

Under such conditions the suggestion of a huge increase in rates (30 or 40 per cent is the figure talked of) is not only ludicrous but criminal.

As you know, Mr. Speaker, the value of Canadian Pacific shares on the New York exchange has been steadily falling. Once the stock was as high, I think, as 280, and it has recently dropped as low as 117. Lord Shaughnessy, in order to explain the situation and, I presume, come to the rescue of these shares, had a statement published to the effect that their intrinsic value was \$250 on each \$100 share. Now, if they are worth that amount, it is because of the excessive freight and passenger tolls which the company has been able to take from the public for the last thirty years. So the proposition will be admitted that the policy of the company has been to take "all that the traffic would bear."

I think I have demonstrated that so far as the Canadian Pacific railway is concerned any increase in rates would be entirely unwarranted—would, in fact, be a crime against our people—and I feel satisfied that this House and the country will agree with me that such an increase should not be permitted for one moment.

Let me now refer to what is known as the National railway system. As you know, Sir, the Government within the last two or three years has acquired, in addition to the Intercolonial and other lines in the Maritime Provinces, the Grand Trunk Pacific, the Transcontinental, and the Canadian Northern railways, and is about to take over the Grand Trunk system; so ultimately our national system will be larger than the railway system of the Canadian Pacific Company. As I have already stated, I think I have demonstrated that the circumstances do not warrant any increase in rates to the Canadian Pacific railway. Now, what about the National railway system? I notice with regret, Sir, that the president of that system, Mr. D. B. Hanna, is delivering addresses in various cities advocating an increase in rates on the system. Indeed, I see by this morning's papers that he has been addressing the Canadian Club in Ottawa. I was rather startled by the headlines over the report of his speech. One reads:

National Railways will soon be Factor in
Paying Canada's War Debt, Declares
President Hanna.

The report says:

Mr. D. B. Hanna, president of the Canadian National Railways, speaking to the Canadian Club Saturday afternoon, predicted that before long all government railways in Canada would

be on a paying basis and that the strong probabilities were the returns would in a few years in a great measure help to pay Canada's war debt.

Just think, for a moment, Mr. Speaker, what that proposition means. According to Mr. Hanna, the President and moving spirit in the Canadian National Railway system, rates may be so increased as not only to pay interest on the vast capitalization involved in these railways acquired by the Government, but also to pay interest on the national debt, which now amounts to something over two billions of dollars. Hon. gentlemen must see the utter absurdity of a position of that kind. Even if it only required reasonable rates to pay the interest on that vast capitalization of a billion and a half to pay the interest on the national debt, just think what the suggestion involves. Are the users of freight on the Canadian National railway system, those who send their commodities over those lines, to be taxed not only for the carrying of that freight but also to pay the interest on the national debt? Why should the users of freight be asked to contribute one farthing towards the payment of the interest on the national debt? The national debt has been created for the supposed benefit of all the people. Freight rates, instead of being enhanced to the extent of one farthing, should be kept down to the lowest possible point; those who use the Government railways for freight and passenger purposes should have the benefit of the lowest possible rates. I think it is only necessary to state the proposition laid down by Mr. Hanna to demonstrate its utter absurdity.

While on this point, I want to say that under no circumstances could this Parliament or this country justify an increase in freight rates on the Canadian National railway system at the present time. We may just as well be frank about the situation. During the last twenty or twenty-five years the people of Canada, in order, as they thought, to build up a competing system for the Canadian Pacific railway, embarked upon blunders of most colossal magnitude in connection with our railways. For instance, they built what is known as the Transcontinental railway from Moncton to Winnipeg. I do not believe that that railway is earning much more than sufficient to pay for the axle grease which it uses; certainly it will be a long time before it pays operating expenses. It had been my view that the wisest policy would be to abandon the Transcontinental altogether. Yet it has cost this country