

Hon. Mr. HORSEY:—and whilst they were smiling at each other and going through the motions and forms of co-operation, when it came to the matter of any serious saving it was dead work.

Right Hon. Mr. MEIGHEN: Like the Montreal terminal.

Hon. Mr. HORSEY: Unification is what killed co-operation. I am firmly convinced of that. So what we have to get rid of is unification, and if this committee can help in that direction we shall have co-operation with a will, and are likely to get some decent results.

The main report shows that in 1937 conditions were very different from those in 1930 or 1931. The Canadian Pacific Railway was prosperous financially and was paying its common and preferred dividends.

Hon. Mr. CALDER: In 1937?

Hon. Mr. HORSEY: In 1931.

Hon. Mr. CALDER: It paid half the dividends.

Hon. Mr. HORSEY: Now the dividends have been passed altogether, and the condition is such that, if we can once get the nigger out of the woodpile, the Canadian Pacific Railway will have to co-operate with a will. The hint of unification is what has been damning the whole affair. If there had been no propaganda for unification we should have had, I submit, a real trial of co-operation. If it had failed then, I should have been one of the first to reject it. Now, in order to reduce deficits, the Canadian National Railways must begin to co-operate. As my honoured leader has said, if they do not do so voluntarily—and I believe they will if we can get this—

An Hon. SENATOR: Devil!

Some Hon. SENATORS: Oh, oh.

Hon. Mr. HORSEY: You are quite right. If we can get this nigger out of the woodpile, then we shall be successful.

The majority report that has been submitted to this House has the definite support of the Duff Commission. And what sort of commission was that? It was headed by the Chief Justice of the Supreme Court of Canada; it had on it two very eminent railway men, one from England and one from the United States; also that great financier from Toronto, Sir Joseph Flavelle, who passed away recently, and Mr. Beaudry Leman, and men of that type. They went exhaustively into not only the railway situation, but the whole transportation system of Canada since the beginning of its history. No other commission ever studied the whole situation as exhaustively

as this one did. It visited every province and interviewed the premiers and the transportation men. It dealt with water transportation, highway transportation, railway transportation and transportation by air. It heard representations from all the leading associations of the country and from individuals who wished to appear before it, and after a careful study of the evidence it came to certain conclusions. One conclusion it reached was that there should be no amalgamation, no unification; that the people would not stand for it. It decided that the railways must be treated fairly and justly, but that they must co-operate. It set up machinery by which, if the railways could not agree, matters could be settled and adjusted. So behind this committee report there is the authority of that commission. No matter how industrious the members of the committee may have been—and I believe they were regular in their attendance and gave every attention they possibly could to the study of this matter—it does not seem to me that without the assistance of railway men it could go into the matter as exhaustively as the Duff Commission did. Are we to make what that commission did of no effect?

After listening to the evidence in the committee and after reading the Duff report I am absolutely convinced that in the solution of this railway problem the two properties should be kept separate. That is the milk in the coco-nut. The thing to avoid is the danger of amalgamation; and the stipulations to which I have referred would be useless, of course, once the roads began to come together and fuse. We know that the end would be domination of the amalgamated roads by the Canadian Pacific. And the people of Canada do not intend to hand over their railway even to a company which is so well operated as the Canadian Pacific is. I have not the slightest animosity towards that company, nor the slightest preference for the Canadian National. I am not interested to the extent of a dollar in either company. I have the highest regard for the Canadian Pacific Railway; I admire it for what it has done ever since it was established, for the way it has helped to develop our country's resources and for the well-deserved reputation it has had all over the world. It is a great company, and it has done very much to make Canada known everywhere.

I want to call honourable members' attention to that part of the committee's report which deals with the danger of monopoly. That is in section 4 on page 461 of the printed proceedings. It seemed to me that the honourable senator from Montarville (Hon. Mr. Beaubien) treated monopoly as