

Company should in the future take over the Intercolonial they would take over the physical properties of the road. No difficulty arises in that case as to outstanding bond issues, for there are none; the road has been owned directly by the Government of Canada and not through the intermediary or agency of a joint stock company.

There is a further reason why it is necessary that we should adopt a joint stock system in administering these great railway properties. In the public mind the idea is firmly embedded that direct Government administration and control of government-owned railways results in abuse through the exercise of political patronage. A great deal may be said for that view. Personally I have been impressed with what has been put forth by the hon. member (Mr. Fielding): That if the Government owns a railway system, whether in fee simple or by the ownership of stock, it is the proprietor and must be responsible for the administration of that system. I agree with that. If the Canadian National Railway Company, as administered by the nominees of the Government, is not a success, undoubtedly there will be a reflection upon the Government of the day. The Government of the day will be criticised for lack of success or for inefficiency of the administration of that system. That follows from the fact that the Government is the owner of the system—although the form is that of a corporation—and from the fact that its administration is in the hands of those appointed by the Government and whom the Government may, for cause, remove. But in order to prevent the exercise of patronage in connection with a system of such great importance to Canada, it has been provided that instead of direct administration by the Government, the administration shall be through a board of directors consisting of representative and capable men in whom the Government, Parliament and the country have confidence. I said the other day, and I say now, that the success of public ownership in Canada will largely depend upon the standing, ability and character of the men selected to administer. Public ownership in Canada will have public support in direct proportion to the favourable impression which is made upon the people by the nominees of the Government, who will administer for the people.

Having laid down the principle that for a system such as this it is necessary—unavoidable, if the best results are to be obtained that the mode of administration

[Sir Thomas White.]

shall be through a corporation rather than direct, I come to the gist of the amendment proposed and of the argument put forward by the hon. member (Mr. Fielding). When this Bill was in Committee the hon. member directed attention to section 16. I said at the time, and I say now, that I always give great weight to any argument put forward in this House by the hon. member; and I did give his suggestion, at that time and subsequently, my best and most attentive consideration. More than that, I took it up with the responsible officers of my own department, the Auditor General's Department, and the Railway Department, with a view to seeing, so far as I could ascertain; what weight should be attached to the argument put forward and how far, if to any extent, it would be possible to meet the views of the hon. member. When the hon. member was speaking in Committee I was of the opinion that the proposal was impracticable—I do not say, impossible, but impracticable—from the standpoint of efficient, and especially of economical, administration. Adopting, as we do, the policy of administering through a corporation, to carry out my hon. friend's suggestion would mean complete duplication of the entire accounting, clerical and audit staff of the Canadian National Railway system. My hon. friend has said that we are giving public ownership a bad start. Well, we should indeed give it a bad start if we provided that, in competition, as it will be with the Canadian Pacific Railway system, it should incur a double set of costs of so important a character as those which I have indicated.

My hon. friend says it is an essential principle of Government administration that revenues shall be received into the Consolidated Revenue Fund and paid out under the safeguards afforded by the Civil Service and the Audit Office. I agree with my hon. friend with regard to the general principle; I agree that when the administration is directly that of the Government, that principle does and should apply. But where, for convenience and for efficiency of administration and in order to remove all possibility of political patronage, we deliberately adopt a commission system or a system of a board of directors whom we appoint, who engage their staffs and who are responsible for administration, then we are justified in—I shall not say a departure from the principle, but the adoption of another principle which experience has shown is safe, namely, administration with the safeguards afforded by corporate management. Take the Intercolonial Railway.