

purposes. Why should we hide our faces in shame and remain silent on this matter? The Government know that 1,200 votes in this county, 1,500 votes in another county, 1,800 in some other county and 2,000 in another county will be sufficient to secure the return of their candidates. I am reminded of the religious wars in Europe in medieval times, when a duke or baron would reward his mercenary troops by allowing them to plunder any cities that fell into their hands. There is, however, this difference between ancient and modern usage: to-day the railway workers do not do the plundering; the Government are kind enough to do it for them! This hidden but transparent unholy alliance must go. Unification will do away with it by placing both railways under a board of strong men unremovable except for cause.

I intend now to refer briefly to the evidence adduced on behalf of unification before the committee. The Canadian Pacific submitted to us a statement which they had prepared for the Duff Commission in 1932. It was an estimate of the savings that would result from unification of the two roads. The statement, prepared by their engineering and accounting staffs, showed a saving of some \$75,000,000 odd on the level of the traffic of 1930. At the request of our committee this estimate was brought down to the level of 1937. As I recall, this amended statement showed estimated savings of \$59,000,000 with an abandonment of about 2,000 miles of railway, and estimated savings of \$56,000,000 without any rail abandonment at all. I may say that the estimate prepared for the Duff Commission was submitted to the auditor-general of the Great Northern, which had just carried out an amalgamation with another railway. He examined the estimate and said it was reasonable and realizable. Before the committee this estimate was explained and exemplified by seventeen committees of Canadian Pacific officials, each taking a part of the estimate, dividing it into sections and subsections and building up on the one hand the united system and laying aside and computing all savings that could be made.

On the basis of a united road the railway officials assumed that cars would be fully loaded, and would be hauled over the shortest routes, and they found that considerable economies were possible. In order to evaluate the economy at every step, they worked out the savings in terms of reduced car and train miles. Of course, if you have cars fully loaded you need fewer cars and consequently fewer men. Their calculations showed a reduction in passenger and freight services of 14 and 15 per cent respectively. They applied that measuring stick wherever

possible. For instance, they said, "If we have fewer locomotives and cars we shall require fewer yards and repair shops and a lesser quantity of fuel and lubricants, and it will not be necessary to have as large a personnel." That simple method was applied to \$50,000,000 of the \$75,000,000 of savings contained in the 1932 estimate. As to the balance of \$25,000,000, to which the yardstick could not be applied, they said that, for instance, if you have two offices in one city, by eliminating one you would save one-half of the expense, but of course you would have to make allowance for a greater amount of work being performed by the subsisting office.

This evidence was met by what I might term "the defence" in a manner designed to discredit it. A slight error here or there was magnified so as to cast doubt on the figures as a whole. Three major objections were urged. First it was said, "Your calculations on car mileage savings are not right." There was not a tittle of evidence in support of that objection, and, speaking as a lawyer, I do not attach much importance to it. Then it was said, "You have no right to apply Canadian Pacific unit costs to Canadian National operations, because the two lines are not comparable." The Canadian Pacific retorted: "We do not. What we do is to apply the Canadian Pacific unit costs to the united road."

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. BEAUBIEN: They said, "We do not apply it to the Canadian National." Why should the unit costs of the Canadian Pacific not be imposed on a road having the advantages and facilities of unification?

The third objection was, "Oh, yes, but you do not take into account the immense savings we have effected since 1930." Well, those savings of a permanent nature were not more than \$4,800,000. In fact I think I am perhaps stating the figure a little too high.

Right Hon. Mr. MEIGHEN: Too high.

Hon. Mr. BEAUBIEN: All the other economies made by the Canadian National were due to fluctuations of business. According to the Canadian National the Canadian Pacific evidence was not correct, but there was nothing to show that the Canadian National economies were not due to declining trade. Everybody will recognize immediately that when trade falls off the railways have to make economies and reduce their costs. But if trade increases and costs rise, the railways will then have a full opportunity to make the economies which the Canadian Pacific Railway had in mind.