

Mr. CARVELL: I am not going to go into the details of that. I simply bring it up as an illustration to show that when public ownership starts out to usurp the proper functions of business men, those who have charge always come to the end of their tether; they always come to the time when they cannot carry on things as a business proposition, and then they have to resort to power of some kind in order to work out their scheme, exactly as the Hydro-Electric did in the case in question.

There was another point made by my hon. friend which struck me very strongly and that was that, in his judgment, there ought not to be arbitration under present conditions. He illustrated the fact that the Minister of Public Works (Mr. Rogers) commenced his public career about the same time as the Canadian Northern Railway company began their career in Manitoba as railway builders. He naturally would argue from that, that the people of Manitoba should have gone on with public ownership and not have public utilities handed over to the Canadian Northern or Mackenzie, Mann and Company. He referred to the devious ways of Mackenzie, Mann and Company and the Minister of Public Works during some years that followed in Manitoba politics, and I think he naturally would have drawn the conclusion that all the troubles were because in Manitoba they had not adhered to the principle of public ownership in railways. The path trod by these firms in Manitoba was a "Great White Way" in comparison with the path trod by an hon. gentleman in Manitoba over the question of public telephones. If in the political history of Canada there is a paragraph or chapter that absolutely condemns public ownership of any public utility in this country, it is the story of the administration of the telephone system in Manitoba during the last seven or eight years. From the very inception of the purchase of the Bell Telephone system in Manitoba down to about three years ago, the path has been one which I would not want to follow, which I do not believe any hon. gentleman in this House would want to follow, and which, in so far as any one instance will condemn a system, must condemn public ownership of public utilities in Canada. If the minister could operate the Canadian Northern Railway system entirely free from political interference, he might get along fairly well, but certainly not as well as private enterprise would get along. He cannot, however, do that; he cannot run a railway in Canada of the magnitude of the Cana-

dian Northern and keep political influence out of it. We have had an experience of that in the Maritime Provinces. I believe the present Minister of Railways started out to run the Intercolonial for a year or two fairly divorced from politics, but two years had not passed before you could not hire a man to shovel gravel for two days at a time unless he went to the man who controlled the patronage in the constituency, and that has been the case ever since. It is idle to speak about hiring a man on the Intercolonial who is not recommended by the man who controls the patronage, and the minister knows that. The minister knows it would be as impossible for him to hire twenty-five men who were not recommended by the man who controls the patronage in their constituency as it would be for him to fly.

Mr. COCHRANE: The trouble nowadays is to get men, no matter who recommends them.

Mr. CARVELL: The minister knows he has to have the recommendation of the patronage committee.

Mr. COCHRANE: That is not true.

Mr. CARVELL: My hon. friend knows it is true.

Mr. COCHRANE: It is not true.

Mr. CARVELL: I tell the minister it is true. The minister may think it is not true; he may think he is not administering the railway in that fashion, but if he asks his general manager what he can do in the face of the patronage committees, he will find that the general manager is absolutely powerless. I do not believe the minister can run the Canadian Northern, which is about ten times the magnitude of the Intercolonial, as a Government road and keep patronage out of it.

Mr. MARCIL: The Government do not intend to do so.

Mr. CARVELL: I do not think they do, because I find in the last clause of the resolution these words:

That the necessary qualification shares for directors may be transferred to or allowed to remain in their names by the Minister of Finance on such conditions as he may determine.

That simply means that the Minister of Finance or the Government appoint the directors under such conditions as they may determine. They put enough stock in a director's hands to qualify him, but he is