

in order to keep the two railway systems separate we must have separate management. It is inconsistent to say that we will keep the two properties separate and at the same time to propose unified management. It is suggested that unified operation should be under the control of a board of fifteen directors, five to be selected by the Government or by the Canadian National, five by the Canadian Pacific, and the remaining five by the directors already chosen, or by some other appropriate method. Therein I see the difficulty of keeping the properties separate. When Sir Edward Beatty appeared before the committee he was asked, "If under unification considerable economies were effected, would it not result in the two properties being gradually merged?" "Well," he said, "within a space of ten years the properties would be so merged that it would be practically impossible to unscramble them, but to unscramble them would absorb all the savings that had been made during the ten years of unification."

I want to direct the attention of honourable senators to what the honourable member from Montarville has termed the alternative report. What I wish to refer to will be found in the proceedings of our committee at page 468. Before I deal with this report, in which, no doubt, the right honourable leader opposite (Right Hon. Mr. Meighen) had the largest share, although other members endorsed it—

Hon. Mr. HAIG: I question that.

Hon. Mr. HORSEY: You do?

Hon. Mr. HAIG: I certainly do.

Hon. Mr. HORSEY: I thought the honourable gentleman would be willing to take his ninth share of the credit for the report.

Hon. Mr. DANDURAND: You mean the minority report?

Hon. Mr. HORSEY: Yes.

Hon. Mr. BEAUBIEN: The alternative report.

Hon. Mr. DANDURAND: The amendment?

Hon. Mr. BEAUBIEN: Yes. There is no minority report.

Hon. Mr. HORSEY: I could have no higher regard for the ability of any honourable gentleman than I have for that of the right honourable leader opposite. Frequently throughout the session I find myself in agreement with him. If he were not in his seat I might say something further of my admiration for him. Let me add, however, that in my opinion he is one of our greatest parliamentarians since Confederation.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HORSEY: But I must say that on this occasion I do not find myself in agreement with the report which he presented to our Railway Committee as the leader of the party opposite.

Now I ask honourable members to turn to page 468. I intend to quote a passage near the bottom of the page to show the dangers of unification, felt apparently by the honourable gentlemen who signed this report. Near the middle of paragraph 4 I find the following:

To ensure the full conservation of every essential public interest and public service, and to safeguard the interests of Canada, the undersigned recommend insistence on the conditions enumerated below in respect of any system of unified management which may be worked out.

They would not have any without these conditions.

The undermentioned stipulations are not advanced with any thought that they are all-inclusive.

They are willing to give more—as many as you like.

We believe, however, that conditions in Canada, both as affecting the Dominion on the one hand, and as affecting the Canadian Pacific Railway Company on the other, are such that all necessary and reasonable provisions can be arrived at and agreed upon. The following objectives should be secured:

i. There should be no obligation, legal or moral, implied or expressed, whereby the country assumes any liability in respect of Canadian Pacific obligations or securities, either as to capital or interest.

It will be observed that of these eight stipulations there is not one which says, "We are going to protect the Canadian Pacific Railway." Every protection is promised to the Canadian National Railways if they will only come under unification.

Let us take the next objective:

ii. Any plan of unified management adopted should be such that the resulting operation can in no sense be dominated by the Canadian Pacific Railway Company.

I turn to the eight dangers which the signatories of this report have set out with regard to unification or amalgamation. They know the public appreciate the dangers inherent in unification, and they say, "We will give you all the stipulations that you want." But what does a contract like that mean to a business man? It means the Canadian National Railways would be holding a bag of stipulations, and the Canadian Pacific Railway would be holding the control, management and operation of the amalgamated railways. That is all I can see in these clauses. Why should there be all these safeguards for the Canadian National Railways and none for the Canadian Pacific?