

of allowing a large number of old and new cars to stand idle during three or four months of the year they were utilized to bring down the products I have named from Alberta to central Canada. During the first year or two of these operations there might be a deficit, but I am confident that as the years went on a surplus would result.

The present charges against the railways are as follows: construction, \$587,000,000; equipment, \$88,000,000; deficit, \$122,000,000; fixed charges, \$145,000,000. These figures are almost appalling. Unless new sources of revenue are devised, these enormous charges are going to mean increased taxation on the people of Canada for many years to come, under the present system of operation of our National Railways.

Now, some hon. gentlemen sitting in this chamber have blamed public ownership for these deficits. But public ownership is not responsible; it is private ownership that has been responsible for the mismanagement of our railways. Public ownership did not build the Canadian Northern. Public ownership did not build the Grand Trunk. Public ownership did not build the Grand Trunk Pacific or the National Railways. These railways were built under private auspices and we now have these appalling deficits. So I say that the members of the committee should examine very carefully this item of \$73,000,000. In my opinion, many of the capital expenditures that have been made during the past twelve months might easily have waited over—many of the so-called betterments, the erection of sidings and terminals, the building of 73 new stations, and so on, many of them in districts that are not self-sustaining. The people of Ontario are behind the National Railways; they are doing everything they can to support the publicly-owned system. In the district from which I come, 326 cities in the hydro-electric movement have had for some time past a working arrangement with the National Railways, designed to promote the interests of that particular system, and they intend to continue it. Everybody wants to give the National Railways a chance. But the minister mentioned the other day one reason why the head of our National Railways system should become a member of the board of Canada Steamships. Now, it was brought out in the lake freights inquiry that the railways of Canada fixed the rates on the lakes for waterborne traffic. That is stated in the report; I need not read it. If there is one thing more than another that is going to help to eliminate the deficit on the Canadian National Railways it is the advantage that

[Mr. Church.]

waterborne traffic will give on lake, river and ocean as a feeder of our National Railways. I am very much disappointed, as a believer in the national system, that the head of the system has joined the board of Canada Steamships, which has a monopoly on the Great Lakes to-day, as is set out in the report to which I have referred. Now, the reason the minister gave for the president of the system becoming a member of that board was that there was an exchange of traffic between the National Railways and Canada Steamships. Well, there is also an exchange of traffic with the Canadian Pacific, with the New York Central, with the Michigan Central; is it proposed to offer the same argument in that connection, namely, that for that reason Sir Henry Thornton should become a director of the Canadian Pacific, of the New York Central, of the Michigan Central? I do not think that argument could reasonably be offered. The president of the National Railways may be a many-sided man, but he cannot serve two masters; he cannot serve Canada Steamships and the National Railways as well.

The minister presented a very excellent annual statement at Easter with regard to the Canadian National Railways. I believe the day is not far distant when the onerous burden on the Finance Minister, the Minister of Railways, and the people of Canada in respect of our railways will be relieved. I believe a better day is dawning for our national system under public ownership. I believe that a united effort should be made in support of the National Railways. Municipalities and every patriotic citizen who has the welfare of this country at heart should work in harmony with the directors of the railways and the government should do all possible to see if something cannot be done to eliminate the deficits.

In my opinion this vote of \$73,000,000 should be cut in two. I do not believe there is any need of spending \$73,000,000 of the people's money for betterments on this railway in view of the deficits that have to be made up from year to year. I believe that if there was more co-ordination there would be less deficits. The acquisition of new property can wait till the railway is in a better position. Why should we build sky scrapers when we cannot get a proper terminal in a city of 500,000 people? I do not think the committee would be justified in voting this amount of money, a large amount of which is to be spent on betterments, construction and rolling stock. In my opinion the money on a lot of these betterments to the railway will have no earning power for many years to come. Furthermore, there is no line