

Hon. Mr. DANDURAND: Of course a number of employees would be laid off if certain economies were put into effect. We have recognized our responsibility to such employees by passing a Bill to provide for compensation. That Bill is now before the House of Commons. This indicates our willingness to accept the consequences of co-operation. I repeat, the things which the Act of 1933 indicates as being desirable to be done by the two railways, and which I enumerated yesterday, would enable them to bring about considerable savings. It is the duty of the Canadian National to lead the way in this direction and request appointment of arbitral courts. My right honourable friend asks what co-operation under the Act of 1933 has produced. I admit the procedure was slow and that it has not produced very much, but in this connection I find in the report contained in the amendment which the honourable gentleman from Montarville moved yesterday this paragraph:

That such unified operations as have in a very minor way been put in effect in respect of our railways have already shown large percentage reductions. In the case, for example, of the pool trains, there has been shown an operating saving of 33 per cent, though such pool trains still carry the waste of duplication in terminals, yards, etc.

What is the conclusion to be drawn from that paragraph of the report signed by my right honourable friend? Surely that this is a very good example of what is possible under co-operation when there is a willingness to co-operate earnestly. Why should the two railways not continue to obtain greater results by enlarging that programme of co-operation? I am not surprised to find that as a consequence of the results obtained under this experimental pooling the two railways have come to the conclusion that they should pool all their competitive passenger trains; and this conclusion is all the more natural when, as we know, their passenger trains are mostly in the red. Other savings can be effected all along the line. For instance, they can obtain running rights and similar co-operation in many fields.

I think the Canadian Pacific will resign itself to further co-operation. The Canadian National, as I have said, is under the wing of the Canadian people, and the Canadian Pacific is desirous of forming a partnership which will bring it under the financial umbrella of the Dominion Government. The Act passed by the Bennett Government indicates what course should be taken if the Canadian Pacific fails in its attempt to bring about unified management. In these circumstances I wonder if we are not doing the wise thing

by telling the two railways, "You have not done what should have been done under the Act of 1933." As a matter of fact they failed to utilize that Act. No one could say which, the Canadian National or the Canadian Pacific, had blocked the way and was responsible for the smallness of the result. We have all been disappointed. The country at large has been disappointed. I hold the Canadian Pacific responsible by reason of the fact that it carried on a campaign of propaganda to show that co-operation was a failure. Otherwise how could Sir Edward Beatty carry on his propaganda? I think this is very logical.

My right honourable friend took upon himself the responsibility of saying that the Canadian National was not administered as it should be; that it was a state-owned railway and under the influence of the Government and of ministers. The only evidence he brings forward to establish his affirmation is his statement with regard to the Montreal terminal, which was started in 1929, suspended in 1931, and started again a few months ago. An effort was made to bring the Canadian Pacific into the picture, and I must admit that I said I would not allow the Canadian Pacific to intervene in this domestic matter of the Canadian National. I did not say that the committee could not examine witnesses and go into the question of the terminal or the advisability of continuing its development. I said it was a matter for the committee, not a matter for the Canadian Pacific Railway.

Right Hon. Mr. MEIGHEN: We could not hear from the Canadian Pacific; we could only hear the other side: that is what you said.

Hon. Mr. DANDURAND: I denied to the Canadian Pacific the right to say what form the Canadian National terminal in Montreal should take.

Right Hon. Mr. MEIGHEN: You would not let them give evidence.

Hon. Mr. DANDURAND: Certainly I would not. My honourable friend said we should hear the other side. I said, "What other side?" and my right honourable friend did not answer.

Hon. Mr. GORDON: The side that wanted to co-operate.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. DANDURAND: Oh, no; the side that wanted the Windsor station to be the terminal—a proposal which had been defeated in 1929 by the report of Sir Frederick Palmer, who decided that it could not be.