

CANADA'S RAILWAY PROBLEM
 REPORT OF SPECIAL COMMITTEE—
 DEBATE CONTINUED

The Senate resumed from yesterday consideration of the report of the Special Committee appointed on March 30, 1938, to inquire into and report upon the best means of relieving the country of its extremely serious railway condition and financial burden consequent thereto.

Hon. F. B. BLACK: Honourable senators, I feel that I am in a somewhat embarrassing position in addressing myself to the railway question at the present time. When the inquiry into this subject started I had great hopes that it would result in some definite benefit to this House, and, still more important, to the country at large. During the first year of our inquiry the committee had very excellent sessions and secured a great deal of information which not only was of value to every member of the Senate, but, I am sure, was also appreciated by the people at large throughout the country. When we reassembled this year a different spirit seemed to pervade the committee, and in my opinion no progress was made, and little was done that was of benefit either to ourselves or to the country at large.

I have listened with interest to the speeches made in this House respecting the two reports submitted. While the honourable leader of the House (Hon. Mr. Dandurand) gave, in a most admirable manner, a clear and concise résumé of the evidence, I was unable to find in the report he presented any suggestion which offered hope of a solution of the problem before us.

The speech of the honourable gentleman was, as his speeches usually are, most eloquent, and it did contain one suggestion, embodied in the words "true co-operation." So far as I have been able to interpret his remarks, that was the only constructive, helpful suggestion placed before us. The leader of the House mentioned a saving of \$52,875,000 that might possibly be obtained, either through unified management or through co-operation. He intimated that it was speculative, though that may not have been the word he used. After listening to the evidence and observing the results produced by co-operation during the past six years, I must say that I am unable to share the optimism expressed by the honourable gentleman with regard to the railways.

The Canadian National-Canadian Pacific Act was passed about six years ago, after considerable discussion in this House. We put in clause 33, which was supposed to give some real strength to the Act, and which set up machinery whereby the two companies,

in case they were unable to agree on measures of co-operation, could go to a tribunal to get a decision. During the first three years there was apparently no effort made by either railroad to exercise any of the economies which had been so strongly recommended, at least by this House. Now, six years after the inception of the Act, the total savings amount to about \$1,900,000. This result impels me to ask: If by the co-operative method it takes six years to reach a total of less than \$2,000,000, how long will it take to effect a saving of \$52,875,000? I mention this point because, to my mind, it does not indicate that co-operation is the solution of our railway problem.

I listened with a great deal of interest to the remarks of the honourable senator from Vancouver (Hon. Mr. McRae). I congratulate him on his excellent address. It was full of information of great value. But, again I ask, what was there in it to indicate to this House the means we should take to overcome the difficulties confronting us with respect to our railways? That address all comes down to one thing, and one thing only—another commission; call it a royal commission or what you will. We have had commission after commission, and committee after committee, but the situation remains the same so far as the loss is concerned, and because the loss of each year is added to the losses of the preceding years our position becomes worse and worse as time goes on.

The next honourable senator who spoke was the honourable gentleman from Prince Edward (Hon. Mr. Horsey). I am free to admit that I was unable to follow his argument as to the safeguards contained in the report presented by my honourable friend (Hon. Mr. Beaubien) on this side. In my view those safeguards are vital, and if they had not been embodied in the report I would not have signed it. Even with those safeguards in the report, I signed it with a mental reservation. So far as I could see, it offered the only reasonable solution and the only prospect of attaining a saving. I think that in calling attention to those safeguards the honourable gentleman did us a service.

The honourable gentleman (Hon. Mr. Horsey) made a statement which I thought was most remarkable. It revealed him in a position upon which I congratulate him. He said, "I have no financial interest in either road." If that is so, he is one of the most fortunate men in Canada.

Hon. Mr. LACASSE. He is a shareholder of the Canadian National.

Hon. Mr. BLACK: If he is able to escape taxation, he is about the only man in Canada who can. Every year I have to pay an income