

myself and most of the honourable gentlemen listening to me—has been brought to the stage of not only having to pay \$60,000,000 a year to keep a giant state railway fighting a private competitor, but also having to pay out whatever share of \$100,000,000 a year may be fairly attributed to trucks and buses to maintain a highway transportation system which is recklessly cutting the throats of the other two.

I suggest, honourable members, it is time we admitted that in so doing we have made a big mistake. And it is time we settled down seriously, not to argue about whose fault this, that or the other thing is, but to consider how to correct our mistake. Where is the practical solution? That is the only question that has any right to occupy our further attention. So far we have been satisfied to divide off into warring groups, one favouring the Canadian Pacific Railway and urging reorganization of the systems, the other standing for the Canadian National system and demanding a status-quo policy, with intensification of public ownership in the hope of a return to prosperity at some future date.

May I suggest that when you divide off into two groups, each demanding adoption of its own solution and flatly refusing to consider the solution offered by the other group, you may bid a definite, if perhaps affectionate, good-bye to all hope of ever seeing a solution, in terms of 1939 conditions, of a problem created by a programme put through many years ahead of its time, in a frenzy of haste to construct thousands of miles of superfluous railways. The world war cost us \$1,600,000,000, roughly, and has to a large extent been paid by taxes. It is over. But our little flutter in railways has cost us far more than that, and all its debt is still outstanding.

I agree with most of the speakers who have debated the subject in committees and on the floor of either House that transportation is the greatest of our national problems. It constitutes our greatest source of national uneasiness, fear and worry, and it is the heaviest burden on our national treasury.

Personally, I do not think that state ownership and administration is the proper solution. That system has against it an unsavory history of patronage and political interference. We have examples of it at our very door.

Now, why not a new organization, a private institution controlled by the Government through, say, a reinforced transportation commission or some such regulating body as would guarantee the running of Canadian railway services along practical, common-sense lines? Remember, the distress of the railroads is not due so much to conditions within the business itself as to conditions of public policy

under which the railroads have to operate. And, even if we desire to continue the present insane railroad policy, how long can we expect to do so, with every other public administration, federal, provincial or municipal, as has been pointed out by the honourable senator from Vancouver (Hon. Mr. McRae), joining in and discounting the future, and living well above its means?

Even if the governments of Canada were able to support this huge railway burden, it still would not be economically desirable that they should do so. But the plain fact is that they cannot. So long as they show the same extravagance in every other direction that we indulge in with respect to our transportation problem, we may be sure that all these activities together are co-operating to hasten the arrival of that day of reckoning when all these things will stop, whether we like it or not, for want of the means to carry on any further.

In 1925, fourteen years ago, a special committee of this House suggested a merging of the two railways for purposes of administration and operation. This seemed like a step in the right direction. But so many great and divergent interests were involved that nothing was done about it. The same thing, practically, could be said of the situation to-day. Nothing is being done about it, because of the divergent and great interests involved. And while we procrastinate in this way, the people continue to pay the piper.

Two questions seem to arise at this juncture. First, how much longer can the people of Canada afford this sort of thing? And, second, how much longer will they stand for it?

I said at the outset that it was the reaction of the man in the street that I wanted to give this House. A recent writer in the Financial Post, after figuring out the cost of our venture in surplus railways in fifteen years, estimates what could have been done with the money if spent in other directions. He points out first that in fifteen years the publicly-owned railway system cost Canada over a billion dollars. He points out that no one ever saw a billion dollars, and that no one can really conceive how much money it is. But, if that billion dollars had not been spent, the people of Canada could have been spared every cent of sales tax collected since 1923, every dollar of the stamp tax, every dollar of the federal taxes on automobiles, tobacco, cigarettes, beer, and playing cards, and every cent that has been paid in sugar tax.

Hon. Mr. DANDURAND: If my honourable friend is about to close, we may continue. If he is not, I suggest that he call it six o'clock.

Hon. Mr. RAINVILLE: Call it six o'clock.

At six o'clock the Senate took recess.