

Hon. Mr. DANDURAND: —affirmatively. Then the Bennett Government appointed the Duff Commission, which recommended that competition between the two railways should be as far as possible eliminated, but that there should not be amalgamation. In its report the commission suggested the pooling of trains, the placing under one management of telegraph companies and, likewise, of express companies, and so on, which suggestions I referred to in my speech yesterday.

The Canadian National-Canadian Pacific Act of 1932-1933 was based upon that report. Now I look at the mandate which was given both railways by that Act, and I ask why they have not co-operated as we expected them to do. Between 1933 and 1935 the Bennett Government were able to supervise the operation of that Act. They did very little to set up the organization provided for in the Act. Be that as it may, my right honourable friend has been repeating the statement of my honourable friend from Montarville (Hon. Mr. Beaubien) that for six long years nothing has been done. Something has been done, but the railways went about it very slowly. It is only during the last few months that our committee found they had agreed to the principle of pooling all competitive passenger trains from the Atlantic to the Pacific. This is a decided step forward.

It may be asked why they have not agreed to go faster towards executing the mandate imposed upon them by the Act of 1933. They were directed to work together in harmony and try to eliminate competition as far as possible in order to bring about savings. But while they were trying to co-operate, the President of the Canadian Pacific was going from one end of the country to the other declaring that the only solution for the railway problem was unification. My right honourable friend says, "You have no evidence that there was any dilatoriness on the part of the Canadian Pacific with respect to co-operation." Well, President Hungerford last year, and again this year, said that if there was earnest co-operation on the part of the railways, and the campaign for unification was discontinued, there could be results.

My right honourable friend says there is danger that conditions may become worse and that the Canadian Pacific may face dire consequences. I put this question to my right honourable friend: Is it not the first and most imperative duty of the board of directors of the Canadian Pacific to attend to their own salvation? If it is, and they are told that the country does not accept unification or amalgamation, and they must work out their own salvation under the Act of 1933, I submit that

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on the basis of what has already been done under co-operation the Canadian Pacific can improve its situation considerably. I admit it is much easier to obtain results under unified management, amalgamation or monopoly, because in that case there is but one administration. However, as the country is not ready to-day to hand the two railways over to private management, as the trend is all the other way, I repeat, let the board of directors of the Canadian Pacific work out their own salvation under the 1933 Act.

There may be need of compulsion on the part of the Government, and, if so, I think the statutory powers should be invoked. Undoubtedly line abandonments can be brought about under co-operation, but in many instances efforts to that end have been blocked by the Board of Railway Commissioners, now the Transport Board. Substantial economies can be effected by the reduction of car and train miles and by the consolidating of stations, yards, terminals, locomotive and car shops and various activities. All this can be done under the Act of 1933. The sole reason for the dilatoriness is that there was not the will to co-operate. I will not place upon the Canadian Pacific responsibility for this tardiness, except to say that Sir Edward Beatty did not believe in co-operation and continued to offer the public his own nostrum of unification. In these circumstances it is easy to realize the atmosphere created in the administration of the two railways.

To-day Sir Edward Beatty again comes before the Senate with the hope that we shall give some impetus to his movement for unification. I feel the Senate should hesitate to do so, for I am confident it would only lead us into a blind alley. If the Canadian Pacific can get a majority of honourable members to declare that Sir Edward's nostrum is the best solution, then he will continue his campaign and will not utilize the Act of 1933 as it should be utilized. I am quite sure, however, that if the Canadian Pacific will turn towards co-operation under the Act of 1933, considerable savings can be effected.

My right honourable friends suggests that all the ills which would flow from unification as set out in my report would also flow from co-operation. There is not a word about this in the report.

Right Hon. Mr. MEIGHEN: Of course there is not. The report would not be accepted if you told the truth.

Hon. Mr. DANDURAND: All the same, I have urged that we should proceed under co-operation.

Right Hon. Mr. MEIGHEN: Yes.