

very sane and sensible remark, in which I heartily concur, viz.: that if we are going to frame the Bill along proper lines we should see that provision is made for having the right men placed on the management of this great public undertaking. I agree most heartily with the hon. gentleman. But, Sir, do you consider that the man who has been a failure already in connection with the operations of the Canadian Northern, and who has been losing money already in the management of our railroads—do you consider men of that type capable of managing the affairs of this great railroad system successfully? For my part, I object to it, and decline to support any proposition of the kind. A man who has already proved himself beyond doubt a failure, a man who has already lost money in railroad operations, a man who has run the Canadian Northern Railroad system to the ground, as shown by the figures quoted in this House, has no right or title to be entrusted with the management of a great system such as this.

Now, it is contended that the criticism of the Opposition has not been of any advantage. I beg to call the attention of the House to one matter wherein we succeeded in inducing the Minister of Railways to amend this Bill, and that amendment, in the years to come if not now, will be of inestimable value to this country. I refer to the amendment of Section 23. In this section as originally drawn there was no reference to authorization by Parliament of the necessary expenditure for the construction and operation of railway lines and extensions by the directorate. As a result of our criticism the Minister of Railways found it convenient to amend the section by the insertion of the following words:

in respect to the construction whereof respectively, Parliament may hereafter authorize the necessary expenditure, or the guarantee of an issue of the Company's securities.

That is an important addition to the Bill and is quite a safeguard of the country's interests. Yet we are told that the criticism by hon. members on this side of the House has been of an obstructive nature. I insist that it has been entirely in the opposite direction; it has been of a constructive nature and has greatly improved the Bill. We are told that we should fall down and worship this measure because it has been proposed by the Government and should instantly accept all its provisions without demur. But, as I have already stated, there is room for an honest difference of opinion on the question of public or

private ownership, and I submit that the evidence on the subject of public management is not of the rosiest nature. Take for instance, the Intercolonial railway, which from its inception has been under Government control; has it been an unqualified success? Take the Canadian Northern railway under its present management; has it been an unqualified success? Take the telegraph and telephone systems under public management; have they been an unqualified success? I was privileged to look into a statement on that subject recently, and I find that the operating cost of our government telephones and telegraphs is in the neighbourhood of \$800,000 per year, while the entire revenue is only \$200,000 per year, an annual loss of \$600,000. I understand, too, that the minister in charge of that department has received a report from an expert appointed to investigate the possibilities of the telephone system to the effect that he can abandon and give away enough of those lines to make a saving of between \$300,000 and \$400,000 a year, and still give as good a service to the public.

We have heard a good deal in this House of the success of the Australian National Railway system. In to-day's issue of the Montreal Gazette I find a statement which, with your permission, Sir, I would like to place upon Hansard, because it is of particular value at the present time:

Australian Railways.

Direct Losses More Than \$11,000,000 Yearly:
(Boston Commercial.)

The report of the Railway Commissioners of Australia for the year ending June 30, 1918, has lately been issued. The report shows that the losses amount to more than \$11,000,000 for last year and \$11,500,000 for the year 1917. The Commonwealth transcontinental line, which was opened for traffic in October, 1917, has, therefore about eight months of operation. The loss on this line and the other short lines owned by the Commonwealth, amounted to \$2,280,000. The length of the transcontinental line is 1,051 miles and the cost has been \$33,000,000 so far, but it will require an expenditure of several millions more to put the road in fair shape.

I wish the House to mark this particularly, because it is a very important point in connection with Government operation. Notwithstanding the large loss sustained by the Commonwealth in the last three years of operation there is a further loss on taxation, which is as follows:

Thus, in round numbers, the losses in 1915-16 were \$8,000,000; in 1916-17 they were \$11,500,000, and in the last year they were \$11,000,000. These losses do not take into account any displacement of taxes.