

States Government has returned all the railroads to their former owners. We now realize, I think, that a mistake was made in taking over the C.N.R.; that it would have been better for the Government to have honoured its obligations and kept on paying the interest on the bonds that they had guaranteed and let the other part of the railway go into a receiver's hands. But we are saddled with the burden now and it cannot be helped: the point is to make the best of it we can. But there is in my opinion no way of deriving any advantage from it except by establishing rates sufficient to pay for the service. Honourable gentlemen from the Northwest who are suffering from this railway situation to-day are really in a position to be told, "We told you so, but you would have it that way; now you have it and it cannot be helped." Not counting the Grand Trunk, which after all has not yet been taken over, there are about 14,000 miles of Government railways, and the estimated deficit will be, as a minimum, \$60,000,000 during the last period, which means over \$4,000 per mile. If to that you add the Grand Trunk with its 8,000 miles approximately, making 22,000 miles of railway under government ownership, you are bound to have the same result, and you will therefore have to add to the minimum deficit of \$60,000,000 another \$32,000,000 at least. The deficit will probably reach \$100,000,000. Why, honourable gentlemen, all that the war has cost Canada is two billions of dollars, the interest on which, at 5 per cent, amounts to \$100,000,000. The deficit on the railroads alone will be equal to that—equal to the amount we sacrificed in that tremendous war. Is not that a matter for serious consideration without regard to party or without determining who is to blame? But what should be done to remedy it?—that is the question. Where can the Finance Minister of this country find the money to meet the interest charges on the debt accumulated by the war, and find also the money to meet the deficit on these railways, amounting to \$100,000,000?

We all know that Canada leads the world in transportation facilities. Measured by population, Canada has more railroads than any other country in the world. In Canada we have one mile of railroad for every 218 persons—men, women and children. No other country in the world has such a small population per mile of railroad. The United States, for instance, has 404 persons per mile of railroad, or just about twice as many as we have, and still their railroads, as we all know, are not in

Hon. Mr. CASGRAIN.

very good financial condition. The railroads having been taken over and handled by the Government, it will take a long time for private ownership to remedy the evil brought about by public ownership. In Great Britain there are 1,943 persons per mile of railway; in Germany about 1,700 persons per mile; in France there are 1,241 persons to keep up each mile of railway. The figures as to Italy are very surprising: in that country there are 8,162 persons per mile of railway, and still the Italian railways are not in a very prosperous condition. In Belgium there are 1,356 persons per mile; in Spain 1,967; in Denmark 1,105; in New Zealand—now we are coming to countries more like our own—there are 354 persons per mile of railway; in Victoria, Australia, there are 347; in New South Wales 391; and so on.

Now, these facts are suggestive. They give us a clue to a great part of our deficit, and it must be a matter of congratulation to the Canadian Pacific railway that in a sparsely-peopled country like ours they are able not only to meet their fixed charges and operating expenses, but to pay a dividend of 10 per cent. That is about all they have been able to do, but with increased rates they may be able to do better.

Our trouble is that within the last twenty years we have increased our railways by 130 per cent, while the population has increased by only 70 per cent. The honourable Mr. Drury, Prime Minister of Ontario, the other day said that we had built railways fifty years ahead of our time, and that it was high time we stopped building railways and tried to populate the country in order to help out the railways that we already have. In Canada we have, say, 38,000 miles of railroad, and in the United States they have some 250,000 miles. In Canada and the United States there is a greater mileage of railways than there is in all the rest of the world. We must have at least 10,000 miles to spare.

The great question which is agitating the public just now is whether we want to take over any more railways. There is an arbitration going on now in regard to the Grand Trunk railway, and here is a British comment which appeared in this morning's paper as to the action of the arbitrators:

British Comments Minatory in Tone. Canada's G. T. R. Policy Will be Remembered in Money Circles.

British financial comment on the action of the Grand Trunk arbitrators in refusing to consider the physical value of the system has been plentiful in the past few days, and is very minatory in tone. The threat that "this gross-