

It is to be hoped that as prosperity increases in the country, as the West comes back to its old-time form and furnishes more freight for the railways, the situation will improve. Of course there are very many handicaps. Competition is appearing in various new forms. I have no suggestion to make as to what we should do to improve the position of the railroads. It is for the experts of those two great systems to try to come together to find a solution; then it will be for the men at the helm to accept the responsibility of presenting it to Parliament.

I confess that I am not a railway man and that I have not yet found the true radical solution. I have not much altered my views since 1925 as to what the ideal solution would be. At that time we heard railway men and great financiers who were summoned before our committee. My right honourable friend himself was at the helm, or at all events was playing an important role in the other House at that time, but that House did not accept with much optimism the suggestion embodied in the unanimous resolution of the Senate. How that suggestion would fit in, if resurrected and examined to-day, I do not know. The people of Canada apparently want the Canadian National Railways to be maintained as a separate entity. That seems quite clear. Will they change their mind? If so, to what extent will they change it, and to what extent would the country benefit? This is such a difficult problem that I hesitate to express any judgment upon it at this hour.

I cannot close without thanking my right honourable friend for accepting the compromise suggestion placed before this Chamber yesterday by my right honourable friend from Eganville (Right Hon. Mr. Graham). That amendment, I think, will satisfy those who desire to link up the balance sheet of the Canadian National Railways with the public accounts of Canada, wherein appears a statement of what the country has done not only for the Canadian National, but for the Canadian Pacific and the other railways that have received subsidies from the Dominion. We all know that the amount represented is a formidable one. It may be a lesson to other young countries like our own, and may be an inducement to them to consider carefully any similar situation which presents itself to them. We know that the railways of our sister dominions have not always enjoyed the greatest prosperity. All countries have had to bear a burden of the same kind. Even France, a country with 40,000,000 people within a small area and with railways running east and west, north and south, is facing formidable deficits every year. I cannot speak by the

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book for other countries, but I do know of that one. Let us hope that brighter days are ahead for Canada and that we shall be relieved of the load we now have to bear.

I move, seconded by the Right Hon. Mr. Graham, that the Senate concur in the report of the House of Commons on this Bill.

Hon. C. C. BALLANTYNE: Before the motion is put, honourable senators, I should like to say a word. While I, of course, will follow my leader in the decision he has arrived at, I certainly regret it, because I think it will create a false impression among the taxpayers and the people of Canada generally. One can visualize two years from now, or probably at an earlier date, enthusiastic Government supporters appearing on election platforms throughout this country with two balance sheets in their hands. They will get up and say, "When we came into power this was the condition of the Canadian National Railways, owing to the bad government of the Conservative party."

Hon. Mr. DANDURAND: I protest most vehemently that men in their senses would not rise to say such a thing on the basis of these facts.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: I protest vehemently, because there will appear annually a statement of the operations of the railway, and the best evidence of any advance having been made will be an improvement in the receipts and expenditures.

Hon. Mr. BALLANTYNE: Very well, I will put it in another way, which I hope will be more pleasing to my honourable friend. Those who will see the balance sheet will gain an erroneous impression. Very few, if any, will go to the public accounts to see what the real liabilities of the road are. The only object of those on this side of the House, as the honourable senator from Montarville (Hon. Mr. Beaubien) said so eloquently yesterday, is to keep before the people of Canada the amount that is written off. I think that is the only fair and right thing to do.

Now I leave the balance sheet for the moment. The honourable leader of the House says that he—and I suppose he speaks for the Government—has no solution whatever for the railway problem of Canada.

Hon. Mr. DANDURAND: Except the economic policy.

Hon. Mr. BALLANTYNE: Quite so. My honourable friend and I live in the same city: the same people who speak to me speak also to him. On many occasions they say, "How