

Right Hon. Mr. MEIGHEN: I think there are some.

Hon. Mr. HORSEY: I cannot find them. There are two or three that are common to both.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. HORSEY: Take number 5.

New capital investments, limited as they will be to joint requirements, should be provided for on a basis of definite and individual responsibility for respective shares of the capital on the part of the Canadian National (or of the Dominion of Canada), on the one hand, and of the Canadian Pacific Railway Company on the other hand.

Right Hon. Mr. MEIGHEN: That applies equally to both; it equally protects both.

Hon. Mr. HORSEY: Yes, it does, if they can work it out.

Right Hon. Mr. MEIGHEN: You are saying there is nothing here for the Canadian Pacific Railway.

Hon. Mr. HORSEY: Yes. That is put in as a protective clause for the Canadian National Railways.

Right Hon. Mr. MEIGHEN: But honourable members realize that in acting for the people of Canada we should not likely be speaking in advance as to what would be necessary and right for the Canadian Pacific Railway. The company will look after that.

Hon. Mr. HORSEY: Of course it will.

Right Hon. Mr. MEIGHEN: But this and other safeguards are required for the people of Canada. What is wrong about that?

Hon. Mr. HORSEY: I term them "the dangers of unification." The report starts out by saying that any system of unification must be founded on these stipulations and safeguards for the Canadian National.

Right Hon. Mr. MEIGHEN: For the country.

Hon. Mr. HORSEY: For the Canadian National. Take the one I have just read:

New capital investments, limited as they will be to joint requirements, should be provided for on a basis of definite and individual responsibility.

The Government will be responsible for a part and the Canadian Pacific for the other part. Suppose the sum of \$12,000,000 is required—\$6,000,000 from each. How is the money going to be raised on the individual responsibility of each?

Right Hon. Mr. MEIGHEN: I do not know why it should not be.

Hon. Mr. HORSEY.

Hon. Mr. HORSEY: The Government can raise the money at a much lower rate than the Canadian Pacific can. The equality would end there.

Right Hon. Mr. MEIGHEN: That would be the railway's misfortune.

Hon. Mr. HORSEY: It might not be able to get it at all, though I think it could. All I want to point out is that these thoughts as to the dangers of unification or amalgamation were running through the minds of the members of the committee, and are expressed in the report.

Right Hon. Mr. MEIGHEN: Perhaps the honourable gentleman would tell us what he thinks should be inserted on behalf of the Canadian Pacific Railway.

Hon. Mr. HORSEY: One thing that I think might be put in is a provision that in the expenditure of huge sums of money the Canadian National should be controlled in its use of the public purse.

Right Hon. Mr. MEIGHEN: That is of the essence of unified management.

Hon. Mr. HORSEY: I do not think it is. However, I just wanted to make that one point. It seemed to me peculiar that all these objections to and dangers of unification should be brought forward.

Those who stand for unification of management say, "Oh, but we tried separate management and separate entities under co-operation, and after five or six years co-operation has dismally failed." I listened patiently while the evidence was being given by the officials of both railways in the committee. We heard evidence about the joint study committee, about the joint co-operative committee and the joint executive committee. They were not getting anywhere. I tried to discover why it was. I can perhaps explain what I mean by an illustration. I would compare the situation of the railways to that of a married couple who have fallen out of love, but have made up their minds that the public shall never know it. The wife sits at one end of the table with her guests, and acts most amiably towards her husband; the husband behaves in the most gallant and devoted way towards his wife; but both know it is dead work. The two railway managements were wed, so to speak, by the Canadian National-Canadian Pacific Act. They promised faithfully to co-operate. But what was the trouble? One of the parties fell in love with unification—

Some Hon. SENATORS: Oh, oh.