

Hon. Mr. MURDOCK: May I ask a question? What about "Co-operation ever, amalgamation never"?

Hon. Mr. BEAUBIEN: That is a completely different question. I am not suggesting any particular method of settling the problem, but I say it is the duty of the Government to find a way out.

Hon. Mr. MURDOCK: The Government is doing that in this Bill.

Right Hon. Mr. MEIGHEN: By book-keeping.

Hon. Mr. BEAUBIEN: That shows how far my honourable friend has comprehended this Bill. He says the Government has found the solution in this Bill! Then I hold that he is the first victim of the Bill. He thinks that the country has got rid of \$1,334,000,000 of debt. Well, we have right here a surprising illustration of just what we predicted would happen. I do not congratulate the honourable senator from Parkdale (Hon. Mr. Murdock) upon being this first illustration.

Hon. Mr. MURDOCK: Do not worry about him.

Hon. Mr. BEAUBIEN: I am not expecting that the people will present to the Government a fully prepared solution to our railway problem, but I do submit that we in this Parliament should do our duty of keeping before the minds of the people the fact that unless our railway problem is solved we shall be faced with bankruptcy. If we do that, the people will in time resolve that the problem must be settled. Then the Government will be told plainly to do its duty or suffer the consequences.

Hon. JAMES MURDOCK: Honourable senators, I want my first word to be that so far as I personally am concerned no thought of mine, nor, so far as I know, any statement of mine, was ever to the effect that the right honourable leader on the other side (Right Hon. Mr. Meighen) has been against the Canadian National Railway System. In fact, my view has always been otherwise.

What is involved in this Bill? In my humble judgment, from the little and unimportant experience that I have had in railroad matters, all that is involved is the giving to the Canadian National, as a publicly operated railroad system, a fair deal and a chance to show reasonable operating results, through no longer requiring it to be handicapped by an inequitable balance sheet. Every honourable senator knows that millions upon millions of dollars which have been included in the Canadian National's balance sheet of the past have

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been, in part, an heirloom handed down from pre-Confederation days: \$15,000,000 in 1848, 1854 and 1855, and tens of millions of dollars granted in subsidies or assistance to railways before the Canadian National Railway System was ever dreamed of.

My honourable friend from Alma (Hon. Mr. Ballantyne) intimated a little while ago, as I understood him, that he anticipated that during the next general election distinguished gentlemen would be on the platform with two balance sheets—one the balance sheet we have now authorized the Canadian National Railways to make effective, the other an extract from the Auditor General's report showing this \$1,334,000,000 that has heretofore been hanging—I think, unfairly—as a millstone around the neck of the Canadian National Railways. I think my honourable friend from Alma is absolutely correct. There will be gentlemen who will do just that, but they will be gentlemen who will in my judgment be trying to blackmail the Canadian National Railways, as there have been gentlemen at work blackmailing and discrediting the system for many years past. Those are the gentlemen who will be up there with two balance sheets. If we are reasonably inclined to give a square deal to the Canadian National Railways, is it unfair to assume that possibly with a reasonable business recovery—and we have already had some of it—there will be a better showing in the final results of the operation of the Canadian National Railways, and that we shall be placing the system on an even basis with other railways in this country—yes, and in other countries?

Hon. Mr. BALLANTYNE: Does my honourable friend not think that a year from now the Canadian National Railways' balance sheet will look much more favourable than the last one?

Hon. Mr. MURDOCK: Indeed I do. Furthermore, I believe the balance sheet for many years should have looked much more favourable, because it would have shown a reasonable operating profit. If the actual operating results had been included, it would have shown a much—

Right Hon. Mr. MEIGHEN: It could not affect the operating results.

Hon. Mr. MURDOCK: —brighter picture than it has shown heretofore.

Right Hon. Mr. MEIGHEN: It could not possibly show the slightest difference in operating results, because the new set-up obliges the Canadian National Railway System to pay interest on its bonds outstanding to the public, and the old one did the same.