

this accrued interest stands to-day as a charge of more than \$3,000,000,000 against the people of Canada, largely as a result of the magnanimous action of certain gentlemen in the years from 1911 to 1921. And may I, in all kindness, say that my right honourable friend opposite is included in this quota of magnanimous gentlemen.

I come now to the appointment of the Duff Commission. In November, 1931, Canada's railway problem had become acute; so Prime Minister Bennett secured the appointment of a royal commission of distinguished gentlemen, including Chief Justice Sir Lyman P. Duff as chairman, Lord Ashfield, of London, England, the late Sir Joseph Flavelle, of Toronto, Mr. L. F. Loree, President of the Delaware and Hudson Railway of New York, and three other gentlemen of ability. That commission was fully authorized to survey the entire field of Canada. The presidents of the Canadian Pacific and the Canadian National Railways, with other members of their executive staffs, appeared before the commission. It was contended by Sir Edward Beatty that a saving of \$75,000,000 could be made in the operation of Canada's railways by what was then called amalgamation and is now called unification. The net result of this recommendation was that the commission reported as follows:

We have carefully weighed the informing and voluminous evidence which has been placed before us in regard to a subject of major importance to the Canadian people and, in arriving at our conclusions and making our recommendations, we have endeavoured to eliminate any considerations as to what might be theoretically the best course to pursue under other circumstances and in other countries, and to base our judgment solely on what is best for the people of Canada.

The complete amalgamation of the two systems has been suggested as a method, not only for attaining a measure of economy, but also for the most effective use of the properties. This raises the question whether it may be done either by public or private ownership. Whatever merits or demerits this proposal may have, the time is not opportune for giving serious consideration to this particular remedy; neither complete public nor complete private ownership is possible.

To establish a monopoly of such magnitude and importance would place in the hands of those responsible for the administration of the system powers that would, if not properly exercised, prejudice the interests of the Dominion as a whole.

It has also been suggested that the Canadian National Railways should be leased to the Canadian Pacific Railway, either in perpetuity or for such a period as would afford an opportunity to effect substantial economies.

A lease in perpetuity presents certain difficulties. It would, whatever safeguards may be adopted, result in the establishment of a monopoly.

Other considerations which militate against a perpetual lease are twofold: first, should the population of Canada greatly increase, the volume of traffic would grow and the railway mileage be materially enlarged, with the result that the management of so great a system might well become unwieldy and necessitate segregation. The second reason is a natural and justifiable hesitation to commit, finally, future generations, and even the present one, to a policy adopted under the stress of difficult circumstances which may not be best adapted to a new set of conditions difficult to forecast.

From the date of the pronouncement of the Duff Commission on the railway question, the President of the Canadian Pacific started, and has earnestly continued, a campaign of propaganda looking toward unification of railways. To-day certain honourable gentlemen opposite and some to my right are backing that campaign, in disregard of very probable serious results, which would mean increased liabilities for Canadian taxpayers and a resumption of dividends to Canadian Pacific shareholders.

May I be pardoned if for a moment I deal briefly with a little of the history of this project because of the fact that my honourable friend from Montarville (Hon. Mr. Beaubien) and, I think, also my right honourable friend opposite (Right Hon. Mr. Meighen) referred to a unanimous declaration of this House in 1925 with respect to a solution of our railway problem. I wonder if the majority of honourable members know how that committee of fourteen members was appointed by the Senate and in what manner they conducted its proceedings. They sat in camera and called before them chosen individuals to present a certain view. Am I unfair in dealing with this point? My justification is that last night my right honourable friend referred to the dead, and therefore I hope I shall not be criticized if I follow his example. May I suggest that among the fourteen members appointed by this Senate to do that job in camera one at least was a director of the Canadian Pacific Railway Company or of allied companies?

That committee made a report, to which we have been repeatedly referred. I realize that the amendment moved by my honourable friend from Montarville does not contemplate resumption of dividends to Canadian Pacific shareholders. The proposal made last year did contemplate it, and that is what we were up against then. That was the important part of the report of the committee of 1925—resumption of dividends to the Canadian Pacific shareholders. To-day that is a hot brick, and we must not touch it: the idea might not be popular. Before I sit down I shall endeavour to show that now we have something more efficacious than that proposal.