

I think they operate their particular enterprises with all of the efficiency and integrity that they can within the confines of the policies that are set out, provided they stay with that policy, but they did not stay with that policy as enunciated and set out by the Act as has been said many times in that they charged more than the rate of interest that they were allowed to charge. We know that has changed in recent years, but that is what has happened. I think a good many of the men who were at the head of those concerns are still at the head of those concerns. The same people are there that did things that are in contradiction of the Act.

Q. That fact was the reason for your making this statement?—A. Yes.

Q. It was not that they lacked integrity or efficiency or willingness to work in the interests of the Canadian people as a whole?—A. There are a few more things contained within it. We contend that if they had administered the system which was fundamentally under their control in the efficient manner they should have they should have foreseen what was going to take place, accelerated greatly by their own inflationary action, from about 1925 to 1929. They should have foreseen that, but when they get to the end of that time with the lid completely closed and enter into a state of stagnation I could not for one minute relieve them from all blame and responsibility for that. If they were not able to see what this action they took part in was going to culminate in then I say they were not proper people to be there.

Q. Would you feel quite sure if these men were managing government owned institutions they would have any better judgment?—A. I would naturally expect that if ever the time came that it was taken over as a national responsibility that it would be under the supervision of a commission which would be set up for that purpose. The danger of political interference, political influence, and all that kind of thing, has been stated here. The more that is said to me the more confidence I begin to lose in democratic government. I do not want to lose that confidence. I am trying to struggle against losing confidence in democratic government. If this were operated as it naturally should operate under an impartial commission then the supervision would be in charge of that commission. Your commissioners would probably be judges of the superior court. My relationship with them is that the average judge of a superior court cannot be influenced by any man. That is my experience with them. They do not care who the political leader is who may try to influence them. They will not be influenced. If it were under an impartial commission so far as supervision is concerned I still have sufficient confidence in the government being able to administer through the medium of a commission.

Q. Of course, it is necessary for us to examine the whole field with a good deal of care. May I bring up as an example of the kind of thing that may help us in our thinking what has been done with respect to our railway freight rates? Do you feel that the people of Saskatchewan and Alberta have received justice in the matter of railway freight rates?—A. No, I do not; not quite; although I recognize the difficulties there are in the long haul, but we still think that the freight rates are too high. I say that if you are referring to the nationally owned railroad compared to the privately owned railroad if you take the watered stock out of the nationally owned railroad and bring it down to the actual use value of the actual assets of the nationally owned railroad I think you will find that the operating returns compare very favourably with those of the privately owned concern. I think the nationally owned railroad has been operated quite efficiently.