

and, if so, what it amounts to. I do not think that phase of the question received much attention at the hands of the committee. On making some investigations I was rather surprised to find that, so far as I could judge, the credit is larger than the debit, and it would seem to me that our railway system is really a very valuable property. My reasons for this conclusion are based on items such as the following. In 1938 the taxes paid were \$7,000,000. In addition to this there are the sales tax, and the taxes paid by employees, which would no doubt run into many millions. Then we must not forget the contribution which both railways make to the country in the matter of freight rates. It was pretty clearly established before the committee that freight rates in Canada are very low, if not the lowest in the world, and that the contribution to industry through that channel amounts to many millions of dollars a year. Further, we must also take into consideration the service which is given to outlying districts and to branch lines which never were expected to pay, and, not least, the advantages which should be credited particularly to the Canadian National Railway, in the opening up of new country, the developing of mines, and the increase in the national wealth of the whole Dominion as a result of those railway operations. Then we must not overlook the fact that last year the Canadian National Railway paid in pensions more than four million dollars. So I have no hesitation in asserting that if a proper balance sheet were struck, and skilled economists were called in to give an estimate of the service rendered by our railways, we should find that the subsidy of \$54,000,000 a year is more than returned to the Dominion in the operations of our railways.

Speaking of subsidies, the money voted for railways is not the only great national subsidy. There is a subsidy, paid annually by the people of this country for many years, which is so large that it makes the contribution to our railways shrink into insignificance. I refer to the unseen taxes which the people of this country pay as a contribution to industry, as a result of our protective tariff, and from which no one can escape. We have no accurate estimate, but I think I am safe in saying that this contribution is not less than \$300,000,000 a year, and possibly exceeds \$400,000,000. I am not objecting to this subsidy. It is in accordance with a settled policy which has been in vogue for years.

There is another side to the balance sheet. The building up of our industries has been of very great importance to Canada, and I trust that beneficial results are recompensing us for the tremendous cost imposed upon our

Hon. Mr. ROBINSON.

country. This amount is not talked about, because it does not come into any accounts; nevertheless it is real. If one were to employ the arguments of the honourable senator from Montarville (Hon. Mr. Beaubien), it would at once be seen that there are at least two sides to a question.

Now, just a word about our publicly-owned railway. It represents a worth-while achievement, and in my opinion is something to be proud of. Taking over a number of railroads which were virtually left on our doorstep by bankrupt companies, as well as a number of branch lines which were in a deplorable physical condition, we spent money lavishly upon them, and now we have a unified system, maintained in good order, giving most efficient service, manned by capable officials and employees, and contributing to the country's business in a way that perhaps many of us fail to appreciate. To entangle this system in some sort of hybrid unification with even such a company as the Canadian Pacific Railway would be a fatal blunder. It would probably lead to government ownership under most unfavourable conditions. Let us maintain the freedom and independence of our railway, urge more and yet more co-operation, and help to restore the other great railway system to prosperity.

I have no axe to grind. I have no business or professional interest or stock in any railroad. But all my life has been spent in close contact with railway men, and I cheerfully testify to the character, the industry, the good citizenship and patriotism of all Canadian National employees, whether in the shops, on the tracks, aboard the trains or in the offices. I believe they all stand ready to co-operate towards solving the railway problem, if they are given an opportunity.

Some reference has been made to unified management as, I suppose, distinct from unification. As I understood the evidence given before our committee, the savings estimated to accrue from unification would not be obtained under unified management. I gathered that but for the difference in control of the roads, unified management is only another name for co-operation. And I make bold to say that unified management would not give the results expected from it.

Right Hon. ARTHUR MEIGHEN: Honourable members, while I value sincerely the addresses, or most of them, which have been delivered in this debate, I cannot say that I rise with any sensations of pleasure to add to the discussion. I feel rather a very real and distressing sense of futility, because I think I see the usefulness of this House under serious reproach and the function intended