

area, which has no other means of transportation. In my opinion aeroplanes will multiply and increase; we shall have larger aeroplanes, aeroplanes of greater capacity; and one of these days they will come down to the inhabited areas and cut into the traffic there.

There is another phase of the truck question. The entire public attitude towards the trucks is favourable. Nobody wants to do away with them. Not only does nobody want to do away with them, but everybody is desirous that they should be facilitated. I read only yesterday that the province of Quebec is proposing to spend \$50,000,000 on the improvement of highways during the next two or three years. For what purpose is this to be done? Is it for the buggy, the wagon, the old cart? Not at all. It is to meet the necessities of the truck and the automobile. And what is proposed in the province of Quebec is proposed in every part of Canada. Our municipalities and provincial governments everywhere are joining in this effort to improve highways so that the truck can go about its business in competition with the railways.

There was another branch of the evidence given before the committee that impressed me very forcibly and compelled me to give it more than usual consideration. I refer to the evidence on behalf of many thousands of railway employees, which was given by officers of various employee organizations. Practically all of this evidence was presented moderately, clearly and definitely, and when it was concluded there could be no doubt in the mind of any member of the committee as to where these organizations stood in relation to the inquiry which was being conducted.

To sum up briefly, the employees of both railway systems—with the exception of one minor group—were strongly opposed to any recommendation that would have any tendency towards a reduction in the numbers of those now employed or in the number of railway employment opportunities. This being their view, they had no hesitation in expressing disapproval of the 1933 Act, which makes provision for the securing of economies through co-operation; and they quite frankly condemned the suggestion that the desired economies should be brought about by some plan for the joint management of our two railway systems. In a word, they were opposed to any economy that would reduce employment or employment opportunities.

Personally, I can quite understand and appreciate this attitude. Within the ranks of the employees there are many thousands

of men and women who feared that your committee would recommend some action which would eventually put an end to their employment or their means of earning a livelihood. As nobody could foretell what might happen along this line, there was a quite natural tendency on the part of all to stand firmly together for the maintenance of the situation as it now exists. In a word, their jobs, their homes, their families, meant more to them than all else, and they feared and abhorred the idea of being thrown on the dole.

As evidence on this aspect of the problem continued to pile up, a query arose in my mind as to whether or not our railway employees as a class had taken full cognizance of and had clearly understood and visioned the future result of the menace which is now relentlessly operating against not only the railways and the owners of the railways, but against the employees as well. This menace has already thrown thousands of employees on the dole, and I am convinced it is certain to produce even worse effects unless something is done to bring about material improvement in our financial situation and to strengthen our railways in their struggle to maintain traffic earnings necessary to keep their employees on the pay-roll.

I need not refer at length to what has occurred in the industrial world. We all know that in every class of business there is in these days a strong tendency to secure economy and efficiency. Quite recently my attention was directed to many instances where industrial employers and employees are co-operating to the fullest possible extent to simplify and improve methods of production, to cut out unnecessary costs, to reduce handling charges, to eliminate waste of all kinds, and generally to strengthen and better in every possible way the industry in which both are vitally interested. In any line of business where the competitive element is present, action along these lines is essential if the business is to survive and provide employment opportunities.

But what is the situation to-day as to our two railway systems? Over a long period of years the two systems were developed, extended, and equipped with all the facilities deemed necessary to enable them to compete vigorously and aggressively with each other for traffic. As we now know, the results were far from satisfactory in any sense. Then suddenly, as it were, a new competitor appeared—not on rails, but on the highways. This new competitor rapidly multiplied its facilities, gained in public favour, enormously increased its business and cut deeply into the