasonable railway facilities.

The railway is a national institution which cannot be allowed to die. Canada must continue its railways to provide necessary transportation. If, after all economies are effected, there still remains a deficit on operation, as I fear will be the case, we shall have to assume this annual deficit, treating it as a subsidy to be paid by the Federal Government for the general good and well-being of our country as a whole.

Even if the solution be government ownership, I shall not lose all hope. Such a railway organization, with its army of employees, might well result in a government within a government, unless the organization were divorced from political domination as well as political interference. It should be within our power to devise ways and means to safeguard such an enterprise.

I am still hopeful of our democracy. I still have confidence in the ability of Canadians. I am proud to be a Canadian. It should be possible to find Canadians capable of managing a business of this magnitude and who, absolutely protected against political or outside interference or hindrance, would for patriotic reasons accept an appointment to the board of directors of our National Rail-