

lion dollars in cash and securities have come to Canada from European countries in the last year. Thirteen million dollars in refugee gold arrived at Halifax last week in two shipments, one from Holland and the other from Belgium. Our Bank of Canada, I believe, is acting as storage agent for large amounts of refugee gold, which, of course, is not included in the bank's gold reserves. Some of this "hot" money would be withdrawn from Canada if the international situation improved. However, it is believed that most of the money will be permanently invested in Canadian bonds, mortgages, gold stocks and blue chip stocks, with gold stocks and blue chips attracting the larger part of investment funds. There is reason to believe that some of the owners of this capital are awaiting lower security prices before purchasing. A break in the market would afford them the opportunity to buy. The movement is only getting well under way. With proper encouragement and no improvement in the European situation, it should reach vast proportions in the next year or two. Stability in Canada is the best form of encouragement that we can offer.

Canada has before it an opportunity, such as it never heretofore enjoyed, for a development of business along all lines. A development of this nature would soon solve the unemployment problem. Improvement in business is the only permanent solution of unemployment. Government expenditures, great though they may be, are but a feeble effort compared with an improved business turnover.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. McRAE: I believe we should lose no time in laying plans to encourage and profit by the flight of capital and brains from the Old World. Hence the immediate need for a strong government and long-range planning if we are to capitalize the situation which is now before us. Are we Canadians big enough and able enough to take advantage of this opportunity to save and to make Canada?

In furtherance of my plea for united action by this honourable House, I close my remarks with the immortal words of General Grant: "Let us have peace."

Hon. A. C. HARDY: Honourable senators, I am very glad to have the opportunity of following the honourable gentleman from Vancouver (Hon. Mr. McRae), because it seems to me we are the only two who dissent from our colleagues on the Special Railway Committee. But my remarks will be brief, for I do not intend to repeat what has already been said. The report presented by the honourable leader of the Government (Hon.

Mr. Dandurand) contains a complete and fair digest of evidence given before the committee, so far as it could be stated in such a narrow space, and I would say the same thing of the report which has been moved in amendment by the honourable gentleman from Montarville (Hon. Mr. Beaubien). But I feel that since the committee sat during two sessions, and the honourable senator from Vancouver and I are the only two members whose views seem to run along the same lines—although our views do not run parallel the whole way—I should not be fair to myself if I did not give a short explanation of the position I have taken and intend to take.

I am not able to agree with the report recommended by the honourable leader of the Government (Hon. Mr. Dandurand), because it does not contain what I think a report of this kind should contain: a clear-cut, concrete and unequivocal recommendation to the Senate. I cannot see any real value in a report which omits such a recommendation. That omission is what I find fault with. I am quite in favour of the report in its general principles, that is, in its opposition to unification and its advocacy of co-operation; but, because it lacks the recommendation I have referred to, I am unable to support it and, if I am present, I shall vote against it.

Neither am I able to agree with the report brought in as an amendment by the honourable gentleman from Montarville (Hon. Mr. Beaubien). It is frankly in favour of unification. I need not go into that report, because it has been dealt with pretty fully already, and undoubtedly more will be said in support of it by other honourable members.

I feel that both railways are guilty of dereliction in a duty which lies very clearly before them. In 1933 we passed an Act providing machinery for setting up an arbitral board to effect compulsory or semi-compulsory arbitration. Evidence given before the committee seemed to show that the Canadian Pacific took every opportunity of evading an appeal to this board. I do not know whether it can be said that company was the only offender in this respect. I do not think it was, for in my opinion the Canadian National was equally negligent in not having invoked the machinery of the law, as it was so clearly within its power to do, and brought the Canadian Pacific before this board. They should have invoked that law—

Hon. Mr. DANDURAND: I said so.

Hon. Mr. HARDY: —and had compulsory arbitration put into effect. In failing to do that the Canadian National was as guilty as