

tions and of revolt against the autocracy that has reigned here in Ottawa, for the few years past. I have already stated that I would not let myself be gagged and, therefore, I take my seat.

Mr. ARTHUR LACHANCE (Quebec Centre) (translation): Mr. Chairman, I believe it is my duty to strongly protest against the Bill which this House has been discussing for a few days already. In fact, what is there, everything told, in this measure, if not a pure gift of \$60,000,000 made to the directly or indirectly interested parties of the Canadian Northern Railway company, the whole of it being to the prejudice of the public treasury? Should there be reasons that can justify such a legislation, they can assuredly not be those which the Borden administration has thus far set forth. As a so-called justification, it brings up two main considerations: one of them, to prevent the receivership or the liquidation of the railroad; the other, to assert the principle of railroad nationalization in Canada.

As a rule, I am in favour of all public service utilities being state-owned or state-operated. Should they be diligently administered, the people would thereby obtain better facilities, and at a more reasonable cost, since they would actually eliminate all profits which would, otherwise, go to either shareholders or promoters.

To support such an assertion we have Canada's own experience with the Intercolonial. All told, that undertaking has given good results; these might have been more convincing to-day, had it not been for that patronage plague which has always absorbed a most appreciable portion of the receipts; but there is a remedy to that disadvantage. So that, in spite of such an impediment, we may well assert that this experiment has been most conclusive. That is why I say, speaking in my own name: if the Government's object really were to consecrate the principle of the transportation service, nationalization, it would be well to consider, from that point of view, at least, this Bill with somewhat a better disposition. But the nationalization doctrine, in this case, is simply invoked as a pretense. If the administration really means to attain that end, why not apply the Act of 1914? There you have that nationalization provided for in full terms. The present Government knows it; they have passed the Act of 1914 themselves. It is therein stipulated that, if the Canadian Northern company fails to meet its obligations, the Gov-

[Mr. Demers.]

ernment shall have, "de plano", the right to take over the whole system without paying a single cent as compensation.

Am I not right, then, when I say that the nationalization now invoked is a subterfuge, that the only object is to find a way to pay those \$60,000,000 without being in any way obliged to do it, under the Act of 1914? What will be the effect of this Act upon Canada's financial credit? Upon this point, we have the opinion of business men, notably that of a group of Montreal financiers. In the course of the present debate, a portion of their declarations has already been submitted to the House; resolutions have been read as they had adopted them, the whole bearing upon the Act we are now discussing and to its severe disapproval.

I beg to add a few other statements on their part, none the less to the point, I will quote a newspaper, *Le Devoir*, of August 16, I believe:

The manifesto, which was published this morning by a group of financiers, including notable Conservatives such as Messrs. Huntley Drummond, Chaput, Ekers, etc., demonstrates the fact that the uneasiness has reached people the less liable to be carried off. And therein can be found the very reason for the more or less noticeable hostility of the larger English press, to a great extent.

"If it becomes law, it will impose on Canada, at a time when the country is under an unprecedented strain, a burden of unknown magnitude. One certainly greater than any ever before imposed upon this country, with the exception of the war debt."

Mr. Huntley Drummond and his colleagues sum up, in the following formidable sentence, their censure of the Government's attitude: "The smallest transaction in common life could not be concluded in such a way, and any attempt to do it by trustees responsible to a court would unquestionably be a breach of trust, and this is the largest and most onerous undertaking ever contemplated by any Canadian Government, and the most risky."

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So much for the criticism of the Canadian Northern transaction, against which Messrs. Drummond, Ekers and their colleagues ask us to protest with our utmost energy. But, there is in this manifesto another fact which should be noticed.

The signers are not only alarmed by the Canadian Northern deal; they are visibly uneasy on account of the general financial conditions. At the very opening of their letter, they insist that this bold operation is made "at a time when the country is under an unprecedented strain." Further on, to point out the gravity of the moment, they add: "The interest and other charges on Canada due to the war increase every day and even now are so great that it is difficult to say from what source they can be paid without an economic strain never hitherto undergone and a cutting down of expenses not yet even begun." And still a little further: "The credit of the country abroad is at a lower ebb than it has ever been."