

They do not represent the views of the party with which I have been identified, and they are definitely and very forcefully disavowed by the leader of that party himself.

It would be a waste of time to go far back into history in order to develop a background of to-day's condition. This I have done on previous occasions. There are persons who have flung at me a charge of pessimism, of failure to see the bright side of this country's destiny. The whole substance and essence of the problem which we now face, and which has been described as the most obdurate and dangerous confronting our country, has been false optimism. Who does not remember the optimism that swept our Government in the early days of this century, an optimism out of which grew thousands upon thousands of miles of railway which to-day constitutes the wreckage under which we struggle? Who does not remember the intoxication of the twenties, led by that prince of all optimists, Sir Henry Thornton, under whose gay and garish leadership this enterprise, the Canadian National Railways, was sunk beneath \$900,000,000 of added debt in nine years? To those two cycles of optimism we owe the railway troubles of our time.

Ah! we are told, troubles of railways are universal; the United States have them, the Argentine has them, France has them, Britain has them. There is not one of those countries which has the situation we have. Not one of those countries had railway burdens at the early time we had them. We were in railway troubles before the area of the railways was ever invaded by truck, bus or any other form of new competition. The ordinary worries which beset industry overtaken by new competition beset railways everywhere. But there are more than those things to be overcome in Canada. This Dominion is tied by guarantees, by advances in scores, tens and hundreds of millions of dollars, guarantees and advances into which we tied ourselves because of the errors of those earlier years, and because of that intoxicating swirl in the twenties of this century. Those are the special troubles of Canada, and it is those which now we must attack.

We listened to the senator from Moncton and the senator from Montreal tell us things truly were not so bad. They got the cue from the senator who leads the House, who said that everything was just fine up to the end of the twenties. We were getting along so well up to the depression and, he added, if we just had 15,000,000 instead of 11,000,000 population we should be in a sort of railway paradise—our troubles would be over.

Right Hon. Mr. MEIGHEN.

I regard our situation as serious to a dark and portentous degree, and I do not regard it as any offset that we are able to borrow money cheaply to pay our deficits year by year. I can look around in this country at governmental units which not so long ago could do just the same, whose very facility of borrowing spelt the ruin in which now they wallow—units even to the dimensions of a province. Borrow, borrow—it was easy, and so they continued to borrow until now they are encompassed with the ignominies of repudiation and the shadows of shame. Their numbers would be far greater, even counted in provinces, if they had not had the reservoirs of this Dominion on which to rely—if there were not still a period within which we can borrow for them and borrow in abundance. We poured \$54,000,000 into the Canadian National last year. "But," we are told, "it is not much. Why, look at the taxes they pay, \$15,000,000 or \$20,000,000, taxes from the salaries of their officials! This thing really is not a deficit. Look at the service we get, and the Canadian National pay taxes to the towns." I heard some time ago that debt was not a liability at all, and I am hearing much the same to-night.

If we are to count services rendered as something returned, we had better add to our \$54,000,000 outlay the many millions more, hundreds of them, which we pay for those services.

But \$54,000,000 really is not the figure. That is the figure after the writing down that we have been engaged in in previous sessions. They tell us, "Oh, don't regard the Canadian National the way you would regard a commercial road, the Canadian Pacific or the New York Central. Much of this road was built to unite Canada and for colonization purposes." That assertion is true. But it is only two or three sessions since we wrote off what was attributable to colonization, and what was done to unite Canada. We wrote off the whole interest on it as well. We added a large measure of this write off to the debt of Canada instead of to the debt of the railways, and we added a whole lot more in a vague account called "proprietors' equity." Why, the total is about \$2,000,000,000. And we did all this under the assurance that it would reduce capital liabilities until we could look upon the Canadian National as a commercial enterprise. Now, after we have done so, we are told: "Oh, don't look on us as a commercial institution. Look at the pioneering we are doing around the Noranda mines, look at the pioneering we are doing into the once expected metropolis of Prince Rupert;