

pany \$40,000 a year and in return doing nothing but creating turmoil among the ordinary workers, many of whom had long seniority. It is not too much to say that he disrupted the morale of employees from the coast right through to Winnipeg. If it will add a little more spice to our proceedings, I will say that his appointment was due purely to Liberal politics. He spent \$4,000 of the people's money on the grounds around his house. Then there was a \$60,000 man who, so far as it could be learned when the Bennett Government came into power, was performing no service at all. Incredible as it may seem, he was not doing a single thing. And another man, who had a staff to help him, was giving away some of the Canadian National's property. He was let out, and certainly it was never afterwards suggested that his services were required. Thousands of dollars have been thrown away to no purpose.

In my opinion the present Government have been largely responsible for the position the Canadian National system is in to-day. I am very much disappointed at the attitude of the honourable leader of the House, because I think it is the duty of the Government to take appropriate measures to meet the serious situation that must inevitably confront us within a short time. Unlike the honourable member from Parkdale (Hon. Mr. Murdock), I am not concerned with the wages and hours of service of one section of labour only—railroad men. I am concerned with the welfare of labour from one end of Canada to the other.

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. HORNER: To-day the standard of pay of railroad men is three or four times as high as that of the men who are paying freight rates. It is of the utmost importance to every labouring man in Canada that our railway rates should not be increased, but when I consider the critical condition confronting us I can come to only one conclusion: unless some remedy is applied, by unification or otherwise, we shall have to pay higher freight rates in the near future. It is vitally important to the continued export of the great product of the West, wheat, that the present grain rates should not be raised. For this reason I am very much concerned that the Government are taking no steps to avert a crisis in the railway situation, and I shall support the amendment.

Hon. EUGENE PAQUET: Honourable members, I desire to justify my vote, but I shall detain the House for only a few minutes.

(Translation) There is no need for me to apologize for using my mother tongue in this Chamber. Their Majesties themselves have spoken in our language and have asked us to maintain jealously our French heritage. The lesson is a great one, coming from the Throne itself.

I shall offer but a few observations. Because of the disastrous results of our railway administration the Canadian people are demanding measures of reform; they are insisting upon the institution of a system capable of producing greatly needed economies and protecting the financial integrity of the nation.

Canada is to-day paying very dearly for the peculiar railway structure with which she has provided herself. Without this railway backbone, however, this country could not have survived as an economic entity. It is these lines of steel which make it possible for the wheat from the Prairies to reach the Great Lakes and the ocean. Our railways are a primary factor in the unity existing between East and West, as well as an important link in the chain of communications between the countries of the Commonwealth.

In 1938 the prorogation of Parliament interrupted the Senate inquiry. But shortly after the opening of the present session the committee set itself to the task of investigating the burden laid upon the Dominion treasury, with a view to seeking appropriate remedies for this very serious problem.

Lawmakers of Canada, we are called upon to solve a problem which is really world-wide. The troubles of our railways have been shared in recent years by most of the railways of Europe and America. I am not as pessimistic as many Canadians are about the future of our railways. The advisability of the creation of the Canadian National system cannot be judged solely by financial results. In the words of Mr. Hungerford, General Manager of the Canadian National Railways:

The operation of the National system is justified by other and better reasons than financial profit. It is justified by service rendered to the public. I am firmly convinced that in that respect the Canadian National Railways, far from being a menace to the country, have greatly contributed and will continue greatly to contribute to the development of Canada. Such a service more than makes up for the inadequacy of the system's income to meet its bonded debt.

The section of the National system extending from Quebec bridge to Edmonton was constructed because the national interest demanded its establishment for the purpose of developing colonization, agriculture and industry.

The report of the Conservative leader in the Senate recommends the unification of the