

Hon. Mr. LEMIEUX: So the C.P.R. is vitally interested in reducing taxation.

Mr. BEATTY: Oh, yes.

The CHAIRMAN: It has many sympathizers in that respect.

Hon. Mr. DANDURAND: You have stated, Mr. Beatty, to the Committee that no grain now moves east all-rail.

Mr. BEATTY: That is true.

Hon. Mr. DANDURAND: You say, Mr. Beatty, that in the abandonment of lines, which could not be done in a day, there could be a gradual reabsorption of the employees affected.

Mr. BEATTY: Yes, sir.

Hon. Mr. DANDURAND: Through retirements and withdrawals?

Mr. BEATTY: Yes, sir.

Hon. Mr. FORKE: You made a statement, Mr. Beatty, that I want emphasized a little. I know the opinion prevails in the east that the branch lines in the Prairie Provinces have been extravagant undertakings.

Some Hon. MEMBERS: No.

Hon. Mr. FORKE: Yes, I have heard it said a dozen times.

Hon. Mr. CASGRAIN: I do not deny it.

Hon. Mr. FORKE: I believe Mr. Beatty did make the statement that most of these lines built by both companies have not been extravagant undertakings, but have been in the interests of the railways as well as of the public.

Mr. BEATTY: Senator Forke, we made a special effort to draw that position to the attention of the Government in the memorial which we filed with them, and I think that statement is accurately and succinctly expressed. Allow me to read it again:—

In the policy of the company in these matters, competitive considerations had only a minor part. The chief factors were the interruption of railway construction during the War, and the rapid extension of settlement, particularly in the Western Provinces, which followed it. In Saskatchewan and Alberta alone the area under wheat increased from 6,993,000 acres in 1914 to 21,490,000 acres in 1930. Industrial and commercial enterprises also entered new fields, and for all these, railway service was necessary. These settlements and industries owed their existence in a very large measure to the colonization and development work of the company, and it was but natural that it should look forward to a share of the traffic which they might yield. As has been said, the orderly progress of its program was affected by the action of the rival system, but the future of the company could not have been protected if it had refrained from following the march of settlement. The traffic returns of the new lines up to 1930 fully justified their construction, and the falling returns of subsequent years have been no more characteristic of the new lines than of other parts of the railway.

That is our view.

Hon. Mr. FORKE: Thank you.

Hon. Mr. CASGRAIN: But, Mr. Beatty, the Duff report states that we have only 108 persons per mile of railway. That means about 25 or 30 families. How can they support one mile of railway?

Mr. BEATTY: Not for to-day, senator; but you must remember these are pioneer lines in territory just being settled. We must anticipate these settlement requirements. As you know, we have always done so even so far back as 1890. But as a matter of fact the figures placed before the Duff Commission