

though it were a quite harmless thing, which needed only to have its fur rubbed a little to be satisfactory to everybody. I think he was greatly exaggerating when he said that 95 per cent of our people are served by a railway monopoly now. To my mind that does not hold true of Ontario and Quebec, though it may be so of parts of the West. He also compared a railway monopoly with certain monopolies which exist in nearly every city for the supply of electricity, gas, and so on. But surely it is altogether unreasonable to compare such things with a monopoly which would give a few men control over the huge properties of our two railway systems, as well as over hundreds of thousands of employees throughout Canada, and thereby indirect control over hundreds of thousands of those employees' relatives, distributed throughout all the ridings of the country. As to the danger from monopolies I am sure the people of Canada will never forget what happened in Manitoba after 1888, or thereabouts, when the Canadian Pacific was given a guarantee that no railway should be built south of its line to the United States border, and was granted immunity from freight regulations until earnings reached 10 per cent of its capital.

Next I want to refer to the Canadian Pacific's estimate of \$75,000,000 of savings under unified management. It seems to me that estimate was greatly exaggerated. The company was ably represented by its officers before our committee, but they were unable to justify that figure. We members of the committee felt that fairly large savings would be possible under unification, but we were not technically equipped to come to a decision upon that point. The main basis of the company's calculation was the saving in train and car mileage which it was said would result from amalgamating light traffic lines, and so on, and savings on maintenance and other things were computed to accord with this basis. But the Canadian National contended that the estimate of reduction in train and car mileage was wrong, and the Canadian Pacific representatives were asked to state specifically how the estimate was arrived at. They refused to do so, they side-stepped, on the ground that if the information were given it would cause considerable disturbance and lead to unfavourable public reaction in certain parts of the country. Perhaps they could have given details had they so desired, but the fact is that they did not.

It looks like pretty good propaganda to state in the press and over the radio that \$75,000,000 could be saved by unification. When the ordinary man hears or reads that,

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he wants to know why unification is not made effective at once. But I say to honourable members that this estimate was not supported by the evidence given before our committee. Members of the committee had not the technical qualifications to judge from the evidence what savings were possible, but my guess would be that perhaps from one-third to one-half of the Canadian Pacific's estimate, at the utmost, could be saved by unification.

I do not take quite so pessimistic a view of the future of our railways as some people do. For a number of years we have been living in unstable times. Ever since the Great War nationalism has run riot throughout the world, and international trade has been on the decrease. But surely we do not think that kind of thing will continue forever.

Hon. Mr. HAIG: It will not end in my honourable friend's lifetime.

Hon. Mr. HORSEY: And surely we do not feel that Canada is going to stand still from now on, or that it will go backward instead of forward. We must believe that eventually the international skies will clear and that trade will revert to a normal condition. In time to come we shall have a larger population in this country, and that will mean more business. Transportation services will share in that increased business, and the railways will be among those services receiving greater revenues.

The provision for agreed charges which we passed in the Transport Act last session will be a very valuable aid towards increasing railway receipts. And we must remember that highway competition is not quite so black as it has been painted. Evidence was given before the committee that on long hauls it is from two to three times as cheap to ship freight over steel rails as on rubber tires. It is true that there is a chaotic condition at present. Motor traffic is in some respects unregulated; drivers are required to work long hours and are paid very low wages. But surely the time will come when the wise men of the Dominion and of the different provinces will settle the constitutional problem which is partly responsible for the present lack of regulation of trucks and buses. When proper regulation is made effective, large revenues will be diverted to the railways.

And I believe that very substantial savings could be made by voluntary co-operation. At one time I was in favour of putting some teeth into the law to make co-operation compulsory, but I do not feel strongly about that now. My present view is that compulsory co-operation will not be necessary, though I