

country the impression that politics are playing a part in the conduct of our proceedings. I am sure that in these very difficult times many honourable senators, like myself, have entirely lost their party passions, and that with every member of this committee party passions have at least been greatly subdued. I am sure you will all agree with me that the only thing we are here to consider is, What is in the best interest of the country as a whole? It is therefore highly important that any report this committee may make should be high above and divorced from any charge of party politics, and also free of the charge of being influenced by either railway system.

In the beginning of our work the only benefit I could see which might come out of our inquiry was educational; that is, to give the facts to the country. We should now, however, recognize that notwithstanding that our report would ordinarily be confined to the particular matter referred to us, as our inquiry proceeded and the Press gave publicity to the hearings, aided by the discussion of many individual citizens throughout the country, a large section of the public have come to regard our inquiry as one which should result in the solution of our railway problem. They therefore expect, in fact demand, a report from this committee which will be definite and concrete and at least give promise of a more complete evaluation of the entire railway situation than it is possible for this committee to bring in.

Nevertheless, I honestly believe that with this responsibility resting on our shoulders, any failure to bring in at this time a recommendation which will point the way to an impartial judgment, free from any political considerations or railway influences, will leave us subject to the most violent attacks by those who to-day are agitating against our democratic form of government, and more particularly those who are attacking the Senate of Canada. Our failure to come to a constructive finding after our two years' work, I feel, would be a discredit to every member of the committee and would greatly injure the standing of the Senate itself. The problem is now on the doorstep of Parliament. To endeavour to sidetrack it, to avoid it or to bring in an innocuous report, would be little short of calamitous and furnish a clear example of the inefficiency of Parliament itself. It therefore seems imperative to me that our committee should come to some constructive recommendation which promises an impartial inquiry into our entire steam-railway problem.

Our inquiry has been almost entirely confined to the savings which would result from unification. As I have often said, I am opposed to unification as presented to the committee. I am certain that, as matters stand to-day, the great majority of Canadians are opposed to unification. That proposal, even to those who desire it, is therefore impossible of fulfilment at this time.

The larger problem of the future of our steam railways has been barely touched. The financial picture, except as affecting savings in operation, has also not been enquired into. Many other correlated factors remain to be disclosed. Collateral issues, such as unemployment, have also to be considered and passed upon before anything like an intelligent, safe opinion can be arrived at as to how the country should deal with this all-important matter.

There is much need to inform the public with regard to the unfortunate position in which our railways, in common with railways in the United States, find themselves. It is my opinion

Hon. Mr. McRAE.

that the ever-growing competitive transportation services have put our steam railways, operated as they are to-day and on the present rate structure, entirely out of the class of "profit-earners," for all time. The march of time knows no retreat. At present some people believe unification would be the end of our railway deficit. This is very far from the fact. Others think that, given time, with our Canadian National Railways not interfered with and with a revival of business, deficits will disappear. This, too, is equally erroneous. Everyone is agreed that railway rates cannot be advanced—a procedure which is usually followed where a business cannot make both ends meet. In view of the present financial position of the Dominion, obviously the present railway situation cannot continue indefinitely. The judgment day is certain to arrive.

The real question which still remains, after a review of the entire railway situation, is, What can be done in the national interest to relieve the taxpayer? When a solution is finally proposed it must be one which will have the support of the majority of the Canadian people; hence the necessity of an impartial report which will carry conviction.

It is with a full appreciation of the situation that I submit to you for your consideration my proposal, which is as follows:

That we recommend to the Government the appointment of a board of three eminent Canadian judges, the chairman to be a member of the Supreme Court of Canada.

The duty of this board will be to inquire into all matters affecting our steam-railway problem, their financial, operating, labour and similar correlated factors;

To review all the evidence from and including the Duff Royal Commission of 1932 and all the evidence available taken before Senate committees since that time, including the present special Senate railway inquiry;

To consider the present position of our steam railways and the probability of their making necessary earnings in the future;

To report to the Government what, in its opinion, keeping the national interest in view, could be done to improve the railway situation in Canada;

The board to be empowered to engage counsel and such other expert advice as it may find necessary to enable it to arrive at a conclusion on any of the various points which may arise in its consideration of our steam-railway problem.

The members of the committee will note that I have endeavoured, in my proposal, to accomplish the following:

First—To place this question before a board far above any reproach of political or railway influences.

Second—The findings of this judicial body will carry weight with Canadians generally. Canadians, quite properly, have a high regard for our courts, and would have a similar respect for the findings of this board of judges.

Third—The conclusions of this board would cover all essential points which go to make up the present railway problem and its possible solution or improvement.

Fourth—The expense of this board would be very small indeed, compared with the amount at stake. Practically all of its work would be