

of government regulation. Then there is private ownership and management with strict government regulation, and private ownership with exclusive government operation. There is also government ownership with private operation, such as Lord Shaughnessy wants. And there is what I want—government ownership and government operation. I mean such proper and adequate government ownership and operation as will make the publicly owned roads a success. A few days ago the hon. member for South York (Mr. Maclean) referred to the deplorable condition of the steam roads in the United States, due to over capitalization and lack of rolling stock and equipment, which, coupled with a long period of depression in business and post-war stagnation, had reduced most of the railway companies to financial trouble. A shortage of rolling stock and equipment has rendered it impossible for the railways to efficiently handle even the limited amount of freight that has been tendered to them, and as a result the automobile manufacturers in the Central States have been forced to drive over 80,000 of their cars to New York city under their own power rather than trust to the very unsatisfactory transportation services of the railways. To illustrate the condition of affairs I will quote some of the evidence given before the Inter-State Commerce Commission regarding the difficulties which confronted the Railroad Administrator of the United States in the winter 1917-18, when he assumed control of the American railway systems.

It was the worst winter in the history of railroading.

I happened to be in the Southern States at the time and had personal experience of the severe winter weather then prevailing.

They were up against:—

War demands—army of millions of men to be transported to the cantonments, seaboard, and back.

Plague of influenza, playing havoc with workmen, 18,000 employees sick at one time in New England alone.

Greatest burden of both freight and passenger traffic in railroad history.

Alarming coal shortage, (248 mines idle because of lack of cars).

Terrible freight congestion (180,000 loaded freight cars on the eastern lines alone; many freight embargoes).

Putting in and training inexperienced men.

Drafting of thousands of employees.

Chaos in railroad management, poor handling of cars, locomotives etc.

Great amount of overtime pay necessary to get repair work done. Had also but six months of increased rates to meet 12 months of increased pay.

Inability to get new cars and locomotives because of need of them for war purposes and our shortage of men owing to the draft.

No serviceable locomotives in reserve (at beginning of this winter, however, 1,000 in reserve.)

More or less opposition on the part of railway executives to successful government control for fear it would become permanent.

Necessity of handling freight and making repairs at any cost.

No complete valuation of the railroads on which to compute freight rate, and make a budget.

As the hon. member for South York pointed out, if you look over the history of the privately owned railroads of the United States, you must admit that private ownership has not been a success. I shall not labour that point to-day.

The press has devoted considerable attention to our railway affairs, and I wish to direct your attention to an article which recently appeared in one of our leading Ontario papers, written by its Ottawa representative. It reads:

While no sound comes from the hermetically sealed room in which the Gouin Government holds secret counsel as to its railway policy, the stock ticker—the same prophet that for a whole year foretold the coming of the Great War—keeps chattering. "Something doing in C.P.R.: something doing in C.P.R."

Something doing in Canadian Pacific! We have the declaration of the hon. leader of the Government that he intends to give public ownership a chance, and we have the right hon. leader of the Opposition (Mr. Meighen) and the hon. leader of the Progressives (Mr. Crerar) declaring themselves in favor of public ownership and operation of our railways. But the Canadian Pacific Railway Company has been most active regarding the transportation situation, and when you see the stock ticker chattering you know there is going to be something doing in respect to our railway problem. Continuing the article says:

Last week C.P.R. stock advanced in price about eight points. In the same time U.P. stock, which pays the same 10 per cent dividend, advanced only three points. And everybody started looking for the reason. Some Yankee financial papers hinted at "Government ownership," and there is something more than a possibility that they have scored a bull's-eye.

That the railroads were the issue in the recent elections is now common knowledge; that the railroad interests won that election is beyond a peradventure. That the latter are about to take action of some kind is evidenced by the stock market. But what is the action to be taken? That is the question for which politicians and financiers alike are trying to find the answer.