

tax, and every time I pay it I am reminded that so many hundreds or thousands of dollars of this tax go directly to the payment of losses on our railways. Over a period of years I have put a considerable amount of money into our railways, and every other honourable gentleman here has done likewise. Therefore I say that everyone in Canada has a very vital financial interest in this question. I think the honourable gentleman was mistaken when he said he had no financial interest. As to his having no interest in the Canadian Pacific Railway, I take his word. Neither have I.

While on this subject, may I make clear my position with regard to my interest in railways? I live in Westmorland County, which has always been served by Government railways—first by the old Intercolonial, and later by the Canadian National—and never by any other. I and my people before me have been engaged in shipbuilding and in the shipping business. Our ports have been Sackville, which was a seaport up to the time when the rails were taken up; Moncton; Shediac, which is still a shipping port; and Saint John. It was only by the use of the Canadian National Railways that we could reach those ports. My sympathies have always been and are to-day with the Canadian National. However, I am bound to view the railway situation in its relationship to the people of Canada.

Now I come to another remark by the honourable gentleman (Hon. Mr. Horsey) which surprised me. He said in effect that one of the results of unification of management would be absorption of the Canadian National Railways by the Canadian Pacific Railway. All I can say is that I wish the honourable gentleman were right. I do not think there is a citizen of Canada who would not be happy indeed if some individual, or private company, or corporation would take the Canadian National off our hands. In making this statement I am not saying anything detrimental to the Canadian National lines. We all know how we came into possession of them. I am convinced that we could not find an individual, corporation or company who would take the Canadian National as a gift, if along with it went the necessity of continuing to operate those railways as they are operated to-day.

Why did we take over the Grand Trunk? It was because the people who had owned and operated it previously were unable to continue. It had either to go into the hands of a receiver or be taken over by the Government. Why did we get the Canadian Northern? For exactly the same reason. No private company, individual or corporation

Hon. Mr. BLACK.

could afford to operate the roads. Consequently we now have all these roads on our hands, and have to make the best of them. To say that the Canadian Pacific Railway would like to take over the Canadian National is a statement which does not fairly represent the true position. We could not induce the Canadian Pacific to take over the Canadian National Railway system and operate it. We all know that, and we might as well admit it.

I listened with a good deal of interest to the remarks of my honourable friend from Leeds (Hon. Mr. Hardy). He agreed with what had been said by the honourable senator from Vancouver (Hon. Mr. McRae), and in certain respects he felt much as I do. He was not satisfied with the committee's report nor with the alternative report. However, he was unable to suggest any way of improving our railway situation.

Hon. Mr. DANDURAND: The honourable gentleman from Leeds (Hon. Mr. Hardy) suggested compulsory arbitration.

Hon. Mr. BLACK: He suggested that as a possible course. I thought that when the honourable leader (Hon. Mr. Dandurand) moved adoption of the committee's report he would recommend compulsory arbitration, but he did not. I can understand, perhaps, why he did not. When we discussed the railway situation in 1933 we gave a good deal of consideration to the compulsory arbitration feature. I remember that it was strongly opposed by the honourable senator from North York (Hon. Sir Allen Aylesworth) and the honourable senator from Saltecoats (Hon. Mr. Calder), but I supported it. I took my stand on the ground that if compulsory arbitration were not provided for, the measure then under consideration would be no good at all. But it was not provided for, and it has not been recommended in the committee's report.

I was also much interested in the remarks of my honourable friend from Lethbridge (Hon. Mr. Buchanan). Like myself, while feeling that the committee did excellent work, he is not satisfied with the results of that work. At least, that is the inference I draw. He asked, "Would unified management relieve us of the interest on the moneys invested in the Canadian National Railways?" In my opinion, nothing under heaven will afford us much relief from that burden in the course of many years to come. It seems to be generally admitted now that the maximum savings we could expect from complete co-operation or unified management—and the same results might be obtained by either of these means—would be about \$25,000,-