

Mr. JELLIFF: We had a statement in the house two years ago. That will be found in Hansard.

The CHAIRMAN: We do not want to expose ourselves to the fair objection made by the Post Master General, that if the matter is to be discussed he has a perfect right to be represented here and to present his side of the case. That is quite right but it does not prevent us from discussing the principle as to what policy ought to be followed. The government might not accept it, but Mr. Heaps and some others may feel that that should be gone into.

Sir HENRY THORNTON: I suppose the committee has authority to make any kind of recommendation it wants about anything relating to the railways, has it not?

The CHAIRMAN: We can. They do not adopt our report anyway. It is merely presented.

Mr. HEAPS: Has not this committee the right to look into the railway situation and make recommendations? If not, it might as well go out of business.

The CHAIRMAN: You may as well dismiss that thought. We have the right to discuss anything we wish with regard to the Railways, and make our report. As I said, the report is presented and laid on the table. We do not move the adoption of the report, because the report includes the recommendation to accept the estimates. That is really a matter for the Minister of Railways: he brings in his estimate and he moves for their adoption. We merely file our report.

Mr. HEAPS: Is it not discussed?

The CHAIRMAN: It is discussed, but we do not move for its adoption.

Hon. Mr. DUNNING: The motion of the committee of supply is in effect, but the complaint I have received is from the other source, that the government has given so much of its business to the C.N.R. as to constitute discrimination against the C.P.R.

Sir EUGENE Fiset: And you find a response to that in every department.

Mr. JOHNSTON: Coming back to the individual, each minister of the government looks after his own business. If he wanted to turn a greater percentage to the National he could; if he did not, he might find a good reason or excuse to turn it to the Canadian Pacific.

Hon. Mr. DUNNING: The area in which discrimination can be shown is manifestly the area of competitive business. 17

Mr. HEAPS: That is the greater area, is it not?

Hon. Mr. DUNNING: No, the great bulk of the business is of itself non-competitive.

Mr. JELLIFF: You can find all kinds of recommendations in our reports.

Hon. Mr. DUNNING: To illustrate the difficulty a minister might have; a large proportion of the freight which is connected with the department of Railways and Canals, has to do with contracts entered into by the Department. For instance, the contract is let on the Welland Canal, which involves the movement of large amounts of cement and that sort of thing, in some cases by the department, in which case the freight routing is under the control of the department. In other cases the contractor is supplying the materials which he needs. It is difficult to say to the contractor that regardless of the service conditions, and so forth, he is restricted in the movement of supplies for this government work and that shipments must be made over the Canadian National. That is a practical matter of operation. All you can do is to lay down the general principle that we should do the best we can by our own. And that is really what you are doing.

[Sir Henry Thornton.]