

the expenditure of money by the Government so far as the Government had control over it; I had no reference to any company whatever.

Mr. G. B. NICHOLSON: I am willing to admit that under the arrangement made for the construction of the Transcontinental the Government had very little control—or, at least, if they had any control they did not exercise it; that is certain. If hon. members opposite wish to go into a discussion of what took place in connection with the construction of the Transcontinental, well and good. I am ready for a field day in connection with it.

An hon. MEMBER: Forty million dollars went into graft.

Mr. G. B. NICHOLSON: I do not know where it went, but I have said before and I repeat it now, a hundred and twenty-five million dollars went into something that was not building a railway.

What we are trying to do is to find a solution of our railway problem, and to that end the Government has brought before the House a measure to incorporate a company to manage our national railways. Let me repeat again, that if D. B. Hanna is not the right man, and if the present Board of Directors are not the right men, there is a means in this Bill by which we can get the right men. What this House and the country must do is to face this issue squarely. Give the management an opportunity to bring the roads all into one system, develop them as they should be developed, and if that is done the Government has an excellent transportation system. It is true that in order to be fair to the railway itself we will be forced to write off the money that we have ourselves thrown away. But that is not a matter that need now concern us. Having read this Bill from start to finish, I can see nothing in it but what is consistent with a reasonable effort to place these railways on a basis where they can be efficiently managed free from political influence. In reading the discussion that has taken place we find that hon. members opposite, one minute demand that the Canadian National railways be taken out of the influence of politics altogether, but in the very next breath they say: We do not want to permit the Board of Directors to pass even a by-law as to how they will conduct their business unless they come before Parliament for the sanction of that by-law. That is the kind of discussion that has been going on all the way through the piece.

[Mr. McKenzie.]

Let us see what the situation is. Hon. members have stated that this country is burdened with what the Canadian Northern has cost and will cost. We have a present liability of possibly four hundred and fifty million dollars in connection with the Canadian Northern, and we will be called upon to expend on maintenance and equipment and on terminals possibly an additional hundred million dollars, and we will be called upon to construct branch lines to give the people of the adjacent country an efficient service and gather the traffic necessary to make the railway pay. In order to do that we will again have to spend money, but so long as we keep that expenditure within proper limits in relation to the producing capacity of the railway, which in the final analysis depends on its mileage, the country has nothing whatever to fear. I believe that the leader of the Opposition and hon. members opposite will agree with me that in ten years from now with proper management the Canadian National Railways will not only be paying their way but will be producing for this country a handsome revenue.

One word with regard to public ownership, because that question has been brought forward and there has been a manifest effort to have members declare where they stand on it. My recollection is that the hon. member for Maisonneuve referred to a declaration by Lord Shaughnessy in regard to public ownership, in which he declared himself very emphatically as opposed to it.

Mr. LEMIEUX: Not in the speech I quoted to the House.

Mr. G. B. NICHOLSON: I was not able to notice that the hon. member quoted anything from Lord Shaughnessy that would show us a solution of the difficulties in which we find ourselves to-day. No man in this House or out of it has a greater regard for Lord Shaughnessy than I have, and for the splendid system of transportation that has been built up under his genius, but when Lord Shaughnessy or any one else comes before the Canadian people and offers a solution for the present railway problem he will be talking about something practical; so long as he simply declaims against public ownership as a theory it is merely so much idle twaddle. We cannot get away from the present condition of affairs. Would the hon. member for Maisonneuve or any one else suggest that we hand over all these lines to the Canadian Pacific Railway Company? Would he suggest in the alternative that we should hand them