

Let me for a moment refer again to the report of 1925. I wonder whether many honourable members are aware of the fact that I am trying to present. Under date of June 25, 1925, a distinguished member of that special committee—who has since passed on to the Great Beyond—in presenting the report to the Senate said:

I produce some figures which do not appear in the report. The additional national obligations of this country for the last five years were nearly \$600,000,000, and for the last six years \$710,000,000.

Please note what follows:

Now the capitalization and bonded indebtedness of the Canadian Pacific Railway Company on the 31st December, 1924, were as follows: Ordinary stock, \$260,000,000; 4 per cent preference stock, \$100,148,587.78; or a total of \$360,148,587.78.

In addition, there was 4 per cent consolidated debenture stock to the amount of \$264,244,882.08; 10-year 5 per cent collateral trust gold bonds to the amount of \$12,000,000; 20-year 4½ per cent sinking fund secured note certificates amounting to \$30,000,000; and mortgage bonds, Algoma Branch first mortgage, 5 per cent, \$3,650,000; or a total capitalization of \$670,043,469.86. This is on the Canadian Pacific property.

Furthermore, there are obligations on subsidiary companies, which he enumerates at page 736 of Hansard of 1925.

Then he goes on to say:

—making a total of \$35,015,000. Added to the \$670,043,469.86, this makes a total of \$705,058,000. Apart from that, there are amounts due for rentals of railway, amounting to \$1,557,355. So that the whole capitalization, including bonding liability and rentals, amounts to a little over \$700,000,000.

Let us see what our unification proponents are now putting up to us. Do not forget that \$700,000,000 of capitalization. In the 1938 Canadian Pacific report I find the capitalization is \$1,398,979,602.07, an increase of 100 per cent, except for a sum of slightly less than \$2,000,000. That is what is placed before us now. I wonder if I should be regarded as unfair in saying, as many of us claim the right to say, that the capitalization has been increased nearly 100 per cent in recent years with a view to the important moment that has now arrived, when the honourable senator from Montarville and others expect a vote from this House in favour of unification. An increase of one hundred per cent, less about \$1,500,000, over the figure mentioned by a director of the Canadian Pacific Railway in speaking to this House in 1925!

I must hurry along. I have just referred to what was done here in 1925. This Senate appointed a committee of fourteen senators; they met in camera, and they brought in a report in favour of unification, with guaran-

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teed dividends to the Canadian Pacific. Why did they do so? I told you a little while ago that I had been in the railway game for a few years. I am confident that the whole idea originated in 1925 in the minds of two or three distinguished gentlemen who wanted the Government of Canada to take over the Dominion Atlantic Railway. I was working down east around that time, and know something about the matter. At least, I was closely in touch with some of the things developing down there, and my humble opinion, which, of course, I cannot prove, is that it was for that reason a committee was appointed to sit in camera and talk to whom-ever they liked. Is it not fair to believe, as I do conscientiously believe, that two or three of the distinguished gentlemen who were heard in camera were much interested financially in the Dominion Atlantic, which had been at its wits' end for a considerable number of years, and which it was hoped would be taken over by someone in such a way as to give some little hope to the shareholders of that company? However, unification did not come about.

And what was the Canadian Pacific Railway doing during this time? The Canadian Pacific paid to its shareholders the following amounts in dividends: 1926, \$30,005,944; 1927, \$30,005,944; 1928, \$33,421,180; 1929, \$35,424,790; 1930, \$38,248,530. In short, the Canadian Pacific in those five years paid its shareholders more than \$167,000,000 in dividends, while net earnings during the same period amounted to more than \$217,000,000.

Now I want to refer to the report of the Canadian Pacific Railway for 1932. Remember, I have just told you the Canadian Pacific paid dividends amounting to \$38,000,000 odd in 1930. What about 1932, two short years later? The annual report of the Canadian Pacific Railway for 1932 says:

With the greatest regret your directors must announce that the general situation, and the result of the year's operation, preclude the possibility of any further distribution for the year 1932 to either preference or ordinary stockholders. The excellent wheat crop, the fourth largest in ten years, gave promise of an important increase in gross earnings, but the decline in the market which commenced early in October and continued to the end of the year, interrupted its movement, with the result that such traffic was only slightly better than in the corresponding period of 1931. With this decline in the basic industry of the country disappeared also the hope which had been entertained of an increase of general traffic. Your directors can only continue to exhort patience until the turn of the tide.

Then we come along to 1937 and we find something wonderfully edifying in the report. On page 9 it says: