

I would ask honourable members to pay particular attention to what follows:

—then the only courses that would be left would be either to effect savings in national expenditure in other directions or to add still further to the burdens under which the industries of the country are suffering by the imposition of yet further taxation. Failing the adoption of one or other of these courses, and there are obvious limits to their application, the very stability of the nation's finances and the financial credit of the Canadian Pacific Railway will be threatened, with serious consequences to the people of Canada and to those who have invested their savings in that railway.

Those are the solemn words chosen by all the members of the committee.

Hon. Mr. MURDOCK: May I ask my honourable friend whether that action was not taken in 1933, when the royal commission was investigating the matter?

Hon. Mr. BEAUBIEN: I wish my honourable friend would be patient. I may not have expressed myself very clearly—

Hon. Mr. MURDOCK: I am asking for information.

Hon. Mr. BEAUBIEN: —but I intended to say that the quotation is taken textually from the report of the Duff Commission of 1932. I added that that warning had been adopted by each section of the committee as expressing their own opinion. Otherwise, why should it be in the main report and also in the alternative report? It is there for absolutely no other purpose than to express what may be regarded as the unanimous opinion of the committee. The gravity of the situation is admirably expressed by an independent voice which should be heard throughout Canada.

What does that warning imply? That the financial stability of the country is menaced by the annual recurrence of Canadian National deficits unless one of two things is done. First, increased taxation. It is but yesterday that the Hon. Minister of Finance expressed regret that he was unable to lessen the tax load which is breaking the back of the nation, impeding the wheels of industry and commerce, and aggravating unemployment. To-day we are faced with the appalling figure of a million of our people on relief. Is it reasonable to believe that under those deplorable conditions taxation could be increased? What man in either House would dare suggest it to the country? No; increase of taxation is out of the question.

The other course is to reduce national expenditures. Who will be so courageous as to make such a suggestion? Why, our national expenditures have been expanding for years past, and will continue to expand.

For instance, who will dare propose that expenditure on national defence be restricted? The Government have guaranteed to the West a minimum price on wheat, and they are being asked to extend this concession to grain growers in the other provinces. And why should crop insurance not be extended to other products of the farm? Who in the name of equity would refuse a demand for similar treatment? And unemployment insurance is on the way. For years the central Government have invited the provincial governments to pass concurrent legislation to provide for insurance against unemployment, and some of the provinces have already taken the necessary steps in that direction. When, in 1935, the Government had the matter under consideration it was estimated that the federal contribution to unemployment insurance would be \$52,000,000 a year.

I am confident honourable members will agree with my contention that, on the one hand, taxation cannot be increased and that, on the other hand, national services cannot be curtailed. The conclusion is inevitable that the financial structure of this country cannot stand a continuation of Canadian National Railway deficits.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. BEAUBIEN: My authority for that statement is to be found in the warning given by the Duff Commission, which, as I have stated, is cited in both the main and the alternative report. If my authority is wrong, then of course I am wrong, as are also all my colleagues, both those who are with me and those who are against me. But is it at all probable that twenty members of this House, after a conscientious investigation extending over two years, can be wrong in their conclusion? I do not think so. That, honourable members, is the basis for my submission that the committee is unanimous in its declaration that the financial structure of Canada is menaced and cannot stand a continuation of annual deficits on the operation of the Canadian National Railways.

May I examine somewhat briefly the main report in the light of this quotation which appears in both reports? For this purpose I pass to the second part of the instructions to the committee, that is, "to report as to the best means of relieving the country from its extremely serious railway condition and financial burden consequent thereto." For two years we have carried on our inquiry assiduously and attentively. We have heard witnesses who had suggestions to make to us, and we have tried to get from them all the