

they can function. With the type of men that the Government will undoubtedly select, and with that direction, I think we shall have an entirely different foundation for co-operative measures from anything that we have ever had in Canada prior to this. I take it that the directors or representatives of the Canadian Pacific Railway, appointed under this statute to confer, will be imbued with exactly the same idea as those trustees, and that great progress will be made in co-operative economies through the action of these two bodies. I do not believe that the placing over them of an arbitral tribunal, with arbitrary powers to decide disputes, is going to add very materially to the benefits accruing from the system described under Part II of the Bill. In fact, while it invites us to co-operate it also invites us to fight for our rights as we conceive them.

But the serious feature of the tribunal, from our standpoint, is the passing from our directors and shareholders of control of our operations and the settlement of major questions of policy, leaving with us the financial responsibility for everything that happens. There is no way that I can conceive of, under the Bill as now drafted, by which we can avoid the financial consequences and responsibility for carrying out any decision of the arbitral tribunal. That, I think, is distinctly unfair.

I am a believer in your co-operative plan, as defined in Part II. But I do earnestly believe that the omission of Part III will be an advantage rather than a detriment. I think you will be surprised at the results obtained through the changes in the policy of Parliament as expressed in this Bill, which changes will be made binding on the two companies. The companies are not indifferent to the situation or the necessities of it, in the slightest degree. I think both companies have completed their major work of expansion for some time to come. They can therefore properly devote all their time and attention to putting their own houses in order by this method, in order that if possible we shall stand the strain of the remaining period of this depression.

I cannot, even if I should, comment on the individual clauses of the Bill, because I understand they are in process of change; but when the time comes I should like to make some representations as to the wording of some clauses, if they are retained in their present form, because they are, in my judgment, inapt.

The CHAIRMAN: Mr. Beatty's remarks have been very illuminating, interesting and useful. I am sure that he will be glad to answer any questions pertinent to his remarks, to the Bill, or the report.

Hon. Mr. CALDER: Mr. Beatty, can you give us briefly some idea as to the scope and character of the matters upon which you have co-operated during the past five years?

Mr. BEATTY: I made a statement on that to the Royal Commission, Senator. I have not got all the details with me here but I can get them for you. They involve joint section agreements covering, I think, several hundred miles of branch lines between the two companies, joint terminal facilities agreements, a very important agreement negotiated with the National as to the steamship services and the use of their agents for our business and the exchange of traffic at Halifax between our boats and their railways. They were mostly of a character that come up from day to day in railway discussions, and in a great many cases we were able to conclude agreements. I might say in that connection that as far as the Canadian Pacific is concerned we would be perfectly willing to-day to sit in with the National Railways, because we have a list of things that we think should be done by agreement between us; but I have been fearful of approaching them lest they might say to me that their organization was in process of re-adjustment and they did not feel that they could go into these very important matters when another character of organization was to be provided for them. But we are ready now with a long list of questions which we would like to discuss and settle, if possible, with them, involving joint action.