

these matters should first of all be referred to an impartial tribunal free from party politics, the Railway Commission of this country, for a report in relation to the whole matter. They recommended further that the National Railway system be brought directly under the control of the Railway Commission so that the commission will fix rates not only for the privately owned roads but for the publicly owned roads.

They also advised that no subsidies or guarantees for any kind of branch lines should be recommended to parliament before there was an exhaustive survey of the whole question from the engineering standpoint, the financial standpoint, the railway standpoint and the traffic standpoint. These were their recommendations. Why have they been ignored during the past two or three sessions of parliament? What is the Railway Commission for? You might as well abolish it if you are going to bring down bills for branch lines for this or that constituency in this haphazard manner. The Railway Commission has on its staff traffic experts at a cost of thousands of dollars. They have on their board freight experts. These men know all about the county of Pictou and Guysborough and all the rest of the counties getting branch lines and they know whether a road from one county into another, a distance of some six or seven miles, at a cost of \$57,000 a mile is necessary. They can answer all these questions. My opinion is that these bills should never be passed by this House until they have been reported upon by the experts of the Railway Commission or before they have been referred to the standing committee on Railways and Canals. We might just as well give up trying to balance the budget, or look for any change in our expenditure, if we are going to add to the capital charges on the Canadian National as we would be doing if we passed this bill to-night. The earnings cannot justify it, and we have to go into the market for \$28,000,000 of capital and borrow the money. When we consider the past commitments of the Canadian National it is folly to think of this expenditure and add to the system many miles of road that will not be able to meet the fixed charges, to say nothing of the operating charges. The hon. member for St. Lawrence-St. George (Mr. Marler) said \$2,000,000,000 had been spent on railways and he seemed to charge it to public ownership but public ownership is not responsible for the situation of the Canadian National Railways. Public ownership did not build the Canadian Northern railway or the Grand Trunk, or the Grand Trunk Pacific, which is

[Mr. Church.]

responsible to-day for the large bulk of the \$2,000,000,000 account referred to yesterday by the hon. gentleman. In the province of Ontario to-day they are suffering just as much as any other province for the lack of railways and rolling stock. It was said that \$400,000,000 was spent in the last three years by the National Railway for rolling stock. Very little of that went into the province of Ontario. On week-ends and holidays it is almost impossible to get cars for the railway. The Grand Trunk in Ontario was built by private parties and operated under private ownership, and it was in that province they made nearly all their money. It was a success until the Grand Trunk Pacific came into existence. They took \$122,000,000 credit out of the old Grand Trunk in Ontario and \$22,000,000 in cash, and invested it in the Grand Trunk Pacific in the West, and what is the result? Ontario as a result of the Grand Trunk Railway becoming bankrupt is suffering more than any other province for the lack of transportation. Is this the time to build branch lines, Mr. Chairman? We are in a period of high costs for labour and material and high charges for money. Are the New York Central, the Michigan Central and the Pennsylvania Railway system going holus bolus into the building of branch lines here and there, as is proposed in Canada? No. An embargo has been placed upon these heavy expenditures by the Interstate Commerce Commission. I do not believe that the construction of many branch lines would appeal to the advocates of public ownership in this province.

Mr. BEAUBIEN: Does the hon. member think the interest rate on money is so high that the government should not construct the St. Lawrence waterway?

Mr. CHURCH: The sale of power alone will pay for that work and it is not proposed to go on with that until the financial situation permits. Is this period of high prices a proper time to go into these expenditures for railways? I read a report of an eminent engineer giving a survey of the capital expense of the various railway systems throughout the world, and almost without exception the directors of many large railway corporations have refused, and their boards of directors and their shareholders have refused, to vote money for any extensive capital expenditure. In the province of Ontario branch lines of the same description as these twenty-six proposed branch lines are built entirely by the province, and many of these Ontario lines connect with the Canadian Pacific and the Grand Trunk railways. I venture to say that